

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: AUGUST 8, 2016

ITEM NO: 6

SUBJECT: **AGREEMENT FOR CONVEYANCE OF EASEMENTS FROM MACY'S WEST STORES, INC. TO CITY OF RIVERSIDE FOR THE RIVERSIDE TRANSMISSION RELIABILITY PROJECT AT 3475 AND 3535 TYLER STREET WITHIN THE CITY OF RIVERSIDE APNS 234-020-010, 234-020-045, AND 234-020-046 – WORK ORDER 642975 FOR \$106,100**

ISSUES:

Recommend that the City Council approve the Agreement for Conveyance of Easements from Macy's West Stores, Inc. and an expenditure not to exceed of \$106,100 for the purchase of the easements on Assessor Parcel Numbers 234-020-010, 234-020-045, and 234-020-046 located at 3475 and 3535 Tyler Street, Riverside, CA.

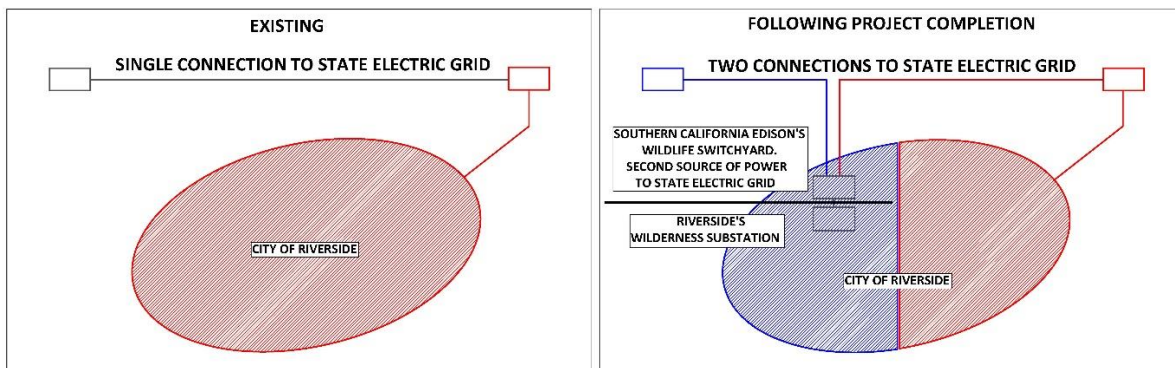
RECOMMENDATIONS:

That the Board of Public Utilities:

1. Recommend that the City Council approve the Agreement for Conveyance of Easements with the property owner, Macy's West Stores, Inc. for easements on Assessor Parcel Numbers 234-020-010, 234-020-045, and 234-020-046 located at 3475 and 3535 Tyler Street, Riverside, CA; and
2. Approve the expenditure of \$106,100 inclusive of the \$103,100 purchase price and an estimated amount of \$3,000 for due diligence, title, escrow fees, and related closing costs.

BACKGROUND:

In January 2006, the Board of Public Utilities (Board) approved the largest capital project in the City of Riverside's history, the Riverside Transmission Reliability Project (RTRP); and on February 5, 2013, the City Council certified the Final Environmental Impact Report for RTRP. RTRP is a joint project with Southern California Edison (SCE) to provide Riverside Public Utilities (RPU) a second connection to the state electric transmission grid addressing long-term capacity and reliability needs of the City.

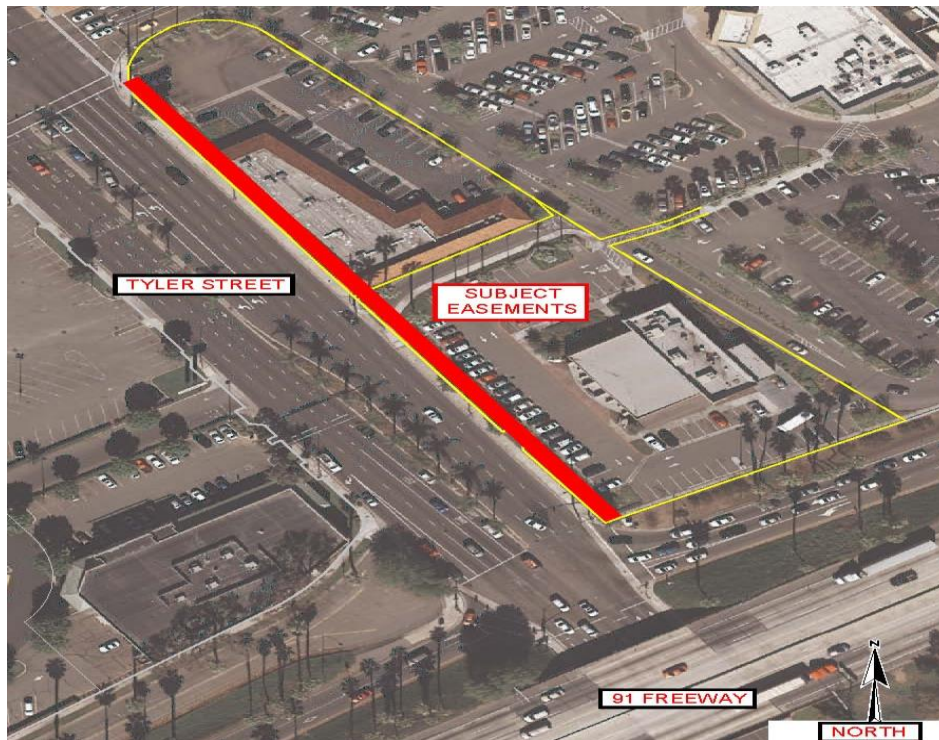


SCE's portion of RTRP includes construction of the 230kV transmission lines and a 230kV switchyard. RPU's portion includes construction of a new substation, improvements to existing substations, construction of new 69kV sub-transmission lines in the City, relocation of existing distribution lines, and installation of new telecommunication lines. The total authorized funds for RTRP Work Order No. 642975 is currently \$42,605,521 as approved by the Board at its October 17, 2014 meeting. As of May 31, 2016, the total expenditures including encumbrances for Work Order No. 642975 are \$29,341,173.

RTRP is comprised of multiple work segments. Ninety-Four permanent easements and six temporary construction easements are required for construction of the first of the remaining three segments of RTRP. The work includes construction of 13 circuit miles of 69kV transmission lines connecting Riverside Energy Resource Center (RERC) to Harvey Lynn and Freeman Substations and is dependent on RPU acquiring all easements for this segment of work. The projected construction start date is the fall of 2017.

RPU staff has been coordinating the easement acquisition process for RTRP with the City of Riverside's Real Property Services Division of the Community Development Department and the City Attorney's Office. Easements valued less than \$50,000 are approved administratively through Real Property Services. Board and City Council approvals are required for purchases of \$50,000 or greater.

RPU and Real Property Services completed final negotiations for the acquisition of the subject easement, APNs 234-020-010, 234-020-045, and 234-020-046 located at 3475 and 3535 Tyler Street and are now requesting approval to purchase the easements.



Subject Easements

A Notice of Decision to Appraise letter was sent out and a statutory Offer to Purchase was made to the owner of record, Macy's West Stores, Inc. The basis of the offer for the easements was an independent appraisal of fair market value completed by an independent third party appraiser. The \$103,100 settlement offer was based on the appraisal and negotiations with the Owner and the Owner's representative, the City Attorney's Office, the Real Property Services Division of the Community & Economic Development Department for the City of Riverside, and RPU. Subject to Board and City Council approval, escrow will be opened to process record the sale.

The Real Property Services Manager approves RPU's purchase of the subject easement for an amount of \$106,100 inclusive of the purchase price, due diligence, title, escrow fees, and related miscellaneous closing costs as being both fair and reasonable.

FISCAL IMPACT:

The total cost of the subject easements is \$106,100. Sufficient funds are available in Public Utilities' Electrical Capital Account No. 6130000-470685.

Prepared by: Pat Hohl, Utilities Assistant General Manager/Energy Delivery
Approved by: Girish Balachandran, Utilities General Manager
Approved by: John A. Russo, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
of funds: Laura Chavez-Nomura, Utilities Assistant General Manager/Finance

Attachments:

1. Map
2. Agreement for Conveyance of Easements, Macy's West Stores, Inc.