



A G E N D A

CITY OF SEASIDE
CITY COUNCIL/SUCCESSOR
AGENCY TO REDEVELOPMENT
AGENCY OF THE CITY OF SEASIDE

REGULAR MEETING
Council Chamber
440 Harcourt Avenue
Thursday, March 3, 2016
5:30 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. **CALL TO ORDER**

2. **ROLL CALL – ESTABLISHMENT OF QUORUM**

Ralph Rubio	Mayor
Ian N. Oglesby	Mayor Pro Tem
Dennis J. Alexander	Council Member
Jason Campbell	Council Member
David R. Pacheco	Council Member

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENT**

5. **CLOSED SESSION**

A. **PURSUANT TO GOVERNMENT CODE 54957.6 - CONFERENCE WITH LABOR NEGOTIATORS**

Agency Negotiators: Craig Malin, City Manager; Daphne Hodgson, Deputy City Manager - Administrative Services; Roberta Greathouse, Human Resources Manager; Donna Williamson, Labor Negotiator

Employee Organizations:

1. Seaside City Employees' Association
2. Seaside Police Officers' Association
3. Seaside Firefighters' Association
4. Seaside Managers & Supervisory Employees' Association
5. Unrepresented Employees: Confidential Managers & Confidential Non-Exempt Employees
6. Executive Managers

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

PROPERTY PARCEL: Portion of parcel E24 East of the intersection of Hilby Avenue and General Jim Moore Blvd on the former Fort Ord. Negotiator for the City: Craig Malin, City Manager. Other Negotiating Party: California American Water Under Negotiation: Price, Terms.

6. CONSENT CALENDAR

The Consent Calendar includes routine items that can be approved with a single motion and vote. A member of the City Council or a member of the public may request that any time be pulled from the Consent Calendar for separate consideration.

A. APPROVE AND FILE SUCCESSOR AGENCY CHECKS

PURPOSE: It is requested that the Successor Agency Board approve and file the accounts payable and wired payments made during the period of February 9, 2016 through February 22, 2016. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of February 18, 2016 is requested. Total Accounts Payable and Payroll for the above referenced period is \$6,188.38.

RECOMMENDATION: It is recommended that the Successor Agency Board approve and file the attached checks.

7. BUSINESS ITEMS

A. CONSIDERATION OF A SECOND AMENDMENT TO AN EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH KB BAKEWELL SEASIDE VENTURE LLC FOR DEVELOPMENT OF AN INTEGRATED MIXED USE PROJECT ON THE SURPLUS II AND “26 ACRES” LAND SITES IN THE FORMER FORT ORD, EXTENDING THE ENA PERIOD FOR NINE (9) MONTHS.

PURPOSE: The purpose of this item is for the Successor Agency and City Council to consider a second amendment to the Exclusive Negotiation Agreement (ENA) with KB Bakewell Seaside Venture for the development of an integrated mixed use project on the Surplus II and “26 Acres” land sites in the former Fort Ord. The Second Amendment would extend the ENA period for a period of nine (9) months in order to complete compliance with CEQA and obtain Project and DDA approvals.

RECOMMENDATION: It is recommended the Successor Agency Board and City Council approve the Second Amendment to the Exclusive Negotiation Agreement with KB-Bakewell Seaside Venture LLC.

8. ADJOURNMENT

Next Regularly Scheduled Meeting:
March 3, 2016
5:30 PM

The City of Seaside is an ADA accessible facility and is committed to include the disabled in all of its services, programs and activities. Any person who requires accommodation to be able to participate in this meeting is asked to contact the office of the City Clerk at 899-6707, no fewer than two business days prior to the meeting to allow for reasonable arrangements. The City Council Chambers is equipped with a portable microphone for anyone unable to come to the podium. Assisted listening devices are also available.

Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Meetings are also available through live streaming at: <http://cvp.telvue.com/player?id=T01629&video=52314&noplaylistskin=1&width=400&height=300> Videos of past meetings are available on demand through the City's website: <http://www.ci.seaside.ca.us>

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 6.A.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, Executive Director

BY: Daphne Hodgson, Deputy City Manager Administrative Services
Krista Oberholtzer, Accounting

DATE: March 3, 2016

SUBJECT: APPROVE AND FILE SUCCESSOR AGENCY CHECKS

PURPOSE

It is requested that the Successor Agency Board approve and file the accounts payable and wired payments made during the period of February 9, 2016 through February 22, 2016. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of February 18, 2016 is requested. Total Accounts Payable and Payroll for the above referenced period is \$6,188.38.

RECOMMENDATION

It is recommended that the Successor Agency Board approve and file the attached checks.

BACKGROUND

In accordance with Government Code Section 37208, at each Agency meeting the Board is provided a listing of the payroll and general checks issued since the last report so that it can inspect and confirm these checks. Each purchase has been reviewed and approved by the department making the purchase at the time of procurement. The invoice has been reviewed by the Finance Department prior to payment to ensure that it conforms to the approved budget.

Therefore, in accordance with Government Code Section 37208, I hereby certify that the above referenced (and attached) list of checks conforms to the approved budget and has been paid. These checks are hereby submitted to the Agency Board for inspection and confirmation.

There were no checks that exceeded \$10,000 between February 9, 2016 through February 22, 2016 for Successor Agency related expenses.

The checks reports are available for inspection on the City's website located here:

<http://www.ci.seaside.ca.us/index.aspx?page=366>

FISCAL IMPACT

The listed checks have been budgeted and paid from the various funds, as appropriate.

ATTACHMENTS

Reviewed for Submission to the
City Council by:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

Craig Malin, City Manager



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 7.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Diana Ingersoll, Deputy City Manager Resource Management Services
Sharon Mikesell, Administrative Analyst

DATE: March 3, 2016

**SUBJECT: CONSIDERATION OF A SECOND AMENDMENT TO AN
EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH KB
BAKEWELL SEASIDE VENTURE LLC FOR DEVELOPMENT OF AN
INTEGRATED MIXED USE PROJECT ON THE SURPLUS II AND "26
ACRES" LAND SITES IN THE FORMER FORT ORD, EXTENDING
THE ENA PERIOD FOR NINE (9) MONTHS.**

PURPOSE

The purpose of this item is for the Successor Agency and City Council to consider a second amendment to the Exclusive Negotiation Agreement (ENA) with KB Bakewell Seaside Venture for the development of an integrated mixed use project on the Surplus II and "26 Acres" land sites in the former Fort Ord. The Second Amendment would extend the ENA period for a period of nine (9) months in order to complete compliance with CEQA and obtain Project and DDA approvals.

RECOMMENDATION

It is recommended the Successor Agency Board and City Council approve the Second Amendment to the Exclusive Negotiation Agreement with KB-Bakewell Seaside Venture LLC.

BACKGROUND

On March 12, 2014, the Successor Agency and the City Council entered into an ENA with KB Bakewell Seaside Venture for the development of an integrated mixed-use project on the Surplus II and "26 acres" land sites in the former Fort Ord. The ENA provides the development team time to finalize their concept plan, complete a market feasibility study, submit a development application and performance schedule, negotiate a land purchase or ground lease, and complete the California Environmental Quality Act (CEQA) process for the proposed project. A summary of the ENA terms follows.

Term. The term of the ENA is for twelve (12) months from the Effective Date. Provided that the Developer is not in default, the ENA period may be extended by the mutual written agreement of Developer and the City Manager for five (5) calendar months and then for three (3) calendar months.

Developer Deposit. The Developer has deposited with the City the sum of Twenty Five Thousand and No/100 Dollars (\$25,000.00) to reimburse the City for costs associated with staff review of Developer submittals and the costs of consultants retained by the City in connection with the Agreement or Project. The Developer is also required to deposit an additional \$50,000.00 with the City to commence the required CEQA review of the proposed project.

TERMS OF FIRST AMENDMENT

A First Amendment of the ENA was approved on March 5, 2015. Since that time, an appraisal was completed, reviewed and accepted by the City Council. A Non-Binding Letter of Intent for the proposed sales of 26 Acre Site consisting of three parcels ("City site) and Surplus II land site consisting of five parcels ("Successor Agency site") regarding the terms and conditions on which the City proposes to sell and KB-Bakewell Seaside Venture proposes to purchase and to develop these sites were agreed upon by both parties.

The First Amendment of the ENA expires on March 5, 2016. Administrative extensions by the City Manager under Section 2 of the First Amendment to the ENA are not permitted as the CEQA process has not commenced and approvals for the project entitlements and two DDAs have not been obtained.

TERMS OF SECOND AMENDMENT

The Second Amendment of the ENA extends the ENA Period. This extension is to allow the additional time needed for the Developer to submit city entitlement applications, the City to complete its compliance with CEQA and process project entitlements, and for both parties to prepare and agree to two DDA's for final approval by the City Council.

Term: Under the Second Amendment, a nine (9) month extension of the ENA Period from the Effective Date would be granted with the provision of an administrative extension by the City Manager of ninety (90) days provided that the Developer is not then in default under the ENA, all terms of the two DDAs have been negotiated and agreed to by City staff, and the extension is necessary in order to complete compliance with CEQA and obtain Project entitlements and DDAs approvals from the City Council.

Specific Developer and Specific City Tasks: revised attachments include modified dates for remaining Developer and City tasks.

Given that the Surplus II land site is owned by the Successor Agency, the property is governed by the approved Long Range Property Management Plan (LRPMP). The Surplus II Land site is identified as Surplus II Planning Area in the LRPMP which is a property to be transferred to the

City and retained for future development. This Second Amendment to the ENA is consistent with the provisions of the LRPMP as approved by the Oversight Board and State Department of Finance.

FISCAL IMPACT

There is no fiscal impact associated with this item. With the execution of the ENA in March 2014, the Developer provided a \$25,000 deposit to cover the City's costs associated with obtaining project entitlement and the negotiation of DDA. An additional deposit of \$50,000 will be deposited prior to commencing CEQA preparation.

ATTACHMENTS

1. Second Amendment to ENA-KB Bakewell
 2. Letter from KB-Bakewell Seaside Venture requesting ENA extension
 3. Resolution-Second Amendment to ENA-KB Bakewell
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Reviewed for Submission to the
City Council by:



Craig Malin, City Manager

SECOND AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT

This SECOND AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT (this “**Second Amendment**”) is made and entered into as of March 3, 2016_(the “**Effective Date**”), by and between the CITY OF SEASIDE, a municipal corporation [as successor agency to the Redevelopment Agency of the City of Seaside] (the “**City**”) with respect to Successor Agency owned parcels in the area commonly known as Surplus II and the CITY OF SEASIDE, a municipal corporation (the “**City**”) with respect to parcels 031-151-054, 031-151-055, 031-151-056 and KB Bakewell Seaside Venture, a California limited liability company (the “**Developer**”).

R E C I T A L S

A. City and Developer entered into that certain Exclusive Negotiating Agreement dated as of March 12, 2014 (the “**ENA**”) for the purchase of the Site by the Developer for the development of an integrated mixed use development (the “**Project**”) on the Site.

B. The ENA provided the development team time to refine the development plans, complete a market feasibility study, submit a development application and performance schedule, negotiate two Disposition and Development Agreements (the “**DDAs**”), and complete the California Environmental Quality Act (the “**CEQA**”) process for the proposed project.

C. A First Amendment to the ENA was entered into dated as of March 5, 2015.

D. The terms of the First Amendment to the ENA cannot be extended administratively by the City Manager as provided under Section 2 of the First Amendment to the ENA.

E. The ENA Period is to be extended nine (9) months from the Effective Date in order for the Developer to submit city entitlement applications, for the city to complete its compliance with the California Environmental Quality Act (“**CEQA**”), to process entitlement applications, and to complete the preparation of two DDAs.

F. The ENA, as amended by this Second Amendment, shall hereinafter be referred to herein as the “**Agreement**”.

NOW, THEREFORE, in consideration of the terms, conditions and covenants set forth below and in furtherance of the understanding and intent of City and Developer, the Parties hereto agree as follows:

1. The capitalized terms not otherwise defined herein shall have the meanings given in the ENA.

2. The ENA Period is hereby extended for nine (9) months from the Effective Date. The extension is necessary in order to complete compliance with CEQA and to obtain approval

of project entitlements and the two DDAs by the City Council. The ENA period may be subject to further administrative extension by the City Manager for ninety (90) days provided that the Developer is not then in default under the ENA as amended, all terms of the DDAs have been negotiated and agreed to by City staff and the Developer, and the extension is necessary in order to complete compliance with CEQA and to obtain approval of project entitlements and the two DDAs by the City Council.

3. Revised Specific Developer Tasks and Specific City Tasks are attached to this Agreement.

4. Except as expressly modified by the terms of this Second Amendment, the terms and conditions of the Agreement shall remain unmodified and in full force and effect. In the event of any conflict or inconsistency between the terms of this Second Amendment and the terms of the Original Agreement or First Amendment, the terms of this Second Amendment shall control.

5. This Second Amendment may be executed in counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same instrument.

6. Time is of the essence for each and every provision hereof in which time is a factor.

IN WITNESS WHEREOF, the Parties hereto have caused this Second Amendment to be executed as of the day and year first above written.

CITY:

CITY OF SEASIDE,
a municipal corporation

By: _____
Craig Malin, City Manager

DEVELOPER:

KB-BAKEWELL SEASIDE VENTURES,
a California Limited Liability Company

By: _____
Danny J. Bakewell, Jr., Project Executive

Approved as to Form:

Bruce Galloway of Richards Watson Gershon
Legal Counsel to City

ATTACHMENT NO. 2

SPECIFIC DEVELOPER TASKS

1. Within two (2) months after receiving final approval of the Second Amendment to the Exclusive Negotiating Agreement (ENA) , Developer shall deliver the following items for City staff review and approval:

- i. Preliminary site plan and revised architectural concept drawings identifying the location, general configuration traffic circulation, and proposed design characteristics of the Project.
- ii. Conceptual development program (“Development Program”) for the Project that include a breakdown of the proposed scope of development including a range of building square feet by land use and acreage by land use, improvements, approximate number and mix of any residential units, any affordable housing units by level of affordability, proposed public parks/amenities, circulation acreage, and other general uses.
- iii. Detailed market analysis for the Project demonstrating the marketability of the proposed conceptual development program. If appropriate, the findings of the market study may be used to modify and refine the development concept.

2. Within three (3) months after the City and Developer have executed the ENA extension, Developer and City staff shall determine the likely type and schedule for obtaining entitlements necessary for construction of the Project including, but not limited to, discretionary permits.

3. Within four (4) months after the City and Developer have executed the ENA extension, Developer shall deliver to City for City staff review and approval, a preliminary financing plan for the proposed Project.

4. Within four (4) months ~~of the latter~~ of the City and Developer have executed the ENA extension, Developer shall submit to City a schedule of development setting forth the proposed timetable for the commencement, substantial completion and final completion of the Project (the “Development Schedule”).

5. Within four (4) months ~~of the latter~~ of the City and Developer have executed the ENA extension, Developer shall deliver to City for City staff review and approval, an organizational chart of the Developer that corresponds to the proposed Development Program.

6. Within four (4) months receiving the ~~final~~-executed ENA extension, Developer shall deliver to the City a fully completed and executed development application including all items identified on the City of Seaside Development Application Submittal Checklist.

7. Developer shall promptly provide comments to the City on the initial draft of the DDAs and subsequent drafts submitted by City.

8. Within six (6) months after the City and Developer have executed the ENA extension, Developer shall obtain and review a preliminary report for the Sites from a title company selected by Developer and copies of the documents listed as title exceptions therein and shall deliver copies of the reports and documents to City together with a written description of any objections Developer may have to any of the title exceptions (and the rationale for the objections), it being understood that Developer shall have the right under the Agreement to perform/obtain an ALTA survey at Developer's cost and reasonably object to items (and locations of title exceptions) disclosed by such survey.

Prior to execution of the Agreement, the Developer shall submit to the City for its review and approval all organizational documents for the entities signing the documents (and, to the extent requested by City, information, certifications and/or documents relating to the ownership, control and signing authority of the direct and indirect owners, members or partners of each such entity).

ATTACHMENT NO. 3

SPECIFIC AGENCY/CITY TASKS

1. Within fifteen (15) days ~~of the latter of the City and Developer agreeing on a purchase price or the Effective Date, City shall pro~~ the City shall provide to Developer copies of all currently existing plans, studies and other written information regarding the Site in the possession of the City, to the extent not previously delivered to Developer and to the extent material to the Project. Thereafter, the City shall promptly provide to Developer within ten (10) days after receipt thereof copies of all plans, studies and other written information material to the Project which are received by the City.

2. As soon as they are available, the City shall provide the Developer with copies of contracts entered into between the City and its consultants for the Project. Developer shall have the right to review and provide input to any and all consultant contracts procured on its behalf prior to execution by the City.

3. Within three (3) months ~~of the latter of the City and Developer agreeing on a purchase price or the Effective Date,~~ Developer and City staff shall determine the likely type and schedule for obtaining entitlements necessary for construction of the Project including, but not limited to, the Discretionary Permits.

4. City shall use good faith efforts to diligently prepare and process the required CEQA Documents. City agrees to submit a CEQA status report to the Developer monthly during the term of this ENA or as mutually determined by the Parties.

5. City and City staff will review the Developer's development application and other submissions in a timely manner.

6. City shall use good faith efforts to negotiate the key business terms and conditions to be incorporated into the DDAs. City shall provide an initial draft of the Agreement to Developer and shall thereafter revise the draft DDAs to the extent reasonably permitted by the Agreement negotiations.

7. No consents, approvals or comments by City staff or City staff shall diminish, affect or waive either: (i) rights of the City to later impose conditions and requirements under CEQA; (ii) the rights of the City not to approve the Agreement; (iii) the City's governmental rights, powers and obligations.

KB-BAKEWELL SEASIDE VENTURE, L.L.C.

February 5, 2016

Diana Ingersoll
Deputy City Manager-Resource Management
City of Seaside Hall
440 Harcourt Avenue
Seaside, CA 93955

RECEIVED
CITY OF SEASIDE
FEB 11 2016

RE: Seaside University Village Project (Surplus II & 26 Acre Sites)

Dear Mrs. Ingersoll:

First off I want to thank you and the city manager Craig Malin for our meetings a couple of weeks ago. I believe the spirit in which everyone came to the meetings to discuss the next steps for the site was productive and gives KB-Bakewell a clear understanding of what the city's next steps and helps us develop a plan to, bring this development to fruition as quickly as possible.

Now that we have finally secured the needed appraisal documents required by all of the governmental agencies to move the project forward, KB-Bakewell Seaside Venture, LLC is requesting an extension to our current ENA which expires March 5, 2016, this would enable us to begin the EIR process and bring to the city the necessary project submissions for review and approval.

We have met with a number of key stake holders in the city over the past several weeks and believe that this project has a great deal of momentum and support. We are requesting that we go before council prior to the exclusive expiring to maintain continuity to the process which would also allow everyone time to prepare for submission to both the oversight board and DOF for their approvals. Included with this letter is a modified time schedule to be inserted into the ENA Exhibits which we hope would expedite this process.

I look forward to speaking with you soon and look forward to seeing you at the March 3, 2016 city council meeting.

Sincerely,



Danny J. Bakewell, Jr.
Project Executive

cc. Jeff McMullen
Danny J. Bakewell, Sr.

RESOLUTION NO. 16-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

AUTHORIZING THE CITY MANAGER/EXECUTIVE DIRECTOR TO EXECUTE A SECOND AMENDMENT OF THE EXCLUSIVE NEGOTIATING AGREEMENT (THE “ENA” OR “AGREEMENT”) WITH KB BAKEWELL SEASIDE VENTURE LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR DEVELOPMENT OF AN INTEGRATED MIXED-USE PROJECT

WHEREAS, on March 12, 2014 the Successor Agency and City Council entered into an ENA with KB Bakewell Seaside Venture (the “Developer”) for the purchase of the Surplus II and “26 acres” land sites in the former Fort Ord by the Developer for the development of an integrated mixed-use project (“the Project”); and

WHEREAS, the ENA provides the development team time to refine the conceptual plan, complete a market feasibility study, submit development applications and performance schedule, negotiate a land purchase, and complete the California Environmental Quality Act (the “CEQA”) process for the proposed project; and

WHEREAS, a First Amendment was executed on March 5, 2015 and expires on March 5, 2016.

WHEREAS, additional time is needed for the Developer to submit Project entitlement applications, the City to process the required entitlements, to comply with the California Environmental Quality Act (“CEQA”) and to prepare and agree to two Disposition and Development Agreements; and

NOW THEREFORE, be it resolved that the Successor Agency to the Redevelopment Agency of the City of Seaside and the City Council of the City of Seaside authorizes the Executive Director/City Manager to execute the Second Amendment of the ENA with the Developer (Exhibit “A”) to extend the ENA period for nine (9) months in order to complete compliance with CEQA and obtain Project and the two DDA approvals and may be subject to further administrative extension by the City Manager for ninety (90) days, provided that the Developer is not then in default under the ENA as amended, all terms of the DDAs have been negotiated and agreed to by City staff by the Developer, and the extension is necessary in order to complete compliance with CEQA and to obtain approval of project entitlements and the DDAs by the City Council. Revised attachments include modified dates for remaining Developer and City tasks.

PASSED AND ADOPTED at a Special Joint meeting of the Successor Agency to the Redevelopment Agency of the City of Seaside and the City Council of the City of Seaside duly held on the 3rd day of March, 2016, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:

Ralph Rubio, Mayor

ATTEST:

Lesley E. Milton-Rerig, City Clerk