



CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER



DATE: October 4, 2022

TO: Mayor and Council Members

FROM: Public Works Department

SUBJECT: First Amendment to Agreement No. 22-086 Entitled Memorandum of Understanding Regarding Further Planning Activities between City of Inglewood and The Vons Companies, Inc.

RECOMMENDATION:

It is recommended that the Mayor and Council Members take the following actions:

1. Approve First Amendment to Agreement No. 22-086, entitled Memorandum of Understanding Regarding Further Planning Activities (MOU) with The Vons Companies, Inc. (Vons), to provide for collaboration on advance planning work related to the proposed Inglewood Transit Connector Project (State Transportation Grant Reimbursement Fund);
2. Authorize the Mayor to execute the First Amendment on behalf of the City of Inglewood (City);
3. Authorize the Mayor to execute ancillary documents related to the furtherance of the First Amendment; and
4. Adopt a resolution amending the Fiscal Year 2022-2023 Annual Budget.

BACKGROUND:

Currently, the City is engaged in planning and environmental clearance activities for the Inglewood Transit Connector (ITC) Project, an approximately 1.6-mile long, fully elevated, electrically powered Automated Transit System with three stations, a maintenance and storage facility (MSF), and other supporting infrastructure. The ITC Project will provide a critical connection between the countywide Metro rail system and the City's new housing and employment centers, and sports and entertainment venues.

Vons owns real property located at 500 E. Manchester Boulevard in Inglewood (Property). The Property is located at the proposed location for the MSF. The MSF is an integral component of the ITC Project, as all system operations, maintenance, personnel, rolling stock delivery and storage, and power distribution functions occur there. Due to these factors, the MSF is a time sensitive, critical path component of the Project.

During the environmental review phase for the ITC Project, Vons expressed an interest in continuing to operate a grocery store on the Property adjacent to the MSF. Since then, the City and Vons have been in discussions regarding how to design the MSF to allow for a new Vons grocery

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store to be co-located on the Property (“**Co-Location Concept**”). Under the proposed Co-Location Concept, the existing Vons store and gas station would be removed to provide space for the MSF and a new Vons grocery store would be built on a different portion of the Property.

DISCUSSION:

The City and Vons entered into the MOU (Agreement No. 22-086) on December 14, 2021, to facilitate further collaboration on advanced planning work related to the proposed Co-Location Concept. This collaboration was necessary to achieve various City and ITC Project objectives that support the ITC Project’s administrative and technical work activities, which goals include advancing the City’s coordination with a key private stakeholder; furthering the ITC Project’s environmental clearance process (including by facilitating necessary ITC Project-enabling entitlements and regulatory agency coordination); further exploring the suitability of the proposed location site for a new Vons grocery store; and promoting the City’s advance planning and ITC Project definition efforts, which work is collectively anticipated to produce additional public benefits by reducing or eliminating any potential store closure period and by assuring a timely delivery of the property rights needed to construct the MSF (collectively, the “**Further Planning Goals**”). The term of the MOU is 18 months, though either party may terminate the MOU earlier by delivering written notice to the other party.

One key issue covered by the MOU is the City’s reimbursement of certain reasonable, third-party expenses paid by Vons to advance and prepare conceptual design plans for the future Vons market consistent with the Co-Location Concept discussed by the parties. Under the MOU, the City agreed to reimburse Vons for such costs up to a maximum of \$100,000 and the final conceptual design plans would be delivered to the City.

Since executing the MOU, the City and Vons have been diligently collaborating to advance the Further Planning Goals. Advancing these Further Planning Goals have, over time, advanced to include the pursuit of those entitlements necessary to enable the potential future Co-Location Concept, as well as the continuation of other discussion with the City related to the Further Planning Goals. All of this work has and will continue to require the assistance of third-party entitlement experts and other third-party consultants or experts. Therefore, due to the expanded nature of Vons’ efforts in pursuit of the City and Vons’ shared Further Planning Goals, the parties wish to amend the MOU to achieve the following:

- (1) Update the Co-Location Concept Plans delivery date to April 1, 2022 – This is the date on which the plans were actually provided to the City. This is a few weeks later than the February 28, 2022, date that was originally envisioned.
- (2) Clarify Vons’ Continued Activities – In addition to delivering the Co-Location Concept Plans, Vons will continue to develop such plans and pursue the resulting entitlements applications and otherwise continue discussions with the City to advance the Further Planning Goals during the term of the MOU.

- (3) Increase the City's maximum reimbursement obligation amount by \$130,000 to a new total amount of \$230,000 – Vons has requested this increase because of the following: (a) Vons incurred additional costs in assembling its entitlements application materials and undertaking other work as part of its discussions with the City to advance the Further Planning Goals; (b) some third-party expenses were higher than anticipated, due to generalized price increases and inflation; and (c) Vons will be incurring entitlement application fees of approximately \$58,000 for the entitlements application that Vons will submit to the City as the culmination of the collaborative work undertaken to date. The reimbursement obligation would apply only to such City fees, plus the reasonable and customary third-party expenses actually paid by Vons. Such expenses are being paid by Vons to develop the Co-Location Concept Plans, pursue the entitlements necessary to enable the realization of such Co-Location Concept Plans, and otherwise continue discussions with the City, all to advance the parties' shared Further Planning Goals.

FINANCIAL/FUNDING ISSUES AND SOURCES:

Upon adoption of the attached resolution amending the Fiscal Year 2022-2023 Annual Budget, funds in an amount not to exceed \$230,000 will be available and expended from the Transit and Intercity Rail Capital Program (TIRCP) Grant under Account Code No. 223.100. P673.44860 (State Transportation Grant Reimbursement Fund-Capital Improvement Project-ITC Project-Contract Services).

DESCRIPTION OF ANY ATTACHMENTS:

Attachment No. 1 – First Amendment to Agreement No. 22-086

Attachment No. 2 – Resolution Amending the Fiscal Year 2022-2023 Budget

PREPARED BY:

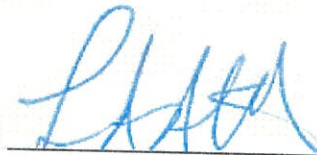
Louis Atwell, P.E., Public Works Director/Assistant City Manager

COUNCIL PRESENTER:

Louis Atwell, P.E., Public Works Director/Assistant City Manager

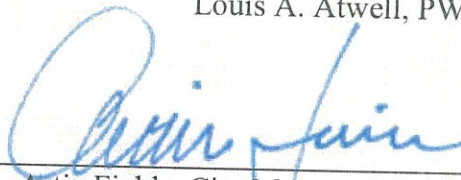
APPROVAL VERIFICATION SHEET

**DEPARTMENT HEAD/
ASSISTANT CITY MANAGER APPROVAL:**



Louis A. Atwell, PW Director/Asst. City Mgr.

CITY MANAGER APPROVAL:



Artie Fields, City Manager

ATTACHMENT NO. 1

**FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING
REGARDING FURTHER PLANNING ACTIVITIES (AGREEMENT NO. 22-086)**

THIS FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING REGARDING FURTHER PLANNING ACTIVITIES (AGREEMENT NO. 22-086) (this “**Amendment**”) is entered into as of the ___ day of _____, 2022 (the “**Effective Date**”), by and between THE CITY OF INGLEWOOD, a municipal corporation (the “**City**”), and THE VONS COMPANIES, INC., a Delaware corporation (“**Vons**,” and together with the City, collectively, the “**Parties**” and each a “**Party**”).

RECITALS

A. Vons owns real property having Assessor Parcel Number 4021-024-015 and commonly known as 500 E. Manchester Boulevard, Inglewood, California (the “**Property**”).

B. The City is currently engaged in planning and environmental clearance activities for its Inglewood Transit Connector Project, an approximately 1.6-mile long fully elevated, electrically powered Automated Transit System with three stations, a maintenance and storage facility (the “**MSF**”) and other supporting infrastructure (collectively, the “**Project**”).

C. The Property is located along the currently proposed Project alignment and is the currently proposed location for the MSF.

D. Per the City’s Final Environmental Impact Report for the Project, which was released on February 28, 2022 (the “**FEIR**”) and certified by the City’s City Council on April 12, 2022 pursuant to Resolution No. 1923, the MSF is directly related to the completion of the critical first/last mile gap between the countywide Metro rail system and the City’s new housing and employment centers, and sports and entertainment venues.

E. Per the FEIR, the MSF will directly support the Project, which aims to enhance the safety and flow on Los Angeles County freeways and highways, make public transportation more convenient and affordable, provide alternatives to high gas prices, stimulate the local economy, create jobs, reduce pollution, reduce greenhouse gas emissions and decrease dependency on foreign oil.

F. As detailed in the FEIR, along with the City’s previously released Draft Environmental Impact Report and Recirculated Draft Environmental Impact Report, the City undertook Project design refinements over the course of its environmental clearance process, which resulted in a Project design concept that allow for the Property to be used to site the MSF and a Future Vons Market (defined below). A Future Vons Market would not be necessary in the reasonably foreseeable future unless the City were to decide to acquire a portion of the Property for the Project.

G. In order to further assess the feasibility and logistics of such a co-location concept for the Property, the City and Vons have had and are continuing to have preliminary discussions regarding how relocation and/or construction of a new building on the Property for Vons’ use (the

“**Future Vons Market**”) can occur while also accommodating the possible construction of the MSF on a separate portion of the Property in a manner that does not negatively impact the Project’s delivery schedule (collectively, the “**Co-Location Concept**”).

H. To further such preliminary discussions regarding the Co-Location Concept, the City and Vons previously entered into that certain Agreement No. 22-086 entitled Memorandum of Understanding Regarding Further Planning Activities, with an effective date on or about December 14, 2021 (the “**MOU**”).

I. The MOU was designed to facilitate further collaboration between the City and Vons on additional advance planning work, envisioned to include, but not be limited to, planning and construction schedule refinement, conceptual or entitlements level design of the Future Vons Market, the allocation of responsibility for necessary work associated with the Co-Location Concept, the preparation of the Project’s technical requirements, completing additional site surveys/investigations, preparing mitigation strategies, and the timeline associated with any possible future discussions or negotiations regarding just compensation payable to Vons (collectively, the “**Further Planning Activities**”).

J. The Further Planning Activities have been and continue to be necessary to achieve various City and Project objectives that support the Project’s administrative and technical work activities, which objectives include advancing the City’s coordination with a key private stakeholder, furthering the Project’s environmental clearance process (including by facilitating necessary Project-enabling entitlements and regulatory agency coordination), further exploring the suitability of the proposed relocation site for the Future Vons Market (including the feasibility of tenant relocations into the Future Vons Market), and promoting the City’s advance planning and Project definition efforts, which work is collectively anticipated to produce additional public benefits by reducing or eliminating any potential store closure period and by assuring a timely delivery of the property rights needed to construct the MSF (collectively, the “**Further Planning Goals**”).

K. The City and Vons have been diligently engaging in the Further Planning Activities and advancing the Further Planning Goals. Due to additional costs associated with Vons’ preparation of certain deliverables that are necessary to continue advancing the Further Planning Goals, the City and Vons desire to amend the MOU as detailed herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **RECITALS.** The foregoing recitals are true and correct and are incorporated herein by reference.
2. **AMENDMENT TO SECTION 3.B.** Section 3.b. of the MOU is hereby amended to read as follows:

b. To meet the City's Further Planning Goals, Vons will engage a team of necessary and specialized experts who are familiar with Vons' supermarket design process and requirements to prepare conceptual (entitlements level) design plans of the Future Vons Market consistent with the Co-Location Concept as set forth in the Project's recirculated Draft Environmental Impact Report dated November 12, 2021 (the "**Co-Location Concept Plans**"). Vons shall use commercially reasonable efforts to complete the Co-Location Concept Plans and deliver them to the City (or the City's designated consultants) on or before April 1, 2022. Vons shall thereafter continue to develop the Co-Location Concept Plans, pursue the entitlements necessary to enable the potential future realization of the Co-Location Concept Plans in order to advance the Further Planning Goals, and otherwise continue discussions with the City related to the Further Planning Goals, all of which may require the assistance of third-party entitlements consultants or other third-party consultants or experts. The costs of all third-party specialized experts retained by Vons in furtherance of such activities shall be reasonable and customary in relation to the services rendered.

3. **AMENDMENT TO SECTION 4.E.** Section 4.e. of the MOU is hereby amended to read as follows:

e. Within ninety (90) days of the City's receipt of Vons' request for reimbursement of any City Planning Division fees paid by Vons in connection with pursuing the entitlements referenced in Section 3(b) and/or any of the third-party expenses incurred by Vons pursuant to Section 3(b), the City will reimburse Vons for the reasonable costs actually incurred (as evidenced by paid invoices) to perform such activities; provided, however, that the maximum reimbursement amount hereunder shall not exceed \$230,000 (the "**Reimbursement Monies**").

4. **MISCELLANEOUS.**

a. This Amendment may not be recorded among any public records. Any recording of this Amendment among any public records shall terminate this Amendment immediately and without further notice.

b. Each signatory to this Amendment represents and warrants that he or she is authorized to sign this Amendment on behalf of the Party for which he or she is signing, and thereby to bind that Party fully to the terms of this Amendment.

c. This Amendment may be signed in counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument. In addition, signatures may be by electronic scanned, e-mail, or facsimile, and these electronic signatures may be attached to and assembled into this Amendment as if they were original signatures. Any assembly of such signatures will be deemed a fully executed original for any purpose.

d. Except as expressly provided to the contrary herein, all provisions of the MOU shall remain in full force and effect. The MOU and this Amendment integrate all of the terms and conditions of agreement between the Parties and supersedes all negotiations or previous agreements between the Parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

VONS:

THE VONS COMPANIES, INC.,
a Michigan corporation

By: 

Name: BRADLEY BECKSTROM

Title: GVP LEGAL

[Signatures continue on the following page]

City:

CITY OF INGLEWOOD,
a municipal corporation

By: _____
Name: James T. Butts, Jr.
Title: Mayor

APPROVED AS TO FORM AND LEGALITY:

KENNETH R. CAMPOS
City Attorney

By: _____
Kenneth R. Campos

APPROVED:

NOSSAMAN LLP
City Special Counsel

By: 
David Graeler

ATTEST:

AISHA L. THOMPSON
City Clerk

By: _____
Aisha L. Thompson

[End of signatures]

ATTACHMENT NO. 2

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RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
INGLEWOOD, CALIFORNIA, AMENDING THE FISCAL YEAR
2022-23 BUDGET**

WHEREAS, on October 4, 2022, the City Council adopted the Fiscal Year (FY) 2022-2023 Budget; and

WHEREAS, The Mayor and City Council Members approved the Memorandum of Understanding (MOU) (Agreement no. 22-086) for the Inglewood Transit Connector Project; and

WHEREAS, Due to the additional costs associated with the Vons preparation of certain deliverables that are necessary to continue advancing the Further Planning Goals; and

WHEREAS, the FY 2022-2023 Budget needs to be amended to include \$230,000 in funding for additional costs associated with Vons preparation of certain deliverables that are necessary to continue advancing the Further Planning Goals; and

WHEREAS, funds are available in the Transit and Intercity Rail Capital Program (TIRCP) Grant; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Inglewood, California, does hereby:

Section 1. Amend the City’s 2022-2023 fiscal year budget to reflect the adjustments shown in Exhibit “A”, attached to this resolution and incorporated herein as if set forth in full.

Section 2. The City Clerk shall certify the adoption of this resolution and the same shall be in full force and effect immediately upon adoption.

Passed, approved and adopted this _____ day of _____ 2022.

CITY OF INGLEWOOD

James T. Butts, Jr., Mayor

ATTEST:

Aisha L. Thompson, City Clerk

EXHIBIT "A"
BUDGET AMENDMENT

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Fund: 223
Agency: 100
Orgn: P673

Revenue

Code	Revenue Source	Current Budget FY 2022/2023	Amended Budget	Increase/ Decrease
5233	Transit & Intercity Rail Cap Project-ITC	\$11,964,062	\$12,194,062	\$230,000

Fund: 223
Agency: 100
Orgn: P673

Object Code		2022/2023 Budget	Amended Budget	Increase/ Decrease
44860	Contract Services	\$11,964,062	\$12,194,062	\$230,000

TOTAL \$460,000