



City of Rialto

Legislation Text

File #: 22-708, **Version:** 1

For: City Council Meeting [August 9, 2022]

TO: Honorable Mayor and City Council

APPROVAL: Marcus Fuller, City Manager

FROM: Kathy Brann, Economic Development Manager

Request the City Council of the City of Rialto to Adopt **Resolution No.7955** Declaring that Certain 3,000 Square Feet Commercial Parcel Located at 136 S. Riverside Avenue Identified by Assessor's Parcel Number 0130-241-30 as Surplus Land and Directing the City Manager to Follow the Procedures Set Forth in the Surplus Land Act, California Government Code Section 54220 et seq., as Amended on January 1, 2020, for the Sale of Surplus Land.

BACKGROUND

In 1999 the Redevelopment Agency of the City of Rialto, (the "RDA"), purchased the 2,400 square feet commercial building on a 3,000 square feet parcel located at 136 S. Riverside Avenue, identified by Assessor Parcel Number 0130-241-30, (the "Property"), as part of a contemplated City Hall expansion project and Metrolink pedestrian access. The Property is generally shown Figure 1 below. The street façade of the Property is provided in Figure 2 on the next page.



Figure 1



Figure 2

Pursuant to the dissolution of redevelopment agencies per Assembly Bill (“AB”) ABX1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, “Dissolution Act”), the City of Rialto (“City”) adopted Resolution No. 6057 on September 27, 2011, electing to serve as Successor Agency to the RDA (hereafter the “Successor Agency”).

In accordance with the Dissolution Act, the Successor Agency prepared a Long-Range Property Management Plan (the “LRPMP”) to identify all the assets held by the Successor Agency and their disposition in accordance with the Dissolution Act.

The Property was identified as “Project #2 - 136 S. Riverside Avenue” in the LRPMP and was designated as a property to be retained by the City for a governmental purpose pursuant to Section 34191.5(c)(2)(A) of the California Health and Safety Code.

On March 10, 2015, the California Department of Finance approved the Successor Agency’s LRPMP.

On August 13, 2015, the Successor Agency transferred the Property to the City of Rialto as its own property.

ANALYSIS/DISCUSSION

The City Council Approved Resolution **7913** on June 14, 2022, that the parcel was exempt from the Surplus Land Act and not necessary for the City's use, because the parcel is less than 5000 square feet in size. This exemption was only effective if the parcel was sold directly to the adjacent property owner. The direction by the City Council was to dispose of the parcel through a public auction process.

It is now necessary to declare the Property as surplus land in accordance with the provisions of California Government Code section 54220 et seq. ("Surplus Land Act"). Enacted in 1968 and amended in 2020, the Surplus Land Act requires all local agencies to prioritize affordable housing, as well as parks and open space, when disposing of surplus land. Before local agencies may dispose of surplus land, they are required to give notice to local public entities and organizations involved in affordable housing development. If a preferred entity expresses interest during the required sixty (60) day notice period, the parties must enter into good faith negotiations for a period of not less than ninety (90) days to determine a sales price or lease terms. In the event no affordable housing entity expresses interest, or if an interested entity and the City are unable to agree on price and terms, the City may then proceed to sell the property at auction.

Pursuant to the standard noticing provisions of the Surplus Land Act, a 60 days' written notice of availability of the availability of the Property must be provided to the following entities:

- Any local public entity, as defined in Section 50079 of the Health and Safety Code, within whose jurisdiction the surplus land is located.
- Housing sponsors, as defined by Section 50074 of the Health and Safety Code, that have notified the Department of Housing and Community Development of their interest in surplus land shall be sent a notice of availability of surplus land for the purpose of developing low- and moderate-income housing.

The City is also required to notify the following entities:

- To any park or recreation department of the county within which the land is situated.
- To any regional park authority having jurisdiction within the area in which the land is situated.
- To the State Resources Agency or any agency that may succeed to its powers.
- A written notice of availability of land suitable for school facilities construction or use by a school district for open-space purposes shall be sent to any school district in whose jurisdiction the land is located.

The City Manager will obtain two Broker Opinions to determine a value of the property, concurrent with the required noticing under the Surplus Land Act. If no interest notices are received during the 60-day period, the City Manager will then prepare a bid package to place the Property for auction at the highest bid with the minimum bid to correspond to the Broker Opinions market value. The existing building has been noted to be structurally deficient requiring seismic retrofit and other improvements, and the disposal of the Property will be in the "as-is" condition with buyers notified of the deficient condition of the building.

ENVIRONMENTAL IMPACT:

The sale of the Property as surplus is exempt from environmental review under the California

Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15312 (Surplus Government Property Sales).

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A of the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has reviewed and recommended approval of this staff report and resolution.

FINANCIAL IMPACT:

Operating Budget Impact

The City will realize increased revenue based on the net proceeds of the Property sold.

Capital Improvement Budget Impact

None.

RECOMMENDATION:

Staff recommends that the City Council adopt the proposed Resolution.