

CITY COUNCIL COMMUNICATION 97-437
AUGUST 25, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
CERTIFICATE OF PARTIAL COMPLETION FOR 2001 DEWOLF STREET/GUTHRIE AVENUE BUSINESS PARK	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JAMES GRANT COMMUNITY DEVELOPMENT DIRECTOR

SYNOPSIS —

On the August 25, 1997 Council agenda is a roll call to authorize the issuance of a Certificate of Partial Completion to the 2001 Partnership, L.L.C. for Disposition Parcel No. 31A (2001 DeWolf Street)/Guthrie Avenue Business Park Urban Renewal Area and partial release of the Good Faith Deposit.

FISCAL IMPACT —

N/A

RECOMMENDATION —

1. Approval of the execution and delivery of the Certificate of Partial Completion for Disposition Parcel No. 31A (2001 DeWolf Street)/Guthrie Avenue Business Park Urban Renewal Area;
2. Partial release of the Good Faith Deposit in the amount of \$29,690 plus accrued interest at this time; and
3. Partial release of the Good Faith Deposit in the amount of \$8,000 plus accrued interest after the Redeveloper has installed all required landscaping as determined by the Economic Development Division.

BACKGROUND —

On August 5, 1996, the City conveyed Disposition Parcel No. 31A, located at 2001 DeWolf Street/Guthrie Avenue Business Park Urban Renewal Area, to the Quality Wine Company, Inc. for the Stage I construction of an approximate 45,000 sq. ft. office/distribution facility and a 20,000 sq. ft. addition by December 1, 2000. The Redeveloper was provided the option of entering into a Minimum Assessment Agreement with the City prior to December 1, 2000, which fixes the minimum actual value of the additional 20,000 sq. ft. had it been constructed.

On August 5, 1996, the City approved an assignment of interest in the contract from the Quality Wine Company, Inc. to the 2001 Partnership, L.L.C., which consists of two principals of the Quality Wine Company, Inc. The 2001 Partnership, L.L.C. owns the property and leases it to Quality Wine. The Redeveloper has requested that a Certificate of Completion be issued and that its Good Faith Deposit of \$54,625 plus accrued interest be returned.

On August 11, 1997, City staff inspected the redevelopment project and determined that a majority of the Stage I improvements are completed and are in substantial compliance with the terms of the urban

renewal contract. The Redeveloper has built a 45,000 sq. ft. office/distribution facility, provided appropriate parking and loading, and installed a majority of the landscaping.

There are three outstanding requirements that must be met before a final Certificate of Completion can be issued and all of the Good Faith Deposit released.

1. An additional 20,000 sq. ft. must be constructed by December 1, 2000, or the Redeveloper may enter into a Minimum Assessment Agreement with the City prior to December 1, 2000, which fixes the minimum actual value of the additional 20,000 sq. ft. had it been constructed;
2. Eighteen 2-1/2" caliper deciduous or 8-foot tall balled and burlapped coniferous trees must be planted along DeWolf Street; and
3. The unpaved area north, south and east of the Stage I improvements must be seeded.

On August 19, 1997, the Urban Renewal Board recommended that a Certificate of Partial Completion be issued, and that \$29,690 of the Good Faith Deposit plus accrued interest be returned to the 2001 Partnership, L.L.C. at this time for completion of a majority of the Stage I improvements. The Board also recommended that \$8,000 of the Good Faith Deposit plus accrued interest be returned to the Redeveloper when it is determined by the Economic Development Division that all required landscaping is installed. It is projected that this work will be completed in Fall 1997. The Board further recommended that \$16,935 of the Good Faith Deposit plus accrued interest be returned to the Redeveloper after it constructs an additional 20,000 sq. ft. or enters into a Minimum Assessment Agreement for the value of the construction had it been completed in accordance with the terms of the urban renewal contract and a final Certificate of Completion has been issued by the City. The Redeveloper agrees with the Board's recommendation.