

AGENDA



Thursday, April 10, 2008

**Economic Growth & Redevelopment Services
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 23

Subject: Approve an ordinance authorizing negotiation and execution of a Master Development Agreement with SEAHOLM DEVELOPMENT LLC, including but not limited to the following components: incentives provided for the Transfer Price, Street Improvements, Power Plant Rehabilitation, Plaza, and Reimbursable Fees; and SEAHOLM DEVELOPMENT LLC will design and construct improvements to the Power Plant Building, Hotel/Condo Building, Office Building, Plaza Property, the Offsite Parking Garage, and Streets.

Amount and Source of Funding: Funding in the amount of \$14,970,750 is available in debt to be issued in conjunction with the Seaholm Master Development Agreement in August 2008 or later.

Fiscal Note: A fiscal note is attached.

For More Information: Sue Edwards, EGRSO Director / 974-7820
David Lloyd, Attorney / 974-2918

Boards and Commission Action: Related to items #22 and #24.

The City has initiated efforts to redevelop the Seaholm Power Plant site. Adjustments to the infrastructure surrounding Seaholm, particularly roads and parkland, are being constructed to fully utilize the area for community purposes in a manner consistent with the Seaholm District Master Plan.

This Council action would allow the City to enter into a Master Development Agreement with Seaholm LLC consistent with the agreement attached hereto.

Seaholm's main development and general covenants are as follows:

- Design and construct the Improvements, which include the Street Improvements, the Plaza, the Hotel/Condo Building, the Office Building and the Power Plant Building.
- Construct the Offsite Parking Garage, if requested by the City.
- Secure the City's reasonable approval of the site plan, exterior facades and landscape plans (but not interior aspects).
- Use commercially reasonable efforts to cause Completion according to the estimated Property Development Costs under the Proforma.
- Use commercially reasonable efforts to maximize the sale/rental prices of the Property.
- Use commercially reasonable efforts to cause all contracts to be assignable to the City.
- Distribute Property Net Income in the following order:
 - - 1st 100% to Seaholm until cumulative 13% IRR;
 - - 2nd 25% to City and 75% to Seaholm until earlier of Seaholm's cumulative 15% IRR and City has been repaid the amount of the Repayment Incentives;
 - - 3rd 50% to City and 50% to Seaholm until City has been repaid the amount of the Repayment Incentives.
- Apply for and diligently attempt to secure all public grants and tax credits.
- Contribute \$100,000 into a fund for public art on the Property.
- Maintain and repair the Property.