



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: APRIL 6, 2021**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT      WARD: 5  
DEPARTMENT**

**SUBJECT: FIRST AMENDMENT TO CROP MAINTENANCE AGREEMENT WITH GLESS RANCH, INC. TO: 1) AMEND THE DEFINITION OF "EXISTING GROVES" TO ALSO INCLUDE THE GROVES ON APN 239-190-009 AND APNS 239-190-014 THRU 017; 2) INCLUDE A NON-EXCLUSIVE LICENSE TO THE FRUIT STAND ON APN 239-190-016; AND 3) AMEND THE TERM TO REMOVE THE AUTOMATIC EXTENSION AND SET A TERMINATION DATE OF JUNE 30, 2022 IN ACCORDANCE WITH PURCHASING RESOLUTION 23256, SECTION 702(T)**

## **ISSUE:**

Approve the First Amendment to Crop Maintenance Agreement with Gless Ranch, Inc. to: 1) amend the definition of "Existing Groves" to also include the groves on APN 239-190-009 and APNS 239-190-014 thru 017; 2) include a non-exclusive license to the fruit stand on APN 239-190-016; and 3) amend the term to remove the automatic extension and set a termination date of June 30, 2022 in accordance with Purchasing Resolution 23256, Section 702(t).

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the First Amendment to Crop Maintenance Agreement with Gless Ranch, Inc. to: 1) amend the definition of "Existing Groves" to also include the groves on APN 239-190-009 and APNS 239-190-014 thru 017; 2) include a non-exclusive license to the fruit stand on APN 239-190-016; and 3) amend the term to remove the automatic extension and set a termination date of June 30, 2022 in accordance with Purchasing Resolution 23256, Section 702(t); and
2. Authorize the City Manager, or his designee, to execute the First Amendment to Crop Maintenance Agreement with Gless Ranch, Inc., including making minor and non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

## **BACKGROUND:**

With 1988 bond funds, the City of Riverside (City) acquired approximately 66 acres of land

planted with navel oranges in connection with the granting of funds under Proposition 70, which are under the management of the Park and Recreation Department. The City currently has a profit-sharing lease with Gless Ranch on approximately 20 acres of this land. Under an informal arrangement, Gless Ranch has been handling all crop maintenance for the balance of the groves for the most part from the time they were acquired.

In 1998, the City acquired 10 acres at the corner of Van Buren Boulevard and Dufferin Avenue. John Gless of Gless Ranch agreed to lease these 10 acres under a 20-year lease agreement terminating on June 20, 2019. Once all costs incurred by Gless Ranch have been recovered or upon termination of the agreement, the revenue produced by the grove will be shared between the City and Gless Ranch with each receiving 50% of the proceeds for each remaining crop year.

Gless Ranch has agreed to take over the costs and maintain the groves under the Crop Maintenance Agreement dated March 22, 1999. The original term of the agreement was for one year with automatic one-year renewals, with Gless Ranch receiving 50% of the net proceeds from the crops.

### **DISCUSSION:**

There are seven City owned parcels located on the north side of Dufferin Avenue between Van Buren Boulevard and Irving Street. These parcels include groves that were purchased to serve as a grove gateway for the California Citrus State Park. Gless Ranch has continued to operate and maintain the crop parcels identified by APNS 239-190-009, 239-190-016 and 239-190-017, along with the fruit stand on APN 239-190-016, which were previously subject to agreements that have since expired; as well as APNS 239-190-014 and 239-190-015, which are included in the original agreement. APN 238-100-010 and APN 238-100-011 are currently subject to an additional Lease and Crop Agreement that will expire on June 30, 2022.

The amendment will allow the existing groves to continue to be maintained by Gless Ranch and provide the opportunity for the City to prepare a request for proposal to maintain and operate the seven parcels under one contract, starting July 1, 2022.

The amendment is in compliance with Purchasing Resolution 23256, Section 702(t) which states "When approved by the Manager, Services not subject to the bidding requirements of Section 1109 of the City Charter, which are of such a nature that suitable technical or performance specifications describing them are not readily available and cannot be developed in a timely manner to meet the needs of the City, in which case the Manager shall be authorized to negotiate with any Person or Persons for the Procurement thereof upon the price, terms and conditions need by the Manager to be in the best interest of the City and in doing so may utilize Informal Procurement or Negotiated Procurement process."

The purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution 23256, Section 702(t).

The Park, Recreation and Community Services Department Concurs with the report.

### **FISCAL IMPACT:**

Approximately \$10,000 in revenue is anticipated to be generated each year and deposited into the general fund. The revenue projection includes payment of 50% of the existing groves net

proceeds, as well as a monthly license fee of \$500 each month for the operation of the fruit stand.

Prepared by: David Welch, Community & Economic Development 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: Kristi J. Smith, Interim City Attorney

Attachments:

1. First Amendment to Crop Maintenance Agreement
2. Crop Maintenance Agreement dated March 22, 1999