



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 24, 2017

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARD: 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 - TOTAL AMOUNT OF \$81,100

ISSUE:

Approve an Agreement for Conveyance of Easements with Bank of America, National Association of Riverside, California for the acquisition of an easement located at 10297 Magnolia Avenue, bearing Assessor's Parcel Number 145-220-032 in the total amount of \$81,100.

RECOMMENDATIONS:

That the City Council:

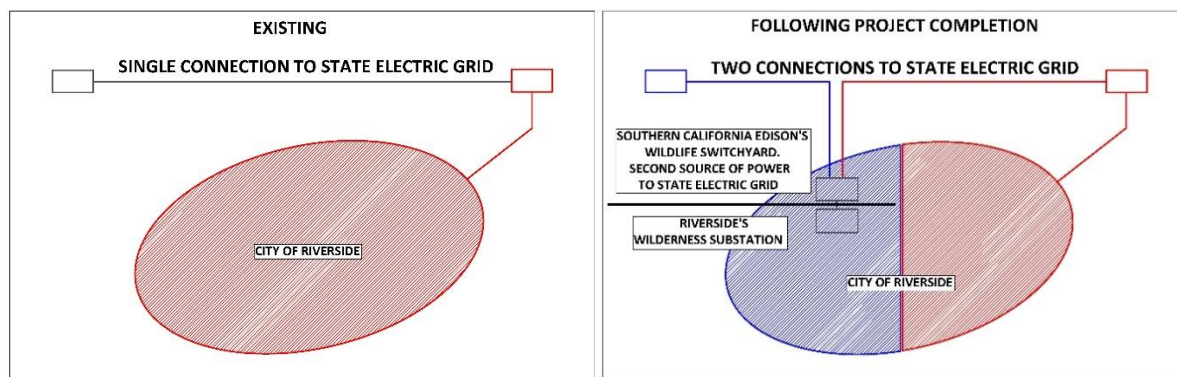
1. Approve the Agreement for Conveyance of Easement with the property owner, Bank of America National Trust and Savings Association, for the acquisition of an easement on a portion of 10297 Magnolia Avenue, Assessor's Parcel Number 145-220-032, for the purchase price of \$78,100; and;
2. Authorize the 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 cost not to exceed \$81,100.

BOARD RECOMMENDATION:

On January 9, 2017, the Board of Public Utilities with seven of eight members present, unanimously approved to approve the expenditure of \$81,100 inclusive of the \$78,100 purchase price and an estimated \$3,000 for title, escrow fees and related closing costs and forward a recommendation to City Council to approve the Agreement for Conveyance of Easements with Bank of America, National Association for an easement on a portion of Assessor Parcel Number (APN) 145-220-032 located at 10297 Magnolia Avenue.

BACKGROUND/LEGISLATIVE HISTORY:

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. 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. 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.

On August 8, 2016, the Board unanimously recommended that City Council adopt 36 Resolutions of Necessity authorizing the initiation of eminent domain proceedings to acquire the necessary real property interests for RTRP. On September 13, 2016, City Council adopted 32 Resolutions of Necessity authorizing the initiation of eminent domain proceedings to acquire the necessary real property interests for RTRP.

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 the Community & Economic Development Department. Board and City Council approvals are required for purchases of \$50,000 or greater.

The Property is improved with a bank building of approximately 9,666 square feet situated on approximately 39,640 square feet of land; of which 1,718 square feet is needed for a permanent

easement. The Property is located within the Commercial Retail zone and the General Plan designation is Commercial.

A statutory purchase offer was made to the owner of record, Bank of America, National Association to acquire the subject easement, identified as APN 145-220-032, located at 10297 Magnolia Avenue. Bank of America, National 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 believes this amount represents the current fair market value for the easement and site improvements as depicted in red on the site map below.



FISCAL IMPACT:

The cost to acquire the subject easements is \$78,100 plus up to \$3,000 in title, escrow, and miscellaneous related closing costs for a not to exceed total amount of \$81,100. Sufficient funds are available to purchase the easements is in Public Utilities' Electrical Capital Account Number 613000-470685.

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

Attachment:

1. Agreement for Conveyance of Easements
2. PUB, January 9, 2017, draft minutes