



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: NOVEMBER 14, 2023**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT      WARD: 5**  
**DEPARTMENT**

**SUBJECT: PURCHASE, SALE AND DEVELOPMENT AGREEMENT WITH JAMES E. THORNELL FOR THE SALE OF APPROXIMATELY 20,712 SQUARE FEET OF VACANT CITY-OWNED LAND LOCATED AT 3472 AND 3473 FARNHAM PLACE AND 9384 MARTHA WAY, BEARING ASSESSOR'S PARCEL NUMBERS 233-062-010, 233-062-011 AND 233-074-009, FOR THE SALES PRICE OF \$150,000**

## **ISSUE:**

Approve the Purchase, Sale and Development Agreement with James E. Thornell for the sale of approximately 20,712 square feet of vacant City-owned land located at 3472 and 3473 Farnham Place and 9384 Martha Way, bearing Assessor's Parcel Numbers 233-062-010, 233-062-011 and 233-074-009, for the sales price of \$150,000.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Purchase, Sale and Development Agreement (Attachment 1 – Agreement) with James E. Thornell for approximately 20,712 square feet of vacant City-owned land (Property), for the sales price of \$150,000; and
2. Authorize the City Manager, or his designee, to execute the Agreement including making minor and non-substantive changes, to sign all documents and instruments necessary to complete the transaction, and to expend up to \$10,000 for title, escrow, and miscellaneous related closing costs.

## **BACKGROUND**

The State Route 91 (SR 91) freeway and Van Buren Boulevard Interchange Improvement Project (Project) was a joint initiative between the City of Riverside, Riverside County Transportation Commission (RCTC), and the California Department of Transportation District 8. The Project provided ramp improvements and a new overcrossing at the SR 91 freeway and Van Buren Boulevard intersection, which widened the street from four to six lanes and added dedicated turn lanes. The Property was acquired utilizing Transportation Uniform Mitigation Fees, and the single-family residences were demolished, to accommodate the redesign of the westbound SR 91

freeway and Van Buren Boulevard offramp and to accommodate the installation of a slope easement.

The Project is complete, and the Property is no longer needed by the Public Works Department. On December 7, 2021, City Council approved the surplus disposition and the marketing of the Property.

**DISCUSSION:**

The Property, as shown in the aerial site map below, is zoned R-1-7000 with a General Plan designation of Medium Density Residential and is currently vacant land. 3472 Farnham Place is approximately 5,901 square feet, 3473 Farnham Place is approximately 5,788 square feet, and 9384 Martha Way is approximately 9,023 square feet.

The City had the Property appraised by an independent third-party appraiser as part of the surplus disposition process. The appraiser concluded to a value of \$150,000. Staff has reviewed the appraisal and has determined that the sales price represent the current fair market value for the Property and recommends entering into the Agreement.

In March 2022, the potential buyer submitted a Letter of Intent for the Property. After meeting the requirements of Assembly Bill 1486 and having no interested buyers listed with the State’s Housing and Community Development Department, staff began negotiations with James E. Thornell. Mr. Thornell agreed to the terms of the Agreement and the appraised value of \$150,000.



The Public Works Director concurs with the recommendations in this report.

**STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Plan Priority No. 5 – High Performing Government, specifically Goal 5.4:** Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

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

- **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. By approving the Agreement, the City demonstrates that Riverside is committed to serve the public interest, benefitting the City’s diverse populations that results in greater public good.
- **Equity** – The City supports 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 the benefits of community progress with the approval of the Agreement and for the property to be improved with single-family residences.
- **Fiscal Responsibility** – The City is a prudent steward of public funds and approving the Agreement ensures responsible management of the City’s financial resources while providing quality public services to all.
- **Innovation** – The City is inventive and timely in meeting the community’s changing needs. By approving the Agreement, the City demonstrates how it prepares for the future through this collaborative partnership with James Thornell for the residential development.
- **Sustainability & Resiliency** – The City is committed to meeting the needs of the present without compromising the needs of the future. Approving the Agreement ensures the City’s capacity to persevere, adapt and grow during good and difficult times alike.

**FISCAL IMPACT:**

The total fiscal impact is estimated to be \$150,000 less all title, escrow, and miscellaneous related costs, for a total not to exceed \$10,000. The estimated net proceeds from the sale in the amount of approximately \$140,000 shall be deposited into Measure A Fund, Highway and Streets Program, Sales of Land & Buildings revenue account number 0000432-380010 and reimbursed back to RCTC pursuant to a separate agreement.

Prepared by: Jennifer A. Lilley, AICP, Community & Economic Development Director  
Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer  
Approved by: Rafael Guzman, Assistant City Manager  
Approved as to form: Phaedra Norton, City Attorney

**Attachments:**

1. Purchase, Sale and Development Agreement
2. Presentation

SS:  
10/3/2023  
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