



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: AUGUST 5, 2025**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT** **WARD: 1 AND 2**  
**DEPARTMENT**

**SUBJECT: PURCHASE AND SALE AGREEMENT WITH RIVERSIDE COUNTY**  
**TRANSPORTATION COMMISSION FOR FEE SIMPLE STORM DRAIN**  
**FACILITIES, SANITARY SEWER, NON-EXCLUSIVE ACCESS EASEMENTS**  
**AND GRANT OF A PORTION OF VACATED COMMERCE STREET, LOCATED**  
**AT WESTSIDE OF COMMERCE STREET, SOUTH OF THIRD STREET, FOR THE**  
**THIRD STREET GRADE SEPARATION PROJECT, FEDERAL AID NUMBER**  
**CML 5058(081), FOR THE PURCHASE PRICE OF \$1,283,000**

## **ISSUE:**

Approve the Purchase and Sale Agreement with Riverside County Transportation Commission related to right-of-way impacts for the Third Street Grade Separation Project located at Westside of Commerce Street, South of Third Street, for two fee simple areas consisting of 59,724 & 3,018 square feet, a 654 square feet Storm Drain Facilities Easement, a 135 square feet Sanitary Sewer Easement, a 19,674 square feet non-exclusive Access Easement and grant the City a net area credit for a portion of vacated Commerce Street totaling 52,535 square feet. The total purchase price is \$1,283,000 funded under Federal Aid Number CML 5058(081).

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the Purchase and Sale Agreement (Attachment 1 – Agreement) with Riverside County Transportation Commission, a County Transportation Commission, for \$1,283,000; and
2. Authorize the City Manager, or his designee, to execute the Agreement, including making minor and non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

## **BACKGROUND:**

Between 2017 and 2025, the City has been in a multi-phase process to advance the Third Street Grade Separation Project along the Burlington Northern Santa Fe Railroad (BNSF). The Third Street Grade Separation Project (Project) proposes constructing a railroad underpass at Third

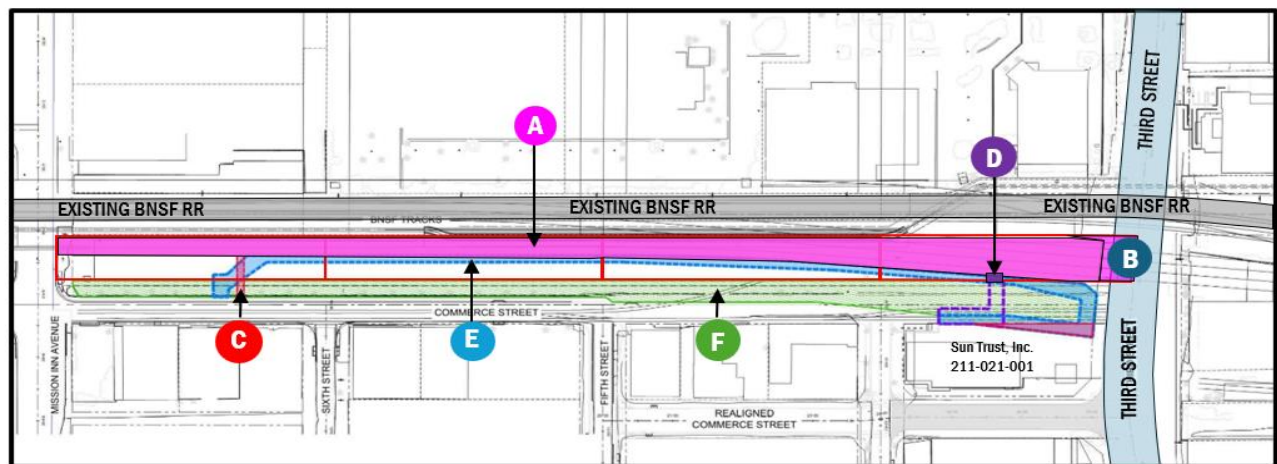
Street and the BNSF railroad tracks. Third Street will be lowered and a bridge will be built to accommodate rail traffic. Earlier this year, the City Council approved a street vacation to facilitate construction, the rail realignment and infrastructure improvements.

## **DISCUSSION:**

The Purchase and Sale Agreement is with the Riverside County Transportation Commission (RCTC), for a portion of right-of-way impacts identified as Assessor Parcel Numbers: 211-021-028, 211-022-031, 213-212-018 and 213-252-015, east of the existing railroad tracks. The Public Works Department has identified this property as a critical component for the successful implementation of the Third Street Grade Separation Project.

The property interests required for the project will allow for the construction and the realignment of the existing BNSF Railroad tracks to the easterly portion over the RCTC parcels. City will also establish storm drain facilities, a sanitary sewer easement and acquire a non-exclusive access easement for BNSF and City use. The 19,674 square foot Access Easement will include a future portion acquired through City's Final Order of Condemnation or Stipulated Judgement between City of Riverside and the Sun-Trust, Inc., Assessor's Parcel Number 211-021-001, approximately 1,813 square feet.

As shown in the aerial exhibit plan below, the Property is approximately 108,900 square feet and is unimproved vacant land. It is zoned Business and Manufacturing Park (BMP), in the Eastside neighborhood.



### **Fee Simple**

**A** 59,724 SF

**B** 3,018 SF

### **Storm Drain Facilities Easement**

**C** 654 SF

### **Sanitary Sewer Easement**

**D** 135 SF

### **Non-Exclusive Access Easement**

**E** 19,674

### **Commerce Street (Vacated)**

**F** 52,535 SF

The proposed acquisition consists of:

- Fee Simple Acquisition 1: 59,724 square feet.
- Fee Simple Acquisition 2: 3,018 square feet.
- Storm Drain Facility Easement: 654 square feet.
- Sanitary Sewer Easement: 135 square feet.
- Permanent Non-Exclusive Access Easement: 19,674 square feet.
- The proposed vacated Commerce Street is 52,535 square feet, or 1.206 acres, and will be granted back to RCTC in fee simple as net area credit to City in the overall purchase price.

City staff obtained an independent third-party appraisal, which determined the total value of the acquisitions, including contractor construction work to secure the site post-construction with a 2,980 linear feet, 8-foot-high chain link fence, and two 8-foot x 10-foot chain link gates for a lump sum Just Compensation Value of \$1,283,000.

The Director of Public Works concurs with the proposed Purchase and Sale Agreement.

### **FISCAL IMPACT:**

The fiscal impact of the action is \$1,283,000 for the acquisitions and approximately \$45,000 for the cost of escrow, title, and related fees for a total of \$1,328,000. Sufficient funds are budgeted and available in the funds and accounts listed in Table 1 below.

**Table 1.** Available Project Budget

Fund	Project	Account	Amount
TUMF	Third Street Grade Separation Project	9990119-440315	\$1,320,092.30
Capital Outlay-Grants		9990128-440126	\$356,067.57
Total Available Budget			\$1,676,159.87

Prepared by:	Ron Duran, Real Property Agent
Approved by:	Jennifer A. Lilley, AICP, Community & Economic Development Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

Attachment:  
Purchase and Sale Agreement