



City of Arts & Innovation

Successor Agency to the Redevelopment Agency of the City of Riverside

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 12, 2019

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

SUBJECT: ADOPTION OF A RESOLUTION APPROVING A PURCHASE, SALE, AND DEVELOPMENT AGREEMENT WITH COMMONS PARTNERS, LLC, (FORMALLY KNOWN AS PACIFIC AMERICAN DEVELOPMENT) FOR THE DISPOSITION OF SUCCESSOR AGENCY-OWNED LAND OF APPROXIMATELY 1.8 ACRES, LOCATED AT 3158 – 3250 MAIN STREET AND THE HISTORIC TEAGUE TEXACO GAS STATION LOCATED AT 3102 MAIN STREET BEARING ASSESSOR PARCEL NUMBERS 213-031-002, -003, -004, AND -005, 213-081-001 AND -002 FOR A MIXED-USE RESIDENTIAL AND RETAIL DEVELOPMENT PROJECT IN THE AMOUNT OF \$1,185,000

ISSUE:

Adopt a Resolution authorizing the City of Riverside as the Successor Agency to the Redevelopment Agency of the City of Riverside (Successor Agency) to enter into a Purchase, Sale, and Development Agreement with Commons Partners, LLC, of Newport Beach, California (formerly known as Pacific American, Real Estate Development) for the disposition of Successor Agency-owned land of approximately 1.8 acres, located at 3158-3250 Main Street and the historic former gas station, known as the Teague Texaco Station, located at 3102 Main Street bearing Assessor Parcel Numbers 213-031-002, -003, -004, -005, 213-081-001 and -002 (Property) for the construction of a mixed-use residential and retail development project in the amount of \$1,185,000 in accordance with the Successor Agency's Long Range Property Management Plan.

RECOMMENDATIONS:

That the Successor Agency:

- 1) Adopt the attached resolution (Attachment 1) authorizing the execution of the attached Purchase, Sale, and Development Agreement (Attachment 2) with Commons Partners, LLC for the disposition of Successor Agency-owned land of approximately 1.8 acres located at 3158 – 3250 Main Street, and the Teague Texaco Station, located at 3102 Main Street, identified as Assessor's Parcel Numbers 213-031-002, -003, -004, -005, 213-081-001 and -002, for the construction of a mixed-use residential and retail development project in the amount of \$1,185,000 in accordance with the Successor

Agency's Long Range Property Management Plan;

- 2) Recommend that the Countywide Oversight Board adopt a separate resolution approving the Purchase, Sale, and Development Agreement (Attachment 2) with Commons Partners, LLC for the disposition of Successor Agency-owned land of approximately 1.8 acres located at 3158 – 3250 Main Street, and the Teague Texaco Station, located at 3102 Main Street, identified as Assessor's Parcel Numbers 213-031-002, -003, -004, -005, 213-081-001 and -002, for the construction of a mixed-use residential and retail development project in the amount of \$1,185,000 in accordance with the Successor Agency's Long Range Property Management Plan; and
- 3) Authorize the Executive Director, or his designee, to take any and all actions including making minor and non-substantive modifications, and execute the Purchase, Sale, and Development Agreement with Commons Partners, LLC.

DEVELOPMENT COMMITTEE RECOMMENDATION:

On March 22, 2018, the Development Committee met with Chair Gardner, Vice Chair Perry and Member Mac Arthur present, and unanimously recommended the following: 1) that the Successor Agency select Commons Partners LLC's (formerly Pacific American Real Estate Development) proposal for development; and 2) direct staff to negotiate a Purchase, Sale, and Development Agreement with Commons Partners LLC for the disposition of approximately 1.8 acres of Successor Agency-owned property, located at 3102-3250 Main Street and 3654 First Street (Teague Texaco Station), identified as Assessor's Parcel Numbers 213-031-002, -003, -004, -005, 213-081-001 and -002 and subsequent development of a mixed-use retail and residential project to be presented to the Successor Agency and Oversight Board for consideration.

BACKGROUND/LEGISLATIVE HISTORY:

On February 1, 2012, the Redevelopment Agency of the City of Riverside was dissolved. On June 27, 2012, the Governor signed the redevelopment budget trailer bill, Assembly Bill 1484 (AB 1484). AB 1484 required a long-range property management plan to direct the disposition and use of the former Redevelopment Agency real property assets. Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 and as further modified by Senate Bill No. 107, which added Parts 1.8 and 1.85 to Division 24 of the Health and Safety Code ("Dissolution Act"), the Successor Agency to the Redevelopment Agency for the City of Riverside ("Successor Agency") was vested with all authority, rights, powers, duties, and obligations of the Agency.

The former Redevelopment Agency, between August 2006 to October 2010, acquired six (6) parcels identified as Assessor's Parcel Numbers 213-031-002, -003, -004, -005, 213-081-001 and -002 located in the Downtown area between First to Third Streets east of Main Street (Property). The parcels were acquired to eliminate blight. Four of the Parcels had pre-existing structures that were demolished to assemble and facilitate the creation of two vacant housing development sites and to secure the preservation of the historic Teague Texaco Gas Station. The gas station is approximately 1,000 square feet in size and situated on approximately 15,700 square feet of land, while the other vacant parcels consist of approximately 1.47 acres for a total of approximately 1.8 acres. The Property is located within the Merged Downtown/Airport

Industrial – Hunter Park/Northside Redevelopment Project Area and the Raincross District of the Downtown Specific Plan.

Pursuant to AB 1484 and Health and Safety Code Section 34191.5(c)(2), the Successor Agency prepared a Long Range Property Management Plan for the disposition of the former Redevelopment Agency properties. On February 25, 2014, the Department of Finance approved the Amended Long Range Property Management Plan (Plan). The Plan set forth the sale of the Property to be consistent with the purpose (housing) for which it was originally acquired, under the Redevelopment Five-Year Implementation Plan.

The Riverside General Plan 2025, adopted November 2007, encourages and creates opportunities for a variety of commercial, residential and entertainment uses, including retail, office, cultural, residential, and visitor-serving uses. The permitted retail uses in this district are intended to serve the specialty shopping needs of Downtown residents and employees, as well as citywide residents, regional shoppers, and tourists. The Raincross District encourages these uses to occur as both single-use buildings and mixed-use buildings. The Raincross District also supports entertainment, dining, and drinking establishments within a concentrated area and to further integrate multi-family housing into the downtown land use mix.



The proposed development of the Property (see aerial above) will consist of, at a minimum, an 85-unit multi-family residence and approximately 1,700 square feet of commercial space, which includes the preservation and restoration of the Teague Texaco Station into retail or restaurant use. The adaptive reuse of this property will focus on preserving the City's cultural and historical characteristics, which are in accordance with the City's General Plan and the Downtown Specific Plan.

The Teague Texaco Station, located at 3102 Main Street (APN 213-031-002), was designed in 1935 by world-renowned industrial designer, Walter Dorwin Teague, and constructed in 1936. It is an example of Teague's first wave of streamlined Texaco gas stations to appear on America's city streets. These gas stations became an Art Deco icon. This particular station is likely one of a handful of gas stations remaining virtually unaltered in the country today. The integrity of the structure's architectural design and the strength of its association with Teague make this

property eligible for listing in the National Register of Historic Places, the California Register of Historical Resources, and a Riverside landmark designation.

In March of 2016, the Development Committee directed staff to issue a Request for Proposals for the historic gas station at the northeast corner of First and Main Streets. In September of the same year, staff issued another Request for Proposals for the historic structure and a separate Request for Proposals for the remainder vacant land. Staff received two (2) proposals; one proposal for the vacant land and historic gas station and one for the historic structure only. However, staff rejected both proposals. A new Request for Proposals was issued to achieve a cohesive relationship between the two sites, seeking a café for the historic gas station and medium-density housing development for the remaining vacant lots.

In July 2016, Staff received five (5) proposals from CityMark Development, Pacific American Development, Dos Lagos Asset, LLC, New West Communities, and RC Hobbs. The Selection Committee designated the proposal of Dos Lagos as being the most suitable for the City, with Pacific American Development coming in second. Subsequently, after further analysis, Dos Lagos determined its proposed project was not feasible without financial contribution from the City and terminated negotiations with the Successor Agency.

DISCUSSION:

On March 8, 2018, Pacific American dissolved and became Commons Partners, LLC. On March 22, 2018, The Development Committee reviewed and approved staff to negotiate a Purchase and Development Agreement with Commons Partners for the disposition of the 1.8 acre Successor Agency-owned property located at 3102 -3250 Main Street and 3654 First Street, identified as Assessor's Parcel Numbers 213-031-002, -003, -004, -005, 213-081-001 and -002, and subsequent development of a mixed-use retail and residential project.

Overall, this project represents a significant benefit to the Downtown area with the opportunity for new residents to support local businesses, reduce vehicle trips and traffic congestion by providing housing in proximity to shopping, dining, entertainment, and employment. Additionally, installation of the off-site improvements by the developer will significantly expand the benefits that the Successor Agency has been seeking to achieve through its investment in streetscape enhancement efforts.

To facilitate the proposed development, staff recommends that the Successor Agency Board recommend that the Oversight Board adopt a resolution authorizing execution of the Purchase, Sale, and Development Agreement with Commons Partners, LLC for the disposition of Successor Agency-owned land of approximately 1.8 acres, located at 3102-3250 Main Street and 3654 First Street, bearing Assessor's Parcel Numbers 213-031-002, -003, -004, -005, 213-081-001 and -002, in the amount of \$1,185,000, for the construction of a mixed-use retail and residential development project, in accordance with the Successor Agency's Long Range Property Management Plan.

FISCAL IMPACT:

All sale proceeds from the Property less related title, escrow, and miscellaneous closing costs, not to exceed \$10,000, will be transmitted to the various taxing entities (including the City) and

reported to the State Department of Finance. The City's portion of the sales proceeds is estimated to be approximately \$165,900.

Prepared by: David Welch, Community & Economic Development
Director

Certified as to the
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

Concurs with:

A handwritten signature in black ink, appearing to read 'M. Gardner', is written over a horizontal line.

Mike Gardner, Chair
Development Committee

Attachments:

1. Resolution
2. Purchase, Sale, and Development Agreement