



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 17, 2019

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT**

SUBJECT: SEPARATE EXCLUSIVE NEGOTIATION AGREEMENTS WITH GREENS DEVELOPMENT, INC. AND GRIFFIN|SWINERTON, LLC FOR THE PROPOSED RIVERSIDE ALIVE MIXED-USE PROJECT CONSISTING OF NEW HOTELS, RESIDENTIAL, COMMERCIAL, OFFICE, CONVENTION CENTER EXPANSION, EVENTS PLAZA, AND A NEW PUBLIC PARKING GARAGE ON APPROXIMATELY 7.6 ACRES OF CITY-OWNED PROPERTY COMPRISED OF PUBLIC PARKING LOT 33, THE LANDSCAPE PLAZA FRONTING THE RIVERSIDE CONVENTION CENTER, AND THE FORMER UTILITIES PLAZA BUILDING, IDENTIFIED AS ASSESSOR PARCEL NO.'S 213-113-001, 211-111-011, -012, -013, -014, -015, -016, AND -017, GENERALLY LOCATED ALONG ORANGE STREET BETWEEN 3RD AND 5TH STREETS

ISSUE:

Review and approve separate Exclusive Negotiation Agreements with Greens Development, Inc. and Griffin|Swinerton, LLC for the proposed Riverside Alive mixed-use project consisting of new hotels, residential, commercial, office, convention center expansion, events plaza, and a new public parking garage on approximately 7.6 acres of City-owned property comprised of Public Parking Lot No. 33, the landscape plaza fronting the Riverside Convention Center, and the former Utilities Plaza Building, identified as Assessor Parcel No.'s 213-113-001, 211-111-011, -012, -013, -015, -014, -016, and -017, generally located along Orange Street between 3rd and 5th Streets.

RECOMMENDATIONS:

That the City Council:

1. Review and approve an Exclusive Negotiation Agreement with Greens Development, Inc. for the Development of Hotel, Multi-Family Housing and Retail;
2. Review and approve an Exclusive Negotiation Agreement with Griffin|Swinerton, LLC for the Public-Private Partnership Development of Convention Center Expansion, Adjacent Parking Structure, Events Plaza and Related Site Improvements;;
3. Authorize the City Manager, or his designee, to execute the Exclusive Negotiation Agreement with Greens Development, Inc., including making minor, non-substantive changes, and to

sign all documents and instruments necessary to complete the transaction; and

4. Authorize the City Manager, or his designee, to execute the Exclusive Negotiation Agreement with Griffin|Swinerton, LLC, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

BACKGROUND:

On May 7, 2019, the City Council reviewed and considered the merits of two separate development proposals received from 1) the Greens Group (now Greens Development, Inc.) and Griffin|Swinerton (now Griffin|Swinerton, LLC) and 2) Sonnenblick Development for 7.6 acres of City-owned property comprised of Public Parking Lot No. 33, the landscape plaza fronting the Riverside Convention Center, and the former Utilities Plaza Building, identified as Assessor Parcel No.'s 213-113-001, 211-111-011, -012, -013, -015, -014, -016, and -017, generally located along Orange Street between 3rd and 5th Streets (collectively known as the "Property") (see site map shown below highlighted in red). After review and deliberation, the City Council selected the Greens Development, Inc. and Griffin|Swinerton, LLC joint proposal for the development of the Property, dubbed Riverside Alive (see conceptual image below), and directed staff to negotiate a Purchase, Sale, and Development Agreement with Green's Development, Inc. for the private development portion of the Property and directed staff to negotiate a separate Lease and Lease-Back Agreement with Griffin|Swinerton, LLC for the expansion of the convention center, events plaza, and a new public parking garage.





DISCUSSION:

The purpose of the Exclusive Negotiation Agreement (ENA) with Greens Development, Inc. is to establish a period during which Greens Development, Inc. shall have the exclusive right to conduct investigatory analyses on specific portions of the Property, for the purpose of the development of hotels, multi-family housing, and commercial/retail space. During the term of the ENA, Greens Development, Inc. and the City will negotiate the acquisition of the private portion of the Property, which is intended to culminate in a Purchase, Sale and Development Agreement for future City Council consideration.

Conversely, the purpose of the ENA with Griffin|Swinerton, LLC is to also establish a period during which Griffin|Swinerton, LLC shall have the exclusive right to conduct investigatory analyses, planning, and design on specific portions of the Property, for the purpose of the public-private partnership (P3) development of the convention center expansion, adjacent parking structure, events plaza, and related site improvements. During the term of the ENA, Griffin|Swinerton, LLC and the City will negotiate all necessary agreements pertaining to the P3 portion of the Property, which is intended to culminate in a Lease and Lease-Back Agreement or multiple development agreements for future City Council consideration.

The identical term for each respective ENA shall be 24 months with one six-month option to extend subject to the approval of the City Manager. Any extensions will be by mutual written consent of all parties.

FISCAL IMPACT:

There is no immediate fiscal impact to the General Fund associated with the approval of the Exclusive Negotiating Agreements.

Prepared by: David Welch, Community & Economic Development Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. ENA - Greens Development, Inc.
2. ENA - Griffin|Swinerton, LLC