

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 June 14, 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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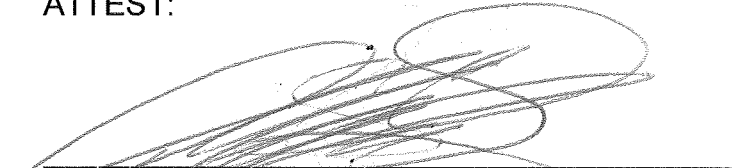
PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the former El Cajon Redevelopment Agency at a regularly-scheduled meeting held this 18<sup>th</sup> day of May 2016, by the following vote to wit:

AYES: BUXBAUM, CHADWICK, REARIC, SHUTE, TURNER-EMERSON  
ABSTAIN: NONE  
ABSENT: DAVIES, NGUYEN



\_\_\_\_\_  
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.

*[Remainder of page intentionally left blank]*

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