



## REQUEST FOR CITY COUNCIL ACTION

**MEETING DATE:**

August 1, 2018

**DEPARTMENT:**

City Attorney

**DIVISION:**

City Attorney

- ☐ Motion
- ☒ Resolution
- ☐ Ordinance - Introduction
- ☐ Ordinance - Adoption
- ☐ Public Hearing

**TITLE:**

Real Property Exchange, Settlement and Redevelopment Agreement: PMG Partnership, LLC

**SUMMARY RECOMMENDATION:**

Approve the terms of the Real Property Exchange, Settlement and Redevelopment Agreement (Agreement) and authorize the City Administrator to execute the Agreement and all documents attached as Exhibits to the Agreement on behalf of the City of Yuma.

**REPORT:**

In order to widen and reconstruct the 16<sup>th</sup> Street and 4<sup>th</sup> Avenue intersection (Intersection Improvements), the City of Yuma (City) filed an eminent domain action in Yuma County Superior Court seeking immediate possession and fee title ownership of three parcels of property owned by PMG Partnership, LLC (PMG). To resolve the eminent domain action and move forward with the redevelopment of the fractured remnant parcels after the Intersection Improvements, the parties have negotiated a Real Property Exchange, Settlement and Redevelopment Agreement.

The terms of the Agreement include the exchange from the City to PMG of a 26,232 SF parcel (from the former Compass Bank), the payment of \$1.3 million to PMG, City acquisition of the three parcels necessary for the Intersection Improvements, plus City acquisition of additional parcels from PMG to augment the remainder of the former Liquid Fuels site. Upon the close of escrow, the eminent domain action will be dismissed by stipulation, each of the parties (including PMG's mortgagee) to bear its own costs and expenses. This will satisfy all claims for damages and interest attributable to the condemnation.

For redevelopment of the fractured remnant parcels, the Agreement requires a joint lot tie/lot split to be prepared at PMG's sole cost and expense. This will create 4 new parcels from remnants – Parcel A, Parcel B, Parcel C, and Parcel D shown on Exhibit 5 to the Agreement. After recording the lot tie/lot split, PMG will deed all right title and interest it has in Parcel C to the City, thereby augmenting the former Liquid Fuels site, and in exchange, the City will deed all right, title and interest in Parcel B to PMG. The lot tie/lot split also includes reciprocal access and circulation easements between the newly created parcels with access from 16<sup>th</sup> Street, 4<sup>th</sup> Avenue, and 15<sup>th</sup> Street which is also shown on

## Exhibit 5.

In addition to the access and circulation easements, PMG will design, construct and install a storm water drainage and conveyance system on the entire redevelopment area which will drain storm water from Parcel A, Parcel B and Parcel C into the City's retention basin shown as Parcel D (the retention basin was one of the three parcels acquired from PMG through the eminent domain action). The City will grant a Drainage Easement accepting storm water from each of the three parcels. After installation of the stormwater conveyance system, PMG will relocate the driveways onto 4<sup>th</sup> Avenue and 15<sup>th</sup> Place, with curb, gutter and sidewalk to match the existing on 4<sup>th</sup> Avenue and 15<sup>th</sup> Street, pave the parking on Parcel A and circulation easement areas, and install lighting and landscaping on Parcel A.

The Agreement waives the cost of grading permits and plan review for the stormwater conveyance system and grading, the development fee deferral charge, and permits the installation of two (2) Pylon signs and sign easements which will be shared by the three parcels after the lot tie/lot split. The Pylon signs are depicted in Exhibit 15 to the Agreement. Additionally, the Agreement allows the installation of a building sign (Exhibit 16) and a Digital Wall sign depicted in Exhibit 19. Unless specifically agreed to otherwise, PMG shall pay all costs of the redevelopment contemplated in the Agreement, including design, engineering, preparing, developing, permitting, inspection and construction on the defined Redevelopment Property.

The Agreement results in two vacant, developable parcels at the crossroads of Yuma. The larger 47,867 square foot Parcel C (the augmented remainder of the Liquid Fuels site to the north) will be owned by the City, and the smaller 26,232 square foot remainder of the Compass Bank site (Parcel B) will be owned by PMG. Because Parcels A, B and C are in the 16<sup>th</sup> Street and 4<sup>th</sup> Avenue Redevelopment Area and Central Business District, provided that all statutory requirements are met, any redevelopment that increases the value of the parcels by the statutory amount would also be eligible for favorable tax treatment under the government property lease excise tax with abatement of the tax for the first eight (8) years after issuance of a certificate of occupancy. The Agreement also addresses the procedures to be followed if upon development, a government property lease is desired.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$0.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK:			
	1. 2. 3. 4. 5.			
ADDITIONAL INFORMATION	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?			
	<input type="radio"/> Department <input type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	Ron Corbin for Gregory K. Wilkinson		7/26/2018	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		7/26/2018	
	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
SIGNATURES	WRITTEN/SUBMITTED BY:		DATE:	