

Meeting Date: July 22, 2008



ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Richard R. Bryan Agenda Item No. I-7

Reviewed By: City Manager [Signature] City Attorney Finance [Signature] Other (Specify) \_\_\_\_\_

**DATE:** July 15, 2008

**TO:** City Council  
Community Development Commission

**FROM:** Curtis P. Cannon, Community Development Director Brian D. Pennington (for)  
Community Development Department

**SUBJECT:** **Financing For The RiverPark Project Retail Component Located Adjacent To And North Of The 101 Freeway, East Of The Santa Clara River And West Of Vineyard Avenue**

**RECOMMENDATION**

That City Council (City):

1. For the assignment of the RiverPark Project Development Agreement (A-6128), approve as to form the Assignment and Assumption Agreements from Shea Properties II, LLC to the Collections, LLC, Landing, LLC and Pointe, LLC and authorize the Mayor to execute the Consent forms for the Assignment and Assumption Agreements.
2. Approve and authorize the Mayor to execute the construction financing Consent Estoppel for the Collections, LLC and Keybank National Association conditioned on the review and approval by the City Attorney and City Special Counsel of the final form of the loan documents.

That Community Development Commission (CDC):

1. For the assignment of the RiverPark Project Owner Participation Agreement (A-5965), approve as to form the Assignment and Assumption Agreements from Shea Properties II, LLC to the Collections, LLC, Landing, LLC and Pointe, LLC and authorize the Chairman to execute the Consent forms for the Assignment and Assumption Agreements.

2. Approve and authorize the Chairman to execute the construction financing Consent Estoppel for the Collections, LLC and Keybank National Association conditioned on the review and approval by the General Counsel and Commission Special Counsel of the final form of the loan documents.

## **DISCUSSION**

RiverPark is a 700-acre mixed use community located in the northwest portion of the City. Existing project entitlements include an OPA and four amendments thereto, Development Agreement (DA) and two amendments thereto and a Specific Plan. The Specific Plan consists of 13 Planning Areas. Existing entitlements authorize 900,000 square feet of commercial space and a 320 room hotel on 12 acres in Planning Area C. A portion of the Specific Plan area is located within the Historic Enhancement and Revitalization of Oxnard (HERO) Redevelopment Area.

On July 17, 2007 the Council and the CDC approved Shea Properties II, LLC (Shea) as the developer of the RiverPark retail component. For financing purposes Shea Properties II, LLC is now requesting that its interest be conveyed to the RiverPark Collections, LLC, RiverPark Landings, LLC and the RiverPark Pointe, LLC. The assignments will enable the funding of development loans to be provided by Key Bank National Association.

Shea owns several properties in the RiverPark Specific Plan area on which will be constructed three retail centers that are commonly known as "The Collection", "The Pointe", and "The Landing." The Collection is being developed to operate as a regional mix-use lifestyle center and is the first of these properties to currently be under construction. Shea has commenced construction on the Collections prior to securing its construction financing.

In order to facilitate and finalize the construction financing for the three separate retail centers, contemplated by the RiverPark Specific Plan, Shea is requesting the City and CDC consent to the transfer of the property for each of the retail centers to three separate stand alone, single purpose entities named the RiverPark Collection, LLC, RiverPark Landing, LLC, and RiverPark Pointe, LLC. The transfer of the properties to the separate entities is an essential requirement to secure the financing required for the development of each of the properties. Shea will retain management control and be responsible for day-to-day operations of each of the three entities. The transfer will result in each entity being solely responsible for performance of the obligations of the DA and OPA for its respective project and the Collection, LLC will be responsible for the performance of obligations under the three Parking Agreements (the Ground Lease, Parking Facilities Management Agreement and Acquisition Agreement), which were approved by the Commission in April 2008. There are no cross default provisions, which means, among other things, that in the event of a default by one Shea entity, the City and CDC would not be able to take action against or withhold payment of any money from the other two Shea entities even though the entities are all controlled and managed by the same principals.

Secondly, Shea is requesting the City and CDC consent to the RiverPark Collection, LLC construction financing loan. Since the loan documents are not in final form, the recommendations for the City and CDC approval and authorization of the Consent Estoppels is conditioned on the review and approval of the City Attorney/General Counsel and

City/Commission Special Counsel of the final form of the loan documents. Request to approve construction financing for the Landings and Pointe will be made a later date.

## **FINACIAL IMPACT**

Approving the recommendation is an administrative action that will not create a financial impact.

Attachment #1 – Site Plan

- #2 - Collections Assumption and Assignment Agreement for the Dev Agr
- #3 - Landing Assumption and Assignment Agreement for the Dev Agr
- #4 - Pointe Assumption and Assignment Agreement for the Dev Agr
- #5 - Collections Assumption and Assignment Agreement for the Ownr Part Agr
- #6 - Landing Assumption and Assignment Agreement for the Ownr Part Agr
- #7 - Pointe Assumption and Assignment Agreement for the Ownr Part Agr
- #8 – Connections Consent Estoppel for the Dev Agr
- #9 – Connections Consent Estoppel for the Ownr Part Agr

Note: Drafts of the Assumption and Assignment Agreements and Consent Estoppel have been provided to the CDC and City Council. Copies of the drafts are available for review at the Circulation Desk in the Library after 6:00 p.m. on the Thursday prior to the Council meeting and at the City Clerk's Office after 8:00 a.m. on Friday before the meeting.

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SHEA PROPERTIES II  
 ASSIGNMENT OF PROPERTY TO RIVERPARK COLLECTION, RIVERPARK LANDING, AND RIVERPARK POINTE

