



CITY COUNCIL STAFF REPORT

DATE: JULY 13, 2016 CONSENT CALENDAR

SUBJECT: APPROVING AMENDMENT NO. 6 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

SUMMARY

This action is to approve Amendment No. 6 to a Purchase and Sale Agreement with Selene Palm Springs, LLC (the "Developer") to extend the closing date for the sale of the property from the City to the Developer from July 31, 2016 to August 12, 2016.

RECOMMENDATION:

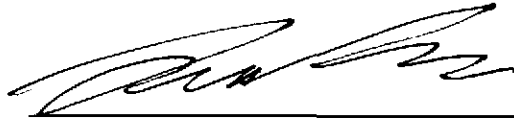
- 1) Approve Amendment No. 6 to Agreement No. A6329 with Selene Palm Springs LLC for the sale of a 7.8 acre parcel at the northeast corner of Calle Alvarado and Amado;
- 2) Authorize the City Manager to execute all necessary documents.

Background:

Pursuant to the terms of the current purchase and sale agreement, as amended, between the City and Selene Palm Springs LLC, the City agreed to sell a 7.8 +/- acre parcel at the northeast corner of Calle Alvarado and Amado to Selene Palm Springs LLC ("Selene") for the development of a luxury hotel on the site. On June 15, 2016, the City and Selene agreed to extend the closing date of the sale of the property to July 31, 2016. The purpose of the extension was in part to allow the Council the opportunity to review the change in hotel brand which was also accomplished on June 15. The Developer has also requested a revision in the timing of the City's review of the Developer's evidence of financing for the project which is required to be submitted prior to closing of escrow. It was anticipated that this amendment to the Agreement would be presented to the Council at its meeting of July 20, 2016; however, with the cancellation of this meeting, the next meeting of Council on August 3, 2016, is three days after the

ITEM NO. 1.C.

current closing date. To facilitate the completion of the negotiations of this amendment and timely presentation of the amendment to the Council, staff recommends the deadline for escrow closing be extended to August 12.



Lauri Aylaian, Director of Community
Development



David H. Ready, City Manager



Douglas Holland, City Attorney

Attachment: Amendment No. 6 to Purchase and Sale Agreement

AMENDMENT NO. 6 TO PURCHASE AND SALE AGREEMENT (SELENE)

THIS AMENDMENT NO. 5 TO PURCHASE AND SALE AGREEMENT ("Amendment") is made and entered into by and between the City of Palm Springs, a California charter city ("City") and Selene Palm Springs, LLC, a California limited liability company ("Developer").

RECITALS

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

B. The Purchase and Sale Agreement has been amended previously to address delays caused by changes in state law and the additional reviews and oversight required to comply with the requirements of state law and to fully satisfy certain requirements of state law. Escrow for the sale of the property has opened; however, the parties wish to extend the close of escrow an additional 12 days.

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

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 August 12, 2016. Escrow shall be opened no less than thirty (30) days before the anticipated Purchase date.

Section 3. 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.

The Parties have executed this Agreement and acknowledge November 4, 2015 as the effective date of this Agreement.

"City"
City of Palm Springs

Date: _____

By: _____

David H. Ready
City Manager

APPROVED AS TO FORM

ATTEST

By: _____

Douglas Holland
City Attorney

By: _____

James Thompson
City Clerk

Developer
Selene Palm Springs, LLC

Date: _____

By: _____

Lauri Kibby for CDI Ventures, LLC
Managing Member for Selene Palm
Springs, LLC