



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 17, 2025

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

SUBJECT: PURCHASE AND SALE AGREEMENT WITH HELIX STREET, LLC FOR A STREET AND HIGHWAY EASEMENT, A SANITARY SEWER FACILITIES EASEMENT, AND A TEMPORARY ACCESS EASEMENT AND A TEMPORARY CONSTRUCTION EASEMENT, LOCATED AT 2262 THIRD STREET FOR THE THIRD STREET GRADE SEPARATION PROJECT, FEDERAL AID NUMBER CML 5058(081), FOR THE PURCHASE PRICE OF \$1,600,000 PLUS ESTIMATED FEES OF \$50,000

ISSUE:

Approve the Purchase and Sale Agreement with Helix Street, LLC for easements needed for the Third Street Grade Separation Project at 2262 Third Street. The agreement includes a Street and Highway Easement, a Sanitary Sewer Facilities Easement, a Temporary thirty-six (36) month Access Easement and a Temporary thirty-six (36) month Construction Easement. The total purchase price is \$1,600,000 million, plus approximately \$50,000 for cost of escrow, title, and related fees, for a total of \$1,650,000, funded under Federal Aid Number CML 5058(081).

RECOMMENDATIONS:

That the City Council:

1. Approve the Purchase and Sale Agreement (Attachment 1 – Agreement) with Helix Street, LLC for \$1,600,000 and estimated fees of \$50,000; 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 the construction and the rail realignment

and infrastructure improvements.

DISCUSSION:

The Purchase and Sale Agreement is with Helix Street, LLC located at 2262 Third Street, north 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 will allow for essential easements necessary for the execution of the Third Street Grade Separation and associated infrastructure improvement project by providing for the construction of streets, sidewalks, retaining wall(s), sanitary sewer facilities and a driveway.

As shown in the aerial below, the Property is approximately 59,242 square feet and is improved with an industrial office/warehouse building, landscaping, onsite parking, and storage area. It is zoned Business and Manufacturing Park in the Hunter Industrial Park neighborhood. Helix will remain as the property owner and their building and business operations will continue. Project requires the closing a driveway and elimination of several parking spaces



The proposed easements allow for:

- A Street and Highway Easement of approximately 5,996 square feet is necessary to allow for the realignment of Third Street, enabling the construction of the proposed underpass;
- Approximately 4,697 square feet of the property will be for a Sanitary Sewer Facilities Easement to accommodate the installation of sanitary sewer infrastructure to serve the project area; and
- A Temporary Construction Easement (TCE), encompassing a total area of approximately 19,489 square feet, and a Temporary Access Easement (TCA), covering approximately

20,853 square feet, are required for a duration of thirty-six (36) month to provide access to the designated working area for the construction of the sewer facilities, staging areas for construction materials, and to facilitate the construction activities associated with the proposed relocation of the driveway to the eastern portion of the property.

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 \$1,509,000.

Helix Street, LLC, the property owner, raised business operation concerns such as loading/unloading of equipment and delivery functions during construction. In an effort to address these concerns amicably and avoid potential litigation, an additional \$91,000, or approximately 6%, over the appraised value was offered. The Director of Public Works concurs with the proposed Purchase and Sale Agreement.

STRATEGIC PLAN ALIGNMENT:

This item reflects the Envision Riverside 2025 City Council Strategic Priority **6** – Infrastructure, Mobility & Connectivity, specifically **Goal 6.2** – Maintain, protect and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability and facilitate connectivity.

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The City is transparent and makes decisions based on sound policy, inclusive engagement, involvement of the City Boards and Commissions, and reliable information. Approving this Agreement shows that the City serves the public interest that benefits the City’s diverse populations and results in the greater public good.
2. **Equity** – The City supports the city’s racial, ethnic, religious, sexual orientation, identity, geographic, and other diversity attributes. Approving this Agreement shows that the City is committed to advancing fairness of treatment, recognition of rights, and equitable distribution of services, ensuring that every member of the community has equal access to share in the benefits of community progress.
3. **Fiscal Responsibility** – The City is a prudent steward of public funds. Approving this Agreement demonstrates responsible management of the City’s financial resources while providing quality public services to all.
4. **Innovation** – The City is inventive and timely in meeting the community’s changing needs. Approving this Agreement shows that the City prepares for the future through collaborative partnerships and adaptive processes.
5. **Sustainability & Resiliency** – The City is committed to meeting the needs of the present without compromising the needs of the future. Approving this Agreement ensures the City’s capacity to persevere, adapt, and grow during good and difficult times.

FISCAL IMPACT:

The fiscal impact of the action is \$1,600,000 for the acquisition and approximately \$50,000 for the cost of escrow, title, and related fees for a total of \$1,650,000. Sufficient funds are available in the Third Street Grade Separation Project, in the Transportation Uniform Mitigation Fee (account 9990119-440315) and the Congestion Mitigation and Air Quality (account 9990128-440126).

Prepared by:	Patricia Villa, 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

Attachment:
Purchase and Sale Agreement