



City of Rialto

Legislation Details (With Text)

File #: 16-463 **Version:** 1 **Name:** D.3
Type: Resolution **Status:** Agenda Ready
File created: 6/23/2016 **In control:** City Council Acting as the Successor Agency
On agenda: 7/12/2016 **Final action:**
Title: Request City Council, Acting as the Rialto Successor Agency to Adopt Resolution No. SA7-16 Approving Amendment #1 to the Purchase and Sale Agreement with PDC OC/IE LLC for three Successor Agency properties (APN 0240-221-02, 03 and 26).

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A - Site Map, 2. Exhibit B - Purchase and Sales Agreement, 3. Exhibit C - Resolution, 4. Exhibit D - First Amendment to PSA (I-210 IV Rialto) (002)

Date	Ver.	Action By	Action	Result
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For City Council Meeting and the City of Rialto, Acting as the Successor to the Redevelopment Agency [July 12, 2016]

TO: Honorable Mayor and City Council

APPROVAL: Michael Story, City Administrator

FROM: Robb Steel, Assistant CA/Development Services Director

Request City Council, Acting as the Rialto Successor Agency to Adopt **Resolution No. SA7-16** Approving Amendment #1 to the Purchase and Sale Agreement with PDC OC/IE LLC for three Successor Agency properties (APN 0240-221-02, 03 and 26).

BACKGROUND:

On April 28, 2015 the City Council, acting for the Successor Agency to the City of Rialto (“Successor Agency”), approved a Purchase and Sale Agreement (“Agreement”) between the Successor Agency and PDC OC/IE LLC, managed by Panattoni Development Company, Inc. (“Buyer”). The Agreement allows the Buyer to purchase 3 Successor Agency parcels (“Agency Parcels”) on the east side of Alder Avenue, north of Walnut Avenue (APN# 0240-221-02, 03 and 26). The Agency Parcels total 3.52 acres and the purchase price is \$1,203,648. Buyer intends to develop a 439,000 square foot warehouse. The site map is attached hereto as **Exhibit A**.

On April 16, 2015, the Oversight Board approved the Agreement and in May 2015, the California Department of Finance stated that it had no objections. The Agreement is attached hereto as **Exhibit B**.

The Agreement provided a contingency period of 270 days with two 90-day extensions at the Buyer’s discretion to close escrow (“Contingency Period”). The Buyer deposits \$10,000 with escrow for each

90-day extension.

On July 21, 2016, the Oversight Board will consider Amendment #1.

ANALYSIS/DISCUSSION:

The Agreement requires the Buyer to acquire all the parcels in the project area and obtain City of Rialto entitlement approvals prior to closing escrow. The Buyer has not yet assembled all of the parcels comprising the site. In addition, the Developer anticipates obtaining the entitlement approvals by October 2016.

The extended Contingency Period expires on July 21, 2016. The Developer requests a third extended contingency period until November 30, 2016 by depositing an additional \$10,000 in escrow. The Contingency Period extension allows the Buyer sufficient time to acquire the Site and obtain entitlement approvals, and close escrow. There are no other changes to the Agreement.

ENVIRONMENTAL IMPACT:

The action to amend the Purchase and Sale Agreement is an administrative activity of the City Council and Section 15378 of the California Environmental Quality Act (CEQA) does not define it as a Project. A 'Project' means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment

The Buyer submitted a development application for a warehouse project. The proposed development must comply with CEQA.

GENERAL PLAN CONSISTENCY

The City of Rialto has identified several goals and objectives within the City's recently adopted General Plan through which the City looks to improve the community.

Goal 3-1: Strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate.

Goal 3-3: Attract, expand, and retain commercial and industrial businesses to reduce blighted conditions and encourage job growth.

LEGAL REVIEW:

The City Attorney reviewed and approved the staff report, and Amendment #1 to the Purchase and Sale Agreement and Resolution.

FINANCIAL IMPACT:

All taxing entities will share in the land sales proceeds based upon their respective share of the general levy property tax. The Successor Agency will transmit the net sale proceeds of \$1,203,648 to the County Auditor/Controller's Office for disbursement to the various taxing agencies with the regular property tax payments.

RECOMMENDATION:

Staff recommends that the City Council Adopt Resolution No. SA - ____ (**Exhibit C**) to approve Amendment #1 (**Exhibit D**) to the Purchase and Sale Agreement and Joint Escrow Instructions by

and between the Rialto Successor Agency and PDC OC/IE LLC to extend the Contingency Period to November 30, 2016 related to the sale of Successor Agency parcel (APN 0240-221-02, 03 and 26).