

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Luke Watson, Director of Community Development

DATE: February 26, 2019

SUBJECT: Approve the Exclusive Negotiating Agreement Between the City and Stephen A. Bieri Company, Inc., for the Potential Disposition of City-Owned Property Located at the Northwest Corner of Diaz Road and Dendy Parkway (APN: 909-370-049 and 909-370-050)

PREPARED BY: Lynn Kelly-Lehner, Principal Management Analyst

RECOMMENDATION: That the City Council enter into an Exclusive Negotiating Agreement (ENA) between the City and Stephen A. Bieri Company, Inc., for the potential disposition of City-owned property located at the northwest corner of Diaz Road and Dendy Parkway (APN: 909-370-049 and 909-370-050) (Subject Property).

BACKGROUND: The Subject Property is located at the northwesterly corner of the intersection of Diaz Road and Dendy Parkway and is approximately 32 acres. The property was acquired by the City of Temecula in 1992. For several years, the former Temecula Redevelopment Agency and City have pursued several projects on the property. However, no prospective buyers were successful at acquiring the necessary financing to complete the development. Bieri is proposing to purchase the Subject Property for the development of an 18-acre water park.

The initial terms of the ENA are expected to include a negotiating term of nine months with three administrative extensions, totaling thirty (30) days each. The goal during the ENA term will be to negotiate the specific terms of the sale including purchase price, detailed plan for the proposed development, conditions that must be satisfied for the City to close the transaction, and timeline for completion. The City will conduct an updated appraisal previously completed for the Subject Property to determine current market value.

FISCAL IMPACT: If the sale or lease of the Subject Property is completed, all proceeds of the sale or lease will be required to be deposited in the City's Affordable Housing Fund for future allocation to affordable housing development.

ATTACHMENTS: Draft Exclusive Negotiating Agreement