



**STAFF REPORT**  
**12/8/2021**

**TO:** Honorable Mayor and City Council Members

**FROM:** Carlos Campos, City Attorney

**SUBJECT:** Consider Approving the Execution by the Successor Agency to the Coachella Redevelopment Agency of the Consent to Release and Termination of Right of First Refusal Regarding Real Property Owned by DVD Facility LLC, and Recommending to the Countywide Oversight Board for the County of Riverside the Approval of the Execution by the Successor Agency to the Coachella Redevelopment Agency of said Consent to Release and Termination of Right of First Refusal

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**STAFF RECOMMENDATION:**

Approve the execution by the Successor Agency to the Coachella Redevelopment Agency of the Consent to Release and Termination of Right of First Refusal in the form presented, and recommend to the Countywide Oversight Board for the County of Riverside the approval of the execution by the Successor Agency to the Coachella Redevelopment Agency of said Consent to Release and Termination of Right of First Refusal.

**BACKGROUND:**

The Coachella Redevelopment Agency (the “RDA”) and George Kirkjan and Tamara Kirkjan (the “Developer”), entered into that certain Disposition and Development Agreement dated as of July 24, 2001 (the “Original Agreement”), as amended (the “DDA”). Among other things, the DDA contemplated the construction by Developer of industrial buildings on the real property described therein (the “Site”). Pursuant to the DDA, the RDA transferred the Site to the Developer via a Grant Deed recorded on January 31, 2002 in the Official Records of Riverside County as Document No. 2002-056045 (the “Grant Deed”). Section 4 of the Grant Deed granted to the RDA a right of first refusal to purchase the Site from the Developer prior to the Developer’s sale of the Site to any third party (the “Right of First Refusal”). The Right of First Refusal is for a term of 75 years from the date of the Grant Deed.

At its meeting on July 22, 2020, the Successor Agency to the Coachella Redevelopment Agency consented to the transfer of the Site (the “Transfer”) by Kirkjan Investment Properties, L.P. (the then current successor owner to the Developer) to DVD Facility LLC, a California limited liability company (the “Owner”), which is wholly owned by JOOLIES LLC, a Delaware limited liability company. At such meeting the Successor Agency to the Coachella Redevelopment Agency also confirmed that it was not exercising the Right of First Refusal in connection with such Transfer.

Pursuant to the terms of the Grant Deed, the Right of First Refusal will apply in connection with any future transfer of the Site by the Owner. To avoid the potential for delay and any potential uncertainty regarding the ability to obtain Successor Agency approval in connection with any future transfer of the Site by the Owner, Owner has requested that the Successor Agency approve a release and termination of the Right of First Refusal.

**DISCUSSION/ANALYSIS:**

Under current law, the Successor Agency to the Coachella Redevelopment Agency has no authority to acquire real property. Accordingly, the Successor Agency to the Coachella Redevelopment Agency currently does not have the authority to exercise the Right of First Refusal, and is not currently expected to be granted such authority in the future. As the proposed Consent to Release and Termination of Right of First Refusal will result in a termination of the Right of First Refusal, approval by the Countywide Oversight Board for the County of Riverside should also be obtained.

**ALTERNATIVES:**

1. Modify the form of Consent to Release and Termination of Right of First Refusal.
2. Do not approve the form of Consent to Release and Termination of Right of First Refusal.

**FISCAL IMPACT:**

None anticipated.

Attachment: Form of Consent to Release and Termination of Right of First Refusal