



PURCHASE, SALE, AND DEVELOPMENT AGREEMENT WITH PELICAN COMMUNITIES, LLC FOR THE SALE OF VACANT CITY-OWNED LAND LOCATED AT 3911 UNIVERSITY AVE AND 3775 FAIRMOUNT BLVD, FOR THE DEVELOPMENT OF A MIXED-USE STUDENT HOUSING PROJECT

Community & Economic Development Department

City Council
June 11, 2024

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BACKGROUND

- **August 8, 2017:** Council approves surplus of the Property
- **April 8, 2019:** Staff issues a Request for Proposals (RFP)
- **July 8, 2019:** One joint proposal received from Overland Pelican Riverside (OPR) – Affiliate of Pelican Communities LLC
- **October 9, 2019:** during negotiations, AB 1486 signed into law
- **August 20, 2020:** Council Committee provides direction that due to AB 1486; agreement is null and void
- **August 21, 2020:** Staff issues 60-day Notice per AB 1486 requirements



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BACKGROUND

- **October 20, 2020:** Staff receives one proposal from OPR in partnership with RCCD
- **December 17, 2020:** Committee directs staff to negotiate PSDA agreement with OPR
- **October 21, 2021:** Staff updates Committee recommending a new RFP as RCCD partnership dissolves, Committee directs staff to stay the course with OPR
- **June 16, 2022:** during negotiations, concerns regarding AB 1486 were raised by OPR
- **May 2, 2023:** HCD issues written notice approving the proposal



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SUBJECT PROPERTY



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DEVELOPMENT PROPOSAL

Proposed Project:	Housing: 392 student beds – 100,000 sq. ft. Retail: 12,000 sq. ft. Office: 16,700 sq. ft. Library Plaza Café: 1,950 sq. ft. Parking Garage: 335 spaces
Purchase Price:	\$200 - Main Library Parking Negotiated
Library Parking:	60 public parking stalls
Estimated Cost:	\$78 Million
Estimated Jobs Created:	200 (Construction)
Estimated Annual Revenue Generation:	\$567,661



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10% of all beds will be at affordable levels

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CONCEPTUAL PLANS

Appendix C – University Avenue Elevation



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CONCEPTUAL PLANS

Appendix A – Library Plaza



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CONCEPTUAL PLANS

Appendix B – View from Sky Deck to Riverside Main Library



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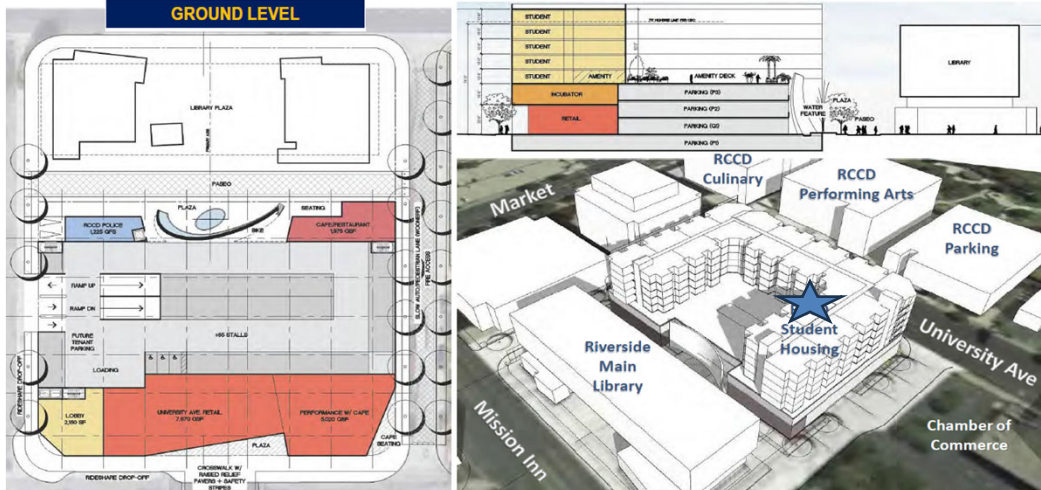


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CONCEPTUAL PLANS

Conceptual Architecture & Floor Plan



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COMMUNITY OUTREACH

Meetings and Support/Concerns:

- August 13, 2020 – Downtown Business Council
- August 19, 2020 – Greater Riverside Chambers of Commerce Support Letter received
- April 15, 2024 – Downtown Area Neighborhood Alliance
- April 18, 2024 – Riverside Downtown Partnership

- Community generally supportive
- Concerns regarding loss of library parking during a potential 2-year construction period



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AFFORDABLE STUDENT HOUSING

Project exempt from SLA and AB 1486:

- HCD determination first in the State for Student Housing
- Buyer wishes to provide affordability component
- 10% of beds shall be at affordable levels = 39 of 392 beds
- Regulatory Agreement in place to ensure compliance



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LIBRARY PARKING AGREEMENT

Property Fair Market Value trade for Parking:

- Sales price \$200: Appraisal = \$1.83M and parking = \$2.4M
- 60 parking stalls dedicated to main library during operation
- Perpetual (Parking) Easement Agreement recorded
- Public parking free for first 90 minutes with validation from the Library
- Off hour parking use for the public at City rates or higher as determined by buyer based on demand and Agreement terms



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LIBRARY PARKING DURING CONSTRUCTION

- Project Construction anticipated to be 18 - 24 months
- Currently All Public Garages have a 60-minute free parking window for customers
- Garages 3 and 7 will offer an additional 2-hour validation for patrons of the Library. This equates to a total of 3-hours of free/validated parking for library customers
- Parking Services will provide a validation machine for the Main Library staff to validate the parking garage ticket



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COMMUNITY BENEFIT

- Helps ever growing demand for student housing
 - Includes 10% affordability component
- Mixed-Use development impacts on downtown economy
- Estimated Tax Revenue per year: \$567,661
- Estimated 200 construction jobs during development



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STRATEGIC PLAN ALIGNMENT

Strategic Priority 2, Community Well-Being Goal 2.1: facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels

Strategic Priority 3, Economic Opportunity Goal 3.3: Cultivate a business climate that welcomes innovation, entrepreneurship, and investment

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the City Council:

1. **Approve the Purchase, Sale, and Development Agreement** with Pelican Communities, LLC for the sale of City-owned land located at 3911 University Avenue and 3775 Fairmount Boulevard, identified as Assessor's Parcel Numbers 214-252-019 and 213-261-029, formerly known as the Downtown Terminal Property, for the development of a mixed-use student housing project; and
2. **Authorize the City Manager, or his designee,** to execute the Agreement with Pelican Communities, LLC, including making minor and non-substantive changes and to sign all documents necessary to complete the transaction.



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