

City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 25, 2016

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: 2 AND 4

DEPARTMENT

SUBJECT: PURCHASE AND SALE AGREEMENT WITH COEG-CA-2, LLC TO ACQUIRE A

5-ACRE PARCEL OF VACANT LAND LOCATED AT VIA VISTA AND CANYON

CREST DRIVES TO BE INCORPORATED INTO THE ADJACENT SYCAMORE

CANYON WILDERNESS PARK IN THE TOTAL AMOUNT OF \$457,500

ISSUE:

Approve a Purchase and Sale Agreement with COEG-CA-2, LLC to acquire a 5-acre parcel of vacant land located at Via Vista and Canyon Crest Drives to be incorporated into the adjacent Sycamore Canyon Wilderness Park for the appraised value of \$450,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the attached Purchase and Sale Agreement with COEG-CA-2, LLC for the purchase of a 5-acre parcel of vacant land located at Via Vista and Canyon Crest Drives, identified as Assessor Parcel Number 252-230-004 (Property), to be incorporated into the adjacent Sycamore Canyon Wilderness Park for the appraised value of \$450,000; and
2. Authorize the City Manager, or his designee, to execute the Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction, and to expend up to \$7,500 for due diligence, title and escrow fees, and related miscellaneous closing costs.

BACKGROUND:

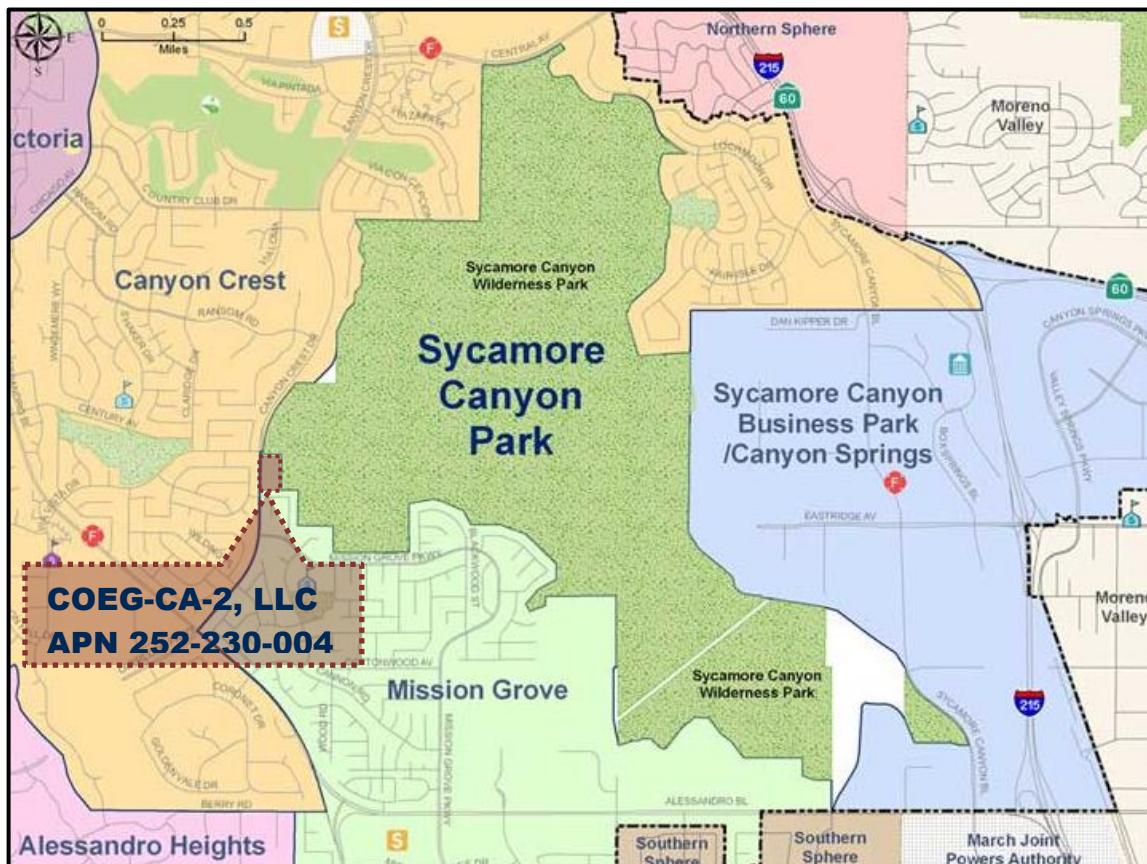
On August 23, 2016, the City Council adopted Resolution Number 23046 authorizing the Parks, Recreation & Community Services Department's submittal of a grant application to the State of California, Department of Parks and Recreation Habit Conservation Fund (HCF) in the amount of \$250,000 to fund a portion of the purchase of the COEG-CA-2, LLC 5-acre parcel of land as well as approved an appropriation in the amount of \$250,000 from the Regional Park Special Capital Improvement Fund upon award of the HCF fund to be used to pay for the balance of the purchase.

DISCUSSION:

Sycamore Canyon Wilderness Park is a 1,500 acre natural park that serves as a habitat reserve for the endangered Stephens' kangaroo rat. In addition to open space, the park provides recreation opportunities such as hiking, trail running, and biking. The Ameal Moore Nature Center located at the main trailhead entrance on Central Avenue, provides educational activities, tours, and programs to promote Riverside Citizen Science, a project of the Riverside Metropolitan Museum. As shown on the map below, the Property is located adjacent to the Sycamore Canyon Wilderness Park along Canyon Crest Drive directly east of Via Vista Drive. The Property is generally level at street grade and is zoned Residential Estate which allows development of 1 residence per acre.

The Property is currently being offered for sale for \$450,000, which represents the appraised value. To comply with HFC grant funding provisions, COEG-CA-2, LLC agreed to submit an appraisal of the Property prepared in compliance with the Uniform Appraisal Standards for Federal Land Acquisitions known as the "Yellow Book" guidelines. Additional HFC provisions require a third party independent review appraisal and the City engaged the services of third party independent review appraiser familiar with Yellow Book guidelines and appraisals, who subsequently reviewed and certified that the COEG-CA-2, LLC appraisal report and findings are compliant with the Yellow Book Standards. Staff agrees that the appraised value represents the current fair market value.

Both the City and COEG-CA-2, LLC acknowledge a mutual understanding that the completion of the Property transaction is contingent on the City's award of \$250,000 HFC grant funds and additional state and federal funding sources to support the purchase price. The City has up to a one year escrow period to apply for and obtain grant funds to support the purchase price of \$450,000 and the right to cancel should the City not receive the necessary grant funding.



The Parks, Recreation & Community Services Department Director concurs with the recommendation.

FISCAL IMPACT:

The cost to purchase the Property is \$457,500, consisting of \$450,000 for the Property purchase and up to \$7,500 for due diligence, title and escrow fees, and related miscellaneous closing costs. On August 23, 2016, Council approved submittal of HCF grant application in the amount of \$250,000 with additional matching funds to come from either Regional Park Funds (413) or another grant award. This transaction is therefore contingent upon grant award and will only be executed if grant application is successful, at which time funds will be appropriated into a project account to be assigned by Finance.

Prepared by: Rafael Guzman, Community & Economic Development Director

Certified as to

availability of funds: Scott G. Miller PhD, Chief Financial Officer/City Treasurer

Approved by: Al Zelinka, FAICP, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachment:

1. Purchase and Sale Agreement
2. Presentation