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**WHEREAS**, on March 14, 2017, the City Council approved an Option to Purchase and Develop Site Agreement (“Option Agreement”) by and between the City of Rialto and Ayala@210LLC (“Developer”) for a commercial development anchored by Cracker Barrel, Sonic, and a major chain hotel situated on an 8-acre site situated east of Ayala Avenue and north of Renaissance Parkway/Easton Avenue (“Site”); and

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1       **WHEREAS** on January 23, 2018, the City Council approved Amendment #1 to the  
2 Construction Reimbursement Agreement by and between the City of Rialto and Ayala@210 LLC for  
3 a maximum reimbursement amount of \$4,080,227 for off-site improvements to Renaissance  
4 Parkway; and

5       **WHEREAS**, on March 27, 2018, the City Council authorized appropriation of \$1,342,000 to  
6 acquire the RSA Parcels in April 2018; and

7       **WHEREAS** On March 27, 2018, the City Council approved Parcel Map #19898 to  
8 subdivide the Site into six parcels for the proposed development per the Land Use Entitlements; and  
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10       **WHEREAS**, the Developer entered into purchase and sale agreements with Cracker Barrel  
11 and Sonic for two of the six parcels and has also entered into a purchase and sale agreement with a  
12 hotel investor for a third parcel; and

13       **WHEREAS**, the Developer prepared on-site improvement plans and received a proposal  
14 from a licensed contractor to construct the on-site improvements; and

15       **WHEREAS**, the original structure contemplated single parcel option takedowns when the  
16 Developer contracted with specifically approved users; and  
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18       **WHEREAS**, the City conditioned the Developer to improve the larger Site with the first  
19 parcel acquisition, making it difficult to obtain construction financing when the City would not  
20 subordinate its remaining land to the construction lender; and

21       **WHEREAS**, the City and Developer negotiated a revised transaction that conveys the Site to  
22 the Developer at no initial cost, with the ultimate purchase price secured by a first deed of trust and  
23 with the City providing construction financing for the horizontal site improvements; and

24       **WHEREAS**, because the Developer receives public funding for construction, and because  
25 the City offers the land at less than fair market value, the Developer must pay prevailing wages for  
26 the horizontal construction and the City factored that incremental cost into the terms of sale; and  
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1       **WHEREAS** the original Option Agreement established a sales price of \$3,805,000 for all six  
2 parcels. Staff proposes to reduce the base purchase price by the negotiated prevailing wage mark-up  
3 of \$505,000, reducing the aggregate price to \$3,300,000 (“Purchase Cost”); and

4       **WHEREAS**, the City prepared a Purchase and Sales Agreement (“Purchase and Sale  
5 Agreement”) between the City and the Developer, which the City conveys the six parcel to the  
6 Developer and the City will carry back a promissory note for the purchase amount that the  
7 Developer will pay the City at parcel sale to a third party; and

8       **WHEREAS**, the Purchase and Sales Agreement replaces the Option Agreement in its  
9 entirety; and

10       **WHEREAS**, the City prepared a Construction Loan Agreement, which the City provides  
11 funding to the Developer for on-site improvements and the Developer will repay the City through  
12 parcel sales; and

13       **WHEREAS**, the Purchase and Sale Agreement is entered into with the understanding that  
14 the final terms and conditions of any document to transfer the Site (or any portion thereof) to  
15 Purchaser and selection of users at the Site shall be subject to the discretionary approval by City; and

16       **WHEREAS**, the Construction Loan Agreement is entered into with the understanding that  
17 any loan provided by the City is for on-site improvements, on-site signs, permit fees, and consultant  
18 services and shall be subject to discretionary approval by the City; and

19       **WHEREAS**, an environmental impact report for the Renaissance Specific Plan which  
20 encompasses the Site was certified by the City Council on November 9, 2010 and a recirculated  
21 subsequent environmental impact report was certified by the City Council on December 13, 2016, all  
22 in accordance with the California Environmental Quality Act, California Public Resources Code  
23 Section 21000, et seq., and the implementing regulations set forth at Title 14 California Code of  
24 Regulations Section 15000, et seq. (collectively, “CEQA”); and

25       **WHEREAS**, On November 14, 2017, the City Council approved Resolution No. 7229  
26 approving Environmental Assessment Review No. 2017-0055 (“EAR”) for the proposed retail  
27 project known as Renaissance East. The EAR determined the proposed project will not result in any  
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1 new significant impacts that are not analyzed in the RSP EIR, nor will the project cause a substantial  
2 increase in the severity of any previously identified environmental impact. The potential impacts for  
3 the proposed Project are the same or less than those described in the RSP EIR. In addition, there are  
4 no substantial changes to the proposed Project that would result in new or more severe  
5 environmental impacts than previously addressed in the RSP EIR, nor has any new information  
6 regarding the potential for new or more severe significant environmental impacts been identified;  
7 and

8 **WHEREAS**, the SA Property was formerly the property of the Redevelopment Agency of  
9 the City of Rialto ("Former Agency"). The Former Agency was dissolved by virtue of the  
10 effectiveness of AB1x26 (Chapter 5, Statutes of 2011) which, as upheld and slightly modified by the  
11 California Supreme Court in a decision released on December 29, 2011, in the case of *California*  
12 *Redevelopment Association, et al. v. Matosantos* ("Matosantos"), dissolved the Former Agency by  
13 operation of law on February 1, 2012; and

14 **WHEREAS**, AB1x26, as modified by *Matosantos* and as amended by AB1484, is referred to  
15 in this Resolution as the "Dissolution Statute"; and

16 **WHEREAS**, as a result of the Dissolution Statute and actions taken in implementation  
17 thereof by the City in its capacity as successor agency to the Former Agency, disposition of certain  
18 assets of the Former Agency, including the SA Property, is subject to certain actions being taken by  
19 entities other than the City, including without limitation the Successor Agency; and

20 **WHEREAS**, the Purchaser acknowledges in the Agreement that the disposition of the Site  
21 under the Agreement is subject to transfer of title to the Site by the Successor Agency to the City or  
22 directly to the Purchaser, as further described in the Agreement; and

23 **WHEREAS**, the disposition of the Site to Purchaser pursuant to the Agreement will further  
24 the productive reuse of the Site; and

25 **WHEREAS**, in accordance with California Government Code Sections 52201 and 53083,  
26 the City held a noticed public hearing regarding the proposed Agreement; and  
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1       **WHEREAS**, the City prepared a report summarizing the details of the Agreement in  
2 accordance with Sections 52201 and 53083 of the California Government Code (the “Report”) and  
3 made such Report available for public inspection prior to the public hearing on the Agreement; and

4       **WHEREAS**, all actions required by all applicable law with respect to the proposed  
5 Agreement to be taken by City have been taken in an appropriate and timely manner; and

6       **WHEREAS**, the City Council has duly considered all terms and conditions of the proposed  
7 Agreement and believes that the redevelopment of the Site pursuant thereto is in the best interests of  
8 the City of Rialto and the health, safety, and welfare of its residents, and in accord with the public  
9 purposes and provisions of applicable state and local laws and requirements.

10       **NOW, THEREFORE, CITY COUNCIL OF THE CITY OF RIALTO DOES HEREBY**  
11 **FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

12       **Section 1.**     The foregoing recitals are true and correct and constitute a substantive part of  
13 this Resolution.

14       **Section 2.**     The City Council hereby finds and determines, based on all documentation,  
15 testimony and other evidence in the record before it, including without limitation the Report, that (a)  
16 the proposed sale and development of the Site pursuant to the terms of the Agreement provided to  
17 the City Council concurrently with this Resolution will assist in the creation of economic  
18 opportunity, as defined in California Government Code Sections 52201 and 53083 by providing for  
19 the development of the Site and operation thereof in accordance with the Agreement, as described in  
20 more detail in the Report, and generating jobs and sales tax revenues to the City; and (b) the  
21 consideration being paid to the City is not less than the fair market value (as defined in California  
22 Code of Civil Procedure Section 1263.320) of the Site, as determined by an independent appraiser.

23       **Section 3.**     The City Council hereby approves the Purchase and Sale Agreement (attached  
24 as Attachment 1) and the Construction Loan Agreement (attached as Attachment 2) (collectively  
25 both agreements known as “Agreements”). The Mayor and City Clerk are authorized to execute the  
26 Agreements with such revisions as the Mayor, City Attorney deem appropriate to further the City’s  
27 interests. The Economic Development Committee is authorized to approve uses for each parcel on  
28 behalf of the Grantor pursuant to Section 1.4.1 (“Use and Development Covenants) of the Grant

1 Deed as included in the Purchase and Sale Agreement. The City Administrator and his authorized  
2 designees are authorized to take such actions as may be necessary or appropriate to implement the  
3 Agreements, including executing further instruments and agreements, issuing warrants, and taking  
4 other appropriate actions to perform the obligations and exercise the rights of the City under the  
5 Agreements. A copy of the Agreements when executed shall be placed on file in the office of the  
6 City Clerk.

7 **Section 4** The City Clerk shall transmit a copy of this Resolution forthwith to the  
8 Successor Agency.

9 **Section 5.** The City Clerk shall certify to the adoption of this Resolution.  
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11 **PASSED, APPROVED AND ADOPTED** this 24th day of April, 2018.  
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14 DEBORAH ROBERTSON, Mayor  
15

16 ATTEST:  
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18 BARBARA McGEE, City Clerk  
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20 APPROVED AS TO FORM:  
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22 FRED GALANTE  
23 ALESHIRE & WYNDER, City Attorney  
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1 **STATE OF CALIFORNIA** )  
2 **COUNTY OF SAN BERNARDINO** ) ss  
3 **CITY OF RIALTO** )

4 I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing  
5 Resolution No.\_\_\_\_ was duly passed and adopted at a regular meeting of the City Council of the  
6 City of Rialto held on the 24<sup>th</sup> day of April, 2018.

7 Upon motion of Council Member \_\_\_\_\_, seconded by Council Member  
8 \_\_\_\_\_, the foregoing Resolution No. \_\_\_\_ was duly passed and adopted.

9 Vote on the motion:

10 AYES:

11 NOES:

12 ABSENT:

13  
14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of  
15 Rialto this \_\_\_\_ day of \_\_\_\_\_, 2018.

16 \_\_\_\_\_  
17 BARBARA MCGEE, CITY CLERK  
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**ATTACHMENT NO. 1**  
**PURCAHSE AND SALE AGREEMENT**



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**ATTACHMENT NO. 2**  
**CONSTRUCTION LOAN AGREEMENT**