



*City of Arts & Innovation*

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 13, 2022

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARD: 1

SUBJECT: FIRST AMENDMENT TO THE PURCHASE, SALE, AND DEVELOPMENT AGREEMENT BETWEEN THE RIVERSIDE TRANSIT AGENCY AND THE CITY OF RIVERSIDE FOR 4125 VINE STREET IN RIVERSIDE, CALIFORNIA – TEN-YEAR EXTENSION UNTIL JUNE 22, 2032 – CANCEL ESCROW AND RETURN THE ELEVENTH STREET WELL PIPING RELOCATION DEPOSIT OF \$30,000

## **ISSUE:**

Approve the First Amendment to the Purchase, Sale and Development Agreement between the Riverside Transit Agency and the City of Riverside for 4125 Vine Street to extend the term of the agreement for ten years until June 22, 2032; cancel escrow and return the Eleventh Street Well Piping relocation deposit of \$30,000.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the First Amendment to the Purchase, Sale and Development Agreement (Attachment 1) between Riverside Transit Agency (RTA) and the City of Riverside (City) for 4125 Vine Street (Property) to extend the term of the agreement for ten years until June 22, 2032; Cancel escrow and return the Eleventh Street Well Piping relocation deposit of \$30,000; and
2. Authorize the City Manager, or designee, to execute the First Amendment, including making minor and non-substantive changes, and to sign all documents and instruments necessary to complete the transaction in accordance with all purchasing policies.

## **BOARD RECOMMENDATIONS:**

On November 28, 2022, the Board of Public Utilities will hear this item to consider a recommendation to City Council on the First Amendment to the Purchase, Sale, and Development Agreement with RTA.

If the Board of Public Utilities recommends approval for City Council, City Council will consider the item at the December 13, 2022, Council meeting.

## **BACKGROUND:**

On May 22, 2017, the City of Riverside (City) and the Riverside Transit Agency (RTA) entered into a Purchase, Sale, and Development Agreement (Hub Agreement) to develop the downtown Riverside Transit Terminal (Mobility Hub), located at 4015 and 4085 Vine Street. RTA's existing facility at 3911 University Avenue was to be relocated to 4015 and 4085 Vine Street.

In January 2019, the sale was completed conveying 2.347 acres of City-owned land to RTA. As part of the Hub Agreement, architectural and engineering work was to commence as soon as possible to facilitate the relocation in order to eliminate congestion related to RTA's existing facility in downtown. In accordance with Section 1.2.1 of the Hub Agreement, which states that RTA "may require the adjacent parcel, identified as Assessor's Parcel Number 215-341-009, ... for development of the... multi-modal transit center, if RTA's initial study demonstrates the need for additional land". Shortly after the completion of this sale, RTA demonstrated the need for additional land.

On May 4, 2021, the City Council approved a second Purchase, Sale, and Development Agreement (Well Agreement) between RTA and the City for the adjacent parcel located at 4125 Vine Street (Assessor's Parcel Number 215-341-009) to meet RTA's need for additional land. As part of the Well Agreement, RTA required the City to abandon the Eleventh Street Well (Well). In exchange, RTA would reimburse the City the fair market value of the property and the Well, in the amounts of \$155,000 and \$250,000, respectively, for a total amount of \$405,000. In addition, RTA would grant the City two permanent easements on 4175 Vine Street for relocating the Well, and they would contribute up to \$30,000 toward the cost of relocating the Well piping. The sum of \$30,000 was deposited by RTA into an escrow account to be dispersed upon completion of the Well piping.

## **DISCUSSION:**

To facilitate the development of the Mobility Hub, the City was required to complete the drilling needed to relocate the Well, and associated piping, on or before June 30, 2022. In January 2022, the City informed RTA that it could not complete the drilling needed for the well relocation before the deadline. The City indicated that work on the project may not occur for several years due to the priority of funding for other needed projects as well as evaluating the need for the non-potable water supply from this site. The recommendation, as proposed, provides the City with an extended period to evaluate the development of the site. Currently, the water utility is engaged in completing a study of its recycled and non-potable water systems. This site is included in the study's evaluation.

RTA has commenced with the construction of the Mobility Hub and proposed a First Amendment to the Well Agreement (Amendment) that was reviewed by staff. The Amendment proposes to 1) extend the term of the agreement for ten years until June 22, 2032; 2) cancel escrow returning the \$30,000 to RTA; and 3) require the City to cover costs to the easement property if any damages relating to the drilling, pipe relocation, and maintenance occur.

In addition, if the City does not commence construction of the Well relocation by June 30, 2032, RTA will terminate the easements. If the City does complete construction, RTA will reimburse the City up to \$30,000 within thirty (30) days of receiving an invoice for the total costs of the pipe relocation.

## **STRATEGIC PLAN ALIGNMENT:**

This item contributes **Strategic Priority 6 – Infrastructure, Mobility & Connectivity** and **Goal 6.2** – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The City actively engages with RTA and informs policymakers on potential actions to protect and serve the public interest.
2. **Equity** – The City supports racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity. It is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every community member has equal access to share in the benefits of the Mobility Hub Project.
3. **Fiscal Responsibility** – Riverside works diligently with other agencies to enhance the community's affordable transportation for all its citizens.
4. **Innovation** – The City is inventive and timely in meeting the community’s changing needs. It prepares for the future by working in concert with another agency to fulfill the goals and objectives of the Mobility Hub Project, which will enhance the means of public transportation.
5. **Sustainability & Resiliency** – The Mobility Hub Project results from the need to secure the public with an affordable, reliable, and convenient source of transportation.

## **FISCAL IMPACT:**

There is no fiscal impact associated with this report.

Prepared by: Chris Christopoulos, Acting Community & Economic Development Director  
Certifies availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer  
Approved by: Rafael Guzman, Assistant City Manager  
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. First Amendment to Purchase, Sale, and Development Agreement
2. Presentation