



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 16, 2017

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARD: 2

SUBJECT: PURCHASE AND DEVELOPMENT AGREEMENT WITH THE RIVERSIDE TRANSIT AGENCY FOR THE DISPOSITION OF THE CITY-OWNED VACANT LAND LOCATED AT 4015 AND 4085 VINE STREET, IDENTIFIED AS ASSESSOR'S PARCEL NUMBERS 215-152-012 AND -019, FOR \$1 AND TRANSFER OF THE FEDERAL TRANSIT ADMINISTRATION GRANT INTEREST FROM THE DOWNTOWN TERMINAL TO 4015 AND 4085 VINE STREET

ISSUE:

Approve a Purchase and Development Agreement with the Riverside Transit Agency (RTA) for the disposition of the City-owned vacant land located at 4015 and 4085 Vine Street, identified as Assessor's Parcel Numbers 215-152-012 and -019 (Property), for \$1 in order to facilitate the transfer of the Federal Transit Administration grant interest from the Downtown Transit Terminal at Fairmount Boulevard and University Avenue (Terminal) to the Property and development of a new facility to accommodate Riverside Transit Agency's buses (Mobility Hub).

RECOMMENDATIONS:

That the City Council:

1. Approve the Purchase and Development Agreement (Attachment 1) for the disposition of the Property for \$1 in order to facilitate the transfer of the federal grant interest from the Terminal to the Property and development of a new Riverside Transit Agency Mobility Hub; and
2. Authorize the City Manager, or his designee, to execute the Purchase and Development Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

BACKGROUND:

In order to promote better multi-modal connectivity for Riverside Transit Agency (RTA) bus operations, Greyhound bus lines, Omnitrans services and third party buses by connecting bus transit services with the existing passenger rail service at the Downtown Metrolink commuter rail station (Metrolink Station) and meet the growing bus ridership as well as to encourage and support

development of a multi-modal transit center (Transit Center) near or adjacent to the Metrolink Station, the City made the following efforts:

1. On May 28, 1991, the City Council adopted a resolution to add transportation elements to the Marketplace Specific Plan. Subsequently, the Metrolink Station opened in 1993 and is currently served by Amtrak intercity rail line, Metrolink commuter rail lines, RTA buses, and Amtrak Thruway coach service.
2. On January 7, 1997, the City Council adopted a resolution amending the Marketplace Specific Plan to establish a bus terminal within the area.
3. On July 25, 2005, the City Council approved the relocation of the Terminal, located at Fairmount Boulevard and University Avenue, to a new location on Vine Street near or adjacent to the Metrolink Station.
4. Between 2007 and 2009, the City and the Redevelopment Agency invested over \$5 million in redevelopment funds to acquire two parcels located at 4015 and 4085 Vine Street to assemble sufficient land for the development of the planned Transit Center.
5. On April 14, 2009, the City Council directed staff to assess the development of the Transit Center on Vine Street. As a result, Psomas was retained in May 2010 to conduct the Multi-Modal Transit Center Feasibility and Design study, which concluded that the Property will be adequate to accommodate a new Transit Center.
6. On January 20, 2011, the City Council adopted a resolution to include additional Implementation Tools to the General Plan 2025 to create a Transit Center within the Marketplace Specific Plan area.
7. On November 13, 2012, the City Council adopted a resolution to designate the Property as the location for the future Transit Center.
8. On January 6, 2015, the City Council approved the implementation of the RTA's Downtown Transit Operating Plan to relocate its bus operations from the Terminal to the designated Transit Center and directed City staff to collaborate with RTA, Riverside County Transportation Commission, Western Riverside Council of Governments, Caltrans, Greyhound and other interests to facilitate the development of the Property.
9. On January 9, 2017, RTA vacated the Terminal, implemented the new Grid System as described in the Downtown Transit Operating Plan, and is currently using Vine Street as a temporary layover location until the Property is developed into a Mobility Hub for RTA's buses.

DISCUSSION:

Since 1991, the City has been diligently pursuing the development of a Transit Center to promote better multi-modal connectivity. With that in mind, the Redevelopment Agency acquired the property located at 4085 Vine Street (APN 215-152-012) in June 2007. This property was purchased subsequent to the City Council's direction to begin the process of planning for the proposed Transit Center near or adjacent to the existing Metrolink Station. In order to assemble adequate land for the development of the anticipated Transit Center, the City purchased 4015 Vine Street (APN 215-152-019) in 2009, with the Redevelopment Agency funding the acquisition

of the property. The Oversight Board adopted Resolution 1 approving the transfer of 4085 Vine Street from Successor Agency to the Redevelopment Agency to the City on March 30, 2012 as a public facility. The consolidation of both properties is approximately 2.357 acres as shown below in the yellow highlighted area.



In 1980, the Federal Transit Administration (FTA) awarded the Redevelopment Agency \$2 million in grant funds to assist in the development of the Terminal as an urban mass transit facility. Funding from FTA imposes certain obligations on the Redevelopment Agency, which includes restricting the use of the site to transit use and complying with Title VI of the Civil Rights Acts of 1964. The Terminal opened in 1983 with RTA, Trailways and Greyhound. In the same year, the Redevelopment Agency transferred the land, building and all leases, as well as the transit use restriction to the City.

RTA terminated its operations at the Terminal in January 2017 and established a temporary layover location along Vine Street. In order to comply with the FTA regulations, facilitate the development of the Property as a replacement facility for RTA's operations and free the Terminal site from transit use, the next step is to convey the Property from the City to RTA. With the conveyance of the Property, the federal grant interest will be transferred from the Terminal to the Property, which is subject to FTA approval. Upon FTA approval, RTA will be responsible for development of the new Mobility Hub and will be required to comply with FTA restrictions on the Property for transit use.

In preparation for the transfer of the federal grant interest and conveyance of the Property to RTA, the City obtained appraisals from RP Laurain & Associates for both properties. The Terminal concluded to an appraised value of \$3,415,000 and the Property concluded to an appraised value of \$3,435,000. As required by FTA Circular 5010.1D, review appraisals were prepared by Integra Realty Resources, an independent third party appraisal firm, for the Terminal and the Property. The review appraisals recommended approval of the appraisals prepared by RP Laurain & Associates.

The appraisals and review appraisals for both properties were submitted to FTA for review and approval on April 3, 2017. Upon obtaining approval from FTA for the transfer of the federal grant interest from the Terminal to the Property, the Terminal site will be free of its current restriction for transit use and will be available for redevelopment.

Staff recommends that the City Council approve the Purchase and Development Agreement to convey the Property from the City to RTA for \$1. Close of escrow is subject to FTA approval on the transfer of the federal grant interest and conveyance of the Property. Following close of escrow, RTA will initiate the planning, funding, development and construction of the Mobility Hub. RTA anticipates that the project will take approximately three years to complete.

The Public Works Director concurs with the recommendation to convey the Property to RTA for development of the Mobility Hub.

FISCAL IMPACT:

The Property is City owned and is being sold for \$1, less closing costs, title and escrow fees, anticipated not to exceed \$3,000. Sufficient funds are available in Community Development-Property Services account number 2845000-421000.

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 Development Agreement
2. Presentation