



AGENDA REPORT

Meeting Date

04/13/2021

Prepared By: William P. Curley, City Attorney
Budgetary Review By: Cheryl Dyas, Director of Administrative Services / City Treasurer
Submitted By: Dennis Wilberg, City Manager

Agenda Title

Sixty (60) Day Extension of Exclusive Right to Negotiate Agreement-Stein Mart

Recommended Action

Approve Extension.

Executive Summary

The City Council has undertaken the potential acquisition of the SteinMart building. This acquisition will on its own, without the need for additional parcels, allow the commencement of the several years-long planning process the community undertook. After the extensive public input, together with community involved planning experts, a collective vision was achieved. This vision, now at least three years old, was not able to advance as the property owners in the Village Center chose to maintain their individual properties as-is. The City respected that and awaited property owner interest in upgrading this shopping center by means of new public park, recreation, and trail improvements which would create new interest in Core Area (La Paz at Marguerite), allow for enhanced public amenities, build upon and further other recently acquired or renovated public amenities at and around the Oso Creek Golf Course and Marguerite Aquatics Center and act as a catalyst to have the community recognize the Core Area as the "downtown" area.

Advancing the Core Area Vision Plan became a potential reality when a willing to sell property owner expressed interest in selling to the City. The selling property owner realized the benefit to both the whole community and its property by the advancement of the public park Paseo and related improvements to the Oso Creek trail and adjacent land. Rather than preserve a vacant store the seller understood the great benefits to all the community including its commercial use, by the building of a Paseo and Oso Creek enhancements. Real Estate, business professionals, planners and importantly, the great majority of residents understand the need for and benefit from improving a 50-year-old center for the community good.

The City has, realizing that it must be good stewards and fiduciaries of public taxpayer funds, strived to obtain the best fiscal deal for the residents. Paying an unreasonable or unsupportable price, even for the start of the Core Area vision plan, would be improper. Likewise, the seller seeks a fair and market competitive sales price. Extensive negotiations on price and terms have occurred, and, as agreement has not yet occurred, must continue.

The law, including the Brown Act and Public Records Act, recognize that it would be a fiduciary, and common sense, violation to openly discuss price and terms. The law specifically allows financial real estate purchase authority to be confidentially discussed. While some may think such private financial discussions somehow wrong to do, the Legislature, the law, and common sense dictates good stewardship of public money be managed so as to ensure the public pays the best price for any asset.

The parties will continue to negotiate, for up to the next sixty (60) days, to achieve the best, smartest and fairest terms for the City residents and the willing seller who wishes to facilitate the Core Area Vision Plan becoming a reality. Information on the Core Area Vision Plan is available at the City or on-line at EnvisionMissionViejo.com

Fiscal Impact:

Amount Requested: \$

Sufficient Budgeted Funds Available?: (If no, see attached fiscal analysis)

Prog/Fund #: Category: Pers. Optg. Cap. -or- CIP#: Fund#:

Previous Relevant Council Actions for This Item

2-23-2021 Approval of Exclusive Negotiating Agreement

Attachments

First Amendment Exclusive Negotiating Rights Agreement re Village Center