



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 6, 2023

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARD: 3

SUBJECT: PURCHASE, SALE, AND DEVELOPMENT AGREEMENT WITH CIRCLE CITY INVESTMENT GROUP FOR THE SALE OF APPROXIMATELY 10,637 SQUARE FEET OF VACANT CITY-OWNED LAND BEARING ASSESSOR'S PARCEL NUMBER 190-067-037 FOR THE SALE PRICE OF \$95,000

ISSUE:

A Purchase, Sale, and Development Agreement with Circle City Investment Group for the sale of approximately 10,637 square feet of vacant City-owned land bearing Assessor's Parcel Number 190-067-037 for the sale price of \$95,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the Purchase, Sale, and Development Agreement (Attachment 1 – Agreement) with Circle City Investment Group for a portion of vacant City-owned land bearing Assessor's Parcel Number 190-067-037 (Property) for the sale price of \$95,000; and
2. Authorize the City Manager, or designee, to execute the agreement, including making minor, non-substantive changes, and to sign all documents necessary to complete the transaction.

BACKGROUND:

Enacted in 1968, the Surplus Land Act requires all local agencies to prioritize affordable housing when disposing of surplus land.

On April 15, 1991, the City Council approved the acquisition of Assessor's Parcel Number 190-067-037 required for the Adams Street Extension Project. The parcel was acquired for use of the Jurupa Underpass project funded which was funded via the Gas Tax Fund.

In 2014, the State amended the Surplus Land Act to define better what constitutes a qualified proposal, prioritize proposals to encourage the most units at the deepest affordability and provide more realistic timeframes to make and negotiate offers.

On December 18, 2018, the City Council approved the surplus of the subject property located on Clifton Boulevard divided to the southwest by Essex Street 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 concurred with the sale of the property.

DISCUSSION:

The property is a remnant parcel from the Adams Street Extension Project. The consultant, Circle City Investment Group, proposes to construct a single-family residence at the site. The proposed construction aligns with the General Plan and will help stabilize and revitalize the neighborhood.

The property, as shown on the aerial site map below, is zoned R-1-7000 with a General Plan designation of Medium Density Residential and is currently vacant.



An independent third-party appraiser concluded that the value of the subject Property was \$95,000 in its “as-is” condition. Staff reviewed the report and determined that the appraised value for the property represents the current fair market value.

The terms of the agreement provide for a 180-day escrow period in which the Buyer shall have 30 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 the 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 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. The City negotiated this transaction in good faith. Approving the Purchase, Sale & Development Agreement in an open meeting demonstrates that the City is transparent and committed to community trust by making decisions that serve the public interest.
2. **Equity** – The City is supportive of racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity and is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services. Approving the Purchase, Sale & Development Agreement demonstrates equitable, fair market values while maximizing public funds through growth and accountability.
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 property is currently vacant and underutilized. The disposition of the property ensures the responsible management of the City’s finances while facilitating beneficial investment in the City of Riverside.
4. **Innovation** – The City is inventive and timely in meeting the community’s changing needs and prepares for the future through collaborative partnerships and adaptive processes. Approving the sale of the property is consistent with the community’s changing needs and 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 and ensuring the City’s capacity to persevere, adapt and grow during good and difficult times alike. Disposing of the Property allows the City to continue with sustainable residential development without compromising the needs of the future and ensuring the City’s capacity to preserve, adapt and grow.

FISCAL IMPACT:

The total estimated fiscal impact of this action is \$95,000 minus all 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 \$88,000 shall be deposited into the Gas Tax Fund, Sale of Land & Buildings revenue account number 0000230-380010.

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

Certified as to 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. Purchase, Sale and Development Agreement
2. Presentation