

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE THIRD AMENDMENT TO THE DOWNTOWN INFRASTRUCTURE INFILL INCENTIVE REIMBURSEMENT AGREEMENT WITH OPEN WINDOW PROJECT, LLC, PHASE 1

The Stockton City Council identified economic development and fiscal sustainability as two key goals for the City; and

On July 7, 2015, the Council approved Resolution No. 2015-07-07-1502 adopting the Downtown Infrastructure Infill Incentive Program to encourage infill development and defray public infrastructure improvement costs in Downtown Stockton; and

In February 2016, the Council approved a Master Development Plan and Development Agreement with Open Window Project, LLC for the Open Window Project ("Project") consisting of market-rate housing and retail/commercial space; and

Phase I of the Project originally consisted of approximately 200 residential units, which included 150 market-rate housing units, and approximately 92,000 s.f. of commercial/retail space; and

On October 18, 2016, the Council approved a Downtown Infrastructure Infill Incentive Reimbursement Agreement with Open Window Project, LLC, of up to \$3.8 million to assist with Phase I of the Project; and

On May 9, 2017, the Council approved an Amendment to the Reimbursement Agreement authorizing the release of \$760,000 of funding to Open Window Project, LLC and securing said funding with a lien on seven (7) properties owned by Open Window Project, LLC; and

In 2017 the scope for Phase I of the Project changed from 200 residential units to 261 units, which included 231 market-rate units, and encompassed an additional city block. The change in scope would require considerable infrastructure improvements above the amount Council initially approved in November 2016; and

On October 3, 2017, the Council approved a Second Amendment to the Reimbursement Agreement with Open Window Project, LLC, authorizing an additional \$2.38 million in Downtown Infrastructure Infill Incentive funding for a total of \$6.18 million; and

The scope for Phase I of the Project has changed with a decrease in the overall number of market-rate residential units and reduction of commercial space. The revised project scope will now include 129 market-rate residential units and 55,299 s.f. of

commercial/retail space. This change in scope will require fewer eligible infrastructure improvements than the amended amount Council approved in October 2017. As such, the City is reducing the amount of Downtown Infrastructure Infill Incentive funding from the amended \$6.18 million to a Third Amendment total of \$4.95 million, leaving a reimbursable balance of \$1.35 million; and

Future dollars received by the City through loan repayments of the Successor Agency to the CDBG fund and/or the City's annual allocation of CDBG funds will continue to be used to fund the amended amount; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Manager is hereby authorized to execute the Third Amendment to the Downtown Infrastructure Infill Incentive Reimbursement Agreement between the City of Stockton and Open Window Project, LLC, Phase I, attached as Exhibit 1 and incorporated by this reference, to:

- a. Reduce the total funding of the reimbursement to \$4.95 million.
- b. Authorize the remaining \$1.35 million balance to be reimbursed at \$900,000 in fiscal year 2022-23 and \$450,000 in fiscal year 2023-24.

2. The City Manager is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED July 14, 2020.

MICHAEL D. TUBBS
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton