

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE APPROVING A PURCHASE, SALE AND DEVELOPMENT AGREEMENT WITH R.C. HOBBS COMPANY, INC. FOR THE SALE OF APPROXIMATELY 0.95 ACRES OF SUCCESSOR AGENCY-OWNED VACANT LAND, IDENTIFIED AS ASSESSOR PARCEL NUMBERS 146-231-016, 146-231-017, 146-231-027, 146-231-031, 146-231-032, 146-231-033, 146-231-034, AND 146-231-036, KNOWN AS FIVE POINTS, LOCATED AT THE SOUTHEAST CORNER OF HOLE AND BUSHNELL AVENUES, RIVERSIDE, CALIFORNIA.

WHEREAS, pursuant to Resolution No. 22322, adopted by the City Council of the City of Riverside ("City") on January 10, 2012, the City of Riverside agreed to serve as the Successor Agency ("Successor Agency") to the Redevelopment Agency of the City of Riverside ("Redevelopment Agency") commencing upon dissolution of the Redevelopment Agency on February 1, 2012 pursuant to Assembly Bill x1 26 ("AB 26"); and

WHEREAS, Health and Safety Code Section 34177 (i) provides that a successor agency is required to continue to oversee development of properties until the contracted work has been completed or the contractual obligations of the former redevelopment agency can be transferred to other parties; and

WHEREAS, the Successor Agency currently owns approximately 0.95 acres of vacant land located at the southeast corner of Hole and Bushnell Avenues, known as Five Points, bearing Assessor's Parcel Numbers 146-231-016, 146-231-017, 146-231-027, 146-231-031, 146-231-032, 146-231-033, 146-231-034, and 146-231-036 ("Property"); and

WHEREAS, pursuant to AB 1484 and Health and Safety Code Section 34191.5(c)(2), the Successor Agency prepared a Long Range Property Management Plan dated February 25, 2014, for the disposition of the former Redevelopment Agency properties, which included the Property; and

WHEREAS, on March 6, 2014, the Department of Finance approved the Successor Agency Long Range Property Management Plan ("Plan"); and

WHEREAS, the Plan sets forth the sale of the Property at fair market value subject to future development as set forth in Exhibit "A" attached hereto and incorporated herein by reference; and

1 WHEREAS, R.C. Hobbs Company, Inc. submitted a proposal to purchase and develop the
2 Property; and

3 WHEREAS, the Successor Agency desires to sell the Property to R.C. Hobbs Company, Inc.

4 NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Riverside,
5 California, as the Successor Agency to the Redevelopment Agency of the City of Riverside, as follows:

6 Section 1. The above recitals are incorporated herein as if set forth herein in full.

7 Section 2. Pursuant to the Long Range Property Management Plan, the Successor Agency
8 hereby agrees to convey the Property to R.C. Hobbs Company, Inc.

9 Section 3. It is in the best interest of the Successor Agency to enter into a Purchase, Sale,
10 and Development Agreement with R.C. Hobbs Company, Inc. for the disposition of approximately
11 0.95 acres of Successor Agency-owned vacant land, known as Five Points, located at the southeast
12 corner of Hole and Bushnell Avenues and bearing Assessor's Parcel Numbers 146-231-016, 146-231-
13 017, 146-231-027, 146-231-031, 146-231-032, 146-231-033, 146-231-034, and 146-231-036, in the
14 amount of Five Hundred Sixty Thousand Dollars (\$560,000) for the subsequent development of a
15 multi-family residential project.

16 Section 3. That the City Manager, or his designee, acting on behalf of the Successor
17 Agency, is authorized to execute the Purchase, Sale, and Development Agreement and any other
18 documents as necessary to carry out the intent of this Resolution.

19 ADOPTED by the City Council as the Successor Agency, this _____ day of
20 _____, 2020.

21
22
23 Attest:

WILLIAM R. BAILEY, III
Mayor of the City of Riverside

24
25 COLLEEN J. NICOL
City Clerk of the City of Riverside

26
27 //

28 //

1 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, acting as the Secretary of
2 the Successor Agency to the Redevelopment Agency of the City of Riverside, hereby certify that the
3 foregoing resolution was duly and regularly adopted at a meeting of the City Council of said City,
4 acting as the Secretary of the Successor Agency to the Redevelopment Agency of the City of
5 Riverside, at its meeting held on the _____ day of _____, 2020, by the following
6 vote, to wit:

7 Ayes:

8 Noes:

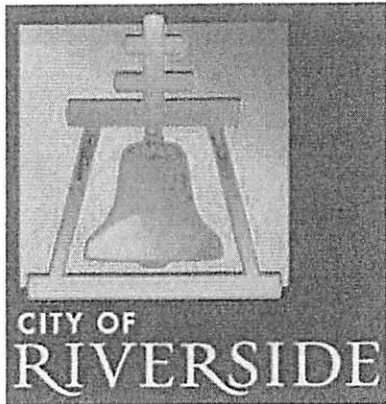
9 Absent:

10 Abstain:

11 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the
12 City of Riverside, California, this _____ day of _____, 2020.

13
14 _____
15 COLLEEN J. NICOL
16 City Clerk of the City
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT "A"



**SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY
OF THE
CITY OF RIVERSIDE**

AMENDED

**LONG RANGE
PROPERTY MANAGEMENT
PLAN**

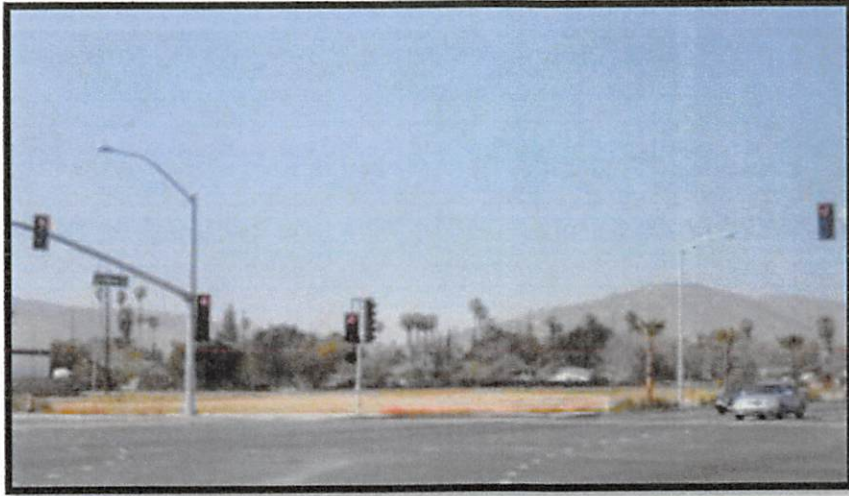
DATED: FEBRUARY 25, 2014

**SITE 29 - 31: FIVE POINTS INTERSECTION
(TOTAL SITE SIZE: 8.5 ACRES)**



SITE 29 - 31: FIVE POINTS INTERSECTION

Site A (5.2 acres)



Site B (2.4 acres)



Site C (0.9 acres)



SITE 31: BUSHNELL AVENUE & HOLE AVENUE (SITE C)
(TOTAL SITE SIZE: 0.9 ACRES)

- Address: 11073 Hole Avenue
 APN: 146-231-016
 Acquisition Date: June 6, 2012
 Acquisition Amount: \$472,446
 Acquisition Purpose: Street improvement, blight elimination and land assembly to facilitate future development
 Current Use: Vacant land
 Total Lot Size: 17,554 square feet
 Estimated Current Value: \$0
 Current Zoning: Commercial General
 General Plan: Mixed Use – Village
 Redev. Project Area: La Sierra/Arlanza
 Rent/Lease Revenue: No
 Proposal History: No
 Environmental History: No
 Transit-Oriented Potential: No
 Proposed Use: Sale of the property

- Address: 11079 Hole Avenue
 APN: 146-231-017 and 027
 Acquisition Date: July 5, 2012
 Acquisition Amount: \$578,000 (combine with 017)
 Acquisition Purpose: Street improvement, blight elimination and land assembly to facilitate future development
 Current Use: Vacant land
 Total Lot Size: 9,354 square feet
 Estimated Current Value: \$0
 Current Zoning: Commercial General
 General Plan: Mixed Use – Village
 Redev. Project Area: La Sierra/Arlanza
 Rent/Lease Revenue: No
 Proposal History: No
 Environmental History: No
 Transit-Oriented Potential: No
 Proposed Use: Sale of the property

- Address: 11083, 11089, and 11093-11099 Hole Avenue and 11079 Bushnell Avenue
 APN: 146-231-031, 032, 033 and 034
 Acquisition Date: February 21, 2008
 Acquisition Amount: \$1,936,000 (combined with 031, 032, 033 and 034)
 Acquisition Purpose: Street improvement, blight elimination and land assembly to facilitate future development
 Current Use: Vacant land

- | | |
|-----------------------------|----------------------|
| Total Lot Size: | 13,937 square feet |
| Estimated Current Value: | \$0 |
| Current Zoning: | Commercial General |
| General Plan: | Mixed Use – Village |
| Redev. Project Area: | La Sierra/Arlanza |
| Rent/Lease Revenue: | No |
| Proposal History: | No |
| Environmental History: | No |
| Transit-Oriented Potential: | No |
| Proposed Use: | Sale of the property |
- Address: 11035 Wells Avenue
 - APN: 146-231-036
 - Acquisition Date: August 10, 2011
 - Acquisition Amount: \$754,300
 - Acquisition Purpose: Street improvement, blight elimination and land assembly to facilitate future development
 - Current Use: Vacant land
 - Total Lot Size: 3,000 square feet
 - Estimated Current Value: \$0
 - Current Zoning: Commercial General
 - General Plan: Mixed Use – Village
 - Redev. Project Area: La Sierra/Arlanza
 - Rent/Lease Revenue: No
 - Proposal History: No
 - Environmental History: No
 - Transit-Oriented Potential: No
 - Proposed Use: Sale of the property

II. PROPERTY BACKGROUND/HISTORY

On October 7, 2008, the City Council approved findings in connection with the implementation of traffic pattern modification measures including the realignment and widening of the Five Points Intersection, situated around the intersection of La Sierra Avenue, Pierce Street, Hole Avenue, and Bushnell Avenue, termination of Bushnell Avenue as a cul-de-sac, designation of the Five Points Intersection as a City of Riverside Landmark and adoption of a Mitigated Negative Declaration for the Five Points Street Improvement Project (Project). The Project also included two through lanes, two left-turn lanes, a dedicated right-turn lane, and a Class II bike lane in each direction, separated by a raised and landscaped median. The Project was proposed to meet transportation demands, improve safety, and enhance the aesthetics of Five Points.

To facilitate the Project, the Redevelopment Agency funded the purchase of twenty-eight parcels consisting of full-take and part-take acquisitions and demolition of several buildings to accommodate the necessary public right-of-way required for the street improvements. On October 14, 2008, pursuant to Health and Safety Code Section

33445, the City Council and Redevelopment Agency adopted the respective resolutions making findings regarding the acquisition of the required properties and installation of public improvements, which would increase vehicular lanes and add bike lanes to meet transportation demands and increase safety at the Five Points Intersection.

The construction of the Project at Five Points was completed in August 2011. The completion of the Project improved the aesthetics of the Five Points area by the addition of decorative crosswalks, landscaped parkways, and a publicly maintained landscape area on the southeast corner and preservation of Bushnell Avenue as a visual corridor with no vehicular access to and from the intersection.

The Successor Agency currently owns twenty-eight parcels totaling approximately 8.5 acres around the vicinity of the Five Points Intersection as a result of the former Redevelopment Agency's efforts of improving the roadways and eliminating blight at Five Points.

To complete the former Redevelopment Agency's development objective pursuant to the Redevelopment Five-Year Implementation Plan, the following properties at the Five Points Intersection are available for redevelopment (Five Points Property):

- Site A: 5 Points – Northwest corner Pierce Street and La Sierra Avenue consisting of 16 parcels totaling 5.2 acres;
- Site B: 5 Points – Southwest Corner Pierce Street and La Sierra Avenue consisting of 4 parcels totaling 2.4 acres; and,
- Site C: 5 Points – Bushnell Avenue and Hole Avenue consisting of 8 parcels totaling 0.9 acres.

Five Points is unique in Riverside since it is the only commercial district named and known for its unique geographic character in the design of its street system. Five Points is defined as the street and fronting properties on La Sierra Avenue between Nebraska and Whitford Avenues, Pierce Street and Hole Avenue between Rose and Wells Avenues, and Bushnell Avenue between the La Sierra Avenue and Hole Avenue intersection and Bogart Avenue.

Due to this historic recognition and the designation of the area as a landmark in 2008, specific mitigation measures were established including the requirement of constructing a plaza with a historic interpretation feature at Bushnell Avenue when new development begins at the adjacent properties in order to maintain the historic significance of the area. Along with the mitigation measures are design guidelines that will help to ensure that any future development site plan and architectural building elevations for Five Points must reflect design recommendations established by the Cultural Resources Survey and Evaluation of Impacts for a Portion of the Proposed La Sierra Avenue Realignment at Five Points Final Report dated July 16, 2008 (Mitigation Measures/Design Guidelines), which necessitates future development to reflect the historical character of Five Points, with a hard edge, be oriented toward the street, and achieve a "village-like" quality.

Beyond the intersection, development may be set back from the street, however, it should be pedestrian-friendly in nature, with walkways, plazas, and the like incorporated into the landscaping and site designs.

III. PERMISSIBLE USE – SALE OF THE PROPERTY

Since the creation of the La Sierra/Arlanza Redevelopment Project Area in 2004, the Redevelopment Agency was focusing its efforts on revitalizing and improving the Five Points area, where many small-scale, older commercial uses and a mix of historic and modern development with no particular stylistic theme or character existed around the vicinity of the intersection. It was the intent of the Redevelopment Agency to maintain Five Points' sense of place and increase economic vitality while preserving its history, diversity and natural beauty through development of the intersection by encouraging private investment to create jobs and facilitate economic development.

Due to the restricted vehicle access surrounding the Five Points Property, odd-shaped parcels plus restricted uses, the Successor Agency has received limited developer proposal for the Five Points Property, which includes retail project proposals on Site A.

The Five Points Property is mostly vacant land, except for two building structures on Site B. On January 14, 2013, a building became vacant that was formerly occupied by the U.S. Postal Service (11134 Pierce Street). Located at 11144 Pierce Street, the Joe's Lawn Mower Shop is currently occupied on a month-to-month lease. Monthly revenue in the amount of \$940 received from the business owner is being used to offset monthly re-occurring maintenance expenditures. The Successor intends to demolish both of these structures prior to disposition of the Property. Furthermore, on a portion of Site B, the City has installed an above ground electrical vault to service the signal lights at the Five Points Intersection. The Successor Agency intends to grant an easement to the City prior to disposition of the Property.

The Successor Agency has been actively promoting the availability of the Five Points Property for redevelopment with the requirement that new development at Five Points be consistent with the established Mitigation Measures/Design Guidelines since Five Points is important to the history of La Sierra and is the focal point for the current community.

Of the three sites at the intersection of Five Points, the Successor Agency has identified a future development and is working with a potential developer on Site A since early 2006. On September 12, 2006, Marinita Development was selected by the former Redevelopment Agency to develop a retail project on the northwest corner of Pierce Street and La Sierra Avenue of Five Points, which consists of sixteen parcels out of the twenty-eight parcels with a total of 5.168 acres (Site A) as depicted on the aerial map. Since the time of the developer selection, both Marinita Development and the former Redevelopment Agency were engaging in land acquisition and development of Site A, and Marinita formed a new development entity Comsite, LLC (Comsite) specifically for the development of Site A.

Comsite proposes the acquisition of Site A for the development of a retail project at the northwest corner of La Sierra Avenue and Pierce Street, which includes a commercial development comprising of a minimum of 40,000 square feet of retail space including 14,500 square feet at the corner anchored by Rite Aid Pharmacy.

IV. DISPOSITION RECOMMENDATION

- 1) **Site A**: Pursuant to AB 1484, the Successor Agency recommends that the DOF approve the sale of Site A to Comsite, LLC. for \$2,025,000 for the proposed retail development, which meets the purpose for which it was originally acquired pursuant to the Redevelopment Five-Year Implementation Plan.

The proposed development for Site A consists of the following tentative deal points:

- Site Area: 5.168 acres
- Number of Parcels: 16 parcels (APNs: 146-162-001, -018, -019, -020, -021, -031, -032, -037, -038, -042, -043, -044, -045, -046, -047, -048)
- Purchase Price: \$2,025,000
- Deposit Amount: \$50,000 non-refundable after 90 days
- Project Description: Minimum of 40,000 square feet of retail development
- Opening of Escrow: Within 10 days from Effective Date of Purchase and Development Agreement (non-transferable or assignable)
- Project Funding: Comsite to provide evidence of financing or cash equal to Purchase Price within 90 days from Opening of Escrow
- Planning Application: Comsite to submit an application to Planning for Tract Map, Design Review and entitlements within 90 days from Opening of Escrow
- Design Review: Comsite must be in conformance with the Five Points Design Guidelines
- Tenant Commitment: Comsite to provide tenant commitment letters for 75% of the Project and evidence of financing or cash equal to the construction cost of the Project to be not less than \$8 million within 9 months from Opening of Escrow
- Entitlements and Environmental Clearance: Comsite to obtain all necessary entitlements, including Grading and Building Permits within 12 months from submission of Planning Application

- **Site Plan:** Phasing is not allowed; Comsite must develop the entire northwest corner at the same time
- **Lot Merger:** Require parcel consolidation up to 4 parcels, which is the responsibility of Comsite
- **CC&Rs:**
 - Covenants required for shared parking and restricted uses
 - Development pursuant to the Five Points Design Guidelines
 - Standard prohibited uses including liquor stores and adult-oriented businesses
- **Closing of Escrow:** Within 15 days from issuance of Building Permit; funds for acquisition of the property remain in escrow account until construction complete
- **Start of Construction:** Comsite to start construction within 90 days from Closing of Escrow
- **Tenants:** Comsite finalizes leases for at least 75% of Project prior to Completion of Construction
- **Completion of Construction:** Comsite to complete construction within 12 months from Start of Construction
- **Default Remedy:** \$250,000 liquidated damages for breach of contract or non-performance by Comsite

The above disposition terms have been negotiated to ensure that the previous investment of the former Redevelopment Agency is protected and the planned development will benefit the City by producing temporary and permanent jobs, providing a variety of desirable high quality uses for the community and encouraging additional private development for the area. The proposed retail development is believed to be in the best interests of the affected Taxing Entities and will generate financial benefits for all of the affected Taxing Entities including increased property and sales tax revenues and employment opportunities.

The Successor Agency will sell Site A to Comsite LLC. in accordance with the Guidelines. If the proposed development does not move forward with Comsite LLC. as anticipated, the Successor Agency recommends that the DOF approve the sale of the property for a future development at fair market value in accordance with the Guidelines, which allow for flexibility in property disposition to maximize value while preventing the re-establishment of blight and capitalizing on Riverside's resources for the benefit of its residents.

- 2) **Site B:** Pursuant to AB 1484 and Health and Safety Code Section 34191.5(c)(2), the Successor Agency recommends that the DOF approve the sale of Site B for the purpose for which it was originally acquired pursuant to the Redevelopment Five-Year Implementation Plan.

The Successor Agency will sell the Property in accordance with the Guidelines at fair market value.

- 3) **Site C:** Pursuant to AB 1484 and Health and Safety Code Section 34191.5(c)(2), the Successor Agency recommends that the DOF approve the sale of Site C for the purpose for which it was originally acquired pursuant to the Redevelopment Five-Year Implementation Plan.

The Successor Agency will sell the Property in accordance with the Guidelines at fair market value.