

August 28, 2020

Office for Economic Development
Attn: Andy Constable & Peter Detlefs
701 Ocean Street, Room 520
Santa Cruz, CA 95060

RE: Exclusive Negotiating Agreement – Request for Termination
855, 901, and 905 7th Avenue, County of Santa Cruz (7th & Brommer / Harbor Landing)

Dear Office for Economic Development,

Green Valley Corporation DBA Swenson Builder (Swenson) and the Santa Cruz County Redevelopment Successor Agency are parties to an Exclusive Negotiation Agreement dated August 28, 2018 regarding a proposed development at 7th and Brommer.

Due to the State of California's new and expanded Surplus Land Act requirements, Swenson's allowed time to pursue entitlements for the 7th and Brommer property was reduced from a total four years (with two one-year extension) to roughly two and a half years. The new and expanded provisions require the property to be entitled and transferred by December 31, 2022.

In addition to the reduction in entitlement timing, the unanticipated pandemic of COVID-19 has brought challenges to the viability of the Visitor Serving uses of a lodge or hotel as part of the overall project. Given the amount of needed resources for Swenson to pursue entitlements and conduct adequate studies of the impact of the potential new development, along with community engagement, the new time restrictions are not feasible in order to achieve development entitlements for the site.

We appreciate the time and resources the County and Successor Agency staff have dedicated to helping this project be successful, but unfortunately, at this juncture we believe it would be in everyone's best interest to no longer pursue this project. Please advise if you would like to discuss any of these matters further.

Sincerely,



Jessie Bristow
Development Project Manager
Swenson Builder