

# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** JANUARY 9, 2017

**ITEM NO:** 6

**SUBJECT:** **AGREEMENT FOR CONVEYANCE OF EASEMENT WITH BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION LOCATED AT 10297 MAGNOLIA AVENUE, RIVERSIDE, CALIFORNIA, ASSESSOR'S PARCEL NUMBER 145-220-032 FOR THE RIVERSIDE TRANSMISSION RELIABILITY PROJECT – WORK ORDER 642975 FOR \$81,100**

**ISSUES:**

Recommend that the City Council approve the Agreement for Conveyance of Easement with Bank of America National Trust and Savings Association; and that the Board of Public Utilities approve the not to exceed expenditure of \$81,100 for the acquisition of the subject easement located at 10297 Magnolia Avenue, Riverside, California, Assessor's Parcel Number 145-220-032.

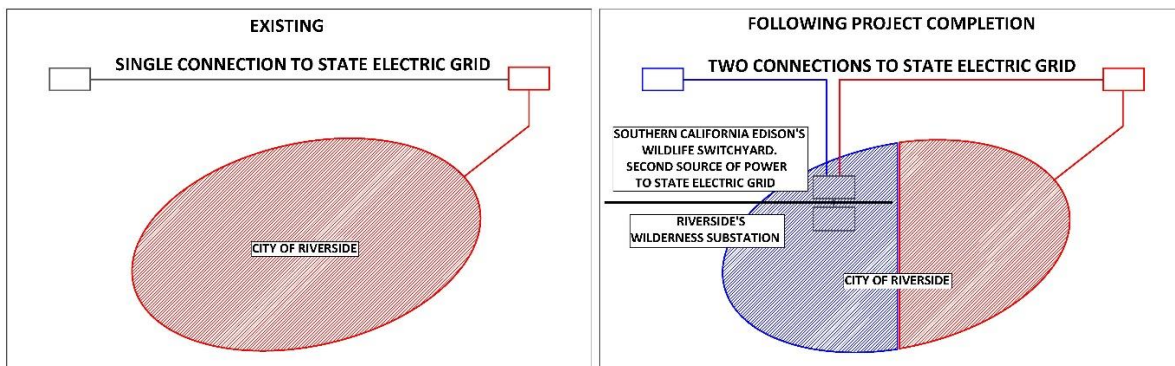
**RECOMMENDATIONS:**

That the Board of Public Utilities:

1. Recommend that the City Council approve the Agreement for Conveyance of Easement with the property owner, Bank of America National Trust and Savings Association, for the acquisition of an easement on a portion of 10297 Magnolia Avenue, Assessor's Parcel Number 145-220-032, for the purchase price of \$78,100; and
2. Approve the expenditure of \$81,100 inclusive of the \$78,100 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, 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 October 31, 2016, the total expenditures including encumbrances for Work Order No. 642975 are \$24,603,946.

RTRP is comprised of multiple work segments. This segment of work includes construction of 13 circuit miles of 69kV transmission lines connecting Riverside Energy Resource Center (RERC) to Harvey Lynn and Freeman Substations. Most of the easements required to construct the lines have been acquired.

On August 8, 2016, the Board unanimously recommended that City Council adopt Resolutions of Necessity authorizing the initiation of eminent domain proceedings to acquire the remaining necessary real property interests for RTRP. And, on September 13, 2016, City Council adopted the Resolutions. Negotiations with the property owners are ongoing and will continue throughout this process.

### **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 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.

The City Attorney's Office, Real Property Services Division of the Community & Economic Development Department for the City of Riverside, and RPU completed final negotiations for the acquisition of the subject easement located at 10297 Magnolia Avenue and are now requesting approval to purchase the easement.



Subject Easement

A statutory purchase offer was made to the owner of record, Bank of America National Trust and Savings Association to acquire the subject easement, identified as Assessor's Parcel Number 145-220-032, located at 10297 Magnolia Avenue. Bank of America National Trust and Savings Association accepted the City's purchase offer in the amount of \$78,100, which was based on the City's approved appraisal completed by an independent third party appraiser.

Staff, including the Real Property Services Manager believes this amount represents the current fair market value for the easement and site improvements.

The Purchasing Services Manager concurs that the recommended actions comply with the City of Riverside's Purchasing Resolution No. 22576

**FISCAL IMPACT:**

The total cost of the subject easement is \$81,100 inclusive of the \$78,100 purchase price and an estimated amount of \$3,000 for due diligence, title, escrow fees, and related closing costs. Sufficient funds are available in Public Utilities' Electrical Capital Account No. 6130000-470685.

Prepared by: George R. Hanson, 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: Agreement for Conveyance of Easements, Bank of America National Trust and Savings Association



