



# City Council Memorandum

*City of Arts & Innovation*

**TO: HONORABLE MAYOR AND CITY COUNCIL                      DATE: July 14, 2026**

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

**SUBJECT: FIRST AMENDMENT TO THE PURCHASE, SALE, AND DEVELOPMENT AGREEMENT WITH PELICAN COMMUNITIES, LLC TO AMEND THE SCHEDULE OF PERFORMANCE AND ASSIGN ALL OF ITS RIGHTS AND OBLIGATIONS UNDER THE AGREEMENT TO SUCCESSOR BUYER, OVERLAND PELICAN RIVERSIDE, LLC FOR THE SALE OF CITY-OWNED VACANT LAND LOCATED AT 3911 UNIVERSITY AVENUE AND 3775 FAIRMOUNT BOULEVARD, IDENTIFIED AS ASSESSOR’S PARCEL NUMBERS 214-252-019 AND 213-261-029, FORMERLY KNOWN AS THE DOWNTOWN TERMINAL PROPERTY, FOR THE DEVELOPMENT OF A MIXED-USE STUDENT HOUSING PROJECT, TOTAL SALES PRICE OF \$200.**

**ISSUE:**

Approve the First Amendment to the Purchase, Sale, and Development Agreement (Agreement) with Pelican Communities, LLC to update the Schedule of Performance and authorize assignment of all rights and obligations under the Agreement to Overland Pelican Riverside, LLC, the successor buyer formed for the proposed joint development of the mixed-use student housing project on the former Downtown Terminal Property.

**RECOMMENDATIONS:**

That the City Council:

1. Approve the revised Schedule of Performance within the Agreement for the sale and development of City-owned vacant land located at 3911 University Avenue and 3775 Fairmount Boulevard (APNs 214-252-019 and 213-261-029), formerly the Downtown Terminal Property, for development of a mixed-use student housing project;
2. Approve the assignment of all rights and obligations under the Agreement from Pelican Communities, LLC to Overland Pelican Riverside, LLC, consistent with the developer’s established joint-venture structure; and
3. Authorize the City Manager, or his designee, to execute the First Amendment including making minor and non-substantive revisions, and to execute all documents necessary to complete the transaction.

**BACKGROUND:**

On June 11, 2024, the City Council approved the Agreement with Pelican Communities, LLC for the sale and redevelopment of the approximately 2.7-acre Downtown Terminal Property. The proposed project includes mixed-use student housing, commercial space, and structured parking intended to support both projects and the surrounding Downtown core. The Agreement also requires the developer to provide 60 parking spaces to support Main Library operations.

The Purchase, Sale, and Development Agreement established a Schedule of Performance containing deadlines related to due diligence review, entitlement applications, escrow activities, commencement of construction, and other project-related milestones necessary to advance the proposed development.

**DISCUSSION:**

Since approval of the Agreement, the City and Pelican Communities have continued coordination on pre-development activities. As work progressed, additional time was determined necessary to complete entitlement processing, due diligence review, design refinement, and related project activities typical for large-scale mixed-use development. The revised Schedule of Performance provides updated milestone dates aligned with the current development timeline.

The proposed First Amendment will revise the Schedule of Performance to extend certain project milestone deadlines and provide additional time for the completion of ongoing pre-development activities. The proposed revisions to the Schedule of Performance are summarized below:

<b>Milestone</b>	<b>Original Deadline</b>	<b>Proposed Deadline</b>
Revised Performance Schedule Date	June 18, 2024	September 29, 2026
Due Diligence Period	October 16, 2024	February 28, 2027
Submit for Entitlement	December 15, 2024	February 28, 2027
Entitlement Date	November 18, 2026	September 29, 2027
Close of Escrow Earliest (1)	December 18, 2026	February 28, 2028
Close of Escrow Latest (1)	June 16, 2027	February 28, 2028
Start of Construction	December 13, 2027	March 29, 2028
Completion of Construction	December 13, 2029	October 29, 2029
Certificate of Occupancy	December 13, 2029	October 29, 2029

The First Amendment is limited to revising the Schedule of Performance and authorizing assignments to the successor entity. The Amendment does not modify the approved project scope, purchase price, required parking obligations, land use assumptions, ownership of the property prior to close of escrow, or any other substantive business terms previously approved by the City Council.

Additionally, consistent with the structure of the development partnership, Pelican Communities and Overland Development formed Overland Pelican Riverside, LLC following completion of due diligence. Pursuant to Section 6.1.6 of the Agreement, assignment to Overland Pelican Riverside, LLC is expressly permitted and maintains continuity of all rights, responsibilities, and obligations under the Agreement.

Staff believe the First Amendment provides a realistic and achievable timeline that supports the continued advancement of the project while maintaining the City's objectives for redevelopment of the former Downtown Terminal Property. Approval will ensure continued progress toward entitlement, escrow, and construction commencement within an updated and coordinated development framework.

**FISCAL IMPACT:**

There is no fiscal impact associated with this report.

Prepared by: Oscar Mancillas, Interim Deputy Community & Economic Development Director / Building Official

Approved by: Miranda Evans, Community & Economic Development Director

Certified as to availability of funds: Julie Nemes, Interim Finance Director/Assistant Chief Financial Officer

Approved by: Edward Enriquez, Acting City Manager/Chief Financial Officer

Approved as to form: Rebecca McKee, Interim City Attorney

Attachments:

1. First Amendment Purchase, Sale & Development Agreement with Exhibits