



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MARCH 6, 2018

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

SUBJECT: SURPLUS DECLARATION OF CITY-OWNED PROPERTY COMPRISED OF ASSESSOR PARCEL NUMBERS 213-111-013, -016 AND -017 AND A PORTION OF ASSESSOR PARCEL NUMBER 213-111-012 PUBLIC SURFACE PARKING LOT NO. 33, LOCATED AT THE SOUTHEAST CORNER OF MARKET STREET AND THIRD STREET, AND AUTHORIZATION TO DISPOSE OF THE PROPERTY FOR A MIXED-USE HOTEL, RESIDENTIAL, AND COMMERCIAL PROJECT

ISSUES:

Declare as surplus approximately 3.01 acres of City-owned property, comprised of Assessor Parcel Numbers 213-111-013, -016, and -017 and a portion of Assessor Parcel Number 213-111-012 Public Surface Parking Lot No. 33, located at the southeast corner of Market Street and Third Street, and authorize disposition of the Property for a mixed-use hotel, residential, and commercial project.

RECOMMENDATION:

That the City Council:

1. Declare as surplus approximately 3.01 acres comprised of Assessor Parcel Numbers 213-111-013, -016, and -017 and a portion of Assessor Parcel Number 213-111-012 Public Parking Lot No. 33; and
2. Authorize the marketing and sale of the Property for the future development of a mixed-use project in accordance with the City's Administrative Manual for the Disposition and Sale of City-Owned Real Property.

BACKGROUND:

Primarily located on the corner of Market Street and Third Street, the Property consists of a portion of Public Parking Lot No. 33, a short city street/alley, and a portion of the ravine fronting the easterly side of the Riverside Convention Center (as shown in red on the map below). Collectively, the site is approximately 3.01 acres and is bounded by the Marriott Hotel/Market Street to the west, the Riverside Convention Center/Lemon Street to the east, Fifth Street to the south, and Third Street to north (the "Property").

As noted, the primary portion of the Property is currently being used as a surface parking lot, managed by the City's Parking Authority, for the benefit of the Riverside Convention Center guests and patrons and downtown visitors.



DISCUSSION:

The goal of declaring the Property surplus is to facilitate the development of a mixed-use project to include, at a minimum, a hotel, multi-family residential and retail/commercial to meet the strong demand for additional hotel rooms, residential units and commercial space in downtown. Moreover, the mixed-use project must, in addition to satisfying the City's parking code requirements, also include adequate on-site replacement parking to compensate for the loss of the surface parking stalls at Public Surface Parking Lot No. 33.

Staff has offered the Property to all City departments and only the City's Parking Authority expressed interest for the continued use of the Property for public parking. Once the Property is declared surplus, City staff will offer it for sale first to public agencies and then to the general public in conformance with California Government Code Section 54220, et seq. This law requires the City, prior to disposing of surplus property, to notify other governmental agencies and offer to sell the Property for a sixty (60) day period. If there is no public agency interest in the Property, City staff will market it to the general public for development of a mixed use project – as described above.

The Public Works Director concurs with the recommendation to declare the Property as surplus.

FISCAL IMPACT:

There is no general fund impact associated with this report. Any costs associated with the future sale, should be offset with the sale proceeds from the disposition of the Property. Staff will return

to the City Council for the sale of the Property and will provide anticipated revenue and expenditure amounts at that time.

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