



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable Successor Agency

**Item No.** \_\_\_\_\_

**FROM:** Executive Director

**SUBJECT:** Resolution Approving the Restated and Amended First Amendment to the Contingent Agreement to Sell Real Estate to Craig Realty Group Citadel, LLC, for Land in the City of Commerce, California

**MEETING DATE:** May 1, 2018

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### **RECOMMENDED ACTION:**

Approve the attached Resolution approving the Restated and Amended First Amendment to the Contingent Agreement to Sell Land to Craig Realty Group Citadel, LLC ("the Amendment").

### **BACKGROUND:**

On January 20, 2015, the Successor Agency to the Commerce Community Development Commission (the "Successor Agency") approved a "Contingent Agreement to Purchase and Sell Real Estate and Escrow Instructions" with Craig Realty Group, LLC ("the PSA"). The land that was the subject of the agreement is 25.29 acres located in the City of Commerce, which is described in detail in Exhibit A to the PSA ("the Land").

The PSA complied with all aspects of ABx1 26 and AB 1484, and was ultimately approved by the Oversight Board and the Department of Finance ("DOF"). However, a change in circumstances required that the PSA be revised.

The original PSA also contemplated the sale of 25% of the Land to a third party (Ryzman Family Trust) and the development of an industrial use on that part of the Land. Subsequent to, the Ryzman Family Trust had informed the City, the Successor Agency, and Craig Realty that it did not have desire to acquire 25% of the Land and would not proceed with the "Industrial Development." The Ryzman Family Trust was informed that the Successor Agency would be amending the PSA in order to address these changed circumstances.

### **ANALYSIS:**

The Commerce Community Development Commission originally purchased and assembled the Land in order to work toward the goal of creating the Telegraph Road Commercial/Entertainment Corridor, which was to be a destination retail/entertainment

concept wherein both architecture and uses would be compatible with and complementary to the Citadel Outlets Shopping Center and the Commerce Casino. The Successor Agency's Long Range Property Management Plan (the "LRPMP"), which preceded the PSA, anticipates that the Successor Agency would sell the Land to Craig Realty for purposes of commercial and retail development.

By way of the Restated and Amendment to the First Amendment to the PSA, the Successor Agency seeks to remove all reference to development of an "Industrial" use and any potential benefit to a third party. Thus, the Successor Agency and Craig Realty will be able to pursue the original purpose of developing the entire Land as a retail and commercial use. The specifics of the development will be detailed in a forthcoming Development Agreement between the City and Craig Realty.

All requirements of the original PSA will continue to control all aspects of the agreement between the Successor Agency and Buyer except for those terms that this restated amendment explicitly modifies (including CEQA provisions, purchase price, and escrow instructions).

Consistent with the LRPMP, Staff recommends approval of the Restated and Amended First Amendment to Contingent Agreement to Purchase and Sell Real Estate and Escrow Instructions between the Successor Agency and Craig Realty.

Pursuant to ABx1 26 and AB 1484, the Oversight Board for the Successor Agency must also approve of the Amendment. After approval by the Successor Agency, staff will schedule the item for Oversight Board review and consideration.

#### **ALTERNATIVES:**

1. Approve the Restated and Amended First Amendment to the PSA; or
2. Provide further direction.

#### **FISCAL IMPACT:**

There is no fiscal impact for this action item.

Recommended by: Vilko Domic, Director of Finance

Approved as to form: Noel Tapia, Successor Agency Legal Counsel

Respectfully submitted: Edgar P. Cisneros, Executive Director

#### **ATTACHMENTS:**

1. Resolution
2. Restated and Amended First Amendment to Contingent Agreement for the Purchase and Sale of Real Estate and Escrow Instructions