



City of Arts & Innovation

Development Committee

TO: DEVELOPMENT COMMITTEE MEMBERS DATE: NOVEMBER 16, 2017

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 5

DEPARTMENT

**SUBJECT: PROPOSED DISPOSITION OF APPROXIMATELY 17,000 SQUARE FEET OF
SUCCESSOR AGENCY AND HOUSING AUTHORITY-OWNED VACANT
LAND LOCATED NEAR THE NORTHWEST CORNER OF INDIANA AVENUE
AND MONROE STREET, IDENTIFIED AS ASSESSOR PARCELS NUMBERS
233-140-016 AND -017 TO CALIFORNIA BAPTIST UNIVERSITY FOR THE
DEVELOPMENT OF A TWO-STORY OFFICE BUILDING - DIRECT
SUBMITTAL**

ISSUE:

Review and approve the proposed disposition of approximately 17,000 square feet of Successor Agency and Housing Authority-owned vacant land located near the northwest corner of Indiana Avenue and Monroe Street, identified as Assessor Parcel Numbers 233-140-016, located at 8733 Indiana Avenue and 233-140-017, located at 8717 Indiana Avenue to California Baptist University for the development of a two-story office building.

RECOMMENDATION:

That the Development Committee:

1. Review and approve the proposed disposition of Assessor Parcel Numbers 233-140-016, located at 8733 Indiana Avenue and 233-14-017, located at 8717 Indiana Avenue, at fair market value to California Baptist University for the development of a two-story office building; and
2. Direct staff to negotiate an agreement for the disposition of Assessor Parcel Numbers 233-140-016, located at 8733 Indiana Avenue and 233-14-017, located at 8717 Indiana Avenue and subsequent development of a two-story office building to be presented to the City Council, Housing Authority Board, and Oversight Board for consideration.

BACKGROUND:

On June 20, 2006, the former Redevelopment Agency, on behalf of the Housing Authority, acquired the 8733 Indiana Avenue (Housing Authority Parcel) in the amount of \$695,000 using redevelopment housing funds. The Housing Authority Parcel was formerly occupied by a residential four-plex, which had become severely blighted and was demolished shortly after acquisition.

On August 12, 2008, the former Redevelopment Agency approved the acquisition of 8717 Indiana Avenue “Successor Agency Parcel” in the amount of \$919,660. The Successor Agency Parcel was formerly occupied by a mid-size commercial building housing a liquor store, which was demolished shortly after acquisition.

The Housing Authority Parcel and the Successor Agency Parcel, collectively the Parcel, is approximately 17,000 square feet of vacant unimproved land, with freeway frontage, located in very close proximity to California Baptist University (CBU), newer housing product, the Riverside Automotive Center and other retail developments.

The Successor Agency Parcel is zoned Commercial Retail (CR) and the General Plan Designation is Commercial (C). The Housing Authority Parcel is zoned R-3-2500 and the General Plan designation is High Density Residential (HDR) and will require a zone change and general plan amendment to accommodate the proposed office development, which will be the responsibility of CBU.



DISCUSSION:

On March 27, 2012 and on March 30, 2012, the City Council as Successor Agency and the Oversight Board approved the Successor Agency Property Disposition Guidelines (Property Disposition Guidelines). The City Council as Successor Agency and the Oversight Board deemed that, given the large number of properties in the Successor Agency portfolio, it is important that the disposition occur in an orderly and strategic manner in order to ensure value is retained and to prevent any negative impact on the community. The Property Disposition

Guidelines were also included in the Successor Agency's Long Range Property Management Plan that was approved by the City Council as Successor Agency on August 13, 2013, the Oversight Board on August 15, 2013 and the Department of Finance on March 6, 2014.

As allowed by the Disposition Guidelines, staff may receive an unsolicited property purchase offer, which is not in response to any formal or informal request, and may take the purchase offer and proposed use directly to the Development Committee, City as Successor Agency and the Oversight Board for consideration and approval.

On October 17, 2017, staff received an unsolicited purchase offer from CBU for the development of a two-story office building, which staff supports. CBU anticipates that the new office building will house its facilities and planning, accounting, payroll and human resources staff. As CBU continues to experience unprecedented growth, additional space is needed to accommodate the additional personnel needed to manage and deliver the outstanding service to its students, faculty and staff have come to expect.

Before the Property can be sold to CBU, the Housing Authority Parcel must be declared surplus, via a public hearing, which is anticipated to be scheduled for City Council consideration in the upcoming month(s).

Lastly, the purchase price for the Property shall be determined by a current fair market appraisal for both the Successor Agency Parcel and Housing Authority Parcel, which were recently ordered by staff.

FISCAL IMPACT:

Sale proceeds for the Successor Agency Parcel, less related title, escrow and miscellaneous closing costs, will be remitted to the Riverside County Auditor Controller's Office (ACO). The ACO will distribute the sale proceeds to the various taxing entities (including the City) and report the sale to the State Department of Finance. The City's portion of the sales proceeds is estimated to be approximately 14% of the sale price.

Sale proceeds for the Housing Authority Parcel, less related title, escrow and miscellaneous closing costs, will be used by the Housing Authority to develop other affordable housing projects throughout the City.

Prepared by:	Rafael Guzman, Community & Economic Development Director
Certified as to	
availability of funds:	Adam Raymond, Chief Financial Officer/City Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment:	Presentation
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