



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 13, 2016

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

SUBJECT: PURCHASE AND SALE AGREEMENTS WITH NORMAN BARNARD FOR 4635 INDIAN HILL ROAD IN THE AMOUNT OF \$93,000 AND WITH VICTOR DE LOS SANTOS FOR 4685 INDIAN HILL ROAD IN THE AMOUNT OF \$68,000 - FOR PRESERVATION PURPOSES – SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$102,714.70

ISSUE:

Approve Purchase and Sale Agreements with Norman Barnard for 4635 Indian Hill Road (Assessor Parcel Number 207-050-003) and with Victor De Los Santos for 4685 Indian Hill Road (Assessor Parcel Number 207-021-007) and approve a supplemental appropriation from Regional Park (413) Fund.

RECOMMENDATIONS:

That the City Council:

1. Approve the Purchase and Sale Agreement with property owner Norman Barnard for the purchase of 4635 Indian Hill Road (Assessor Parcel Number 207-050-003), for the purchase price of \$93,000 (Attachment 1);
2. Approve the Purchase and Sale Agreement with property owner Victor De Los Santos for the purchase of 4685 Indian Hill Road (Assessor Parcel Number 207-021-007), for the purchase price of \$68,000 (Attachment 2);
3. Appropriate \$102,714.70 from Regional Park (413) Fund to a Park Land Acquisition Account to be determined by Finance for the purchase of the subject properties. The balance of the purchase price shall be funded by a contribution in the amount of \$68,285.30 from the Riverside Land Conservancy, a California non-profit corporation, pursuant to the Memorandum of Understanding with the City dated October 30, 2006 (Attachment 3); and
4. Authorize the City Manager, or his designee, to execute the Purchase and Sale Agreements, including making minor, non-substantive changes, to sign all documents and instruments necessary to complete these transactions, and to expend up to \$5,000 for each property for due diligence, title and escrow fees, and related miscellaneous closing costs for a total purchase cost not to exceed \$171,000 for both properties.

BACKGROUND:

On October 24, 2006, the City Council approved the Memorandum of Understanding (MOU) between the City of Riverside and the Riverside Land Conservancy (RLC) establishing a cooperative working relationship to acquire eight (8) parcels of undeveloped land located along Indian Hill Road for preservation purposes. The MOU automatically renewed for a 5 year term for a total of ten (10) years and has recently expired in May, 2016. To date, five (5) of the Indian Hill Road parcels have been purchased. RLC purchased one (1) and the City purchased four (4). In accordance with the original intentions of the MOU, prior to its expiration, RLC agrees to contribute \$68,285.30 toward the purchase of the Properties for preservation (Attachment 4).

DISCUSSION:

Both properties are undeveloped vacant land with Medium Density general plan designation. The Barnard parcel is zoned Public Facilities-Cultural Resources and contains 1.15 acres. The De Los Santos parcel is zoned Residential Conservation-Cultural Resources and contains 0.54 acres. As a result of ongoing cooperation between RLC, City staff, and the property owners, Barnard and De Los Santos; negotiations were completed based on independent appraisals by independent third party appraisers. The property owners acknowledge that a portion of the purchase price will be paid by the Riverside Land Conservancy and that the completion of each purchase is contingent upon receipt of those funds totaling \$68,285.30.

The final negotiated purchase prices are within the mid-range of the appraised values and staff believes they represent the current fair market value for the Properties. The following matrix illustrates a comparison of the City's and property owners' appraisals, and RLC's contribution. The Sellers have acknowledged that the close of escrow is contingent on RLC paying a portion of the purchase price – See Agreement (s) Section 2.1.

Property Owner	Zoning/GP	Current Use	Size in Acres	City Appraisal 7/24/15	Owner Appraisal 3/25/16	Negotiated Price
Barnard	Public Facilities-Cultural Resources/ Medium Density Residential	Vacant Undeveloped Land	1.15	\$75,000	\$105,000	\$93,000
					RLC Contribution City Share	\$39,444.31 \$53,555.69
De Los Santos	Residential Conservation/ Medium Density Residential	Vacant Undeveloped Land	0.54	\$55,000	\$71,000	\$68,000
					RLC Contribution City Share	\$28,840.99 \$39,159.10

The site map below shows the location of the Properties.



The Parks, Recreation, and Community Services Director concurs with the recommendations.

FISCAL IMPACT:

The cost to purchase the Properties will not exceed a total amount of \$171,000, consisting of \$161,000 for the Property purchases and up to \$10,000 for due diligence, title and escrow fees, and related miscellaneous closing costs. RLC shall deposit a total of \$68,285.30 towards the purchase price of the Properties into escrow accounts. The remaining balance of \$102,714.70 will come from the supplemental appropriation from the Regional Park (413) Fund.

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

Attachments:

1. Purchase and Sale Agreement (Barnard, APN 207-050-003)
2. Purchase and Sale Agreement (De Los Santos, APN 207-021-007)
3. Memorandum of Understanding dated October 30, 2006
4. Riverside Land Conservancy Board of Directors Meeting Minutes, July 20, 2016