



City of Rialto

Legislation Text

File #: 18-363, **Version:** 1

For City Council Meeting [April 24, 2018]

TO: Honorable Mayor and City Council

APPROVAL: Robb Steel, Interim City Administrator/Development Services Director

Request City Council to Approve Agreement for Conveyance of Real Property for the San Bernardino Avenue, Riverside Avenue and Willow Avenue Street and Storm Drain Improvements, City Project No. 13080 from SP Assets, LLC, a California Limited Liability Corporation in the amount of \$31,956.00.

BACKGROUND:

On July 14, 2015, the City Council approved Agreements for the Conveyance of Real Property for various properties for the San Bernardino Avenue, Riverside Avenue and Willow Avenue Street and Storm Drain Improvements (City Project No. 130801) for \$123,670.

ANALYSIS/DISCUSSION:

On September 16, 2014, the City Council in closed session established the fair market value for the required right-of-way for a portion of the vacant property located on the south side of San Bernardino Avenue, east of Lilac Avenue (APN 0254-021-34) in order to widen San Bernardino Avenue to two eastbound lanes including a curb along the property frontage.

The City negotiated with the property owner, Debt Commercial Properties ("DCP"), for the acquisition of 1,763 square feet of right of way with a total value of \$11,200.00 and a Temporary Construction Easement of 5,548 square feet for a rental fee of \$2,900.00. DCP accepted the City's offer and staff prepared an Agreement for Conveyance of Property.

On July 14, 2015, the City Council approved the Agreement for Conveyance of Property with DCP. However, on September 18, 2015, DCP transferred property ownership to Monte Vista Assets, Inc. ("MVA") without notifying the City. After discovering the transfer, staff redrafted the agreement in order to address this change of ownership.

On January 22, 2016, MVA transferred the property to SP Assets, LLC ("SPA") while also encumbering the property with a \$310,000 debt. In June 2016, SPA, the escrow company and the City's consultant, Dokken Engineering, were unable to resolve the complications created by this transaction.

In June 2017, the City completed work that included widening on San Bernardino Avenue adjacent to the property. On April 8, 2018, the City and SPA met and negotiated to pay SPA \$31,956.00 for the Right-of-Way acquisition and the Temporary Construction Easements as follows:

ACTION	From	To	Change
Right of Way Acquisition	\$11,200	\$21,156	\$9,956
Temporary Construction Easement	\$2,900	\$5,800	\$2,900
Reimbursement for Appraisal Costs	\$0.00	\$5,000	\$5,000
TOTAL COST	\$14,100	\$31,956	\$17,856

The reasons for the cost increases are as follows:

- 1) The Right of Way Acquisition increased from \$11,200 to \$21,156 (\$12 per square feet) due to increased property value from 2014.
- 2) The Temporary Construction Easement increased from \$2,900 to \$5,800 due to increased property value from 2014.
- 3) The City agreed to reimburse SPA for their costs of an appraisal report.

ENVIRONMENTAL IMPACT:

On July 15, 2008, the City Council adopted Resolution 5614 that certified an Environmental Impact Report ("EIR") for a new commercial retail center on 25 acres located on the south side of San Bernardino Avenue between Willow Avenue and Riverside Avenue. On June 10, 2014, City Council approved Resolution No. 6578 approving the Mitigated Negative Declaration and the Mitigation and Monitoring and Reporting Program for the San Bernardino Avenue, Riverside Avenue and Willow Avenue Improvements, City Project No. 130801. On June 12, 2014, the City filed the Notice of Determination with the County Clerk of the Board. The proposed development has now been completed and opened.

GENERAL PLAN CONSISTENCY:

Approval of this action complies with the following City of Rialto General Plan Goals and Policies:

Goal 3-6: Require that all developed areas within Rialto are adequately served with essential public services and infrastructure.

Policy 3-6.1: Coordinate all development proposals with other affected public entities to ensure the provision of adequate public facilities and infrastructure services.

Goal 3-7: Upgrade public infrastructure as an inducement to promote private investment.

Policy 3-7.1: Link redevelopment tools with the processes of community facilities district formation and other similar funds to improve roadway and utility systems in areas with the greatest need for upgrades.

Goal 4-1: Provide transportation improvements to reduce traffic congestion associated with regional and local trip increases.

Policy 4-1.1: Establish and maintain standards for a variety of street classifications to serve both local and regional traffic, including Major Arterial Highways, Major Arterials, Secondary Arterials, Collector Streets, and Local Streets.

Goal 5-2: Minimize the risk and damage from flood hazards.

LEGAL REVIEW:

The City Attorney reviewed and approved the staff report and agreement.

FINANCIAL IMPACT:

Operating Budget Impact

There is no impact to the Operating Budget.

Capital Budget Impact

Funds of \$31,956 are available in Account Number 250-500-4312-3001-130801 to pay SP Assets for the Right-of-Way, Temporary Construction Easement, and appraisal cost reimbursement.

RECOMMENDATION:

Staff recommends that the City Council approve the Agreement for Conveyance of Property and Right of Entry and Temporary Construction Easement (**Exhibit A**) with SP Assets, LLC in the amount of \$31,956.00 (APN 0254-021-34) for the San Bernardino Avenue, Riverside Avenue and Willow Avenue Street and Storm Drainage Improvements, City Project No. 130801.