

AGENDA MEMO

REDEVELOPMENT AGENCY MEETING DATE: SEPTEMBER 19, 2007

DEPARTMENT: BUSINESS DEVELOPMENT

ITEM DESCRIPTION: DISCUSSION AND POSSIBLE ACTION REGARDING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH BANK OF AMERICA, N.A. FOR THE SITE AT 904 MARTIN L. KING BLVD.

1. The existing Bank of America, N.A. (BOA) retail bank facility on the southwest corner of Martin L. King Blvd. (MLK) and Washington Ave. (Wash) will be forced to close due to Right-of-Way taking to widen MLK.
2. In discussions with RDA staff, BOA indicated that the current profitability of the existing retail bank facility did not provide a sufficient return on investment for the amount of capital needed to build a replacement facility.
3. In order to encourage BOA to invest the approximately \$2.2 million dollars needed to construct and equip a new full-service, retail bank facility in the area, the RDA proposes to sell a vacant underutilized parcel of approximately 1.43 acres on the northeast corner of MLK and Wash (Site), valued at \$935,325, to BOA for \$10.00.
4. Pursuant to terms of the Disposition and Development Agreement (DDA), BOA will develop a new full-service, retail bank facility of approximately 4,446 square feet (three times larger than the existing facility of approximately 1,380 square feet). In addition, the new facility will feature multiple ATMs, both drive-through and walk-up. Overall, BOA will be able to provide a higher level of service to residents and businesses in the area with the new facility. Lastly, it is estimated that the new facility will create approximately 60 construction jobs, 5 permanent jobs and retain 18 permanent jobs.
5. In addition, other terms to the DDA require that BOA:
 - a. Commence construction (as evidenced by the pouring of the foundation) within 12 months from acquisition of the Site;
 - b. Complete construction of the new retail bank facility within 12 months from the commencement of construction;
 - c. Pay prevailing wages during construction of the new retail bank facility;
 - d. Submit and comply with the terms of an Employment Plan; and,
 - e. Permit the RDA to take back the Site in the event of non-performance by BOA.
6. BOA has already secured Site Development Plan approval (SDR-21151) for the new facility and anticipates submitting for plans check in the near future. As such, BOA projects that the completion of construction for the new facility will occur sometime in the second quarter of 2008.