

RESOLUTION NO. 2015-102

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH AMCAL EQUITIES, LLC REGARDING 7.11-ACRE PARCEL LOCATED AT 2660 5TH AVENUE (MARINA CITY CORPORATION YARD), (APN # 031-101-038) AND AUTHORIZE CITY MANAGER TO EXECUTE ENA ON BEHALF OF CITY SUBJECT TO REVIEW AND APPROVAL BY CITY ATTORNEY OR ITS SPECIAL COUNSEL

WHEREAS, previously, the City of Marina sold to AMCAL Equities, LLC (AMCAL) an eight acre parcel located south of the intersection of Imjin Road and 8th Street for the construction of a three buildings, 174 unit, 579 bed student dormitory project called the Promontory. This project was done in partnership with California State University at Monterey Bay (CSUMB) and is now completed and open for student use, and;

WHEREAS, AMCAL and CSUMB have approached the City again and would like to build a second student dormitory at the location of our present Corporation Yard. CSUMB is expanding its student enrollment and needs to have additional student dormitories before it can expand its student population, and;

WHEREAS, AMCAL is proposing to enter into an Exclusive Negotiation Agreement for the purchase of our existing Corporation Yard property located at 2660 5th Avenue which is an approximately 7.11-acre parcel (APN # 031-101-038). AMCAL is proposing to build a dormitory project very similar to the previous Promontory project. The proposed student housing project would be developed and owned by a private company that would have an affiliation agreement to provide student housing for CSUMB students, and;

WHEREAS, the developer has requested that the City enter into an Exclusive Negotiating Agreement (ENA) with AMCAL (the Developer). It would be a 2-phase ENA wherein the standard due diligence items would be analyzed in the first phase, and if both parties determine the project feasible, would enter into the second phase where entitlements would be pursued and ;

WHEREAS, during the ENA all aspects of the project will be analyzed, including General Plan policies and land use issues, water allocation, conformance with the California Environmental Quality Act (CEQA), architectural design, financial feasibility, and other important factors, and;

WHEREAS, AMCAL is a successful California housing company founded in 1978 and incorporated in 1984. They have focused on the affordable housing sector, including family and senior apartments, and are now adding student housing to their portfolio in several communities. They have developed residential communities in areas from San Diego to Sacramento, and;

WHEREAS, the ENA will state that the developer would pay a deposit up front to cover the staff and consultant's time to analyze the feasibility of the project, and;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Marina does hereby:

1. Approving Exclusive Negotiating Agreement (ENA) with AMCAL Equities, LLC regarding 7.11-acre parcel located at 2660 5th Avenue, (Marina City Corporation Yard), (APN # 031-101-038) and direct staff to:
 - a. Add to the ENA: Section 2.4 (f) Compliance Monitoring: Within ninety (90) days of the effective date of this Agreement, the Developer shall provide the City with a fully executed copy of a letter of intent between the Developer and a State of California licensed Compliance Monitoring firm, wherein Developer and the Compliance Monitoring firm agree to enter into an agreement within- Twenty 20 days of this agreement for said compliance monitoring firm to, among other things, do a monitoring of certified payrolls of the project, including the proper use of wage determinations, compliance with weekend, overtime, special and shift requirements and the proper use of required apprenticeship requirements. Said letter of intent and the agreement shall also provide that the compliance monitoring firm shall do a "paper" audit of the related forms, including the certified payrolls, as well as investigation of claims and charges of impropriety brought by any third person when the firm determines it is appropriate and necessary to do so. Developer acknowledges that the letter of intent and the subsequent agreement with the State of California licensed Compliance Monitoring firm which provides the terms outlined above, are preconditions for the Project proceeding; and that a failure to deliver the required letter of intent and agreement within the times set forth above will result in termination of this Agreement.
 - b. Add to the ENA: Create a job creation reporting system for student tenants' status after graduation.
 - c. Provide a conclusion opinion on the flooding mold of building materials issue, if any, and the alternative building materials used.
2. Authorize City Manager to execute ENA on behalf of City subject to review and approval by City Attorney or its Special Counsel.

PASSED AND ADOPTED by the City of Marina City Council at a regular meeting duly held on the 18th day of August 2015, by the following vote:

AYES: COUNCIL MEMBERS: Amadeo, Brown, Morton, O'Connell, Delgado

NOES: COUNCIL MEMBERS: None.

ABSTAIN: COUNCIL MEMBERS: None.

ABSENT: COUNCIL MEMBERS: None.

Bruce C. Delgado, Mayor

ATTEST:

Anita Flanagan, Deputy City Clerk

August 14, 2015

Item No. **11b**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of August 18, 2015

**REQUEST TO CONSIDER ADOPTING RESOLUTION 2015-
APPROVING EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH
AMCAL EQUITIES, LLC REGARDING 7.11-ACRE PARCEL LOCATED
AT 2660 5TH AVENUE (MARINA CITY CORPORATION YARD), (APN #
031-101-038) AND AUTHORIZE CITY MANAGER TO EXECUTE ENA
ON BEHALF OF CITY SUBJECT TO REVIEW AND APPROVAL BY
CITY ATTORNEY OR ITS SPECIAL COUNSEL**

REQUEST:

It is requested that the City Council of the City of Marina:

1. Consider adopting Resolution No. 2015- approving Exclusive Negotiating Agreement (ENA) with AMCAL Equities, LLC regarding 7.11-acre parcel located at 2660 5th Avenue, (Marina City Corporation Yard), (APN # 031-101-038), and;
2. Authorize City Manager to execute ENA on behalf of City subject to review and approval by City Attorney or its Special Counsel.

BACKGROUND:

Previously, the City of Marina sold to AMCAL Equities, LLC (AMCAL) an eight acre parcel located south of the intersection of Imjin Road and 8th Street for the construction of a three buildings, 174 unit, 579 bed student dormitory project called the Promontory. This project was done in partnership with California State University at Monterey Bay (CSUMB) and is now completed and open for student use. (“**EXHIBIT A**”)

AMCAL and CSUMB have approached the City again and would like to build a second student dormitory at the location of our present Corporation Yard. CSUMB is expanding its student enrollment and needs to have additional student dormitories before it can expand its student population. With the location of their existing dormitories and the new Promontory, our existing Corporation Yard sits in the middle of their core campus for student living. CSUMB is currently updating its campus wide master plan and initial drafts reflect one of the primary Gateways for entering the campus from the east (Valley side) will be from Imjin Road and Eight Street, which bypasses our existing Corporation Yard.

AMCAL is proposing to enter into an Exclusive Negotiation Agreement for the purchase of our existing Corporation Yard property located at 2660 5th Avenue which is an approximately 7.11-acre parcel (APN # 031-101-038) (“**EXHIBIT B**”). AMCAL is proposing to build a dormitory project very similar to the previous Promontory project. The proposed student housing project would be developed and owned by a private company that would have an affiliation agreement to provide student housing for CSUMB students.

At previous closed session meetings the City Council has met and directed staff to proceed with presenting an ENA with AMCAL to the City Council for review and potential approval.

The developer has requested that the City enter into an Exclusive Negotiating Agreement with AMCAL Multi-Housing (the Developer). It would be a 2-phase ENA wherein the standard due diligence items would be analyzed in the first phase, and if both parties determine the project feasible, would enter into the second phase where entitlements would be pursued. The developer would pay an initial \$50,000 deposit up front to cover the staff and consultant's time in Phase 1 to analyze the feasibility of the project and in Phase 2 to secure entitlements and property disposition. A draft ENA is attached ("**EXHIBIT C**").

ANALYSIS:

AMCAL Multi Housing is a successful California housing company founded in 1978 and incorporated in 1984. They have focused on the affordable housing sector, including family and senior apartments, and are now adding student housing to their portfolio in several communities. They have developed residential communities in areas from San Diego to Sacramento.

The proposal is to develop a project similar to the previous project, three buildings, 174 units and 579 beds. It is projected to be completed by fall 2018.

A key component of this project is the relocation, design and construction of a new Corporation Yard for the City of Marina. This would solely be done at the cost of AMCAL and would be designed to city specifications and requirements. The City has looked at various potential sites and is presently considering a city owned parcel located on the northeast corner of Imjin Road and 8th Street. The parcel is presently designated as a public facilities parcel with a potential future fire station located on that site. The attached map shows that a corporation yard and fire station can both be accommodated on this site. (**EXHIBIT D**) Additionally, the recreation trail and green corridor are planned to go through the northeast end of this parcel and would not be impacted by the potential public facilities located on this site.

During the ENA all aspects of the project will be analyzed, including land use, water allocation, residential unit count, environmental impact, architectural design, financial feasibility, and other important factors. As noted previously, during Phase I of the ENA, key analyses and terms will be reviewed including, but not limited to, initial architectural and site design, land use compatibility, circulation/traffic and financial feasibility, and disposition terms such as purchase price. Based on the acceptance of such information and terms by the City Council and the developer, the project would then proceed to Phase II of the ENA, where specific entitlements and disposition documents would be prepared, reviewed through the public process, and potentially approved.

FISCAL IMPACT:

The activity of preparing an ENA, analyzing the feasibility of a potential development project and working through the entitlement and negotiation of a Development and Disposition document are paid by the potential developer with a deposit up front. A budget will be estimated by staff as part of the ENA, and the developer makes deposits into a fund from which the City charges for the staff and consultant's time through the ENA process. The initial deposit is estimated at \$50,000, with requirements for supplemental funding as the ENA progresses to sufficiently cover ENA costs.

CONCLUSION:

This report is submitted to the City Council of the City of Marina for consideration.

Respectfully submitted,

Layne Long
City Manager
City of Marina