



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: AUGUST 23, 2016**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARD: 6**
DEPARTMENT

SUBJECT: AGREEMENT FOR CONVEYANCE OF EASEMENTS WITH MACY'S WEST STORES, INC. 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 - TOTAL AMOUNT OF \$106,100

ISSUE:

Approve an Agreement for Conveyance of Easements for the acquisition of three easements located at 3475 and 3535 Tyler Street bearing Assessor Parcel Numbers 234-020-010, 234-020-045 and 234-020-046 in the total amount of \$106,100.

RECOMMENDATIONS:

That the City Council:

1. Approve an Agreement for Conveyance of Easements with the property owner, Macy's West Stores, Inc., for the acquisition of three easements on a portion of 3475 and 3535 Tyler Streets, bearing Assessor Parcel Numbers 234-020-010, -045 and -046, for the purchase price of \$103,100; and
2. Authorize the City Manager, or his designee, to execute the Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction and to expend up to \$3,000 for title and escrow fees, and related miscellaneous closing costs, for a total project not to exceed \$106,100.

BOARD RECOMMENDATION:

On August 8, 2016, the Board of Public Utilities with seven of eight members present, unanimously approved to 1) 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 and 2) forward recommendation to City Council to approve the Agreement for Conveyance of Easements with Macy's West Stores, Inc. for easements on APN's 234-020-010, -045 and -046 located at 3475 and 3535 Tyler Street.

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 230kV to 69kV 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. The total expenditures, pending the fiscal year 2015/16 closing process, 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.

DISCUSSION:

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

The Property is improved with a department store, a restaurant pad, and inline shops containing a gross area of approximately 514,879 square feet of land; of which 5,400 square feet is needed for an aerial easement and two permanent easements for the RTRP Transmission Line Project.

A statutory purchase offer was made to the owner of record, Macy's to acquire the subject easements, identified as APN's 234-020-010, -045, and -046 located at 3475 and 3535 Tyler Street. Macy's accepted the City's purchase offer in the amount of \$103,100 which was based on the City's approved appraisal completed by an independent third party appraiser. Staff believes this amount represents the current fair market value for the easements and site improvements as depicted in red on the site map below.



FISCAL IMPACT:

The cost to acquire the subject easements is \$103,100 plus up to \$3,000 in title, escrow, and miscellaneous related closing costs for a not to exceed total amount of \$106,100. Sufficient funds are available to purchase the easements in in Public Utilities' Electrical Capital Account No. 6130000-470685.

Prepared by:	Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds:	Scott G. Miller, Interim Finance Director/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment:

1. Agreement for Conveyance of Easements
2. Minutes from 8/8/16 Public Utilities Board meeting