



SURPLUS DISPOSITION OF THE FORMER WHITEGATES I RESERVOIR – 7270 BODEWIN COURT

Riverside Public Utilities

Board of Public Utilities
September 13, 2021

7270 BODEWIN COURT



PROPERTY

1. 26,572 square feet (0.51 acres) highlighted in yellow and is 100% controlled by RPU
2. Zoned Residential Conservation with a General Plan designation of Hillside Residential
3. Subject to Proposition R and Measure C which allows one dwelling unit per 0.50 acres
4. Public Utility property classification: Idle-Miscellaneous

BACKGROUND

1. June 6, 2009- City Council approved demolition of the undersized reservoir and improvements.
2. September 28, 2020 – Riverside Board of Public Utilities recommended City Council approve the surplus declaration of RPU City-owned land in its as-is condition located at 7270 Bodewin Court.
3. October 27, 2020- the City Council declared 7270 Bodewin Court as surplus.
4. November 4, 2020- Staff issued 60-day Notice of Availability to required public agencies and affordable housing developers. No interest received.

DISCUSSION

1. The Property is located outside the private entrance of the Hawarden Summit, Inc. community on Bodewin Court.
2. Property has not been annexed into the adjacent Hawarden Summit Homeowners Association (HOA) which is a non-profit private homeowners association.
3. Staff negotiated a purchase and sale agreement with the Bodewins (Buyer) for the “as-is” appraised value of \$105,000.

DISCUSSION CONTINUED

4. Agreement deal points:

- a. Buyer to submit application for entitlements within 90 days from Effective Date of Agreement to build a 4,500 square foot single-family house.
- b. Escrow period is 120 days from Effective Date.
- c. Buyer to submit \$3,200 deposit to be applied towards the purchase price.
- d. Buyer agrees, at close of escrow, to be responsible for any access rights into the Property from Hawarden Summit Homeowners Association and relieves City from any liability.

DISCUSSION CONTINUED

5. Property appraised two ways: (1) valued at \$105,00 in its as-is condition and (2) valued at \$220,000 with the hypothetical condition as if it were annexed into the HOA
6. Although appraiser concluded at higher value with annexation into the HOA, there are associated costs and risks for the City which could possibly cause the City to pay monthly HOA fees in perpetuity or until City can sell the Property.
7. Buyer unwilling to pay higher value and believes annexation is not necessary for development. Both staff and Buyer agree \$105,00 represents current fair market value for the Property.

STRATEGIC PLAN ALIGNMENT

This item contributes to the Envision Riverside 2025 City Council Strategic Plan:

1. Priority 5 – High Performing Government; and
 - Goal 5.4 – Achieving and maintaining financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

STRATEGIC PLAN ALIGNMENT

1. **Community Trust** – The City conducted business with transparency and good faith. The Board of Public Utilities recommended City Council to declare 7270 Bodewin Court as surplus ensuring the declaration is based on sound policy and that the transaction is inclusive of reliable market data. The City also provided two opportunities for public engagement between the Board of Public Utilities meeting and the City Council meeting. These meetings provided a space for the public to attend, inquire, and comment on the disposition process.
2. **Equity** – The City acted with inclusion, to ensure equal access to the opportunity. Through the Assembly Bill 1486 surplus disposition process, both affordable housing developers along with other local public agencies were notified of the availability of the property. With the City receiving no interest, the ability for the public to acquire the subject parcel was equitable to all members of the community.
3. **Fiscal Responsibility** – The disposition of the subject parcel is fiscally responsible as it mitigates annual maintenance costs and reduces the City's exposure to losses. Additionally, it adds revenue to the Riverside Public Utilities Sale of Land and Buildings Account and will generate property tax revenue to the General Fund by placing the now exempt tax status back onto the County Assessor's tax roll for both land and improvements upon completion of construction.
4. **Innovation** – The disposition of the subject parcel is in alignment with the zoning requirements of the surrounding area and demonstrates that Riverside is inventive and timely in meeting the changing needs of the community and prepares for the future through collaborative partnerships and adaptive processes.
5. **Sustainability & Resiliency** – Disposing of the subject parcel allows Riverside to continue with sustainable residential development without compromising the needs of the future and ensuring the City's capacity to preserve, adapt and grow during good and difficult times ahead.

RECOMMENDATIONS

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

1. Approve a Purchase and Sale Agreement with Andrew M. Bodewin and Cathryn E. Bodewin for the sale of approximately 0.51 acres of City-owned vacant land, located at 7270 Bodewin Court, identified as Assessor's Parcel Number 243-460-018, for the sale price of \$105,000 less all related title, escrow, and miscellaneous closing costs estimated not-to-exceed \$5,000; and
2. Recommend that City Council 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 necessary to complete the transaction.