

## AGENDA MEMO

**DATE:** November 13, 2007

**TO:** Mayor and Members of the City Council

**FROM:** Office of the City Manager  
By: Gilbert A. Livas, Deputy City Manger/Community Development

**SUBJECT: TIERRA LUNA (DOWNEY STUDIOS) REIMBURSEMENT AGREEMENT**

### **RECOMMENDATION**

It is recommended that the City Council authorize the City Manager to enter into a Reimbursement Agreement with Industrial Realty Group, LLS (IRG) for professional services rendered in conjunction with Tierra Luna development.

### **BACKGROUND**

IRG is the owner of Downey Studios which is comprised of approximately 80 acres, of which 20 acres is ground leased from the City. IRG is seeking to change the use of the studios and develop the property as a mixed-use project that will include commercial, office and residential uses.

As part of the conversion and development of this property there are a number of land use approvals that will be required including amendments to the City of Downey General Plan, amendments to the Downey Landing Specific Plan and a tentative tract map. In addition the city must complete a number of studies including an Environmental Impact Report (EIR) and review remediation requirements. These land use approvals and studies will require an inordinate amount of staff time and outside expertise. As such, the reimbursement agreement calls for IRG to reimburse the City for all consultants' expenses including, but not limited to, a planning consultant, EIR consultant, economic consultant, and environmental consultant. The agreement also reimburses the City for all legal fees and staff time, specifically the City's Economic Development Director's time, spent on the project.

The total cost for all consultants are estimated to be \$1,031,950. A Segregated Reimbursement Account will be created by the City and funded by IRG to pay for all invoices.

### **FISCAL IMPACT**

There is no fiscal impact on the General Fund at this time, since 100% of the cost associated with the review of the project will be reimbursed by IRG.

Attachment:: Exhibit A: Industrial Realty Group, LLC Reimbursement Agreement