



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council **Item No.** _____

FROM: City Manager

SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS RELATED TO THE APPROVED LAND EXCHANGE AGREEMENT, FINAL TRACT MAP NO. 83334 AND THE SUBDIVISION IMPROVEMENT AGREEMENT

MEETING DATE: JANUARY 13, 2025

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute all necessary documents related to the approved land exchange agreement, Final Tract Map No. 83334 and the Subdivision Improvement Agreement.

BACKGROUND:

The Modelo Project was previously approved by City Council on February 15, 2022 and February 22, 2022 at duly noticed public hearings. The Modelo Project will be developed by Comstock Realty Partners (“Developer”) and was approved to include the following construction:

- Up to 850 residential units,
- Up to 165,000 square feet of commercial uses,
- A new public community center and museum, and
- Approximately five acres of park and open space.

At the February 15, 2022 City Council meeting, among other actions, the City Council approved the Modelo Project entitlements including:

- Site Plan Review No. 997;
- Master Sign Plan;
- Vesting Tentative Tract Map No. 83334;
- Zone Change;
- General Plan Amendment;
- Modelo Specific Plan;
- Development Agreement, including a draft of the Land Exchange Agreement; and
- Environmental Impact Report (SCH# 2019080312).

ANALYSIS:

Land Exchange Agreement

The Development Agreement provided that the exchange of properties would be accomplished through the recordation of Final Vesting Tract Map 83334 and pursuant to the terms of a Land Exchange Agreement (“LEA”) between the City and Developer. When the Development Agreement for the Modelo Project was approved in 2022 the LEA was not in its final form. The final LEA was approved by the City Council on November 25, 2025.

Final Tract Map

In conjunction with the Modelo Project entitlements, the Developer obtained approval of a Vesting Tentative Tract Map No. 83334 to subdivide the Modelo Project Site into three (3) legal parcels and allow for airspace subdivision to allow for the sale of residential units at the Modelo Project Site. The Developer obtained approval to construct up to 850 residential dwelling units. Of these, 110 units will be offered as for-sale units. To sell these units individually, the Developer obtained approval and permission to proceed with the Vesting Map.

Subdivision Improvement Agreement

In conformance with Subdivision Map Act § 66462, if the required public improvements associated with the subdivision have not been completed and accepted by the City at the time of the approval of the final map, the Developer is required to enter into a Subdivision Improvement Agreement with the City for the unfinished public improvements and must provide a surety bond to guarantee completion of the required public improvements.

The Subdivision Improvement Agreement between the City and the Developer details the required public improvements, such as roads, utilities and sewers, and requires that the Developer post a bond or bonds to guarantee the completion of the required public improvements. The Subdivision Improvement Agreement allows for the phased commencement and completion of required public improvements and the phased provision of bonds for the associated improvements.

The City Council approved the LEA, Final Tract Map No. 83334 and the Subdivision Improvement Agreement at is November 25, 2025 City Council meeting.

The Mayor is authorized to execute all agreements on behalf of the City pursuant to Government Code Section 40602. Specifically, Government Code Section 40602(b) provides that “[t]he mayor shall sign. . . [a]ll written contracts and conveyances made or entered into by the city.” However, the City Council may authorize the City Manager to also sign agreements on behalf of the City.

The City Manager respectfully requests that the City Council authorize the City Manager to execute all necessary documents related to the LEA, Final Tract Map No. 83334 and the Subdivision Improvement Agreement. Provided the City Council authorizes the City

Manager to execute said agreements, the Mayor and the City Manager will have the authority to execute all necessary agreement for and on behalf of the City of Commerce.

FISCAL IMPACT

Approval of the Land Exchange Agreement could have potential adverse financial effects on the City if the City is unable to clear the cloud on the City property. Approval of the Final Tract Map and Subdivision Improvement Agreement can be carried out without any fiscal impact to the City's General Fund.

ALTERNATIVES:

1. Approve recommendation;
2. Reject recommendation; or
3. Provide staff with further direction.

RELATIONSHIP TO STRATEGIC GOALS:

This item relates to the 2016 Strategic Action Plan's goal of: Economic growth - Guiding Principles 1 to "Create and strengthen our identity, as a community that promotes opportunity and success for business that meets the strategic focus for economic growth, will have a positive impact on the quality of life and the City's financial sustainability," and 3 "Support a long-range planning vision through the City's General Plan, zoning ordinance, and related land use planning documents that incorporate community and stakeholder input and provide a compass for strategic economic growth, infrastructure investments and city fiscal planning."

Recommended by: Jessica Serrano, Director of Community Development
Reviewed by: Shahid Abbas, Director of Public Works
Approved as to form: Noel Tapia, City Attorney
Respectfully submitted: Ernie Hernandez, City Manager