



REDEVELOPMENT AGENCY AGENDA REPORT



DEPARTMENT: Administration

MEETING DATE: April 19, 2011

PREPARED BY: Darlene Sanchez,
Redevelopment Sr. Project Manager

AGENDA LOCATION: MRA CC-2

TITLE: Exclusive Negotiating Agreement with Lowe Enterprises Development Group for Property Located at the South-East Corner of Myrtle Avenue and Duarte Road

OBJECTIVE: To approve a 90-day Exclusive Negotiating Agreement (“ENA”) between the Monrovia Redevelopment Agency (“Agency”) and Lowe Enterprises Real Estate Group (“The Developer”) for the area generally bounded by El Norte Street on the south, South Myrtle Avenue on the west, Walker Avenue on the east, and East Duarte Rd on the north (the “Site”).

BACKGROUND: The Agency received interest from the Developer requesting an opportunity to explore the viability of developing a 4.5 acre retail center at the southeast corner of Myrtle Avenue and Duarte Road. The Site is located in the Monrovia Redevelopment Project Area, and is slightly south of the Station Square Project Area.

The Site will become an area of focus as Myrtle Avenue and Duarte Road will become a more prominent intersection to the City as the development of Station Square Transit Village continues to move forward. Phase 1 of the Station Square Transit Village, which is located northwest of the Site, should break ground in 2012. Along with the new Gold Line station and new open space, Phase I will ultimately include a residential development, a mixed-use development, and an office development. It is with this specific plan in mind that the Agency explores an ENA to assess the feasibility of this nearby Site’s potential to be redeveloped into an area that can house a thriving retail center.

ANALYSIS: An ENA will give the Developer a 90-day exclusive negotiating period to engage in the following activities:

- Conduct a detailed retail study of Monrovia which will include demographic models, retail opportunity matrix and detailed maps;
- Develop site plans for the proposed project that would include a study on the feasibility of large format retailers, as well as, smaller neighborhood centers with specialty centers;
- Work with Agency staff to understand financing options including tax increment financing, bonds and other measures required to make the a proposed project feasible and successful for all parties;
- Complete a detailed financial analysis of a proposed project; and

MRA CC-2

- Convene community meetings to help gain a better understanding of nearby residents' goals and interests.

At the conclusion of the 90-day exclusive negotiating period, if it is determined that a project is feasible, if directly affected private property owners have waived their owner participation rights, and if all parties agree to move forward, a disposition and development agreement (“DDA”) will be presented to the Agency Board for consideration. While staff is optimistic of the market viability of a project at this Site, there is also the possibility that either the Agency or Developer will elect not to proceed. If it is determined that either a project is not feasible or that the parties can not agree to specific terms, the agreement will automatically terminate.

Staff is recommending that the Agency enter into an Exclusive Negotiating Agreement with the Developer to explore the possibility of successfully redeveloping this key Site. It is important to note that no decisions have been made regarding this project, and that the Agency Board is being asked only to approve an Exclusive Negotiating Agreement.

OPTIONS: The Agency Board’s options are as follows:

1. Approve the Exclusive Negotiating Agreement with Lowe Enterprises Real Estate Group. This option will allow the Agency and the Developer the opportunity to explore the possibility of successfully redeveloping this key Site.
2. Elect not to award an Exclusive Negotiating Agreement. If the Agency Board elects not to award the ENA to Lowe Enterprises Real Estate Group, staff will look to explore other potential development opportunities for the Site.

FISCAL IMPACT: There is no fiscal impact to the Agency associated with the Exclusive Negotiating Agreement.

RECOMMENDATION: Staff recommends Option 1, approve the Exclusive Negotiating Agreement with Lowe Enterprises Real Estate Group and Authorize the Executive Director to Execute the Necessary Documents.

AGENCY ACTION REQUIRED: If the Agency Board concurs, the appropriate action would be a motion to approve an Exclusive Negotiating Agreement with Lowe Enterprises Real Estate Group and authorize the Executive Director to execute the necessary documents.