



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 10, 2018**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARD: 1**
DEPARTMENT

SUBJECT: SURPLUS DECLARATION OF APPROXIMATELY 4.6 ACRES OF CITY-OWNED PROPERTY COMPRISED OF A PORTION OF PUBLIC PARKING LOT 33, THE CONVENTION CENTER AND THE FORMER UTILITIES PLAZA BUILDING; DISPOSE THE SITE FOR A MIXED-USE HOTEL, RESIDENTIAL, COMMERCIAL, AND AN EXPANDED CIVIC AND/OR CONVENTION CENTER PROJECT

ISSUES:

Declare as surplus approximately 4.6 acres of City-owned property comprised of a portion of Public Parking Lot 33, the Convention Center, and the former Utilities Plaza Building, identified as Assessor Parcel Numbers 213-113-001, 213-111-011 and 213-111-015 and a portion of Assessor Parcel Number 213-111-012, generally located along Orange Street between 3rd and 5th Streets, and authorization to dispose of these properties for a mixed-use hotel, residential, retail/commercial and an expanded civic and/or convention center project.

RECOMMENDATION:

That the City Council:

1. Declare as surplus approximately 4.6 acres of City-owned property comprised of a portion of Public Parking Lot 33, the Convention Center, and the former Utilities Plaza Building, identified as Assessor Parcel Numbers 213-113-001, 213-111-011 and 213-111-015 and a portion of Assessor Parcel Number 213-111-012; and
2. Authorize the marketing and sale of these properties for the future development of a mixed-use hotel, residential, retail/commercial and an expanded civic and/or convention center project in accordance with the City's Administrative Manual for the Disposition and Sale of City-Owned Real Property.

BACKGROUND:

Primarily located along Orange Street between 3rd and 5th Streets in downtown, the site consists of the former Utilities Plaza building (currently occupied by Encore Educational Corporation until its lease expires on July 31, 2020), a portion of Public Parking Lot 33, and a portion of the ravine fronting the entrance to the Riverside Convention Center (as shown in red on the map below – collectively the “Site”).

As noted, a large portion of the Site is currently being used as surface Public Parking Lot 33, managed by the City's Parking Authority, for the benefit of the Riverside Convention Center guests and patrons and downtown visitors.



Additionally, on March 6, 2018, the City Council declared the adjacent property, shown above in yellow, as surplus for the purposes of constructing a mixed-use hotel project.

However, on June 5, 2018, staff returned to City Council, in closed session, to present an expanded and more impactful development scenario that included the previously declared surplus property in conjunction with the Site. The City Council unanimously instructed staff to return to the City Council to declare the Site surplus for the purpose facilitating the development of a larger mixed-use project in conjunction with the adjacent property.

DISCUSSION:

As noted, the goal of declaring the Site as surplus, in conjunction with the adjacent property (shown in yellow above), is to facilitate the development of a large mixed-use project to include a hotel, multi-family residential, retail/commercial, and an expanded convention center to meet the strong demand for additional convention space, hotel rooms, residential units, and commercial space in downtown. 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 Lot No. 33.

Staff has offered the Site to all City departments and only the City's Parking Authority expressed interest for the continued use of the Site for public parking. Once the Site 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 Site for a sixty (60) day period. If there is no public agency interest in the Site, 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 Site as surplus.

FISCAL IMPACT:

There is no fiscal impact associated with this report. Any costs associated with the future sale, should be offset with the sale proceeds from the disposition of the Site. Staff will return to the City Council for the sale of the Site and will provide anticipated revenue and expenditure amounts at that time.

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