



## CITY COUNCIL STAFF REPORT

DATE: APRIL 15, 2015 CONSENT CALENDAR

SUBJECT: APPROVING AMENDMENT NO. 3 TO A PURCHASE AND SALE AGREEMENT WITH SELENE PALM SPRINGS, LLC; AND, AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS RELATED TO THE AGREEMENTS

FROM: David H. Ready, City Manager

BY: Community & Economic Development Department

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### SUMMARY

This action is to approve Amendment No. 3 to a Purchase and Sale Agreement with Selene Palm Springs, LLC (the "Developer") for the 7.8± acre parcel located at Amado Road and Calle Alvarado in Section 14, extending the date for closing on the purchase to January 15, 2016.


### RECOMMENDATION:


- 1) Approve Amendment No. 3 to Agreement No. A6329 with Selene Palm Springs LLC for the sale of a 7.8 acre parcel at the northeast corner of Calle Alvarado and Amado; and
- 2) Authorize the City Manager to execute all necessary documents.

### Background:

In March, 2013 the City and Developer entered a Purchase and Sale Agreement for the sale of a 7.8 +/- acre parcel for the development of a luxury hotel on the site. The Developer has received the firm Letter of Intent (LOI) for the necessary debt and will arrange the remainder of the financing within the next 45 to 60 days. Given this, the Developer expects to have all funding in place by the end of June and submit for Final PD, at which time the Developer would move forward with the last pieces of permitting prior to construction.

Amendment No. 3 includes language that requires the Developer to provide notice to the City informing the City that all financing – debt and equity – is committed and in place and that the Developer is ready to submit building plans and the Final PD application. This would allow the City enough time to undertake the bidding and construction process to construct temporary parking to replace parking lost through the development of the Project.

  
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John S. Raymond, Director of  
Community & Economic Development

  
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David H. Ready, City Manager

Attachment:

Amendment No. 3 to a Purchase and Sale Agreement

## AMENDMENT NO. 3 TO PURCHASE AND SALE AGREEMENT (SELENE)

THIS AMENDMENT NO. 3 TO PURCHASE AND SALE AGREEMENT ("Amendment") is made and entered into this \_\_\_\_\_ day of April, 2015, by and between the City of Palm Springs, a California charter city ("City") and Selene Palm Springs, LLC, a California limited liability company, the successor to Praetor Investments, LLC (the "Developer").

### RECITALS

**A.** City and Developer entered into a Purchase and Sale Agreement on March 6, 2013 for the purpose of developing and maintaining a Dolce Hotel Project on property owned by the City.

**B.** Delays in certain performance obligations have occurred as a result of changes in state law and outside of the control of the Parties. This Amendment will modify the affected performance schedule in response to such delays. In addition, in 2014 the Developer reorganized as a new legal entity using the project name and the Parties agreed that the new entity should be designated as the Developer under the terms of the Purchase and Sale Agreement with all of the rights and responsibilities of the Developer under the terms of the Purchase and Sale Agreement.

**C.** The Parties also acknowledge that the City requires additional time to construct replacement parking to serve the City's Convention Center and that the Developer shall give sufficient notice to City prior to demolition and construction activities on the City Property commencing. .

NOW, THEREFORE, in consideration of the foregoing Recitals and the promises and covenants contained herein below, City and Developer agree as follows:

### AGREEMENT

Section 1. The foregoing Recitals are true and correct.

Section 2. Section 7 of the Purchase and Sale Agreement is amended to read:

**7. Purchase Date:** Property shall be purchased prior to the start of construction by Developer but no later than January 15, 2016. Escrow shall be opened no less than thirty (30) days before the anticipated Purchase Date.

Section 4. Section 16 of the Purchase and Sale Agreement is amended to read:

**16. Benchmark Schedule:**

Financing. Developer secured the debt Letter of Commitment in March, 2015. Once a term sheet on the equity participation is finalized the Developer will proceed to closing. The loan will close within 45 days from the date Developer has secured the equity, anticipated to be mid-June, 2015. Once all of the financing is in place, the

Developer would then fast track the work required for the Phase I building permit and Final PD submittal. The Developer at that point shall provide notice to City that the debt and equity are in place and the project is financed and is proceeding toward Final PD and building permits.

Building Permits: The Final PD shall be approved and all construction plans and specifications for the Project shall be complete and Building Permits necessary for the construction of foundations and the building shell, including without limitation walls and roofs, shall be applied for and obtained prior to commencement of demolition of any portion of the City Property.

Section 5. Except as expressly provided above, all other terms and conditions of the Purchase and Sale Agreement, as amended, shall remain unchanged and in full force and effect.

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[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates stated below.

**"CITY"**  
**City of Palm Springs**

Date: \_\_\_\_\_

By: \_\_\_\_\_

David H. Ready,  
City Manager

**APPROVED AS TO FORM:**

**ATTEST:**

By: \_\_\_\_\_

Douglas C. Holland,  
City Attorney

By: \_\_\_\_\_

James Thompson,  
City Clerk

**"DEVELOPER"**

**SELENE PALM SPRINGS, LLC**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Lauri Kibby  
CDI Ventures, LLC  
Managing Member

State of California )  
 )ss.  
County of Riverside )

On \_\_\_\_\_ before me, \_\_\_\_\_  
Date Name and Title of Officer

Personally appeared

\_\_\_\_\_  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her, their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

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Signature of Notary Public