



# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL                      DATE: OCTOBER 3, 2023**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT              WARD: 3**  
**DEPARTMENT**

**SUBJECT: PURCHASE, SALE AND DEVELOPMENT AGREEMENT WITH JAMES E. THORNELL FOR THE SALE OF APPROXIMATELY 8,542 SQUARE FEET OF VACANT CITY-OWNED LAND, BEARING ASSESSOR'S PARCEL NUMBERS 190-031-002 AND 190-031-028, FOR THE SALES PRICE OF \$125,000**

**ISSUE:**

Approve the Purchase, Sale and Development Agreement with James E. Thornell for the sale of approximately 8,542 square feet of vacant City-owned land, bearing Assessor's Parcel Numbers 190-031-002 and 190-031-028, for the sales price of \$125,000.

**RECOMMENDATIONS:**

That the City Council:

1. Approve the Purchase, Sale and Development Agreement (Attachment 1 – Agreement) with James E. Thornell for vacant City-owned land, bearing Assessor's Parcel Numbers 190-031-002 and 190-031-028 (Properties), for the sales price of \$125,000; and
2. Authorize the City Manager, or his designee, to execute the agreement, including making minor non-substantive changes, and to sign all documents necessary to complete the transaction.

**BACKGROUND:**

Enacted in 1968, the Surplus Land Act requires all local agencies to prioritize affordable housing when disposing of surplus land.

In 2006, the Jurupa Avenue Underpass project was initiated to reduce the congestion and inconvenience of the at-grade Union Pacific railroad crossing at Jurupa Avenue by reconstructing the existing four lanes and building a two-track railroad bridge. Staff was directed to acquire specific parcels in order to complete the Jurupa Avenue Underpass project.

On May 2, 2006, City Council approved the acquisitions of Assessor’s Parcel Numbers 190-031-002 and 190-031-028, respectively, for the construction of the Jurupa Avenue Grade Separation Project.

In 2014, the State amended the Surplus Land Act to better define what constitutes a qualified proposal, prioritize proposals to encourage the most units at the deepest affordability, and provide more realistic timeframes to make and negotiate offers.

On December 18, 2018, City Council approved the surplus declaration of both parcels and authorized the marketing and sale of the Properties at fair market value per the City’s Administrative Manual Section 08.003.00 for the Disposition and Sale of City-Owned Real Property.

The Public Works Director concurs with the sale of the Properties.

**DISCUSSION:**

The Properties are remnant parcels from the Jurupa Avenue Grade Separation Project. The developer, James E. Thornell, proposes constructing a single-family residence at the site. The Properties, as shown on the aerial site map below (outlined and highlighted in red), are zoned R-1-7000 with a General Plan designation of Medium Density Residential and are currently vacant. The proposed construction aligns with the General Plan and will help stabilize and revitalize this area of the neighborhood.



An independent third-party appraiser concluded that the value of the Properties is \$85,000 in its current “as-is” condition. Staff reviewed the report and determined that the appraised value represents the current fair market value. As the highest bidder, James E. Thornell was awarded the bid with his offer of \$125,000.

The basic term of the agreement provides for a 90-day escrow period in which the Buyer shall have 30 days to perform due diligence. There are no broker fees. The Buyer shall be responsible for obtaining any project development entitlements at his sole cost and expense. Additionally, the Buyer will be responsible for all costs associated with obtaining title and half of the escrow fees of this transaction.

**STRATEGIC PLAN ALIGNMENT:**

This item contributes to the Envision Riverside 2025 City Council Strategic Plan **Priority No. 5** High Performing Government and **Goal 5.4** – Achieving and maintaining financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The City is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards & Commissions, and timely and reliable information. The City negotiated this transaction in good faith. Approving the Purchase, Sale and Development Agreement in an open meeting demonstrates that the City is transparent and committed to community trust and makes decisions that serve the public interest.
2. **Equity** – The City is supportive of racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity. Approving the Purchase, Sale & Development Agreement demonstrates that the City is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services.
3. **Fiscal Responsibility** – The City is a prudent steward of public funds and ensures responsible management of the City’s financial resources while providing quality public services to all. The property is currently vacant and underutilized. Approving the Purchase, Sale & Development Agreement ensures that the Properties will be sold at a fair market value which will maximize the public funds through growth and accountability.
4. **Innovation** – The City is inventive and timely in meeting the community’s changing needs. Approving the sale of the Properties prepares for the future through collaborative partnerships and adaptive processes.
5. **Sustainability & Resiliency** – The City is committed to meeting the needs of the present without compromising the needs of the future. and Disposing of the Properties ensures the City’s capacity to persevere, adapt and grow during good and difficult times alike.

**FISCAL IMPACT:**

The Properties are City-owned, with the initial purchase funded by a combination of grant and Measure A funds. They are being sold for \$125,000 minus related title, escrow, and miscellaneous closing costs estimated not-to-exceed \$5,000. The estimated \$120,000 net proceeds from will be deposited into the Measure A Fund, Sale of Land & Buildings account 0000432-380010.

Prepared by:	Jennifer A, Lilley, AICP, Community & Economic Development Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/ Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. Purchase, Sale and Development Agreement
2. Presentation