



**PURCHASE AND SALE AGREEMENT WITH HI-REL REALTY LLC FOR THE SALE OF APPROXIMATELY 55,450 SQUARE FEET OF VACANT CITY-OWNED LAND AND A PORTION OF THE WATER QUALITY CONTROL PLANT, FOR THE SALES PRICE OF \$218,000**

Community & Economic Development Department

**City Council**  
October 3, 2023

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## BACKGROUND

1. Enacted in 1968, the Surplus Land Act requires all local agencies to prioritize affordable housing when disposing of surplus land.
2. In 2014, the City Council approved the Riverside Regional Water Quality Control Plant Phase 1 Rehabilitation and Expansion project to maintain regulatory compliance, ensure public health, and modernize the technologies and facility.



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## BACKGROUND

3. Also in 2014, the Surplus Land Act was amended to define what constitutes a qualified proposal, prioritize proposals to encourage the most units at the deepest affordability, and provide more realistic time frames to make and negotiate offers.
4. In 2019, with the adoption of Assembly Bill 1486 (AB 1486), the process for disposing of surplus property was changed requiring local public agencies to notify the State of all available surplus property for disposition for possible affordable housing development.
5. On January 10, 2022, City Council approved the surplus declaration and authorized the marketing and sale of the Property at fair market value per the City's Administrative Manual Section 08.003.00 for the Disposition and Sale of City-Owned Real Property.



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## DISCUSSION

1. Currently, the Public Works Department Wastewater Division is responsible for collecting and treating the wastewater within city limits.
2. The facilities consist of over 800 miles of gravity sewers, 9 wastewater lift stations, and the Riverside Regional Water Quality Control Plant (RWQCP).
3. An independent third-party appraiser concluded to a value of \$218,000 in its as-is condition.



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## SUBJECT PROPERTY

Subject Property:

1. Zoned BMP (Business and Manufacturing Park)
2. General Plan Designation: Public Facilities/Institutions.
3. Approximately 54,450 square feet
4. Portion of RWQCP



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## DISCUSSION

4. Staff reviewed the report and determined that the appraised value represents the current fair market value.
5. Hi-Rel Realty proposes to merge the subject site with the adjacent parcel for future expansion of 7575 Jurupa Avenue.
6. A 90-day escrow period in which the Buyer shall have 30 days to perform due diligence. There are no broker fees. The Buyer shall be responsible for obtaining any project development entitlements at its sole cost and expense. Buyer will pay for all costs associated with obtaining title and half of the escrow fees of this transaction.



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## STRATEGIC PLAN ALIGNMENT

### Priority No. 5 – High Performing Government

**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.

#### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability &  
Resiliency



Equity



Innovation



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## RECOMMENDATIONS

### That the City Council:

1. Approve the Purchase and Sale Agreement with Hi-Rel Realty, LLC, for vacant City-owned land, bearing Assessor's Parcel Number 163-300-018, a portion of the Water Quality Control Plant for the sales price of \$218,000; and
2. Authorize the City Manager, or designee, to execute the Agreement, including making minor and non-substantive changes, and to sign all documents necessary to complete the transaction.



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