



Report to Economic Development Subcommittee

TO: Economic Development Subcommittee

FROM: Mike Lee, Interim City Manager / Economic Development Director

AGENDA DATE: March 10, 2020

TITLE: **DESTINATION MOVAL: TOWN CENTER PROPOSAL**

RECOMMENDED ACTION

Recommend that the Economic Development Subcommittee members consider the Destination MoVal: Town Center proposal submitted by Lewis Acquisition Company, LLC and advise on the proposal's recommendation to the City Council.

BACKGROUND

The City purchased approximately 56.42 acres at the northwest corner of Alessandro Boulevard and Nason Street in 1985 as a potential Civic Center site. On November 5, 2019, the City Council authorized release of a Request For Proposals (RFP – see Exhibit A) to seek proposals for a destination development that will attract visitors from across the City and the Inland region.

Economic Development issued the RFP on November 18, 2019. RFP outreach included email distribution to more than 10,500 developers and a printed brochure was mailed to more than 8,000. In addition this was posted on Planet Bids and the City's Economic Development website. Economic Development staff fielded inquiries from numerous developers over the three months the opportunity was available, expressing the City Council's dedication to developing a commercial / office / public / mixed-use master plan at the City site. It may be important to note that during several such interviews, developers withdrew from consideration when advised that the City's dedication to the town center vision for a mixed-use development, as many development firms are focused on industrial and residential only.

The City ultimately received one proposal consistent with the Destination MoVal vision. Lewis Acquisition Company, LLC ("Lewis") submitted a comprehensive plan to develop "The Downtown," a new iconic City landmark on the City-owned parcels at the City site.

DISCUSSION

The City received a proposal from Lewis (“The Downtown” – see Exhibit B) to purchase the vacant City parcels and to develop them as a mixed-use site with commercial, office, community, and residential uses. Lewis commits to working closely with the City, the local community, and other stakeholders to complete the entitlements and development for The Downtown project. Initially, their vision for The Downtown includes entertainment, an upscale hotel, restaurants, shops, office buildings, a police substation, possibly a movie theater, and an innovative educational library, all complemented by high density luxury rental housing; the proposal further indicates Lewis’ intent to evaluate uses through in-depth market and site analysis that confirms each design element’s economic viability.

<u>USE:</u>	<u>SQ. FT.</u>
Library	20,000
Office	20,000
Theater	50,000
Retail	30,000
Restaurant	17,000
Fitness	35,000
TOTAL	172,000

Multi-Family Residential unit count: 616

Hotel Guest Room unit count: 120

Lewis is the largest master planned community developer in the Inland Empire. At 65 continuous years in business, they are also the oldest development firm in the I.E. and they have developed a long history of successful projects in the region. Lewis proposes to partner with Placeworks, an integrated planning organization that works closely with their clients and project stakeholders to help communities realize their goals while supporting sustainable long-term growth.

Lewis projects completed in Rancho Cucamonga, Ontario, Eastvale, and elsewhere involved similar dynamics to The Downtown. Some of their notable projects include:

- Victoria Gardens – Rancho Cucamonga, <https://www.victoriagardensie.com/>
- The Resort – Rancho Cucamonga, <https://theresortliving.com/> and <https://lewisretailcenters.propertycapsule.com/properties/theresort/> and
- The Preserve at Chino – Chino, <https://thepreserveatchino.com/> and <https://lewisretailcenters.propertycapsule.com/properties/townecenteratthepreserve/>
- Piemonte – Ontario, <http://www.piemonteatontariocenter.com/> and <http://lewisretailcenters.propertycapsule.com/properties/piemontetailcenter>
- Hamner Place – Eastvale, <http://lewisretailcenters.propertycapsule.com/properties/hamnerplaceciviccenter>

Lewis' design intent is to define placemaking through retail, office, and residential developments that blend with plazas, paseos, and other features, creating meaningful, walkable destinations and a balance between open space and buildings.

Finally, the Lewis proposal testifies to their financial stability: they self-finance all aspects of acquisition, entitlements, development, construction, and leasing, providing opportunities for creative transactions that are mutually beneficial and maximize short and longer term returns to the City.

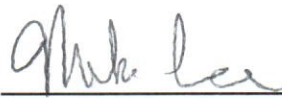
Staff seeks Subcommittee input regarding possible recommendation of the proposal to the City Council. Representatives from Lewis Acquisition Company will attend the Subcommittee meeting to present their vision.

ALTERNATIVES

1. Recommend the Destination MoVal: Town Center proposal submitted by Lewis Acquisition Company, LLC to the City Council. This alternative will allow for full Council consideration of the proposed mixed-use development. **Staff recommends this alternative.**
2. Recommend staff negotiate with Lewis for different / additional design elements or terms to the Destination MoVal: Town Center proposal. This alternative will allow for full Council consideration but will require additional time and may risk the loss of Lewis's interest in the project. **Staff does not recommend this alternative.**
3. Decline to recommend the proposal submitted by the Lewis Acquisition Company and recommend reissuance of the RFP. This alternative will result in delay / lost opportunity to develop the City Parcels. **Staff does not recommend this alternative.**



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Department Head Approval:
Mike Lee
Economic Development Director

Attachment
No. 1 – Destination MoVal RFP
No. 2 – RFP proposal submitted by Lewis