

RESOLUTION R2012 \_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, TO APPROVE BUSINESS TERMS FOR A SALES TAX REVENUE SHARING AGREEMENT WITH TOWN CENTER SHOPS LLC FOR THE SHOPS AT NAPA CENTER AND DELEGATE AUTHORITY TO THE CITY MANAGER TO NEGOTIATE AND EXECUTE THE FINAL AGREEMENT IN ACCORDANCE WITH THE BUSINESS TERMS

WHEREAS, the downtown shopping mall (the "Center"), was recently acquired by a new property owner, Town Center Shops LLC (the "Developer"); and

WHEREAS, over the last decade, the Center has experienced a decline in occupancy, near elimination of special events and marketing, and month-to-month leases for its tenants; and

WHEREAS, built in the late 1980s, the Center's design is outdated and in need of significant investment to update the physical appearance, create attractive public spaces, and re-brand the Center's image to attract retailers to fill vacant spaces; and

WHEREAS, the Developer has filed an application with the City of Napa for a project that would significantly upgrade the Center ("Common Area Improvements"), and includes future tenant storefront and signage design guidelines; and

WHEREAS, upon completion of the Common Area Improvements, tenants will be responsible for completing their storefront and tenant improvements in accordance with the storefront and signage guidelines; and

WHEREAS, the Developer acquired several properties adjacent to the Center with the intent of improving them under future development applications which may result in additional retail square footage and a possible hotel; and

WHEREAS, the Developer requires City financial assistance to ensure the economic viability of the future phase of development; and

WHEREAS, the City and Developer have negotiated business terms for a proposed Sales Tax Revenue Sharing Agreement, provided as Exhibit "A" to this resolution; and

WHEREAS, the fulfillment of the Sales Tax Revenue Sharing Agreement will rely entirely on the Developer's completion of the Common Area Improvements, successful leasing of the available spaces to new retail tenants, and completion of tenant and storefront improvements; and

# ATTACHMENT 1

WHEREAS, the City Council acknowledges the Sales Tax Revenue Sharing Agreement would provide an overall public benefit by creating a vibrant downtown shopping center that provides shopping choices and fills retail voids, and generates revenue to the City to deliver vital services to the citizens of Napa; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

2. The City Council hereby approves The Shops at Napa Center Sales Tax Revenue Sharing Agreement Public Draft Non-Binding Term Sheet (the "Business Terms") provided as Exhibit "A" to this Resolution.

3. The City Council hereby authorizes the City Manager to negotiate and execute the Sales Tax Revenue Sharing Agreement with Town Center Shops LLC pursuant to the approved Business Terms.

4. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 2nd day of October, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_

Dorothy Roberts  
City Clerk

Approved as to form:

\_\_\_\_\_  
Michael W. Barrett  
City Attorney