



CITY OF CLEARLAKE

City Council

STAFF REPORT

SUBJECT: Discussion and Possible Amendment to Consulting Agreement between the City of Clearlake and Margetich/Sutter Equities for Services Related to the "Airport Development"

MEETING DATE: Feb. 17, 2022

SUBMITTED BY: Alan D. Flora, City Manager

PURPOSE OF REPORT: ☐ Information only ☒ Discussion ☒ Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL:

The City Council is being asked to amend the Consulting Agreement with Margetich/Sutter Equities for an additional 60 days (through April 30, 2022).

BACKGROUND/ DISCUSSION:

As you know the City has taken the lead role in development of the former Airport property as a commercial center. After several months of discussions, the City Manager executed a consulting contract with a development group including Greg Margetich of Margetich Development and Amar Cheema with Sutter Equities. The agreement creates a partnership that will hopefully lead toward a master development agreement of the entire property, but at this time focuses on determining retail interests and coordinating project planning efforts. The intent would be executing a Purchase and Sale Agreement or Option Agreement by April 30th.

Based on the history of lack of action from developers on this site/project the City is taking a bit of a phased approach to determine ability, interest, and determination from a development partner. This type of agreement allows us to develop a relationship and trust prior to tying up the land. We are pleased with how things are progressing and recommend the Council authorize extending the agreement another 60-days, through April 30th. The cost of the agreement is \$10,000 per month.

OPTIONS:

1. Authorize the City Manager to Amend the Consulting Agreement with Margetich Development/Sutter Equities for an Additional 60 days, through April 30, 2022.
2. Provide Direction to Staff.

FISCAL IMPACT:

☐ None ☒ \$20,000 Budgeted Item? ☒ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☒ Other: Capital Projects (Fund 240)

Comments: Consulting agreement to be paid from Capital Projects appropriation for the Airport Project.

STRATEGIC PLAN IMPACT:

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☒ Goal #4: Improve the Image of Clearlake
- ☒ Goal #5: Ensure Fiscal Sustainability of City
- ☐ Goal #6: Update Policies and Procedures to Current Government Standards
- ☒ Goal #7: Support Economic Development

SUGGESTED MOTIONS:

- ☒ **Attachments:** 1. Consulting Agreement – January 5, 2022