

# STAFF REPORT

## City of Lancaster

NB 3
11/08/11
MVB

Date: November 8, 2011

To: Mayor Parris and Council Members

From: Dave McEwen, City Attorney

Subject: **Resolution Approving Certain Actions in Connection with Lancaster Promenade III, LLC.**

---

### **Recommendation:**

Adopt **Resolution No. 11-81**, approving certain actions in connection with Agreements with Lancaster Promenade III, LLC.

### **Fiscal Impact:**

The City will loan \$6,180,000 to or for the benefit of Lancaster Promenade III. This investment will result in excess of \$16,000,000 of new development in the Downtown Lancaster area including a new parking structure, office and retail space. This development will be the catalyst for additional private investment in the Downtown Area, including construction of a five-story hotel.

### **Background:**

Over the past few years, Lancaster Boulevard (the "BLVD") has undergone a vast transformation. This \$100 million transformation has attracted over 40 new businesses and is the focal point for many public and civic events. The development of the BLVD is due in large part to the Agreements City has previously entered into with Lancaster Promenade I, LLC, and Lancaster Promenade II, LLC.

These prior agreements have resulted directly in the opening of the Bex Restaurant, Brooklyn Deli, the Underground Bowling Alley, the BLVD Cinemas Movie Theater and the completion of the Lancaster Museum and Art Gallery.

The proposed agreements with Lancaster Promenade III, LLC will continue the process and will result in an additional \$16 million investment in the Downtown Area. As part of this transaction Lancaster Promenade III will undertake the rehabilitation of office and retail buildings located at 838-844 and 848 West Lancaster Blvd. Promenade III will also construct a public parking structure at this location, will complete construction of the Community Center at 642 West Jackman Street and will complete development of 25-30 mobile kiosks which will be strategically placed along the BLVD.

At the same time as this development is taking place, InSite Development will develop a five-story boutique hotel.

### **Attachment:**

Resolution No. 11-81