



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 28, 2023

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 3
DEPARTMENT

SUBJECT: PURCHASE, SALE AND DEVELOPMENT AGREEMENT WITH MO NEKOONAM
FOR THE SALE OF APPROXIMATELY 42,100 SQUARE FEET OF VACANT
CITY-OWNED LAND, BEARING ASSESSOR'S PARCEL NUMBERS 190-035-
003 AND 190-035-004, FOR THE SALES PRICE OF \$252,600

ISSUE:

Approve the Purchase, Sale, and Development Agreement with Mo Nekoonam for the sale of approximately 42,100 square feet of vacant City-owned land, bearing Assessor's Parcel Numbers 190-035-003 and 190-035-004, for the sales price of \$252,600.

RECOMMENDATIONS:

That the City Council:

1. Approve the Purchase, Sale, and Development Agreement (Attachment 1 – Agreement) with Mo Nekoonam for vacant City-owned land bearing Assessor's Parcel Numbers 190-035-003 and 190-035-004 (Property), for the sales price of \$252,600; 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:

On January 25, 2000, the City Council approved the appropriation and request for proposals for engineering services for the Jurupa Avenue Underpass at the Union Pacific Railroad project. The grade separation project was initiated to reduce the congestion and inconvenience of an at-grade Union Pacific railroad crossing on Jurupa Avenue by reconstructing the existing four lanes and building a two-track railroad bridge.

On April 18, 2006, the City Council approved the Purchase and Sale Agreement to acquire the real property bearing Assessor's Parcel Number 190-035-004 for the Jurupa Avenue Grade Separation Project.

On May 2, 2006, the City Council held a public hearing resulting in the adoption of the Resolution of Necessity which authorized the acquisition of Assessor's Parcel Number 190-035-003 in accordance with California Government Code Sections 37350.0, 39792, and 40404.

On December 18, 2018, City Council approved the surplus declaration and authorized the marketing and sale of the Property 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 subject Property.

DISCUSSION:

The Property is a remnant parcel from the Jurupa Avenue Grade Separation Project. The developer, Mo Nekoonam, proposes to construct a residential development on the site. The Property, as shown on the aerial site map below, is zoned R-1-7000, aligning with the General Plan, and is currently approximately 42,100 square feet of vacant City-owned land.



An independent third-party appraiser provided an appraisal that concluded a total value of \$252,600 in its as-is condition. Staff reviewed the report and determined that the sale price for the subject property represents the current fair market value.

Staff has negotiated a mutually acceptable agreement with Mo Nekoonam and the developer has agreed to the \$252,600 purchase price. The terms of the Agreement provides for a 180-day escrow period in which the Buyer shall have 60 days to perform its due diligence. There are no broker fees and the Buyer shall be responsible for obtaining any project development entitlements at its 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.

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, inclusive community engagement, involvement of City Boards & Commissions, and timely and reliable information. Approving the 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 the City’s racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity. Approving the Agreement 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. The subject Property is currently vacant and underutilized. The disposition of the Property ensures the responsible management of the City’s financial resources in a manner consistent with prudent stewardship while facilitating beneficial investment in the city of Riverside.
4. **Innovation** – The City is inventive and timely in meeting the community’s changing needs. Approving the sale of the subject Property 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. Disposing of the subject parcel ensures the City’s capacity to persevere, adapt and grow during good and difficult times alike.

FISCAL IMPACT:

The total fiscal impact of this action is \$252,600 minus related title, escrow, and miscellaneous closing costs estimated not-to-exceed \$7,000. The estimated net proceeds from the sale, in the minimum amount of \$245,600, shall be deposited into the Measure A Fund, Sale of Land & Buildings revenue account number 0000432-380010.

Prepared by:	Jennifer A. Lilley, AICP Community & Economic Department 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