



Staff Report

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**File #:** 23-0247

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 03/15/2023

**TO:** Honorable Mayor and City Council Members

**FROM:** City Manager's Office  
Legal and Risk Management

**SUBJECT:**  
AGREEMENT WITH SERFAS DEVELOPMENT, LLC AND 9 OTHER PROPERTY OWNERS FOR THE FUTURE DONATION, UPON THE SATISFACTION OF CERTAIN CONDITIONS, OF THAT REAL PROPERTY REPRESENTING THE PORTION OF THE FORMER MOUNTAIN VIEW GOLF COURSE LOCATED WITHIN THE CITY OF CORONA

**EXECUTIVE SUMMARY:**

This staff report asks the City Council to approve the attached proposed donation agreement with the owners of the former Mountain View Golf Course for a small portion of the former golf course that is located within the boundary of the City of Corona. The Mountain View Golf Course has not operated as a golf course for more than a decade, closing in about 2009. The property is vacant and has been the subject of prior and current development efforts. The Mountain View Golf Course owners, through their developer Oxbow Partners, are currently pursuing several development applications with the County of Riverside. They are willing to exclude the Corona portion of the Mountain View Golf Course from the development project - and thus they will not pursue any necessary development applications with the City of Corona - and instead donate the Corona portion of the property to the City if certain conditions are met within a ten (10) year period. The donation agreement attached hereto would authorize the donation to occur upon the successful and timely satisfaction of those conditions.

**RECOMMENDED ACTION:**

**That the City Council** approve the Real Property Donation Agreement with the owners of the Mountain View Golf Course.

**BACKGROUND & HISTORY:**

The Mountain View Golf Course ("MVGC") operated from the early 1960's until it closed in or about

2009. The now vacant property has been the subject of prior development efforts, often facing opposition from the surrounding residents and the City. MVGC is located mostly in unincorporated Riverside County, though a small portion of it is located within the boundary of the City of Corona ("Corona MVGC Property"). The City is the beneficiary of a Dedication of Construction and Development Rights recorded against the Corona portion of the Mountain View Golf Course on August 7, 1968 by R.A. Watt Company, which provides the City in its proprietary capacity with all construction and development rights on the Corona portion of the Mountain View Golf Course, excepting golf course, country club and other recreational purposes.

The MVGC is currently owned by a group of businesses, trusts and individuals ("Corona MVGC Owners") who, through their developer Oxbow Partners, are currently pursuing several development applications with the County of Riverside ("Development Project"). The current Development Project - The Trails at Corona - is being pursued by Oxbow Partners and it currently consists of the following development applications made to the County of Riverside:

1. General Plan Amendment No. 1174;
2. Change of Zone No. 1800014;
3. Specific Plan No. 397;
4. Tentative Tract Map Nos. 37501, 37502, 37503, and 37504;
5. Tentative Parcel Map No. 37519; and
6. Environmental Impact Report No. CEQ180053

Although the Development Project also currently contemplates the development of the Corona MVGC Property - by means of one or more future applications to the City which have not yet been made - with the approval of the attached Real Property Donation Agreement ("Donation Agreement"), the Corona MVGC Owners have committed to exclude the Corona MVGC Property from the Development Project and instead donate the property to the City if certain conditions are met within a ten (10) year period.

### **ANALYSIS:**

#### City Use of the Donated Property

The City is excited to receive the Corona MVGC Property, as it is planned to be used for trail connectivity and walking paths for the community, as outlined in the City of Corona Trails Master Plan Phase II. Further, this land will add a nice amenity to the community by providing a distinctive outdoor and natural open space to the City's inventory, as well as contribute to the City's overall goal of expanding the trail network. The receipt of this property will contribute 12.64 acres toward green space/natural park acreage within the community.

#### Conditions of Donation

The Donation Agreement provides that the Corona MVGC Owners will donate the Corona MVGC Property to the City if all of the following conditions occur:

1. The County approves the Development Project within 3 years;

2. After approval of the Development Project, either:
  - a) The entitlements for the Development Project don't lapse or expire; or
  - b) The Corona MVGC Owners obtain their first "vertical" building permit (e.g. "habitable structure") within 10 years of the effective date of the Donation Agreement.

The Donation Agreement - specifically through "Covenants of Acceptance" included as part of Exhibit "B" to the Grant Deed for the property (see Attachment 2 to this Report) - also provides that the City can use the Corona MVGC Property only for the following purposes:

The purposes of this Open Space Agreement are (a) to provide that the City and its successors will be required in perpetuity to preserve the Property in its Natural Condition (defined below) for the scenic enjoyment and outdoor recreation of the public; and (b) to prohibit the use of the Property in a manner that will impair or interfere with the conservation values of the Property (the "Purpose"). In furtherance of the foregoing Purpose, the City shall make the Property available to the public for scenic enjoyment and outdoor recreation; provided, however, that the City may impose limitations on public access, similar to other City park and recreational facilities, that may be necessary for public health and safety or conservation purposes. The City further agrees that in no event shall the Property be used for (i) any commercial purposes or activities; (ii) any mining, mineral extraction, oil or gas drilling; or (iii) the construction of any police station, school or other government building not directly related to and necessary for the preservation of the Natural Condition. Without limiting the generality of the foregoing, no commercial activity that is unrelated to the scenic enjoyment of the public shall be allowed on the Property, and no governmental activities other than those relating to the preservation and maintenance of the Natural Condition, and the public's enjoyment thereof, shall be permitted on the Property. The term "Natural Condition" shall mean a natural, undeveloped condition where any development or operations are consistent with its "open space" character (e.g. consistent with the City of Corona General Plan designation of "Parks and Open Space Recreational" as of the date the Open Space Agreement was approved) and designed to promote the natural state of the land, the scenic enjoyment thereof, and outdoor recreation. The Natural Condition shall not preclude the City from constructing public restrooms or other park or outdoor-recreation facilities.

### Conditions Not Satisfied

In entering into the Donation Agreement, it is important for the City Council and members of the public to understand that the Corona MVGC Property would not be donated to the City if any of the following things occur:

1. No Project Approval Within 3 Years. The Corona MVGC Owners can fail to get County approval of all 6 specific project approvals noted within 3 years;
2. Approvals Lapse or Expire. The Corona MVGC Owners can get the approvals and have them lapse or expire prior to obtaining their first "vertical" building permit for the Development Project;
3. Different Project is Built. The Corona MVGC Owners can decide to build something different on the site (including if state law changes to make more favorable certain housing development); or
4. No Vertical Building Permit Within 10 Years. The Corona MVGC Owners can make the decision, for economic or other reasons, to wait out the 10 years before ever obtaining their first "vertical" building permit for the Development Project.

If any of the conditions are not satisfied, the Donation Agreement expires. If, following its expiration, the Corona MVGC Owners - or their successors or assigns - decide to apply to the City to develop the Corona MVGC Property, the City in its proprietary capacity will then continue to enforce its rights under the Dedication of Construction and Development Rights recorded against the Corona MVGC Property. That should ensure that only a golf course, country club, or other recreational use is developed on the Corona MVGC Property without the City's proprietary consent.

**FINANCIAL IMPACT:**

It is anticipated that there will be fairly minimal due diligence expenditures prior to the close of escrow, including Phase I environmental analysis and title and escrow costs. The City Manager's Office has adequate budget to cover such expenses.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action simply approves an agreement for the possible future donation of real property to the City to be used for open space and recreation purposes, and there is no possibility that adopting this resolution will have a significant effect on the environment. Therefore, no environmental analysis is required at this time. Any future development, if the property is received by the City, will undergo further environmental analysis.

**PREPARED BY:** DEAN DERLETH, CITY ATTORNEY/LRM DIRECTOR

**REVIEWED BY:** JACOB ELLIS, CITY MANAGER

**Attachments:**

1. Exhibit 1 - Donation Agreement
2. Exhibit 2 - Grant Deed Exhibit - Covenants of Acceptance (Open Space Agreement)