



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 28, 2022**

FROM: PARKS, RECREATION & COMMUNITY SERVICES DEPARTMENT **WARD: 5**

SUBJECT: SECOND AMENDMENT TO CROP MAINTENANCE AGREEMENT TO AMEND THE DEFINITION OF "EXISTING GROVES" TO ALSO INCLUDE THE GROVES ON APN 239-190-009, APN 239-190-016, AND APN 239-190-017; TO INCLUDE A NON-EXCLUSIVE LICENSE TO THE FRUIT STAND ON APN 239-190-016; AND TO EXTEND THE TERM TO JUNE 30, 2023

ISSUE:

Approve the Second Amendment to Crop Maintenance Agreement to amend the definition of "Existing Groves" to also include the groves on APN 239-190-009, APN 239-190-016, and APN 239-190-017; to include a non-exclusive license to the fruit stand on APN 239-190-016; and to extend the term June 30, 2023.

RECOMMENDATIONS:

That the City Council:

1. Approve the Second Amendment to Crop Maintenance Agreement (attached) with Gless Ranch on APNS 239-190-014, 015, 009, 016, and 017; and
2. Authorize the City Manager, or designee, to execute the Second Amendment, including making minor and non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

BACKGROUND:

With 1988 bond funds, the City of Riverside (City) acquired approximately sixty-six (66) acres of land planted with navel oranges in connection with the granting of funds under Proposition 70 which are under the management of the Park and Recreation Department. The City currently has a profit-sharing lease with Gless Ranch on approximately twenty acres of this land. Under an informal arrangement, Gless Ranch has been handling all crop maintenance for the balance of the groves for the most part from the time they were acquired.

In 1998, the City acquired ten (10) acres at the corner of Van Buren Boulevard and Dufferin

Avenue. John Gless of Gless Ranch agreed to lease these 10 acres under a twenty (20) year lease agreement to terminate on June 20, 2019. Once all costs incurred by Gless Ranch have been recovered, or upon termination of the agreement, the revenue produced by the grove will be shared between the City and Gless Ranch with each receiving fifty percent (50%) of the proceeds for each remaining crop year.

Gless Ranch has agreed to take over the costs and maintain the groves under the Crop Maintenance Agreement dated March 22, 1999. The original term of the agreement was for one year with automatic one-year renewals with Gless Ranch receiving 50% of the net proceeds from the crops.

On March 6, 2022, City Council approved the first amendment to the agreement extending the term to June 30, 2022.

DISCUSSION:

There are seven City-owned parcels located on the north side of Dufferin Avenue between Van Buren Boulevard and Irving Street. These parcels include groves that were purchased to serve as a grove gateway for the California Citrus State Park. Gless Ranch has continued to operate and maintain the crop parcels identified by APNS 239-190-009, APN 239-190-016, APN 239-190-017 along with the fruit stand, APN 239-190-016 which were previously subject to agreements that have since expired, as well as APN 239-190-014 and 239-190-015 which are included in the original agreement APN 238-100-010 and APN 238-100-011 are currently subject to an additional Lease and Crop Agreement that will expire on June 30, 2022.

The amendment will allow the existing groves to continue to be maintained by Gless Ranch and provide the opportunity for the City to prepare a request for proposal. City staff are currently in the process of drafting the request for proposal that will be released in Fiscal Year 2022-2023.

This amendment is in compliance with Purchasing Resolution 23812, Section 702 (w), which states "When approved by the Manager, Services not subject to bidding requirements of Section 1109 of the City Charter, which are of such a nature that suitable technical or performance specifications describing them are not readily available and cannot be developed in a timely manner to meet the needs of the City, in which case the Manager shall be authorized to negotiate with any Person or Persons for the Procurement thereof upon the price, terms and conditions needed by the Manager to be in the best interest of the City and in doing so may utilize Informal Procurement or Negotiated Procurement process.

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution 23812, Section 702 (w).

The Community and Economic Development Director concurs with this report.

STRATEGIC PLAN ALIGNMENT:

The agreement with Gless Ranch, Inc. supports Strategic Priority 1 – Arts, Culture and Recreation and **goal 1.3** to *"Improve parks, recreational amenities, open space, and trail development, and fulfill critical lifecycle and facility maintenance needs."*

This action aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – Ensuring groves are maintained benefits the community as a whole and ensure the lots are utilized for positive and productive use.
2. **Equity** – The partnership with Gless Ranch Inc., benefits the City as a whole preserving the City's history with the orange industry.
3. **Fiscal Responsibility** – This agreement generates revenue for the City and allows the orange groves to continue to be maintained.
4. **Innovation** – The partnership with Gless Ranch Inc., allows the fields to continue to be maintained.
5. **Sustainability & Resiliency** – Maintenance of the parcel of land preserves the City's history with the orange industry and preserves the fields for future generations.

FISCAL IMPACT:

The total fiscal impact is approximately \$10,000 for Fiscal Year 2022/23, which will be recorded as revenue to the General Fund, PRCS Administration, Land and Building Rental revenue account number 5200000-373100. The revenue projection includes payment of fifty percent of the existing groves net proceeds, as well as a monthly license fee of Five Hundred Dollars each month for the fruit stand.

Prepared by:	Pamela Galera, Parks, Recreation and Community Services Director
Certified as to availability of funds:	Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra Norton, City Attorney

Attachment:

1. Second Amendment to Crop Maintenance Agreement