

# Agenda Report



**MEETING DATE:** Tuesday, December 10, 2024

**TO:** City Council

**FROM:** CITY MANAGER VIDES  
SR ADMINISTRATIVE ANALYST ZAVALA

**SUBJECT:** AUTHORIZATION TO SUBMIT A GRANT APPLICATION TO THE  
ECONOMIC DEVELOPMENT ADMINISTRATION

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## **RECOMMENDED ACTION:**

It is recommended that the City Council adopt a resolution authorizing the City Manager to apply for funds and accept any funds from the U.S. Economic Development Administration (EDA) Public Works and Economic Adjustment Assistance (PWEAA) Program on behalf of Elite Developments, Inc. for the completion of the off-site public street improvements as part of phase 2 of the Lee Rd. development project.

## **BACKGROUND:**

In May 2021, Elite Developments, Inc. completed phase 1 of the Lee Road development project, which consisted of a four-story, 112-room hotel, a gas station, and commercial retail space. Elite Development, Inc. is now ready to move forward with Phase 2 of the project on the adjacent lot on the corner of Lee and Beach Road (81 Lee Road). Phase 2 of the project is planned to include another hotel, a restaurant, and more retail spaces.

## **DISCUSSION:**

Phase 2 requires significant off-site public street improvements that include curb, gutter, sidewalk, pedestrian ramps, street paving, traffic signal relocation/modification, storm drain facilities, utility relocations, and conversion of overhead utilities into a new underground system, among others. Completing these public street improvements will not only allow for the completion of phase 2 of the Lee Road project but will also open the door for additional development in the area, creating new job opportunities for residents and increased revenue for the City.

To help move the project forward, the City is seeking approval to apply for funding from the U.S. Economic Development Administration (EDA) Public Works and Economic Adjustment Assistance (PWEAA) Program on behalf of Elite Developments, Inc. The cost of the off-site public street improvements is estimated to be between \$2,000,000 and \$3,000,000, allowing the City to seek a grant of up to 80% (\$2,400,000) of the cost, with the developer covering the remaining costs. The U.S. Economic Development Administration (EDA) Public Works and Economic Adjustment Assistance (PWEAA)

Program supports development in economically distressed areas of the United States by fostering job creation and attracting private investment, which makes this project a good candidate for funding.

The city has entered into a reimbursement agreement with Elite Developments, Inc., in which they have agreed to cover all costs incurred by the City in connection with the submission of this grant application and, if awarded, the administration costs for managing the grant.

**STRATEGIC PLAN:**

- (1) Economic Development: Support and grow existing businesses, attract new businesses and industries, enhance workforce development, revitalize downtown, and encourage entrepreneurs to invest and grow locally.
- (2) Infrastructure & Environment: Build and maintain our infrastructure and preserve the natural environment through careful planning, preservation, and maintenance for residents and future generations.
- (4) Fiscal Health: enhance fiscal sustainability of the City, through prudent financial planning and decision-making

**FINANCIAL IMPACT:**

Approval of this recommendation will not have a financial impact on the City.

**ALTERNATIVE ACTION:**

City Council could choose not to apply for this grant funding.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.