



City of Rialto

Legislation Text

File #: 22-892, **Version:** 1

For City Council Meeting [September 27, 2022]

TO: Honorable Mayor and Council

APPROVAL: Marcus Fuller, City Manager

FROM:

Request City Council to Authorize the City Manager to Negotiate and Execute a Final Miro Way Parcels Collective Disposition Agreement with Lewis-Hillwood Rialto, LLC Upon City Attorney Approval as to Form, and to Proceed with Issuance of Sealed Bid Auction Notices.

BACKGROUND

The disposition of the City and the Successor Agency collectively owned eight (8) parcels located on Miro Way west of Ayala Drive and east of Linden Avenue has been the subject of discussion for the City Council/Successor Agency Board at prior meetings. On April 26, 2022, the City Council/Successor Agency adopted Resolution No. 7860 to declare several parcels of land as Surplus Land. A copy of the related staff report is included as **Attachment 1**.

The City owns one approximately 3-acre parcel (APN 0264-211-15) located on the southeast corner of Linden Avenue and Miro Way (the "City Parcel"). The Successor Agency owns seven parcels (APNs 0264-212-12, -17, -30, -44, -45, -46, and -54) consisting of approximately 12 acres south of Miro Way and approximately 7-acres north of Miro Way (the "Agency Parcels"). Lewis-Hillwood Rialto, LLC ("LHR") holds an option over a 7-acre parcel ("Option Parcel") situated between the City Parcel and the Agency Parcels pursuant to a purchase and sale agreement with the City. The assemblage of parcels is identified in Figure 1.



The City Council/Successor Agency has directed Staff to proceed with disposition of these properties. LHR has indicated to City officials that it is agreeable to the concept of selling its Option Parcel together with the City Parcel and the Agency Parcels as a block with the intent of increasing the value of all of the parcels.

ANALYSIS/DISCUSSION

A draft Miro Way Collective Disposition Agreement (“Agreement”) has been prepared to identify the cooperation between the City and LHR in the disposition of the parcels as related to the Option Parcel; a copy is included as **Attachment 2**. However, the precise terms will need to be negotiated with LHR. Because of the City Council’s direction to expedite the sale of the City Parcel and the Agency Parcels, Staff is seeking authority to negotiate, execute, and implement a final Agreement. The basic terms that will be included in a final Agreement with LHR are:

- Sealed bid auction procedures to be implemented for the sale of the parcels;
- Agreement on the legal descriptions of the parcels;
- Allocation of costs of sale and distribution of net sale proceeds;
- Allowance for LHR to participate as a buyer in the sealed bid auction;
- Obligation of LHR to convey its Option Parcel to the highest bidder; and
- Obligation for the City and LHR to negotiate an amendment to the Development Agreement between them.

Upon its execution, the City Manager and City Attorney will then be able to prepare and disseminate the sealed bid auction notices and instructions and commence the auction process; and prepare disposition documents and agreements to present to the City Council for approval at its meeting of November 15, 2022.

Tentatively the sealed bid and auction date is Friday, December 16, 2022.

ENVIRONMENTAL IMPACT

The proposed action does not constitute a “project” as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(b) of the State CEQA Guidelines, a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY

The proposed action fulfills the following General Plan Goal and Policy related to Economic Development:

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

Policy 3-1.4: Encourage the consolidation of smaller lots of industrial and commercial areas to attract larger industrial businesses or commercial projects.

LEGAL REVIEW

The City Attorney has recommended approval of the staff report and draft Agreement.

FINANCIAL IMPACT

No impact at this time.

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to negotiate, execute, and implement a final Miro Way Parcels Collective Disposition Agreement with Lewis-Hillwood Rialto, LLC subject to City Attorney approval of the form of the Agreement.