



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 25, 2025

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 5

SUBJECT: AUTHORIZATION TO PURCHASE A BUILDING AT 9518 MAGNOLIA AVENUE (APN 234-112-003) FOR THE ASKING PRICE OF \$1,895,000, AND APPROPRIATE \$2,195,000 FROM THE GENERAL FUND INFRASTRUCTURE RESERVE FOR THE PURCHASE AND ASSOCIATED COSTS OF \$300,000

ISSUE:

Approve the acquisition of 9518 Magnolia Avenue for the establishment of a substation for the Riverside Police Department in Arlington Village.

RECOMMENDATIONS:

That the City Council:

1. Approve the purchase of 9518 Magnolia Avenue for \$1,895,000, and \$300,000 for associated costs.
2. Authorize the City Manager, or his designee, to negotiate and execute the Purchase and Sale Agreement.
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation of \$2,195,000 from General Fund Infrastructure reserves to the General Fund, Police Department, Land and Building & Improvements accounts for the purchase of the building and associated costs.

BACKGROUND:

The Magnolia Resilience, Reinvestment, Revitalization (Mag 3R) Initiative has identified Arlington Village as a priority placemaking area within the City. Within Arlington Village, a catalytic area to realize this vision is the intersection of Magnolia Avenue and Van Buren Boulevard. An on-market opportunity site available at this intersection is 9518 Magnolia Avenue. This 8,550 square foot commercial building has been listed for sale for over six months at \$2,250,000. On January 15, 2025 the price was reduced to \$1,895,000.

DISCUSSION:

The City has identified 9518 Magnolia Avenue as a strategic property acquisition that provides a multifaceted approach to accomplish shared goals of supporting the revitalization of Arlington Village and securing critically needed space for Riverside Police Department (RPD) personnel to utilize. RPD has been seeking locations throughout the City to house RPD personnel; additional space is necessary as recruiting has improved and space is at a premium. Housing RPD Personnel at this location aligns with the needs of the RPD, increases the police presence in a critical area, and contributes to the broader goals of community revitalization and placemaking.

Property Profile:

9518 Magnolia Avenue is an 8,550 square foot former auto part retail storefront that has remained vacant for over a year. The building has 74' of frontage on Magnolia Avenue and is situated on over 26,000 square feet. The property includes:

- 65 dedicated parking stalls
- 2 restrooms
- 12' ceilings
- 1 ground level roll up door
- Full HVAC throughout
- Open space floor plan
- A bonus mezzanine
- Major visibility from Magnolia Avenue

Acquisition Benefits to the City:

1. Enhanced Police Presence:

Establishing an enhanced police presence in this location supports the City's efforts to improve safety, reduce crime, and foster a stronger sense of community engagement in this neighborhood. Creating operational space for RPD at 9518 Magnolia Avenue will not only enhance law enforcement operations but also provide a more visible, accessible presence in Arlington Village. The police presence in this high-priority area will contribute to public safety and instill confidence among residents and local businesses. An increased law enforcement presence in this part of the city will help deter crime and address public safety concerns, which are vital for the revitalization of the area. It provides residents and businesses with a direct line of support and fosters a sense of security.

2. Support for Revitalization:

The purchase of 9518 Magnolia Avenue supports the City's ongoing efforts to revitalize neighborhoods that have historically faced economic challenges. The presence of law enforcement officers in the area can be a catalyst for private investment and help pave the way for additional projects and business types that will further enhance the community.

3. Redevelopment Fund:

After the property is acquired, it is the City's intention to utilize and hold the property as a real property asset that can eventually be sold, likely when the new RPD Headquarters is built providing additional space for officers. Proceeds from the sale will be directed into a dedicated redevelopment fund. These funds will be reinvested into other revitalization efforts throughout Riverside, supporting additional acquisitions, infrastructure improvements, and other initiatives aimed at enhancing quality of life throughout Riverside.

4. Strategic Use of City Resources:

By utilizing resources to acquire property in strategic locations, the City is positioning itself

to have a greater positive impact on local neighborhoods. The purchase of this property is an efficient use of city funds, with the potential for future revenue through sale, redevelopment, or encouragement of highest and best use for this site and the corner of Magnolia Avenue and Van Buren Boulevard.

Due Diligence:

Should the City Council authorize the purchase of this site, the City will enter into a Purchase and Sale Agreement with the seller's agent to ensure that due diligence is performed timely prior to close of escrow. This will include a 45-day due diligence period that will include:

- **Site Inspections:** Thorough assessment of the exterior of the building and site work including pavement, walks, site drainage, exterior lighting, signage and amenities.
- **A Phase 1 Environmental Assessment:** A comprehensive evaluation of the property's environmental condition will be performed to identify any potential contamination and assess any environmental risks.
- **A Property Condition Assessment:** A systematic assessment of the interior of the building to assess the current condition of the building's structure and systems that will include an evaluation of the structural systems, roof, building envelope, mechanical systems, interior building components and finishes, and regulatory compliance.
 - As part of this action staff is requesting \$300,000 for site and tenant improvements to create a work environment for RPD personnel. After the site inspection and property condition assessment are completed, additional capital may be needed to improve the site to its necessary condition.
 - The site will need to be secured to harden the asset for operations including blocking and securing windows and the roof. Those costs will also need to be determined after the Property Condition Assessment.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 Strategic Priority Number 3 – Community Well-Being by ensuring safe and inclusive neighborhoods where everyone can thrive. This is supported by the indicators of public safety and placemaking, which are both priorities in Arlington Village.

The 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 and inclusive community engagement with timely and reliable information. By approving the Agreement at City Council, the City serves the public interest with benefits to the City's diverse populations that results in greater public good.
2. **Equity** – The City is supportive of racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity. Approving the acquisition of this property demonstrates that the City is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to share in the benefits of community progress.
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. Approving the acquisition of this property allows the City to secure needed space for RPD operations in a facility that can be sold in the future to generate revenue for a redevelopment fund that can be reinvested in the community.
4. **Innovation** – The City is inventive and timely in meeting the community's changing needs.

By approving the Agreement, it demonstrates that the City 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. Approving the Agreement ensures that the City's capacity to persevere, adapt, and grow during good and difficult times alike.

FISCAL IMPACT:

The total fiscal impact of the action is \$2,195,000. There are sufficient funds available in the General Fund Infrastructure Reserve. Upon Council approval, a supplemental appropriation will be recorded in the General Fund, Police Department, Office of Police Chief, various expenditure accounts as listed in the table below. A fee estimate was provided stating that the City would be responsible for half the escrow fee, a cost of \$1,387.50, and an estimate of \$500.00 for the recording fee.

Fund	Program	Account	Amount
General Fund	PD - Office of Chief - Land	3100000-461000	\$1,895,000
	PD - Office of Chief - Building & Improvements	3100000-462050	\$298,000
	PD - Office of Chief - Professional Services	3100000-421000	\$2,000
	Total Budget		\$2,195,000

Prepared by:	Miranda Evans, Deputy Community and Economic Development Director
Approved by:	Jennifer Lilley, Community and Economic Development Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Jack Liu, Interim City Attorney

Attachments:

1. Property Flyer