



AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: AUGUST 19, 2009

DEPARTMENT: CITY MANAGER
DIRECTOR: ELIZABETH N. FRETWELL

☐ Consent ☒ Discussion

SUBJECT:
ADMINISTRATIVE:

Discussion and possible action regarding an Amended And Restated Disposition and Development Agreement between City Parkway V, Inc., and Heritage-Nevada VIII, LLC, for the development of the Grand Jewelry Center, an industry-specific office, residential condominium and retail complex on a portion of the Symphony Park property known as Parcel E and bounded by Grand Central Parkway, Parkway Center and West Carson Avenue (APN 139-34-110-007) - Ward 5 (Barlow)

Fiscal Impact

☐

No Impact

☐ Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

On January 9, 2008 City Council authorized City Parkway V, Inc. to enter into a Disposition and Development Agreement with Heritage-Nevada VIII, LLC for the acquisition and development of Parcel E within Symphony Park. The developer has requested an extension to the escrow closing and construction schedule along with the option to modify the scale of the project and potential uses. If a preferred development proposal is selected for this site by City Parkway V, Inc. during this extension period, then Heritage-Nevada VIII, LLC is entitled to a full refund of its earnest money deposit.

RECOMMENDATION:

Approval and authorization for City Parkway V, Inc., to execute the Amended And Restated Disposition And Development Agreement and all escrow and other documents related thereto.

BACKUP DOCUMENTATION:

1. Amended And Restated Disposition And Development Agreement
2. Disclosure of Principals
3. Site Map

Motion made by RICKI Y. BARLOW to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN, GARY REESE, STEVEN D. ROSS, STAVROS S. ANTHONY; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

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Minutes:

BILL ARENT, Acting Director of the Office of Business Development, explained that the City has continued to work diligently with this developer due to the frozen nature of the capital and credit markets. Changes within the proposed Amendment to the Disposition and Development Agreement (DDA) with Heritage-Nevada, LLC, include extension of the close of escrow to August 31, 2015 with two six-month extensions. Also, the developer will have the option, but not the obligation, to revise the scope of the project. The scope must remain in conformance with the Symphony Park Master Plan. The City, through City Parkway V, Inc., will have the ability to terminate this agreement and refund the deposit to the developer if another developer steps forward. If the City exercises that right, Heritage-Nevada, Inc., would have the right to submit an exclusive negotiating agreement to the City for another parcel within Symphony Park.

RITA BRANDIN, Newland Communities, noted that Heritage International and the World Jewelry Center was the first development agreement approved by the Council for Symphony Park. ROBERT ZARNEGIN, World Jewelry Center, and his staff have been working very closely with Newland Communities and the City on this amendment and this extension will allow the developer to reevaluate the project while credit markets return to normal.

MR. ZARNEGIN stated this amendment reflects the current economic climate and the lack of commercially viable financing. He expressed his commitment to moving forward when the market recovers, noting that he has invested significantly in this project. He thanked the Mayor and Council for their continued support and also thanked staff and MS. BRANDIN for their assistance and continued cooperation on this project.

MAYOR GOODMAN stated the World Jewelry Center would help diversify the City's economy and he encouraged MR. ZARNEGIN to maintain the scope and vision of the project. MR. ZARNEGIN thanked MAYOR GOODMAN for his comments and suggested that market conditions would ultimately dictate the finished project.

MS. BRANDIN noted that a key negotiation in this extension was the process for proposing an alternative project and pointed out that any new project would need approval from the Planning Commission and the Council.

COUNCILMAN BARLOW congratulated MR. ZARNEGIN on the birth of his daughter and expressed his hope that this development would come out of the ground when the economy recovers. He also thanked MS. BRANDIN for her hard work on this item.