



Legislation Text

File #: 19-0698, Version: 1

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 09/04/2019

TO: Honorable Mayor and City Council Members

FROM: Management Services-Economic Development

SUBJECT:

City Council consideration of a purchase and sale agreement with Corona Industrial Park, LLC for the sale of 76,066 square feet of excess right-of-way and down slope property along Lincoln Avenue; and authorization of a general fund revenue increase of \$95,100.

RECOMMENDED ACTION:

That the City Council:

1. Approve and authorize the City Manager to execute a Purchase and Sale Agreement with Corona Industrial Park, LLC and take all related actions for the sale of property for the appraised value of \$95,100 and the acceptance of an access easement over the property located 1138 West Rincon Avenue.
2. Authorize a General Fund estimate revenue increase of \$95,100.
3. Authorize the Assistant City Manager/Administrative Services Director to approve additional budgetary adjustments as needed for the disposition of the property.

ANALYSIS:

Upon acquiring property at 1138 West Rincon Avenue, commonly referred to as the former Dairy Farmers of America Cheese Plant, Corona Industrial Park, LLC (Developer) approached City staff with interest in purchasing approximately 1.81 acres of excess right-of-way and down slope property located east of their property along Lincoln Avenue ("City Property"). City Staff was open to the idea and commissioned an appraisal for the City Property in November of 2017 with a final revision made in July of 2018. The City property was valued at \$95,100.

The item was presented to the City Council in closed session on August 1, 2018, at which time direction was given to move forward with a purchase and sale agreement. To allow the sale of the property a portion of the right-of-way first had to be vacated. As such, Resolution No. 2019-046

ordering the summary vacation of a portion of the west side of Lincoln Avenue, south of Rincon street was adopted on June 19, 2019. This resulted in 33,893 square feet of excess right-of-way primarily consisting of downslope property. The City Property is currently underutilized with no foreseeable need in the future. The Developer intends to develop three Industrial buildings totaling approximately 731,000 square feet. The developer desires to acquire the City Property in order to construct an additional parking area to accommodate the development of additional leasable square footage. A lot line adjustment will be processed to add the City Property to the Developer's parcel.

City Staff recommends that the City Council approve and authorize the City Manager to execute the attached Purchase and Sale agreement with Corona Industrial Park, LLC within the following parameters:

- Sell the subject property for the appraised value of \$95,100 and pay 50% of all associated title, escrow and recording fees;
- Enter into escrow, and if necessary, extend escrow by mutual written consent as necessary to complete the transaction;
- Execute all related escrow documents, including the Grant Deed and Certificate of Acceptance;
- Accept access easement and execute all related documents, for the purposes of pedestrian and vehicular access, ingress and egress over portions of the property for utility maintenance.

COMMITTEE ACTION:

Not Applicable

STRATEGIC PLAN:

This item supports the City's Strategic Plan Goal 3B: Continue to work with local business to ensure their ability to grow and succeed in Corona.

FISCAL IMPACT:

Approval of the recommended actions will result in a General Fund estimated revenue increase of \$95,100.

GENERAL FUND	
Budget Workshop May 23, 2019 - Estimated Revenue Over Expenditures	\$ 152,247
Previously approved/revised budget adjustments (net)*	181,473
Current Revenue Over Expenditures	333,720
Sale of Property; Revenue Increase	95,100
Revised Estimated Revenue Over Expenditures	\$ 428,820
Estimated Budget Balancing Measures Reserve - 06/30/19	26,124,592
Estimated FY 2019-20 Change in Budget Balancing Measures Reserve	428,820
Estimated Budget Balancing Measures Reserve - 06/30/20	\$ 26,553,412
* Approved through Council Action or other operational process.	

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 general rule 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 merely approves the City's disposition of real property and any future development of the property will be subject to review under CEQA prior to development. Therefore, there is no possibility that approving this purchase and sale agreement will have a significant effect on the environment and no environmental analysis is required at this time.

PREPARED BY: RYAN CORTEZ, ECONOMIC DEVELOPMENT COORDINATOR

REVIEWED BY: TOM KOPER, P.E., ASSISTANT PUBLIC WORKS DIRECTOR

REVIEWED BY: JAMIE RAYMOND, CHIEF DEPUTY CITY ATTORNEY

REVIEWED BY: DEAN DERLETH, CITY ATTORNEY

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: MITCHELL LANSDELL, ACTING CITY MANAGER

Attachments:

1. MAI Appraisal
2. Purchase and Sale Agreement