



CITY OF COMMERCE AGENDA REPORT

TO: City Council

FROM: City Administrator

SUBJECT: A RESOLUTION OF CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING A LICENSE AND HOLD HARMLESS AGREEMENT WITH CRAIG REALTY GROUP CITADEL, LLC FOR GEOTECHNICAL/GEOLOGICAL TESTING AT THE PROPERTY LOCATED AT THE NORTHWEST CORNER OF WASHINGTON BLVD. AND TELEGRAPH ROAD, IN THE CITY OF COMMERCE

MEETING DATE: March 21, 2017

RECOMMENDATION:

Adopt the Resolution approving the License and Hold Harmless Agreement between the City of Commerce and Craig Realty Group Citadel, LLC for geotechnical/geological testing soil at the property located at the northwest corner of Washington Blvd. and Telegraph Road, in the City of Commerce

BACKGROUND/ANALYSIS:

The City of Commerce (the "City") is the owner of record of 10.62 acres of partially improved real property located at the northwest corner of Washington Boulevard and Telegraph Road, in the City of Commerce, and more particularly described in the Certificates of Compliance recorded February 3, 2012, as Instrument No. 2012018998, Exhibits "A-2" and "B" (the "Premises"). The City is currently the owner of record of the Premises, but pursuant to AB 26 and AB 1484, is holding the Premises in trust for the Successor Agency to the Commerce Community Development Commission ("Successor Agency").

The Successor Agency and Craig Realty Group Citadel, LLC, which is working with the Commerce Casino, have agreed upon a price for the purchase of the Premises and are currently working on the completion of a Purchase and Sell Agreement for the Premises. Craig Realty Group Citadel, LLC desires to have access to the Premises at this time in order to conduct certain geotechnical/geological testing that will be necessary to evaluate the condition and usability of the Premises. The scope of work will consist of a feasibility investigation including a site reconnaissance and limited subsurface exploration. Craig Realty Group Citadel, LLC's contractor will perform Cone Penetration Tests (CPTs)

to evaluate the existing subsurface conditions and will also perform percolation/infiltration testing to determine the feasibility of storm water disposal.

Pursuant to the License Agreement, Craig Realty Group Citadel, LLC will be required to defend and indemnify the City for any potential claims resulting from the performance of the Agreement and to provide insurance in the amount of \$2 Million. The term of the License will be from March 22, 2017 to April 7, 2017.

ALTERNATIVES:

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

FISCAL IMPACT:

There will be no fiscal impact as a result of approval of the License and Hold Harmless Agreement.

ATTACHMENTS:

1. Resolution
2. License Agreement