

CITY OF SANTA ROSA
REDEVELOPMENT AGENCY

TO: REDEVELOPMENT AGENCY MEMBERS
SUBJECT: EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT,
FORMER AT&T SITE, 520 THIRD STREET
STAFF PRESENTER: FRANK KASIMOV, REDEVELOPMENT PROGRAM
SPECIALIST
ECONOMIC DEVELOPMENT AND HOUSING
AGENDA ACTION: RESOLUTION

ISSUE(S)

Will the Redevelopment Agency enter into an Exclusive Right to Negotiate Agreement with Museum on the Square, LLC, represented by managing partners Hugh Futrell and Bill Carle, for redevelopment of the Former AT&T Site, located at 520 Third Street?

BACKGROUND

1. In March 2007, the Redevelopment Agency purchased the former AT&T site as an opportunity to mitigate the blighting influence of this large, vacant building in the core of our downtown; prevent a speculative purchase and potentially incompatible uses of the building; and be able to control and plan for the long term use of the building to benefit the downtown area.
2. On January 8, 2010, following issuance of a Request for Qualifications and consideration of a recommendation by a selection committee comprised of Council members and Agency members, the Agency selected Museum on the Square, LLC, as the most qualified development team to proceed with the Agency to redevelop the property.

ANALYSIS

1. While not required by the RFQ, Museum on the Square, LLC (the "Developer"), presented a development concept with the statement of qualifications submitted in response to the RFQ.
2. The purpose of the Exclusive Right to Negotiate Agreement ("ERNA") is for the Agency and the Developer to enter into a period of negotiations to diligently and in good faith negotiate and prepare a Disposition and Development Agreement ("DDA") and other related agreements as necessary for the development of the Property in accordance with the development concept as generally described in Developer's Response to the RFQ dated November 12,

2009, as may be modified based on input from the Santa Rosa community, negotiations between the Agency and Developer, and further refinement of the development proposal as deemed necessary or appropriate by the Developer.

3. This form of the ERNA is more narrowly focused than the original draft ERNA that was included in the RFQ materials in that this ERNA focuses on the DDA process and does not include an extended feasibility and planning process. This change was made based on the fact that the developer engaged in extensive feasibility analysis and preliminary planning prior to submitting its response to the RFQ. The time estimate for the ERNA is approximately 3 to 4 months.
4. In entering into and implementing this Agreement, the Agency Board is not committing the Agency to any particular project or to approval of any project or to grant any project approvals, and any such decision is reserved to the Agency Board in its sole and absolute discretion.
5. The Agency's Chief Negotiator is David Gouin, Executive Director, who would communicate negotiating points as directed by the Agency.
6. Following approval and execution of the ERNA, several activities will occur simultaneously.
 - a. The Developer and the Agency will conduct community meetings and outreach.

Note: this phase of community input is part of the larger community involvement process that began when the Agency purchased the site and will continue through the public meeting at which the Agency will ultimately consider approval of a project. Public input is sought at each meeting before the Agency, Council, Design Review Board, or other body, as well as at special meetings, including but not limited to, the community meetings that will be conducted during this phase and the public workshops that were conducted in the summer of 2008.

- b. The Developer and Agency will commence negotiations of the terms of the DDA.
- c. The Agency will prepare any necessary reports and analyses that will be required in order to bring the DDA to the Agency for consideration.
- d. The Developer will submit applications for entitlements following approval and execution of the DDA.

RECOMMENDATION

It is recommended by the Department of Economic Development and Housing that the Redevelopment Agency, by resolution, enter into an Exclusive Right to Negotiate with Museum on the Square, LLC, represented by managing partners Hugh Futrell and Bill Carle, for redevelopment of the Former AT&T Site, located at 520 Third Street.

Author: Frank Kasimov

Attachments:

- Exclusive Right to Negotiate Agreement
- Resolution