



City Council Memorandum

City of Arts & Innovation

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

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARD:** 3
DEPARTMENT

SUBJECT: PURCHASE, SALE, AND DEVELOPMENT AGREEMENT WITH CIRCLE CITY INVESTMENT GROUP FOR THE SALE OF APPROXIMATELY 23,619 SQUARE FEET OF VACANT CITY-OWNED LAND BEARING ASSESSOR'S PARCEL NUMBER 190-062-001 FOR THE SALE PRICE OF \$140,000

ISSUE:

Approve the Purchase, Sale, and Development Agreement with Circle City Investment Group for the sale of approximately 23,619 square feet of vacant City-owned land bearing Assessor's Parcel Number 190-062-001 for the sale price of \$140,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the Purchase, Sale, and Development Agreement (Attachment 1 – Agreement) with Circle City Investment Group for vacant City-owned land located on the southeast corner of Essex Street and Mountain View Avenue, bearing a portion of Assessor's Parcel Number 190-062-001 (Property), for the sales price of \$140,000; 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:

On August 1, 1944, the City Council approved the purchase for the acquisition of the Property by Resolution Number 3837 from the State of California.

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

On January 25, 2006, the City Council approved the Jurupa Avenue Grade Separation Project, which was initiated to reduce the congestion and inconvenience of the Union Pacific railroad crossing at Jurupa Avenue by reconstructing the existing four lanes and building a two-track

railroad bridge. The parcel was acquired for use in this project funded and was funded via the Gas Tax Fund.

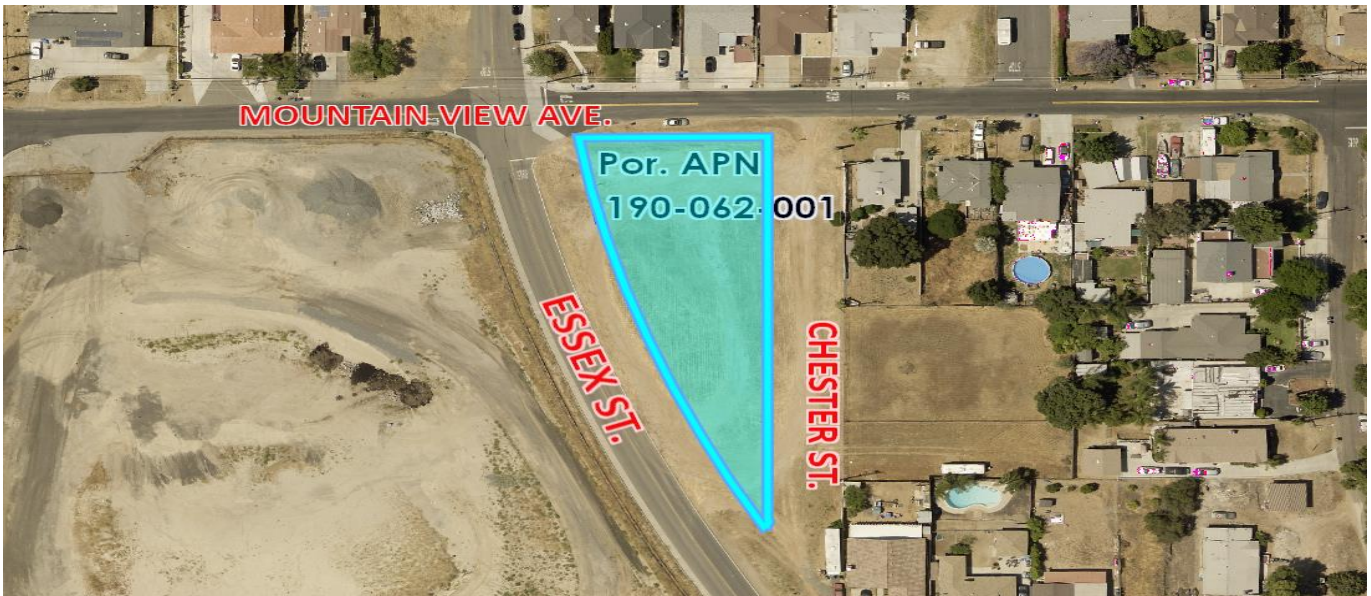
In 2014, the State amended the Surplus Land Act to define better what constitutes a qualified proposal, prioritize proposals to encourage the most units at the deepest affordability and provide more realistic timeframes to make and negotiate offers.

On December 18, 2018, the City Council approved the surplus of the subject Property located on the southeast corner of Essex Street and Mountain View Avenue 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 Jurupa Avenue Grade Separation 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 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 Property was \$140,000 in its current “as-is” condition. Staff reviewed the report and determined that the appraised value for the Property represents the current fair market value. Circle City Investment Group has agreed to pay the appraised value for the Property.

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 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. 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 and 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. City Council approval of the Agreement maximizes 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 Surplus Land Act ensures the responsible management and disposition of the City’s resources in a manner consistent with the prudent stewardship of public funds which facilitates 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 demonstrates that the City works diligently and is creative and timely in meeting the community's changing needs by preparing 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. The Surplus Land Act sets standards for the disposition of the Property that encourages equitable housing solutions to meet the needs of the future and ensures the City’s capacity to preserve, adapt and grow.

FISCAL IMPACT:

The total estimated fiscal impact of this action is \$140,000 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 \$133,000 shall be deposited into 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