



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council
From: Jason Simpson, City Manager
Prepared by: Barbara Leibold, City Attorney
Date: April 28, 2026
Subject: **Exclusive Negotiation Agreement with C & C Development Co., LLC**

Recommendation

Approve and authorize the City Manager to execute an Exclusive Negotiation Agreement (ENA) with C & C Development Co., LLC in such final form as approved by the City Attorney.

Background

C & C Development Co., LLC (“Developer”) and City have engaged in negotiations for a Disposition, Development and Loan Agreement (“DDLA”) for the Developer’s acquisition and development of approximately 3.46 acres of City owned real property (APNs 374-062-004, -005, -006, -015, -016, -020, and -024) located on the west side of N. Spring Street between Pottery Street and Flint Street (“Spring and Flint Site”) as an affordable housing project.

In the interim, the City has also entered into a Purchase and Sale Agreement for the acquisition of additional parcels located at the southwest corner of N. Spring Street and Pottery Street (APNs: 374-072-012, -014, -015, -016, -013, and -024) and a Purchase and Sale Agreement for the acquisition of APN 374-072-013 (the “-013 Property”) (collectively, the “Spring and Pottery Site”).

Following additional discussions with the Developer, City staff proposed evaluating the feasibility of combining the Spring and Flint Site with the Spring and Pottery Site (the “Combined Site”) to enhance the production of affordable rental units and amenities to serve and support project residents as well as businesses and visitors in the downtown area. The Developer concurred with exploring the feasibility of a Combined Site project.

Discussion

The proposed ENA is intended as a starting point for negotiations and evaluation of the Combined Site by the City and the Developer. Neither the City nor the Developer have agreed to or committed itself to move forward with the Combined Site project.

However, assuming the continued feasibility of the Combined Site project, the City and Developer (or an entity formed by the Developer) would negotiate the terms of a Disposition, Development and Loan Agreement for the Combined Site along with any ancillary documents (the “Definitive Agreement”) to enable the Developer to develop the Combined Site project.

The preparation and submittal of any land use applications, subdivision or parcel maps, conditional use permit, density bonus, plan check applications, building permits, or other land use entitlement activities would be the responsibility of Developer. In the event that negotiations for development of the Combined Site fail, the City and Developer will negotiate in good faith to finalize the DDLA for the Spring and Flint Site for presentation to the City Council.

The period for exclusive negotiation is one-year and may be extended by the City Manager for an additional six months, assuming that substantial progress is being made towards the Definitive Agreement. The Developer has also agreed to deposit \$20,000 with the City, which will be used towards the purchase the -013 Property. In the event the City fails to acquire the -013 Property within thirty (30) days of the execution of the ENA, the City will return the deposit to Developer and the ENA will terminate. In the event the City acquires the -013 Property and the parties enter into a Definitive Agreement, the City will credit the deposit amount towards the payment of future City permit fees for the project

Fiscal Impact

None at this time. The Developer will contribute \$20,000 toward funding for acquisition the -013 Property.

Attachments

- Attachment 1 – Exclusive Negotiations Agreement
- Attachment 2 – Combined Project Site Map