



# CITY COUNCIL AGENDA STATEMENT



March 23, 2021

File ID: ~~21-0032~~  
21-0086

## TITLE

ORDINANCE OF THE CITY OF CHULA VISTA AMENDING CHULA VISTA MUNICIPAL CODE SECTION 2.56 (PURCHASING SYSTEM) TO AUTHORIZE THE PUBLIC WORKS DIRECTOR OR CITY ENGINEER TO ACQUIRE INTERESTS IN REAL PROPERTY IN FURTHERANCE OF CAPITAL IMPROVEMENT PROJECTS (SECOND READING AND ADOPTION)

## RECOMMENDED ACTION

Council adopt the ordinance.

## SUMMARY

As part of the Sidewalk Gap Third Avenue (STL0426) project City staff is preparing sidewalk improvement plans for Third Avenue between Zenith Street and Orange Avenue. In order to construct the proposed improvements, additional right-of-way located at 276-294 Zenith Street, Chula Vista, CA (APN: 623-201-46) will be required for the project. The required additional right-of-way has been appraised and City staff has negotiated an easement purchase agreement with the property owner, SDCF Holdings Corporation. Staff recommends adopting the resolution to approve the easement purchase agreement.

The proposed ordinance would grant the City Engineer or Director of Public Works the authority to approve similar future real property agreements for CIP projects, subject to the limitations contained in the ordinance. Staff recommends placing the ordinance on first reading.

## ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities), Section 15303 class 3 (New Construction or Conversion of Small Structures), Section 15332 Class 32 (In-Fill Development Projects), and Section 15061(b)(3), because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Thus, no further environmental review is required.

## BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not Applicable

## **DISCUSSION**

### **Resolution Approving Easement Purchase Agreement**

The Sidewalk Gap Third Avenue (STL0426) project was approved as a part of the Fiscal Year 2018-2022 CIP. This project proposes to install missing sidewalks along Third Avenue between Zenith Street and Orange Avenue. The project location was identified as #3 priority in the Chula Vista Pedestrian Master Plan dated June 15, 2010. Construction of the proposed sidewalks requires acquisition of additional real property interests beyond the existing right-of-way limits.

The proposed additional real property is located at the corner of Third Avenue and Zenith Street. The acquisition area was appraised by Epic Land Solutions in August of 2019 in accordance with Federal requirements. The value of the permanent roadway easement was appraised at \$1,370. An offer package and purchase agreement were prepared by staff and delivered to SDCF Holdings Corporation for review and concurrence. The President of SDCF Holdings Corporation, Mr. Nolan Alegre, representing the interests of the corporation, agreed to the terms of the purchase agreement on April 4, 2020 (see attachment 1).

Staff recommends adopting the resolution to approve the easement purchase agreement.

### **Ordinance Authorizing Public Works Director or City Engineer to Acquire Interests in Real Property in Furtherance of CIP Projects**

CIP projects serve to enhance and maintain the City's infrastructure. To implement these enhancements in accordance with applicable City, State, and Federal requirements, and accepted engineering standards, the improvements must occasionally extend beyond the existing right-of-way limits. In such situations, like those described in the easement purchase agreement item above, City staff identifies the required additional real property interests, coordinates to have said real property interests appraised, and negotiates real property purchase agreements between the City and private property owners.

The proposed ordinance would authorize the Public Works Director or City Engineer to acquire property interests on behalf of the City, without City Council approval, if certain conditions have been met. The conditions are: (1) that a CIP project has been established for the construction, repair, operation, or maintenance of City facilities and funds are appropriated to that CIP budget, (2) that the CIP budget has sufficient funds for the purchase and the purchase will not materially affect the ability to complete the CIP project, (3) that the purchase price does not exceed \$100,000, and (4) that the purchase price does not exceed one hundred twenty-five percent (125%) of the appraised value of the interests to be acquired. If (1), (2), and (3) are satisfied but the proposed purchase price does exceed one hundred twenty-five percent (125%) of the appraised value of said interests, the City Manager can approve the purchase where doing so would be in the best interest of the City. In order to enhance the efficiency and flexibility of the City's procurement process for acquisitions of real property interests in furtherance of CIP Projects, staff recommends placing the proposed ordinance on first reading.

### **DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of

Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

**CURRENT-YEAR FISCAL IMPACT**

The proposed real property acquisition in the amount of \$1,370 will be funded by TransNet allocated to STL0426. There is no additional impact to the TransNet Fund.

**ONGOING FISCAL IMPACT**

Following approval of the purchase, routine maintenance activities will be extended to the additional public right-of-way.

**ATTACHMENTS**

Attachment 1 – Easement Purchase Agreement (APN: 623-201-46)

*Staff Contact: Tim Jones, Associate Engineer, Department of Engineering and Capital Projects*