

City Council Agenda Memo

From: Paul M. Briseno, City Manager

Council Meeting: June 30, 2020

Subject: Update on Brookings Marketplace, LLC Agreement

Person(s) Responsible: Paul M. Briseno, City Manager

Summary:

The current Brookings Marketplace, LLC Agreement requires the City Manager review the agreement annually and forward to City Council any concerns. COVID-19 has made the retail development of the site difficult to develop given the existing retail market for the region and nation. Staff has met with the developer monthly if not quarterly over the past year and recommends continuation of the agreement. Additionally, staff recommends further analysis of potential development opportunities of the site.

Background:

The City of Brookings obtained the former Department of Transportation land containing twenty-six (26) acres located east of I-29 and north of Highway 14 for \$1.6 million. An agreement was entered into with Brookings Marketplace, LLC. The original agreement was set to expire in 2018. The terms of the agreement dictate milestones, infrastructure requirements, and additional development agreement details.

The current Marketplace Agreement between the City of Brookings and Brookings Market Place, LLC was renewed for a two (2) year extension on June 25, 2019. The developer requested the extension to continue national and regional retail recruitment efforts. To ensure proper process and agreement terms are met, the developer requested an extension until July 1, 2021.

Item Details:

Within the agreement section twelve (12) section D. the City Manager will review annually the developer's efforts and reports concerns to the City Council. The developer has communicated multiple potential opportunities with no materialization. Quarterly reports and internal meetings occur.

The current environment for new retail development was challenging prior to the national and regional impacts from COVID-19. Though no written notice was given the provision within the agreement outlined in section C. "Enforcement Delay, Extension of Times of Performance should be considered. According to the developer, COVID-19 has currently hindered retail development of the site.

Legal Consideration:

None.

Strategic Plan Consideration:

Furtheres the City Council Goal of assisting with the development of the marketplace.

Financial Consideration:

None.

Options and Recommendation:

This report is provided to Council. The City Manager recommends continuation of the agreement. Understanding the retail environment is evolving, a request for further analysis of potential development is warranted to meet the obligation of the agreement. The developer and staff will continue such conversations and update Council and the public of any advancements.

Supporting Documentation:

1. Resolution 19-051
2. Original Agreement