

BOARD MEMBERS:

SCOTT BUXBAUM

*County Board of Education
Representative*

GLORIA CHADWICK

*Grossmont Healthcare District
Representative*

DENNIS DAVIES

City of El Cajon

MICHELLE NGUYEN

*County Board of Supervisors
Representative*

SUE REARIC

*Chancellor of the California
Community Colleges
Representative*

ANTHONY SHUTE

*(Former RDA/MMPEG
Employee) City of El Cajon*

**DEBRA TURNER-
EMERSON**

*County Board of Supervisors
Representative*

OB LEGAL COUNSEL:

MEYERS NAVE

SUCCESSOR AGENCY

STAFF:

DOUGLAS WILLIFORD

*Executive Director/
City Manager*

MAJED AL-GHAFRY

*OB Secretary /
Assistant City Manager*

MORGAN FOLEY

General Counsel

CLAY SCHOEN

Director of Finance

HOLLY REED-FALK

Financial Operations Manager

VICTORIA DANGANAN

Senior Accountant

ADRIANA CASTAÑEDA

Senior Management Analyst

RON LUIS VALLES

Administrative Secretary

AGENDA

City of El Cajon

Successor Agency – Oversight Board

8:00 a.m., Wednesday, May 18, 2016

El Cajon City Hall

Fifth Floor Conference Room

200 Civic Center Way, El Cajon, CA 92020

I. CALL TO ORDER & PLEDGE OF ALLEGIANCE:

Welcome: Sue Rearic, Vice Chancellor-Business Services, as the Grossmont-Cuyamaca Community College District (GCCCD) representative to the Oversight Board, replacing Sahar Abushaban

II. ROLL CALL:

III. AGENDA CHANGES:

IV. PUBLIC COMMENT: (This is the opportunity for a member of the public to address the Oversight Board on any item of business within the jurisdiction of the Board that is not on the agenda. Under State law no action can be taken on items brought forward under Public Comment, except to refer the item to the staff for administrative action or to place it on a future agenda.)

V. ACTION ITEMS:

1. Approval of Action Minutes – March 16, 2016, meeting
2. Approval of a First Amendment to the Exclusive Negotiation Agreement between the Successor Agency and Brixton Capital and Excel Hotel Group, Inc., for the purchase and development of Successor Agency-owned property along the north side of Fletcher Parkway and the east side of North Magnolia Avenue (100 Fletcher Parkway).

VI. OTHER ITEMS FOR CONSIDERATION:

VII. STAFF COMMUNICATIONS:

1. Upcoming schedule.

VIII. BOARD REPORTS/COMMENTS:

IX. ADJOURNMENT:

SUMMARY MINUTES

Successor Agency to the El Cajon Redevelopment Agency Oversight Board

Meeting - Wednesday, March 16, 2016
El Cajon City Hall, Fifth Floor Conference Room
200 Civic Center Way, El Cajon, CA 92020

BOARD PRESENT: Sahar Abushaban, Scott Buxbaum, Gloria Chadwick, Dennis Davies (Vice Chairperson), Michelle Nguyen and Debra Turner-Emerson (Chair)

BOARD ABSENT: Anthony Shute

OB LEGAL COUNSEL: George Eiser III, representing law firm of Meyers Nave

STAFF PRESENT: Assistant City Manager Majed Al-Ghafry, Director of Finance Clay Schoen, Senior Management Analyst Adriana Castañeda, and Administrative Secretary Ron Luis Valles

CALL TO ORDER AND PLEDGE OF ALLEGIANCE:

The meeting was called to order at 8:05 a.m. by TURNER-EMERSON.

PUBLIC COMMENT: None

ACTION ITEM NO. 1: APPROVAL OF ACTION MINUTES – January 20, 2016

CHADWICK made a motion, seconded by DAVIES, to approve the minutes of the January 20, 2016, meeting.

Motion carried 4-0 (ABUSHABAN and TURNER-EMERSON, abstained due to absence at meeting; ANTHONY SHUTE, absent).

ITEM NO. 2: APPROVAL OF RECERTIFICATION OF DOWNTOWN EL CAJON PROPERTY BASED BUSINESS IMPROVEMENT DISTRICT FOR PROPERTY LOCATED AT 115 REA AVENUE.

AL-GHAFRY summarized the staff report.

BUXBAUM made a motion, seconded by NGUYEN, to adopt Resolution OB-04-16 approving the Recertification of Downtown El Cajon Property Based Business Improvement District for Property Located at 115 Rea Avenue.

Motion carried 5-0 (Chair TURNER-EMERSON abstained from participating due to a potential conflict of interest, on the basis that her employer owned property within the Downtown PBID; SHUTE, absent).

STAFF COMMUNICATIONS:

AL-GHAFRY noted that the Courtyard by Marriott is proceeding. Demolition took place and grading is almost complete. In response to CHADWICK, he replied that the old Police Station's Exclusive Negotiation Agreement should be completed fairly soon. The plan to demolish the building first and the four-story Hampton Inn will feature a retail component in the front.

BOARD REPORTS / COMMENTS:

There were none.

ADJOURNMENT:

DAVIES made a motion, seconded by CHADWICK, to adjourn the regularly-scheduled meeting of the El Cajon Successor Agency Oversight Board at 8:14 a.m. this 16th day of March 2016, to 8:00 a.m., April 20, 2016, in the Fifth Floor Conference Room at City Hall, 200 Civic Center Way, El Cajon, California.

Motion carried 6-0 (SHUTE, absent).

APPROVED:

Dennis Davies, Vice Chairperson

ATTEST:

Majed Al-Ghafry, Oversight Board Secretary

AGENDA REPORT
CITY OF EL CAJON SUCCESSOR AGENCY OVERSIGHT BOARD
May 18, 2016, Meeting

SUBJECT: APPROVAL OF FIRST AMENDMENT TO THE EXCLUSIVE NEGOTIATION AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND BRIXTON CAPITAL AND EXCEL HOTEL GROUP, INC.

RECOMMENDED ACTION: That the Oversight Board adopt the proposed Resolution No. OB-05-16 to:

1. Approve the proposed First Amendment to the Exclusive Negotiation Agreement (“ENA”) between the City of El Cajon, as Successor Agency to the former El Cajon Redevelopment Agency and Brixton Capital and Excel Hotel Group, Inc., for the sale and development of Successor Agency-owned property, 100 Fletcher Parkway, APN# 483-071-52-00, with such changes as may be approved by the Executive Director; and
2. Approve execution, by the Executive Director or designee, of all documents necessary to sign the Successor Agency’s extension ENA on behalf of the Successor Agency, including such modifications, as are necessary to complete negotiations of a disposition and development agreement; and
3. Direct the Secretary to the Oversight Board to forward a copy of the extension for the ENA to the San Diego County Auditor-Controller, the County Administrative Officer, the California State Controller’s Office, and the California Department of Finance (“DOF”).

BACKGROUND: On August 11, 2015, the City Council as Successor Agency, approved the Exclusive Negotiation Agreement between the Successor Agency and Brixton Capital and Excel Hotel Group, Inc. (“Developer”) for the sale and development of Successor Agency-owned property located at 100 Fletcher Parkway (“Property”). The Oversight Board approved the ENA on August 19, 2015, and the California DOF approved the Oversight Board’s action on October 2, 2015. The original term of the ENA is for a period of 180 days, with the ability of the parties to extend it for another 90 days.

Since the approval of the ENA, Successor Agency staff has been working diligently with the Developer on various issues involving the Property and the conditions set forth in the ENA. Based on the ENA, the Developer and the Successor Agency staff are proposing a First Amendment to the ENA to extend the initial period of negotiations outlined in the ENA from 180 days to one (1) year, while also retaining the ability of the parties to extend the period of an additional 90 days. Presented and discussed in detail in the First Amendment to Exclusive Negotiation Agreement (“Attachment B”) is the following proposed amendment:

a) Period of Negotiations:

1. The Successor Agency agrees to negotiate exclusively with the Developer regarding the future use and disposition of the Successor Agency Parcel and any future modifications to, and use and disposition of, the Successor Agency Parcel during the term of this Agreement. The Agreement shall commence upon the date the Successor Agency approves and executes this Agreement (the "Effective Date") and shall continue for one- (1) year (the "Negotiation Period"). The Negotiation Period may be extended as provided for herein. The Parties agree to negotiate in good faith and conduct due diligence activities during the Negotiation Period and any extension thereof. If Development Agreements for both the Successor Agency Parcel and City Parcel have not yet been executed upon the termination of the initial Negotiation Period, this Agreement may be extended for 90 days by written consent of the Developer and the City Manager to enable the Successor Agency to: (1) determine whether it desires to enter into such Development Agreements, and (2) take the actions necessary to authorize the Successor Agency to sign the Development Agreements, if the City desires to enter into such Development Agreements.

A separate report to the City Council, acting in its capacity as the Successor Agency, for approval and execution of the First Amendment to the ENA and related documents, under terms outlined in this report will be presented at its regularly-scheduled meeting on May 26, 2016, and the First Amendment to the ENA and related documents will then be submitted to DOF for review and approval.

FISCAL IMPACT: The extension authorized by the First Amendment to the ENA will have no fiscal impact. As approved by the DOF on October 2, 2015, pursuant to the Amended Plan, the net proceeds from the sale of the Site (\$3,618,000) will be remitted by the Successor Agency to the San Diego County Auditor-Controller's Office for distribution to the Affected Taxing Entities ("ATEs"). **After the close of escrow, the Successor Agency will no longer be responsible for any costs and financial obligations associated with the Site.**

Attachments:

- A. Proposed Successor Agency Resolution OB-05-16
- B. Exclusive Negotiation Agreement - Brixton Capital Excel Hotel Group, Inc. and Successor Agency

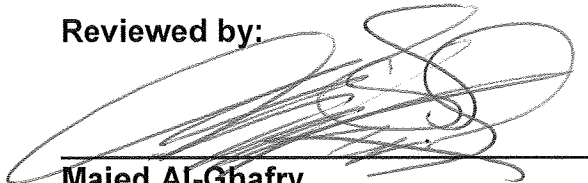
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Prepared by:



Adriana Castañeda
Sr. Management Analyst

Reviewed by:



Majed Al-Ghafry
Secretary / Assistant City Manager

Approved by:



Douglas Williford
Executive Director / City Manager

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RESOLUTION NO. OB-05-16

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER EL CAJON REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE FIRST AMENDMENT TO THE EXCLUSIVE NEGOTIATION AGREEMENT WITH BRIXTON CAPITAL AND EXCEL HOTEL GROUP, INC., FOR THE PURCHASE AND DEVELOPMENT OF SUCCESSOR AGENCY-OWNED PROPERTY ALONG THE NORTH SIDE OF FLETCHER PARKWAY AND THE EAST SIDE OF NORTH MAGNOLIA AVENUE (100 FLETCHER PARKWAY)

WHEREAS, the City of El Cajon as Successor Agency to the El Cajon Redevelopment Agency (the "Successor Agency") owns one (1) commercial parcel (the "Parcel") identified as 100 Fletcher Parkway, APN# 483-071-52-00, located along the north side of Fletcher Parkway and along the east side of North Magnolia Avenue, in the City of El Cajon; and

WHEREAS, the City of El Cajon (the "City") owns adjacent property acquired from the State of California Department of Transportation, which property lies between the Parcel and the off ramp for California State Route 67, as well as between the Parcel and Fletcher Parkway, which together with the Parcel creates approximately 4.14 acres of commercially-developable property (the "Project Site"); and

WHEREAS, the City, has identified the Project Site as a desirable location for the construction of a hotel and additional retail commercial development; and

WHEREAS, the Successor Agency and the City both desire to enter cooperatively and facilitate the development of the Project Site with a quality hotel, along with on-site parking and complementary commercial development; and

WHEREAS, the City and the Successor Agency have jointly-marketed the Project Site through a Request For Proposals and, having evaluated the proposals, have determined that it is in the best interests of the Successor Agency, the City, and the various affected taxing entities for the Project Site to be sold and developed by Brixton Capital and Excel Hotel Group, Inc. (the "Developer"), for the purpose of constructing an 80-bed Hampton Inn Hotel (the "Hotel"), along with on-site parking, and other commercial buildings that would complement the Hotel with one or more quality restaurants and other retail uses, all to be located on the Project Site;

WHEREAS, the Developer has entered into an Exclusive Negotiation Agreement (the "Agreement") with the Successor Agency for the exclusive right to negotiate the purchase and development of the Project Site and the creation of a development agreement to direct the desired development of the Project Site; and

WHEREAS, the Developer has qualified through the request for proposal bidding process, and a review of its qualifications, and will expend substantial time and resources in order to negotiate in good faith the price and terms of sale, planned uses, and development of the scope of use of the Project Site; and

WHEREAS, the Agreement and related documents were adopted on August 11, 2015, by the City Council acting as the Successor Agency; and approved by the Oversight Board at its meeting of August 19, 2015; and

WHEREAS, since approval of the Agreement, the Successor Agency staff has been working diligently with the Developer on various issues involving the Property and the conditions set forth in the Agreement; and

WHEREAS, the Successor Agency staff and the Developer are proposing a First Amendment to the Agreement to extend the Period of Negotiation set forth in the Agreement from 180 days to up to one (1) year.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER CITY OF EL CAJON REDEVELOPMENT AGENCY, AS FOLLOWS:

- A. The Oversight Board finds that:
 - 1. The recitals above are true and correct and have been incorporated herein by reference; and
 - 2. Approval to execute the First Amendment to the Agreement is exempt from the California Environmental Quality Act (CEQA) in accordance with section 15061(b); (General Rule) of the CEQA Guidelines. Any future Disposition and Development Agreement resulting from the Agreement, as amended, will be subject to CEQA review; and
 - 3. The proposed First Amendment to the Agreement would provide for a Period of Negotiation for up to one year, and would be in the best interests of the affected taxing entities and the public by bringing buyers who will acquire and develop Successor Agency properties to their fullest potential, resulting in increased property taxes, sale tax, new jobs, and economic prosperity to El Cajon.

- B. The Oversight Board hereby APPROVES the First Amendment to the agreement, as recommended by the City Manager, between the City of El Cajon and Brixton Capital and Excel Hotel Group, Inc., in substantially the form as presented and approved at the meetings on May 26, 2016 and May 18, 2016, by the City Council acting at the Successor Agency and the Oversight Board, respectively; and

- C. The Oversight Board hereby APPROVES the execution of said First Amendment to the Agreement by the City Manager of the City of El Cajon, or such person designated by the City Manager, acting in the capacity of Executive Director of the Successor Agency, with such modifications as the person executing the agreement and the City Attorney shall approve.

- D. The Oversight Board hereby directs the Secretary of the Oversight Board to forward a copy of the First Amendment to the Agreement to the San Diego County Auditor-Controller, the County Administrative Officer, the California State Controller's Office, and the California Department of Finance.

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PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the former El Cajon Redevelopment Agency at a regularly-scheduled meeting held this 18th day of May, 2016, by the following vote to wit:

AYES :
NOES :
ABSENT :
ABSTAIN :

Debra Turner-Emerson, Chairperson

ATTEST:

Majed Al-Ghafry, Oversight Board Secretary

**FIRST AMENDMENT TO
EXCLUSIVE NEGOTIATION AGREEMENT
BY AND BETWEEN THE
SUCCESSOR AGENCY TO THE
EL CAJON REDEVELOPMENT AGENCY, AND
BRIXTON CAPITAL and EXCEL HOTEL GROUP, INC.**

THIS FIRST AMENDMENT is made and entered into effective the _____ day of _____, 2016, by and between the SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY (the "Successor Agency"), and BRIXTON CAPITAL and EXCEL HOTEL GROUP, INC., a California corporation (collectively, the "Developer") (Successor Agency and Developer are occasionally referred to herein individually as the "Party" and collectively as the "Parties").

RECITALS

1. On August 11, 2015, the City Council as Successor Agency to the El Cajon Redevelopment Agency approved the Exclusive Negotiation Agreement (the "ENA") between the Successor Agency and the Developer for the sale and development of Successor Agency-owned property located at 100 Fletcher Parkway (the "Property"). The Oversight Board approved the ENA on August 19, 2015, and the California Department of Finance (the "DOF") approved the Oversight Board's action on October 2, 2015.

2. Since the approval of the ENA, Successor Agency staff has been working diligently with the Developer on various issues involving the Property and the conditions set forth in the ENA. The Developer and the Successor Agency staff are now proposing an amendment to the ENA to extend the Period of Negotiations outlined in the ENA for an additional one hundred eighty-six (186) days, for a total term of one (1) year.

3. CITY and CONSULTANT now agree to amend the AGREEMENT to extend the Period of Negotiations for an additional one hundred eighty-six (186) days, for a total term of one (1) year.

4. This FIRST AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT BY AND BETWEEN THE SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY, AND BRIXTON CAPITAL and EXCEL HOTEL GROUP, INC. (the "FIRST AMENDMENT") is necessary to amend the AGREEMENT to extend the term an additional one hundred eighty-six (186) days, for a total term of one (1) year.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Section B(1) of the AGREEMENT is amended to read as follows:

B. Period of Negotiations.

1. The Successor Agency agrees to negotiate exclusively with the Developer regarding the future use and disposition of the Successor Agency Parcel and any future modifications to, and use and disposition of, the Successor Agency Parcel during the term of this Agreement. The Agreement shall commence upon the date the Successor Agency approves and executes this Agreement (the "Effective Date") and continue for a period of one (1) year (the "Negotiation Period"). The Negotiation Period may be extended as provided for herein. The Parties agree to negotiate in good faith and conduct due diligence activities during the Negotiation Period and any extension thereof. If Development Agreements for both the Successor Agency Parcel and City Parcel have not yet been executed upon the termination of the initial Negotiation Period, this Agreement may be extended for 90 days by written consent of the Developer and the City Manager to enable the Successor Agency to: (1) determine whether it desires to enter into such Development Agreements, and (2) take the actions necessary to authorize the Successor Agency to sign the Development Agreements, if the City desires to enter into such Development Agreements.

Section 2. This FIRST AMENDMENT may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

Section 3. Except as otherwise amended by this FIRST AMENDMENT, all other terms and conditions of the AGREEMENT shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have executed this FIRST AMENDMENT effective the date and year first above written.

_____, 2016

SUCCESSOR AGENCY TO THE
EI CAJON REDEVELOPMENT AGENCY,
a public body, corporate and politic

By: _____
DOUGLAS WILLIFORD
Executive Director

EXCEL HOTEL GROUP, INC.,
a California corporation

_____, 2016

By: _____

(name)
(title)

BRIXTON CAPITAL

_____, 2016

By: _____

(name)
(title)

APPROVED AS TO FORM:

MORGAN L. FOLEY
General Counsel

Attorney for Developer

ATTEST:

BELINDA HAWLEY
City Clerk