



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 15, 2025**

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

SUBJECT: PURCHASE AND SALE AGREEMENT WITH COUNTY OF RIVERSIDE FOR STREET AND HIGHWAY EASEMENTS AND TEMPORARY CONSTRUCTION EASEMENTS, LOCATED AT 2580, 2570, 2544, 2530 THIRD STREET AND 3315 PARK AVENUE, FOR THE THIRD STREET GRADE SEPARATION PROJECT, FEDERAL AID NUMBER CML 5058(081), FOR THE PURCHASE PRICE OF \$413,000

ISSUE:

Approve the Purchase and Sale Agreement with County of Riverside for easements needed for the Third Street Grade Separation Project located at 2580, 2570, 2544, 2530 Third Street and 3315 Park Avenue, for two permanent Street and Highway Easements and two Temporary Construction Easements for a thirty-six (36) month duration. The total purchase price is \$413,000 funded under Federal Aid Number CML 5058(081).

RECOMMENDATIONS:

That the City Council:

1. Approve the Purchase and Sale Agreement (Attachment 1 – Agreement) with County of Riverside, a political subdivision of the State of California for \$413,000; 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 BNSF Railroad. 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 County of Riverside located at 2580, 2570, 2544, 2530 Third Street and 3315 Park Avenue, 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 of streets, curbs and sidewalks, and temporary construction use of the site.

As shown in the aerial below, the Property is approximately 121,966 square feet and is improved with industrial office buildings, landscaping, and onsite parking. It is zoned Business and Manufacturing Park in the Eastside neighborhood. The County of Riverside will remain as the property owner and their building and business operations will continue. Project requires the removal of some landscaping, relocation of trash enclosure and elimination of several parking spaces.



The proposed easements allow for:

- Two Street and Highway Easements encompassing a total area of approximately 6,174 square feet which are necessary to allow for the realignment of Third Street, enabling the construction of the proposed underpass;
- Two Temporary Construction Easements (TCE), encompassing a total area of approximately 5,742 square feet are required for a duration of thirty-six (36) months to

provide access to the designated working area for the construction of curb and gutter, sidewalk, staging areas for construction materials, and to facilitate the construction activities associated with the proposed reduction of the parking facility areas.

City staff obtained an independent third-party appraisal, which determined the total value of the permanent and temporary easement acquisition, including affected improvements and the cost to cure to be \$413,000.

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

FISCAL IMPACT:

The fiscal impact of the action is \$413,000 for the acquisition and approximately \$15,000 for the cost of escrow, title, and related fees for a total of \$428,000. Sufficient funds are budgeted and available in the Third Street Grade Separation Project in the funds and accounts listed in the table below.

Table 1. Available Budget

Fund	Project	Account	Amount
TUMF	Third Street Grade Separation Project	9990119-440315	\$1,677,804.09
Capital Outlay-Grants		9990128-440126	\$1,628,620.45
Total Available Budget			\$3,306,424.54

Prepared by:	Ron Duran, Real Property Agent
Approved by:	Jennifer A. Lilley, 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

Attachments:
Purchase and Sale Agreement
Presentation