



## Legislation Details (With Text)

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**File created:** 5/17/2022      **In control:** City Council/Public Financing Authority

**On agenda:** 6/7/2022      **Final action:** 6/7/2022

**Title:** Approve and authorize execution and recordation of the First Amendment to Amended and Restated License and Maintenance Agreement with DCO Pacific City LLC, PC Group Retail LLC and Pacific City Hotel LLC for the Pacific City Project (Tract 16338)

**Attachments:** 1. Att#1 First Amendment to License Agmt Tract 16338, 2. Att#2 First Amendment to Pac City Master Agmt CCnRs (reference only)

Date	Ver.	Action By	Action	Result
6/7/2022	1	City Council/Public Financing Authority	approved	Pass

## REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Sean Joyce, Interim City Manager

**VIA:** Sean Crumby, Director of Public Works

**PREPARED BY:** Steve Bogart, Senior Civil Engineer

**Subject:**

**Approve and authorize execution and recordation of the First Amendment to Amended and Restated License and Maintenance Agreement with DCO Pacific City LLC, PC Group Retail LLC and Pacific City Hotel LLC for the Pacific City Project (Tract 16338)**

**Statement of Issue:**

The First Amendment to Amended and Restated License and Maintenance Agreement for the Pacific City project (Tract 16338) is presented for City Council consideration. The amendment will update the agreement with the current property ownership.

**Financial Impact:**

Not Applicable.

**Recommended Action:**

Approve and authorize the Mayor and City Clerk to execute and record the "First Amendment to Amended and Restated License and Maintenance Agreement" with DCO Pacific City LLC, PC Group Retail LLC and Pacific City Hotel LLC for the Pacific City project (Tract 16338) (Attachment 1).

**Alternative Action(s):**

Do not authorize execution of the First Amendment to Amended and Restated License and Maintenance Agreement for the Pacific City project with findings for denial, and direct staff accordingly. Absent this amended agreement, the desired distribution of ownership responsibilities (to the Hotel parcel owner) would not be achievable and the previously recorded Amended and Restated License and Maintenance Agreement would remain in place.

**Analysis:**

In August 2007, City Council approved Final Tract Map No. 16338 for the Pacific City Development and a number of agreements between the City and the original developer, Makallon Atlanta Huntington Beach, LLC, including a License and Maintenance Agreement (LMA).

In 2012, the project's residential parcel was sold to Crescent Heights (21002 HB) and the commercial parcel was sold to DJM (PC Group Retail) with an Entitlement Plan Amendment (EPA) No. 12-009 subsequently processed, which required that the original LMA be replaced with an "Amended and Restated License and Maintenance Agreement". This new agreement replaced the original 2007 agreement, was executed between the City and the two new owners, and recorded on December 23, 2013. It addressed the City's deletion of the original tiered property owners' associations for the project; it also took into account the project CC&Rs that were previously approved by the City but otherwise included much of what was addressed in the 2007 Agreement.

In 2014, DJM sold a portion of the commercial property to RD Olson, who developed the Pasea Hotel through EPA No. 13-005.

Legal counsel for Pacific City submitted the First Amendment to Amended and Restated License and Maintenance Agreement (Attachment 1) to reflect the current distribution of ownership, which now includes the hotel ownership as indicated below:

- Residential Property (Lot 1 of Tract Map No. 16338) Owner: DCO Pacific City LLC, a Delaware limited liability company
- Retail Property (Lot 2 of Tract Map No. 16338) Owner: PC Group Retail, LLC, a California limited liability company
- Hotel Property (Lot 3 of Tract Map No. 16338) Owner: Pacific City Hotel, LLC, a Delaware limited liability company

This First Amendment to Amended and Restated License and Maintenance Agreement now includes the three aforementioned property owners, is presented to City Council for approval and execution. The First Amendment to Pacific City Master Declaration of Covenants, Conditions and Restrictions (Attachment 2), which reflects the current distribution of ownership and their respective responsibilities is also attached for reference only.

**Public Works Commission Action:** Not required.

**Environmental Status:**

The agreement is categorically exempt from the California Environmental Quality Act, pursuant to City Council Resolution No. 4501.

**Strategic Plan Goal:**

Economic Development & Housing

**Attachment(s):**

1. First Amendment to Amended and Restated License and Maintenance Agreement
2. First Amendment to Pacific City Master Declaration of Covenants, Conditions and Restrictions