

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: APRIL 19, 2021

SUBJECT: PURCHASE, SALE AND DEVELOPMENT AGREEMENT WITH RIVERSIDE TRANSIT AGENCY FOR THE SALE OF APPROXIMATELY 23,958 SQUARE FEET OF VACANT CITY-OWNED LAND LOCATED AT 4125 VINE STREET FOR THE SALE PRICE OF \$405,000 – DECLARE AS EXEMPT SURPLUS LAND

ISSUE:

Consider a recommendation that the City Council declare the vacant City-owned land of approximately 23,958 square feet located at 4125 Vine Street, bearing Assessor's Parcel Number 215-341-009, also known as the 11th Street Well Site, as exempt surplus land and approve the Purchase, Sale and Development Agreement with Riverside Transit Agency for the sale price of \$405,000.

RECOMMENDATIONS:

That the Board of Public Utilities recommend that the City Council:

1. Declare the vacant City-owned land of approximately 23,958 square feet located at 4125 Vine Street, bearing Assessor's Parcel Number 215-341-009, also known as the 11th Street Well Site, as exempt surplus land based on the written findings contained in this staff report;
2. Approve the Purchase, Sale and Development Agreement with Riverside Transit Agency for the sale of approximately 23,958 square feet of vacant City-owned land for \$155,000 and the fair market value in use of the 11th Street Well for \$250,000, totaling \$405,000; plus up to an additional \$30,000 to relocate the 11th Street Well for a maximum amount of \$435,000;
3. Recommend that a transfer from the Water Claim on Cash Account No. 0000520-101000 to the Water Property Cash Reserve Account No. 0000520-101084 be made in the amount of the sales proceeds received per the Cash Reserve Policy; and
4. Authorize the City Manager, or his designee, to execute the Purchase, Sale and Development Agreement, including making minor and non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

BACKGROUND:

On May 22, 2017, the City of Riverside (City) and the Riverside Transit Agency (RTA) entered

into a Purchase, Sale and Development Agreement to develop a mobility hub facility to relocate the downtown Riverside Transit Terminal from 3911 University Avenue to a new location at 4015 - 4085 Vine Street. The sale was completed on January 14, 2019 conveying 2.347 acres of City-owned land to RTA with the condition that architectural and engineering work commences as soon as possible to eliminate the downtown congestion. Another condition of the agreement, Section 1.2.1, states that RTA “may require the adjacent parcel, identified as Assessor’s Parcel Number 215-341-009...for development of the ...multi-modal transit center if [RTA’s] initial study demonstrates the need for additional land”.

Riverside Public Utilities operates the 11th Street well located at 4125 Vine Street that is positioned between two parcels of the adjacent vacant land of the Property which are owned by RTA. This site is adjacent to the 91 State Highway and is located directly across from Downtown Riverside Metrolink Station.

The City’s General Plan 2025 identified Vine Street as one of the preferred locations for the Mobility Hub due to its proximity to the Metrolink station, major employment center, county and city government centers, the University of California, Riverside (UCR) campus, the Riverside Community College (RCC) campus, the Riverside Convention Center, multiple entertainment venues, and housing complexes within the downtown core area.

The Board of Public Utilities has adopted a Real Property Financial Management Policy. The stated purpose of that policy is as follows:

This Real Property Financial Management policy shall serve as a guide to the Board of Public Utilities to assist when carrying out their Charter prescribed duties. Here are the guiding principles.

- *Maximization of ratepayer value guides all decisions*
- *Stewardship, which includes both acquisition, use, and disposition, shall be done in conformance with California law*

Under the policy, property is classified into categories, according to use. The City-owned land of approximately 23,958 square feet located at 4125 Vine Street, bearing Assessor’s Parcel Number 215-341-009, also known as the 11th Street Well Site is designated as Required - In Use - Exclusive. This classification means that the property is necessary for the production and delivery of water and power by RPU and/or associated with the operations and administration of RPU and is exclusively in current RPU operations and are owned by the City. Exclusive use is critical to ensuring continued operations. Examples of exclusive properties include power plant sites, water treatment facility sites, vacant land used to replenish groundwater basins, etc. means that

DISCUSSION:

RTA has decided that 4125 Vine Street (Property), which is controlled by Riverside Public Utilities (RPU), is needed for their mobility hub. As such, RTA intends to acquire the Property and pay the City for the current fair market value of the Property and the fair market value in place of the existing 11th Street Well (Well) along with reimbursing RPU for the additional piping needed to relocate the Well.

The Property is vacant City-owned land except for the Well which needs to be relocated. The land has been determined it is no longer necessary for the City’s/RPU use if the Well can be relocated. State Assembly Bill 1486 (AB 1486) was adopted on October 9, 2019 requiring public

agencies to follow Surplus Land Law, Government Code Section 54220 et. seq., for the disposition of surplus property. Pursuant to Government Code 54221(f)(1)(D), RTA is exempt from the surplus declaration process due to their status as a joint powers authority.

RTA is the owner of the adjacent vacant land on either side of the Property. The Property was appraised by an independent third-party real property appraiser which concluded to a fair market value of \$155,000 for the land. Staff also had a fixture and equipment appraiser appraise the fair market value in use for the Well which concluded to a value of \$250,000. The total purchase price is \$405,000. The Purchase, Sale and Development agreement (Agreement) also requires RTA to reimburse the City for up to \$30,000 for the cost to relocate the existing piping for the Well.

The basic terms of the Agreement provide for a 30-day escrow period for the City to convey the Property to RTA. The Agreement also requires RTA to grant an easement to the City for a potable water well site and waterline facilities to accommodate the relocation of the replacement Well on RTA owned land. Additionally, the Agreement requires RTA to grant the City an access easement for ingress/egress to access the replacement Well site. The final Agreement is tentatively scheduled to be presented to RTA's Board on April 22, 2021. The Agreement is anticipated to be executed by RTA once it is approved by their Board.

Overall, this project represents a significant benefit to the Downtown and Marketplace area with the opportunity to support local businesses and include sufficient room for future expansion while maintaining adjacent site for future water needs. Without the adjacent Well site, the mobility hub would be reduced in size and could possibly hinder the construction of the project. The new facility will serve the growing ridership population, reduce traffic congestion by providing public transportation to shopping, dining, entertainment, employment, County and City government services, including various court services.

FISCAL IMPACT:

All sale proceeds from the Property minus related title, escrow, and miscellaneous closing costs estimated not to exceed \$7,500 shall be deposited into Riverside Public Utilities Water Sale of Land & Buildings Account No. 0000520-380010.

Prepared by:	David Welch, Community and Economic Development Director
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Al Zelinka, FAICP, City Manager
Approved as to form:	Kristi J. Smith, Interim City Attorney

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

1. Purchase, Sale and Development Agreement
2. Presentation