

Memorandum



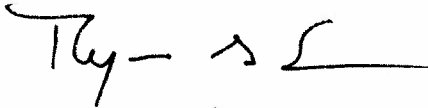
DATE November 30, 2012

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Dwaine Caraway, Linda Koop, and Pauline Medrano

SUBJECT Lancaster/Kiest Development

On Wednesday, December 5, 2012, you will be briefed on the Lancaster/Kiest Development. A copy of the briefing is attached.

Please let me know if you have any questions.



Ryan S. Evans
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa A. Rios, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Daniel Solis, Administrative Judge, Municipal Court
A.C. Gonzalez, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jerry Killingsworth, Housing/Community Services Director
Stephanie Pegues-Cooper, Assistant to the City Manager

Lancaster/Kiest Development



A Briefing To The
Housing Committee

Housing/Community Services Department
December 5, 2012



Purpose

2

- **Initiate the acquisition, demolition, and vertical construction for a four phase project in the Northwest quadrant of Lancaster and Kiest Blvd in the Grow South area allocating \$3.4M in 2006 bond funds**

Current Property Status

3

- A mix of 50 to 75 year old retail buildings and vacant lots



Project Description

4

- A four phase development involving 22 properties
- 16 properties will be acquired
- 2 properties are owned by the proposed developer
- 4 properties are owned by an existing retailer (Rudy's Chicken)
- 14 existing structures will be demolished

Site Plan

5



Lancaster Kiest Village
Land Ownership



Project Description

6

- 8 of the 16 properties to be acquired are under contract to City Wide CDC, a CHDO
- City Wide CDC will assign 7 of those contracts to the City for direct purchase and will be paid a broker fee for each property under contract, when closed
- City Wide CDC will have a 3 year exclusive right to develop on any of the 7 properties wherein an assignment was used
- City Wide CDC will assign the contracts to the City on all of the remaining 8 properties to be purchased and will be paid a broker fee and have the same 3 year development exclusivity

Phase Description

7

- Phase I- Relocation of Rudy's Chicken to a new building with more parking and better ingress/egress from Lancaster
- Phase II- Retail/Office encompassing 3 to 4 lots depending on Rudy's Chicken site requirement
- Phase III- High Density Live/Work townhouses
- Phase IV- High Density multifamily with possible Women with Children Housing for part of site

Phase I

8

- Relocate the existing Rudy's Chicken Sites (3,4) to sites (5,6,7)
- City will purchase the existing Rudy's site and improvements
- Rudy's owners will pledge the sales proceeds from the City's purchase to the new site
- City Wide CDC will assign Lot #7 to the City and Rudy's will pay the additional \$62K lot cost above the appraised value
- Rudy's owners will donate lots 5 and 6 to the new business location
- City will GAP fund any additional building costs to a maximum of \$250K
- City will pay for all demolition associated with Lots 3,4, and 7

Phase II

9

- Develop Retail and 2nd floor office on sites 2,3,4 and possibly 5 estimated @ about 8400 sq.ft.
- If Lot # 5 is not used by Rudy's, the City will purchase and include in the retail development
- City Wide CDC will not assign the contract on Lot #2
- City will provide \$250K of the \$300K purchase price for #2 and City Wide will provide the balance of \$50K
- City will include lots 3 and 4 acquired from the Rudy's owners as an equity contribution to the project
- City Wide CDC will have a 3 year exclusive right to develop

Phase III

10

- **Develop approx. 32 live/work townhomes on lots 8, 9, 10, 11 and 12 plus parking on 3022 Denley**
- **City owns Lot 8 (former library) and will include in development**
- **The remaining 5 lots are under contract to City Wide CDC and will be assigned to the City**
- **City Wide CDC will have a 3 year exclusive right to develop**

Phase IV

11

- **Develop high density affordable housing on lots 14 through 22**
- **Lot 14 under contract and will be assigned to City while lots 15 and 16 are presently owned by City Wide with the City holding a 1st lien**
- **Discussions for purchases of lots 17 through 22 have begun and all of those lots, when purchased, will be acquired by the City**
- **As many as 75 units could be built in this Phase with initial planning for part of the site for a battered women/children facility**

Site Plan

12



Next Steps

13

- Council vote on December 12th
- Initiate contract closings and begin demolition immediately
- Initiate Phase I in Spring 2013
- Initiate Phase II by summer or fall of 2013
- Initiate Phase III in late 2013 or early 2014
- Initiate Phase IV in 2013 or 2014 depending on acquisition of last 6 lots not under contract