

STAFF REPORT

City of Lancaster

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2/27/2024
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Date: February 27, 2024

To: Mayor Parris and City Council Members

From: Larissa De La Cruz, Director – Community Development
Sydney Yeseta, Assistant Manager – Economic Development

Subject: Disposition and Development Agreement with Diamond Development Partners, LLC

Recommendations:

1. Approve the Disposition and Development Agreement with Diamond Development Partners, LLC for the sale and subsequent development of one industrial parcel located in the Lancaster Business Park.
2. Authorize the City Manager, or his designee, to execute (i) the Disposition and Development Agreement in substantially the form presented, subject to non-substantive changes approved by the City Manager and City Attorney; and (ii) all documents necessary or appropriate to complete the transaction.

Fiscal Impact:

The purchase price of the developable portion of the parcel at appraised value is \$456,315.68.

Background:

The Lancaster Business Park is the premier industrial master-planned area in the City. The area offers a thriving ecosystem for businesses to succeed and is ripe for further development.

Diamond Development Partners, LLC (Diamond) has made an offer for appraised value of Assessor's Parcel Number 3126-009-978, totaling 2.80 gross acres. Diamond plans to construct a flex industrial condo project with warehousing and offices at the mezzanine level.

The subject parcel was declared surplus by Resolution 20-49 on September 8, 2020. After the ninety-day negotiation period required by the Surplus Land Act, no entity receiving a notice of availability was prepared to purchase the site. On October 7, 2022, the California Department of Housing and Community Development provided written comments to the City and determined the City is permitted to proceed with the sale or lease of the subject property.

If approved, the sale of the parcel will take place under a disposition and development agreement (DDA), which will bind Diamond Development Partners, LLC to developing the site in accordance with the scope and schedule of performance.

The City acquired several prime properties within the Lancaster Business Park with the purpose of fostering quality development projects. With over six million square feet of industrial development already in the pipeline, the proposed project will offer a sought-out product that is not currently being built in the City.

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Attachment:

Disposition and Development Agreement with Diamond Development Partners, LLC