



CITY COUNCIL STAFF REPORT

DATE: MAY17, 2017 CONSENT CALENDAR

SUBJECT: APPROVING AMENDMENT NO. 7 TO A PURCHASE AND SALE AGREEMENT WITH SELENE PALM SPRINGS, LLC AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS RELATED TO THE AGREEMENT

FROM: David H. Ready, City Manager

BY: Edward Z. Kotkin, City Attorney

SUMMARY

This action is to approve Amendment No. 7 to a Purchase and Sale Agreement with Selene Palm Springs, LLC (the "Developer") related to the development of a hotel project for the 7.8± acre parcel located at Amado Road and Calle Alvarado in Section 14 (the Convention Center North parking lot), providing for an additional two month extension of the date to complete the review and approval of final development plans for the project.

RECOMMENDATION:

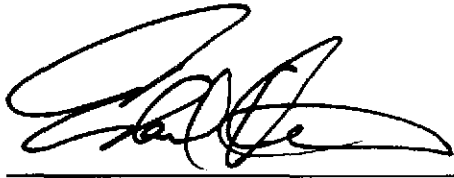
- 1) Approve Amendment No. 7 to Agreement No. A6329 with Selene Palm Springs LLC for the sale of a 7.8 acre parcel at the northeast corner of Calle Alvarado and Amado;
- 2) Authorize the City Manager to execute all necessary documents.

Background:

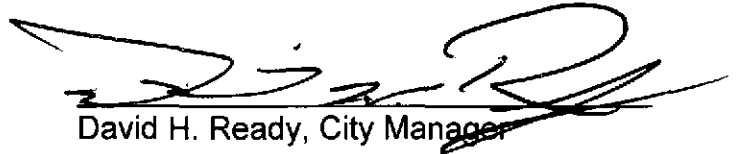
In March, 2013 the City and Developer entered a Purchase and Sale Agreement for the sale of a 7.8 +/- acre parcel for the development of a luxury hotel on the Convention Center North parking lot. The property has been sold to Selene Palm Springs, LLC. There are certain deadlines imposed on the Developer under the terms of this sale, including the obligation to complete the Final Planned Development Permit and submit building permit applications to the City by the end of May of this year.

ITEM NO. 1.1

The Developer submitted the final development plan in a timely manner last year and the City is currently reviewing the entitlement. There have been delays in the processing due to reasons outside of the control of the Developer, including a loss of a quorum by the Planning Commission at the commission's last meeting on May 10, 2017. An appropriate revision to the performance schedule is warranted. The proposed amendment would extend the time to complete the final planned development permit and to commence submitting building permits to July 31, 2017.



Edward Z. Kotkin, City Attorney



David H. Ready, City Manager

Attachments:

Amendment No. 7 to Purchase and Sale Agreement

AMENDMENT NO.7 TO PURCHASE AND SALE AGREEMENT (Selene/Dream)

THIS AMENDMENT NO. 7 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"), dated May 17, 2017.

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 hotel project ("Hotel").

B. The Purchase and Sale Agreement has been amended several times 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. In addition, Developer and City have identified and considered alternative approaches to provide additional public parking on the site of the Hotel and the Developer has been diligently proceeding with the processing of final development permits and has endured delays outside of the control of Developer. This Amendment will modify the performance schedule in response to such delays.

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

16. *Benchmark Schedule:*

Entitlements: No later than July 31, 2017 for completion of the Final Planned Development Permit and submission of building permit applications to the City's Building Department.

Start of Construction: Within 15 months of the close of escrow on the sale of the Property from the City to the Developer.

Opening Date: Expected September 30, 2018 but no later than December 31, 2018.

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 Amendment and acknowledge as of May 17, 2017 as the effective date of this Amendment.

"City"
City of Palm Springs

Date: _____

By: _____

David H. Ready
City Manager

APPROVED ASS TO FORM

ATTEST

By: _____

Edward Z. Kotkin
City Attorney

By: _____

Kathleen Hart
Interim City Clerk

"Developer"
Selene Palm Springs, LLC

Date: _____

By: _____

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

Date: _____

By: _____

Abdul Q. Lalani for Qaiser Capital, LLC
Managing Member for Quasi Capital LLC