

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Patrick Thomas, Director of Public Works/City Engineer

DATE: May 24, 2022

SUBJECT: Approve Purchase and Sale Agreement for Acquisition of Certain Property Interests on Assessor's Parcel Number 910-100-018 in Connection with I-15/French Valley Parkway Improvements – Phase II, PW16-01

PREPARED BY: Amer Attar, Engineering Manager
Kendra Hannah-Meistrell, Senior Civil Engineer

RECOMMENDATION: That the City Council take the following actions:

1. Adopt a resolution entitled:

RESOLUTION NO. 2022-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA APPROVING THAT CERTAIN PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS BETWEEN CITY OF TEMECULA AND LINDA D. HUDDLESTON, TRUSTEE, ROXANNA M. HODGES, TRUSTEE, SUSAN D. RENNO, TRUSTEE, FOURSQUARE FINANCIAL SOLUTIONS, INC., AND STEVEN WILLIAMS AND BRENDA JORDAN, SUCCESSOR CO-TRUSTEES IN CONNECTION WITH THE I-15/FRENCH VALLEY PARKWAY IMPROVEMENTS - PHASE II (PORTIONS OF APN 910-100-018)

2. Authorize the City Manager to approve and execute all necessary documents, including those in substantially the form attached to the agenda report, and take all necessary actions to effectuate the purchase of the approximate 11,516 square foot partial fee acquisition, the approximate 6,741 square foot temporary construction easement, and the approximate 6,901 square foot temporary construction easement on the real property located at the northwest corner of Elm Street and Jackson Avenue in Murrieta, California and identified as Assessor's Parcel Number 910-100-018.

BACKGROUND: The City of Temecula (City), in cooperation with the California Department of Transportation (Caltrans), seeks to construct the I-15/French Valley Parkway Improvements - Phase II (Phase II) to improve traffic congestion and improve operational efficiency within the limits of the I-15/French Valley Parkway Improvements Project. As part of Phase II, the City proposes to construct a two-lane northbound collector/distributor system along I-15 from the Winchester Road/I-15 interchange northerly on-ramps to just north of the I-15/I-215 junction with connectors to I-15 and I-215. The Phase II project requires the acquisition of privately-owned lands to accommodate the proposed public improvements.

On May 28, 2019, the City Council adopted Resolution No. 19-30 approving a Cooperative Agreement, Agreement 08-1667, with Caltrans for the design of Phase II. Pursuant to Agreement 08-1667, City is the implementing agency for right of way and is responsible for acquisition of the property interests needed for Phase II.

On May 11, 2021, the City Council adopted Resolution No. 2021-26 approving a Cooperative Agreement with the City of Murrieta which allows the City to acquire properties located in the City of Murrieta in connection with Phase II.

Linda D. Huddleston, Trustee, Roxanna M. Hodges, Trustee, Susan D. Renno, Trustee, Foursquare Financial Solutions, Inc., and Steven Williams and Brenda Jordon, Successor Co-Trustees (collectively “Seller”) are the record owners of that certain real property located on the northwest corner of Elm Street and Jackson Avenue in Murrieta, California and identified as Riverside County Tax Assessor’s Parcel Number 910-100-018 (“Larger Parcel”). The Larger Parcel is a vacant parcel which is encumbered by a utility and roadway easement along Jackson Avenue.

Phase II requires the acquisition of the following real property interests from the Larger Parcel (referred to below collectively as the “Subject Property Interests”) for public use, namely public street and highway purposes, retaining wall construction, drainage, public utilities, and all uses necessary or convenient thereto in connection with the City’s proposed construction of Phase II.

- (i) A fee interest in an approximate 11,516 square foot portion of the Larger Parcel.
- (ii) An approximate 6,741 square foot temporary construction easement on the Larger Parcel with a term of thirty-four (34) months to facilitate the City’s construction of Phase II.
- (iii) An approximate 6,901 square foot temporary construction easement on the Larger Parcel with a term of thirty-four (34) months to facilitate the City’s construction of Phase II.

Pursuant to Government Code Section 7267.2, on August 10, 2021, the City Council set just compensation for the Subject Property Interests at the fair market value as determined by the City’s independent appraiser based on a February 19, 2021 date of value. The City Council also

authorized the Director of Public Works/City Engineer to make offers and negotiate the acquisition of the Subject Property Interests.

On October 11, 2021, Overland, Pacific & Cutler (OPC), the City's acquisition consultant, extended, on behalf of the City, a written offer to Seller to purchase the Subject Property Interests at the fair market value established by the City's independent appraiser.

During the course of negotiations, the City learned that there was a pending action between Foursquare Financial Solutions, Inc. and Howard Omdahl in connection with the one-fourth recorded interest of Foursquare Financial Solutions, Inc. in the Larger Parcel. The Parties agreed that it would be necessary to wait for the issues in the pending action to be resolved to proceed with a Purchase and Sale Agreement for the Subject Property Interests. Accordingly, on February 22, 2022, the City Council adopted Resolution No. 2022-16 approving a Possession and Use Agreement with the property owners, to grant the City the irrevocable right to exclusive possession, use and occupancy of the Subject Property Interests.

The pending action has been resolved and Seller, OPC, and City staff negotiated the City's acquisition of the Subject Property Interests and have reached an agreement. The Purchase and Sale Agreement describes the details of the acquisition of the Subject Property Interests. The total purchase price for the Subject Property Interests is the negotiated amount of \$196,300, which is within the authorized negotiation amount.

The environmental effects of the acquisition of the Subject Property Interests were studied as an integral part of the Mitigated Negative Declaration approved for the I-15/French Valley Parkway Improvements Project. The findings made by the City Council at its meeting on February 23, 2010 in approving the Mitigated Negative Declaration are the appropriate findings for the acquisition of the Subject Property Interests. A re-validation of the Mitigated Negative Declaration was approved on July 9, 2021. In connection with the attached Agreement, City staff reviewed all environmental documents prepared in connection with the Phase II project, including, but not limited to, the re-validation of the Mitigated Negative Declaration, the Mitigated Negative Declaration, the initial environmental study, the mitigation monitoring program and agenda report related to the approval of the Mitigated Negative Declaration. Pursuant to the criteria of Section 15162 of the CEQA Guidelines and Section 21166 of the Public Resources Code, City staff concluded that no substantial changes have occurred in the Phase II project and that the City has obtained no new information of substantial importance that would require further environmental analysis. These environmental findings are the appropriate findings with respect to the proposed acquisition of the Subject Property Interests.

FISCAL IMPACT: The I-15/French Valley Parkway Improvements – Phase II project is identified in the City's Capital Improvement Program (CIP) Budget for Fiscal Years 2022-26. The project is funded with Measure S, TUMF (WRCOG), TUMF (CETAP/RCTC), SAFETEA-LU, STIP, and INFRA Grant. The City will pay \$196,300 for the City's purchase of the Subject

Property Interests plus all escrow-related costs, which are not expected to exceed \$10,000. Sufficient funds are available in the Project accounts.

ATTACHMENTS:

1. Resolution
2. Purchase and Sale Agreement with Exhibits
 - Exhibit “A” – Legal Description of Subject Fee Property
 - Exhibit “A-1” – Legal Description of 6,741 Square Foot Temporary Construction Easement
 - Exhibit “A-2” – Legal Description of 6,901 Square Foot Temporary Construction Easement
 - Exhibit “B” – Rough Depiction of 11,516 SF Subject Fee Area, 6,741 SF Temporary Construction Easement & 6,901 SF Temporary Construction Easement
 - Exhibit “C” – Form of Grant Deed
 - Exhibit “D” – Form of Temporary Construction Easement Deeds
3. Property Depiction
4. Project Description
5. Project Location