



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 6, 2020

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL
AND PUBLIC WORKS DEPARTMENTS

SUBJECT: PURCHASE AND SALE AGREEMENT WITH WESTERN MUNICIPAL WATER DISTRICT FOR THE ACQUISITION OF APPROXIMATELY 0.24 ACRES OF VACANT LAND LOCATED AT 16476 WASHINGTON STREET, IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 274-040-051, FOR THE WOODCREST SEWER PUMP STATION PROJECT FOR A TOTAL AMOUNT NOT TO EXCEED \$72,000

ISSUE:

Approve the Purchase and Sale Agreement with Western Municipal Water District for the acquisition of approximately 0.24 acres of vacant land located at 16476 Washington Street, identified as Assessor's Parcel Number 274-040-015, for the Woodcrest Sewer Pump Station Project for a total amount not to exceed \$72,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the Purchase and Sale Agreement with Western Municipal Water District for the acquisition of 16476 Washington Street, identified as APN 274-040-051 for the purchase price of \$62,000, plus up to \$10,000 for due diligence, title, escrow, and related closing costs, for a total amount not to exceed \$72,000; and
2. Authorize the City Manager, or his designee, to execute the Purchase and Sale Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

BACKGROUND:

The Van Buren Boulevard corridor between Wood Road and King Avenue is in the City of Riverside's (City) sewer service area and is located within the Woodcrest neighborhood. The lack of public sewer services is impeding property and business development along this stretch of the Van Buren Boulevard corridor. In addition, many of the properties are struggling with the operation and maintenance of private septic systems. Some of the background associated with

this project is listed below:

Year	Action
2010	Western Municipal Water District (WMWD) requested that the sewer service area be transferred from the City of Riverside to WMWD to expand the sewer collection system.
2011	WMWD attempted to setup an assessment district to fund the sewer project.
2012	The assessment district was dissolved due to a legal challenge preventing the sale of bonds.
2015	WMWD was requested by developers to pursue construction of the Woodcrest Sewer. WMWD purchased the lot at the northeasterly corner of Washington Street and Krameria Avenue to construct a sewer lift station to serve the Woodcrest Sewer Project.
2016	Developers unable to fund the cost of the Woodcrest Sewer.
2017	March 21 st , City Council approved a conceptual plan to provide new sewer facilities on Van Buren Boulevard between Wood Road and King Avenue and authorized the Public Works Department to begin engineering design, environmental clearance, and right-of-way acquisition.
2019	February 5 th , City Council approved a Memorandum of Understanding (Attachment 2) with WMWD and the County of Riverside to purchase the property located at the northeasterly corner of Washington Street and Krameria Avenue to serve the Van Buren Boulevard Sewer Project. March 14 th and September 12 th , Staff attended Woodcrest Municipal Advisory Council meetings to share the project details with the community, including Riverside County residents.
2020	March 3 rd , City Council approved a Mitigated Negative Declaration and Mitigation Monitoring and Reporting program for the construction of the sewer pipeline, sewer lift station, and force main associated with the Van Buren Boulevard Sewer project. June 17 th , WMWD Board of Directors approved the sale of the property located at the northeasterly corner of Krameria Avenue and Washington Street to the City for the purpose of constructing a sewer lift station.

On August 14, 2018, the City Council directed staff to do the following:

1. Acquire 16476 Washington Street for an amount up to \$75,000 including due diligence, title and related closing costs;
2. Conduct CEQA analysis for a Public Works sewer pump station project; and
3. Approve a budget of up to \$14,000,000 to acquire the subject property and to construct the sewer facilities.

The City will construct the sewer improvements, including a gravity sewer within Van Buren Boulevard from Wood Road to King Avenue, a new sewer lift station at the northeast corner of Krameria Avenue and Washington Street, and two sewer force mains to carry the wastewater from the new pump station to the City's existing gravity system.

DISCUSSION:

Staff researched several options for the location of the new sewer lift station and believe the subject property is the most cost-effective option for the City. The property under consideration for acquisition is located at the north easterly corner of Washington Street and Krameria Avenue, located at 16476 Washington Street, and is owned by WMWD. The property is approximately 10,369 square feet of vacant land (see aerial site map below). The property is located outside the City of Riverside boundary limits and within the County of Riverside. It is zoned residential agricultural.

The City obtained a neutral third-party appraisal for the fair market value of the property which concluded to a value of \$39,000. The City subsequently submitted a purchase offer to WMWD at this price. WMWD submitted a counteroffer of \$62,000 to the City based upon its fair market value appraisal of \$62,000 and previous acquisition of the property at that amount. Staff have reviewed both appraisals and believe the purchase amount of \$62,000 is fair and reasonable for acquisition of the property. Furthermore, other site locations would be more expensive to acquire and could possibly require the use of condemnation and the uncertainty of time and costs associated with acquisition by this legal process.



FISCAL IMPACT:

The cost to acquire the subject property is \$62,000 plus up to an additional \$10,000 for due diligence, title, escrow and related closing costs for a not to exceed total amount of \$72,000. Sufficient funds are available for the acquisition in the Sewer Fund Van Buren Sewer Improvement Account Number 9896923-440301.

Prepared by: David Welch, Community & Economic Development Director
Kris Martinez, Public Works Director

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Rafael Guzman, Assistant City Manager

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

Attachment:

1. Memorandum of Understanding
2. Purchase and Sale Agreement