



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: APRIL 25, 2017**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARD: 5**
DEPARTMENT

SUBJECT: PURCHASE AND SALE AGREEMENT WITH VAN BUREN LAND AND INVESTMENT, INC. FOR THE SALE OF CITY-OWNED VACANT LAND LOCATED AT THE NORTHEASTERLY CORNER OF VAN BUREN BOULEVARD AND INDIANA AVENUE FOR THE SALES PRICE OF \$150,000

ISSUE:

Approve a Purchase and Sale Agreement with Van Buren Land and Investment, Inc., of Riverside, California for the sale of a City-owned property located at the northeasterly corner of Van Buren Boulevard and Indiana Avenue, identified as Assessor Parcel Number 233-063-012 for the sales price of \$150,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the Purchase and Sale Agreement with Van Buren Land and Investment, Inc. (Agreement) for the sale of a City-owned property located at the northeasterly corner of Van Buren Boulevard and Indiana Avenue, identified as Assessor Parcel Number 233-063-012 (Property) for the sales price of \$150,000; 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 \$5,000 for title, escrow and miscellaneous related closing costs.

DEVELOPMENT COMMITTEE RECOMMENDATION:

On March 23, 2017, the Development Committee, with Chair Gardner, Vice Chair Davis, and Member Mac Arthur present, unanimously selected the development proposal from Van Buren Land and Investment, Inc., for the development of a 2-story commercial building totaling 3,500 square feet on the City-owned property located at the northeasterly corner of Van Buren Boulevard and Indiana Avenue and directed staff to negotiate a purchase and sale agreement to be presented to City Council for consideration.

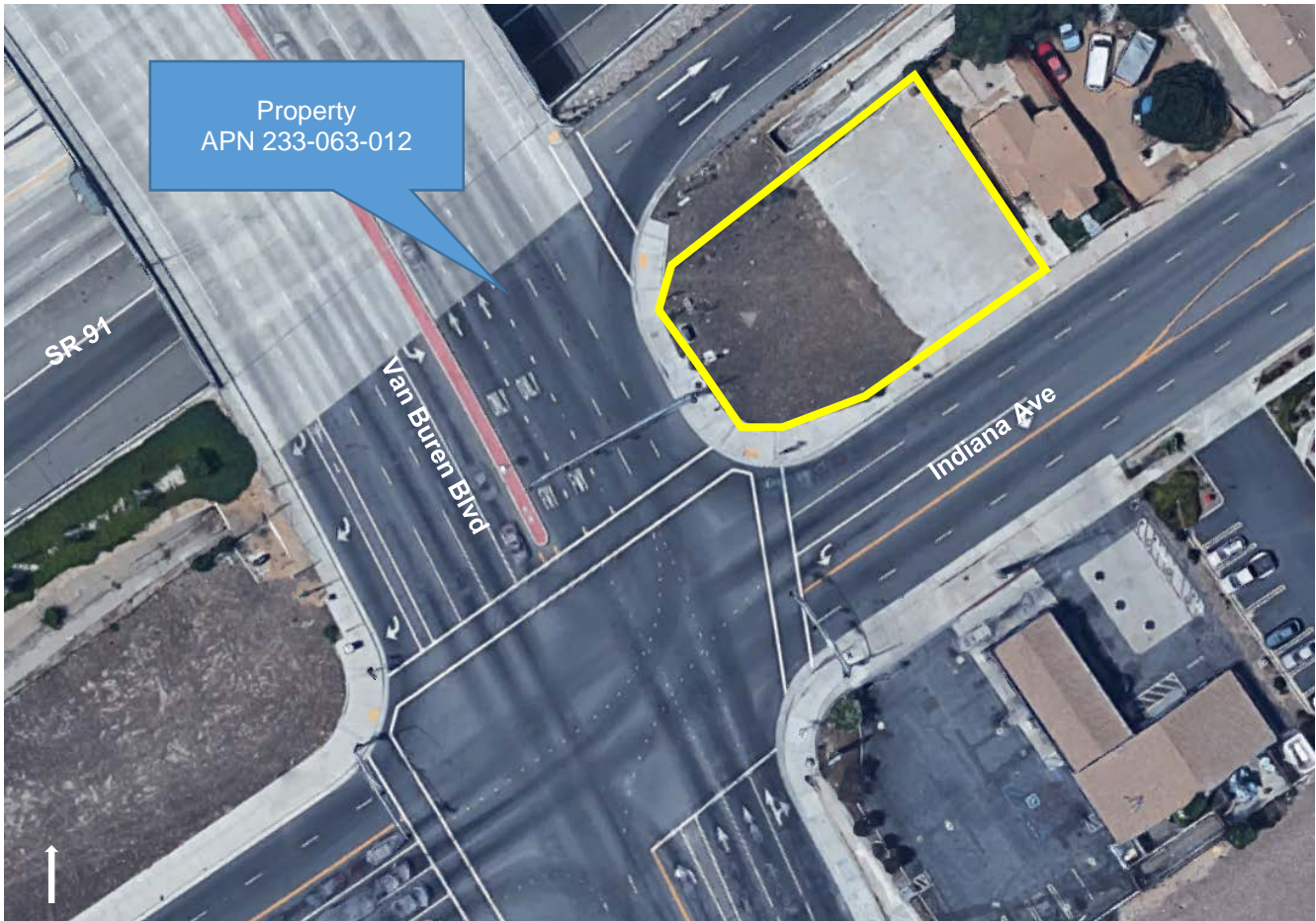
BACKGROUND:

On May 6, 2008, the Public Works Department acquired the Property for the Van Buren Boulevard/SR91 Interchange Improvement Project. The Property is located within the Commercial Retail Zone of the Arlington south neighborhood and is comprised of the remnant portion of two adjoining parcels. Access to the Property is limited to Indiana Avenue; access is denied along Van Buren Boulevard as required by Caltrans. The Van Buren Boulevard/SR91 Interchange Improvement Project was completed in September 2011 and the Property is no longer needed by Public Works.

The City Council declared the Property surplus on December 15, 2015. Staff did not receive interest from any Public Agencies during the following 60-day offering period to Public Agencies as required by Government Code Section 54220, et seq.

DISCUSSION:

On July 7, 2016, staff issued a Request for Proposals (RFP) for development of the Property as depicted below. The Property contains approximately 8,076 square feet of vacant land and the initial offering price of \$120,000 in the RFP was determined by a current fair market appraisal. On October 14, 2016, the RFP deadline, staff received proposals from New Tech, Inc., Allan Engineering, and two from Van Buren Land and Investment, Inc. (Van Buren Land). On December 5, 2016, the Selection Committee interviewed firms of the three most responsive proposals and subsequently selected the office/retail proposal submitted by Van Buren Land as being the most viable.



Van Buren Land was founded in 1989 by Mr. Michael Sadeghian, a local real estate developer and entrepreneur. Van Buren Land has successfully developed and managed commercial, retail, and office properties in Riverside. Van Buren Land anticipates investing approximately \$1,343,900, including land cost, into the project as proposed and is considering the relocation of its headquarters into the building upon completion.

Development of a high quality commercial project will enhance one of the major intersections in the City that recently underwent improvements as a result of the Van Buren Boulevard/SR91 Interchange Improvement Project. As such, staff recommends approval of the Agreement with Van Buren Land for the sales price of \$150,000 for the City-owned Property located at the northeasterly corner of Van Buren Boulevard and Indiana Avenue to facilitate a commercial development.

FISCAL IMPACT:

The Property is City owned and is being sold for \$150,000. The net sale proceeds, less all closing costs, title, and escrow fees not to exceed \$5,000 is estimated to be \$145,000 and shall be deposited into Public Works 91 Frwy - Van Buren Transportation Uniform Mitigation Fee account number 9535519-440315.

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

Concurs with:



Mike Gardner, Chair
Development Committee

Attachment: Purchase and Sale Agreement