

**City of Yuba City
Redevelopment Agency
Staff Report**

Date: September 5, 2006
To: Chairman and Directors, Redevelopment Agency
From: Laura Duncan, Deputy City Manager

Subject: Update on Development and Disposition Agreement with Roxy Yuba City Partners (downtown theater).
Recommendation: Note and file
Alternative: None at this time
Fiscal Impact: None at this time

The Agency approved a Development and Disposition Agreement (DDA) with Roxy Yuba City Partners (Developer) in 2004 to build a multi-screen movie theater at the corner of Shasta and Bridge Streets. Originally, the theater project was scheduled for completion by the end of 2005. Other identified start dates were not met. According to Developer, project construction starts were stymied due to escalating price of building materials and labor. Throughout the process, Developer has communicated project concerns with staff and problems encountered.

Developer has indicated they are in discussions with other parties that may become involved with the project. There are provisions in the DDA allowing assignment to another party prior to construction of the project subject to Agency Board approval.

Agency staff is of the opinion that this project as designed and in the downtown will not move forward without additional Redevelopment Agency assistance. As demonstrated in other California communities, movie theaters can support and reinforce focused revitalization efforts in the downtown. The Agency may choose to consider providing additional financial assistance to maintain the building design and project location as originally approved. Tonight there is no action requested, the presentation is an informational item.

Representatives from Roxy Yuba City Partners will be at the City Council meeting with an update on project status.