



City of Rialto

Legislation Details (With Text)

File #: 20-0063 **Version:** 1 **Name:**
Type: Resolution **Status:** Adopted
File created: 12/23/2019 **In control:** City Council
On agenda: 1/14/2020 **Final action:** 1/14/2020
Title: Request City Council to Conduct a Public Hearing to consider an agreement for the Purchase and Sell of Real Property and Joint Escrow Instructions with Orbis Real Estate Partners, LLC and Adopt Resolution No. 7590 which approves the Agreement for the Purchase and Sale of Real Property and Joint Escrow Instructions for property generally located at the northeast corner of Laurel Avenue and Renaissance Parkway, and more particularly identified as Assessor's Parcel Number 0240-211-31, to Orbis Real Estate Partners, LLC.
(ACTION)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A - Resolution with Orbis PSA 12.17.19 FINAL.pdf, 2. Exhibit B - Location Map City Street PSA with Orbis.pdf, 3. Exhibit C - Appraisal.pdf

Date	Ver.	Action By	Action	Result
1/14/2020	1	City Council		

For City Council Meeting [January 14, 2020]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Manager

FROM: Matt Schneider, Community Development Director

Request City Council to Conduct a Public Hearing to consider an agreement for the Purchase and Sell of Real Property and Joint Escrow Instructions with Orbis Real Estate Partners, LLC and Adopt **Resolution No. 7590** which approves the Agreement for the Purchase and Sale of Real Property and Joint Escrow Instructions for property generally located at the northeast corner of Laurel Avenue and Renaissance Parkway, and more particularly identified as Assessor's Parcel Number 0240-211-31, to Orbis Real Estate Partners, LLC.

(ACTION)

BACKGROUND

On January 11, 2019 the City purchased a vacant parcel ("Site"), referred to as APN 0240-211-31, for \$2,000 through a tax lien sale from the San Bernardino County Tax Collector. The Site is approximately .31 acres in area, with dimensions of approximately 30' by 448' and was originally planned to be used for street right of way for the extension of Laurel Avenue north of Renaissance Parkway (Exhibit B).

The Successor Agency owns the adjacent 2.64 acre parcel to the east of the Site ("SA Parcel") and pursuant to the Long Range Property Management Plan the SA Parcel is to be sold. Orbis Real Estate Partners, LLC (Buyer) contacted the City indicating their interest in purchasing both the City's

Site and the SA Parcel. On December 10, 2019 the Successor Agency entered into a Purchase and Sale Agreement with the Buyer for the acquisition of the 2.64 acre SA Parcel. As part of the SA Parcel's transaction, an appraisal was done to determine the value of the larger property. The appraisal, attached as Exhibit C, was completed in August 2019 and the value of the SA Parcel was determined to be approximately \$21.95 per sq.ft. Applying this same value to the Site, a sales price of \$295,000 is calculated which the Buyer has agreed to.

The Buyer has also entered into a contract with a private owner for the purchase of the property to the east of the SA Parcel (APN 0240-211-23) which is also shown on Exhibit B.

ANALYSIS/DISCUSSION

The Buyer intends to develop an industrial warehouse facility of approximately 136,000 sq.ft. with parking, landscaping, lighting and other improvements typical of for this type of development.

The Agreement for the Purchase and Sale of Real Property and Joint Escrow Instructions ("Street PSA") is part of the attached Resolution (Exhibit A). The Street PSA provides a 12 month time frame for the Buyer to obtain approvals for all required environmental and site development applications, a zone/specific plan change, a street vacation (Laurel Avenue) and a parcel map to merge the 3 respective parcels which will result in a site consisting of approximately 6.54 acres. The Street PSA also requires the concurrent close of escrow for the SA Parcel.

Government Code Section 52201 requires a public hearing to be held anytime a City plans to take action on selling public property. Per the requirements of the Government Code, this item has been noticed as a public hearing in the newspaper and the Street PSA, along with a report that summarizes it, has been available for public inspection in the offices of the City Clerk beginning December 19, 2019.

ENVIRONMENTAL IMPACT

The proposed Street PSA is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), 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. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

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. The proposed action is consistent with the following goals and objectives contained in the General Plan:

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

Policy 3-1.2: Encourage a variety of businesses to locate in Rialto, including retail, high technology, professional services, clean industries, logistics-based businesses, and restaurants/entertainment uses to promote the development of a diversified local economy.

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

LEGAL REVIEW

Counsel from the City Attorney's office has prepared the Agreement for the Purchase and Sale of Real Property and Joint Escrow Instructions and has also reviewed and supports this staff report.

FINANCIAL IMPACT

Operating Budget Impact

There are minimal costs associated with the preparation of the Street PSA. The City will receive the net proceeds from the sale of the Site.

Capital Improvement Budget Impact

This action has no impact to the Capital Budget.

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution which approves the Agreement for the Purchase and Sale of Real Property and Joint Escrow Instructions.