

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Executive Office

330

SUBMITTAL DATE:
December 26, 2006

SUBJECT: Downtown Swap MOU among the County of Riverside, the City of Riverside and the Law Library

RECOMMENDED MOTION: That the Board of Supervisors approve the attached MOU among the County of Riverside, the City of Riverside and the Law Library.

BACKGROUND: On June 28, 2005 (Item 3.59a), the Board of Supervisors approved a memorandum of understanding (MOU) among the County of Riverside (County), the City of Riverside (City) and the Law Library (Library). That MOU laid out a framework for the exchange of property; the goal was to facilitate development in downtown Riverside that would be beneficial to all parties.

County and City have completed all preparatory steps necessary to complete the centerpiece exchange of property in the 2005 MOU, however Library has been unable to acquire property at the corner of Main and Tenth. This property is vital for Library's recommended relocation, so the Board of Supervisors agreed on 7/26/05 (Item 9.7) to acquire it thorough condemnation. This is a deliberate process that requires County Counsel to proceed carefully. A status conference with the judge assigned to the case is scheduled for 3/5/07 and a trial date is expected for October.

(continued)

Christopher Hans, Deputy CEO

Departmental Concurrence

FORM APPROVED
COUNTY COUNSEL

DEC 26 2006

FINANCIAL DATA	Current F.Y. Total Cost:	Up to \$ 233,333	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2006/07

SOURCE OF FUNDS: CIP Fund	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE.

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

Dep't Recomm.:
Per Exec. Ofc.:

RECEIVED
DEC 26 2006
1:10 PM '06

Prev. Agn. Ref.: | **District: 2** | **Agenda Number:**

3.3

December 26, 2006

Downtown Swap MOU among the County of Riverside, the City of Riverside and the Law Library

Because of the uncertainty inherent in any condemnation, the Law Library Board requests the kind of risk mitigation that can only be provided through a supplemental MOU. County, City and Library staff agreed on mutually-satisfactory terms. The main provisions in the proposed agreement are:

- Library will pay all costs for the condemnation property up to \$2.1 million
- County, City and Library equally split any additional cost – capped at \$700,000
- Rental income for Provident and the condemnation will go to Library
- Should County be unable to acquire the condemnation property, or if this agreement expires, City agrees to buy Provident for the greater of \$2.4 million or appraised value

Approving this action will allow the critical property exchange to be completed within weeks. The exchange is summarized below:

Jurisdiction	Property gained	Property given up
County	City Police	Provident Bank
City	Muni Court Parking	City Police
Library	Provident Bank	Muni Court Parking

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF RIVERSIDE, THE REDEVELOPMENT AGENCY OF
THE CITY OF RIVERSIDE, THE COUNTY OF RIVERSIDE AND THE
RIVERSIDE COUNTY BOARD OF LAW LIBRARY TRUSTEES**

This Memorandum of Understanding ("MOU") is made and entered into this 22nd day of January, 2007, by and between the City of Riverside, a California charter city and municipal corporation, hereinafter referred to as "City," the Redevelopment Agency of the City of Riverside, hereinafter referred to as "Agency", the County of Riverside, hereinafter referred to as "County", and the Riverside County Board of Law Library Trustees, hereinafter referred to as "Board", with respect to the following facts:

RECITALS

A. The County, the City, the Agency and the Board each own several parcels of land in Downtown Riverside, California and entered into a Memorandum of Understanding dated June 28, 2005 with respect to various properties situated in Downtown Riverside, hereinafter referred to as the "2005 MOU" and attached hereto as Exhibit "A".

B. The Parties desire the timely completion of the land exchanges outlined in the 2005 MOU.

C. The Parties agree and understand that the cost of the Zinke Property, described as "Parcel 6" in the 2005 MOU, cannot be determined with reasonable certainty.

D. The Board desires to set a range of options with respect to the acquisition costs for the Zinke Property, and the City, Agency and County are agreeable to allowing an acquisition cost contingency arrangement to be memorialized.

TERMS

1. TERM. This MOU shall terminate on August 31, 2011.
2. ACQUISITION COST. The term "acquisition costs" shall mean the amount of money paid to purchase the Zinke Property including legal fees, escrow and closing costs. The contribution of the Parties is contingent on the final acquisition costs paid for the Zinke Property as outlined below:

- a. \$2,100,000.00 or less: In the event the acquisition costs for the Zinke Property are equal to or less than Two Million One Hundred Thousand Dollars (\$2,100,000.00), the Board will pay all acquisition costs.
 - b. Between \$2,100,000.00 and \$2,800,000.00: In the event that acquisition cost for the Zinke Property are between Two Million One Hundred Thousand Dollars (\$2,100,000.00) and Two Million Eight Hundred Thousand Dollars (\$2,800,000.00), the County, the City and the Board will each pay an equal third of the amount exceeding Two Million One Hundred Thousand Dollars (\$2,100,000.00).
 - c. Greater than \$2,800,000.00: The County, the City and the Board will each pay an equal third of the amount exceeding Two Million One Hundred Thousand Dollars (\$2,100,000.00) up to Two Million Eight Hundred Thousand Dollars (\$2,800,000.00). If the total amount exceeds Two Million Eight Hundred Thousand Dollars (\$2,800,000.00), the Board will have the first option to pay the amount above Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) and acquire the Zinke Property. If the Board declines to exercise its option to pay the amount above Two Million Eight Hundred Thousand Dollars (\$2,800,000.00), the County will have the second option to pay the entire acquisition costs for the Zinke Property. City is not obligated to purchase the Zinke Property. If Board and County do not exercise the first or second option to purchase the Zinke Property, respectively, all parties' obligations are terminated with respect to the Zinke Property only.
3. EMINENT DOMAIN. The Parties acknowledge that the County has instituted a Complaint of Eminent Domain with respect to Zinke Property.
 4. RENTAL INCOME.
 - a. PROVIDENT BANK BUILDING. The Provident Bank Building, described as "Parcel 5" in the 2005 MOU, is currently owned by the County. The County agrees that all rental monies shall accrue to the benefit of and be paid to the Board upon the execution of this MOU and the "Downtown Riverside Exchange Agreement" for APN 215-092-008 between the County and the Board.

- b. ZINKE PROPERTY. All rental income from the Zinke Property shall accrue to the benefit of and be paid to the Board at such time as the County is entitled to receive such rental income whether by an Order of Immediate Possession, or as otherwise ordered by the Court in the eminent domain action, or by settlement between the County and the existing owners of the Zinke Property.
5. NO RESULTING ACQUISITION. In the event the County is unable to acquire the Zinke Property by the termination date of this MOU, the Board, at its sole option, may sell to, and the City shall purchase from the Board, the Provident Bank Building. City agrees to purchase Provident Bank for its appraised value at the time of sale, plus closing costs, however in no event for less than Two Million Four Hundred Thousand Dollars (\$2,400,000.00).
6. NOTICE. All notices required to be served hereunder shall be in writing and shall be delivered in person or by mail at the address set forth below:

City
City of Riverside
Development Department
Real Property Division
3900 Main Street
Riverside, CA 92522

Agency
Redevelopment Agency of the
City of Riverside
3900 Main Street
Riverside, CA 92522

Board
Law Library Board
Attn: Gayle Webb
3989 Lemon Street
Riverside, CA 92501

County
County Executive Office
Attn: Christopher Hans
4080 Lemon Street, 4th Floor
Riverside, CA 92501

7. SUCCESSORS AND ASSIGNS. It is mutually understood and agreed that this MOU shall be binding upon the City, the County, the Board and their respective successors. Neither, this MOU or any part hereof nor any monies due or to become due hereunder may be assigned without the prior consent of all Parties.

8. AUTHORITY TO EXECUTE. The individuals executing this MOU and the instruments referenced herein on behalf of their respective legal entity, respectively, each represent and warrant that they have the legal power, right and actual authority to bind their legal entity to the terms and conditions hereof and thereof.

9. GENERAL COMPLIANCE WITH LAWS. All Parties shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by their legal entity, or in any way affect the performance of services by their legal entity pursuant to this MOU. The Parties shall at all times observe and comply with all such laws, ordinances, regulations and shall be responsible for the compliance of their legal entity's services with all applicable laws, ordinances and regulations.

10. AMENDMENTS. This MOU may be amended or supplemented only by written documents signed by all parties.

11. VENUE. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this MOU shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

12. NONDISCRIMINATION. During City, County and Board's performance of this MOU, City, County and Board shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related hereto, marital status, sex or sexual orientation, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, City, County and Board agree to conform to the requirements of the Americans with Disabilities Act in the performance of this MOU.

13. SEVERABILITY. Each provision, term, condition, covenant and/or restriction, in whole or in part, in this MOU shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, in this MOU is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this MOU and shall not affect any other provision, term, condition, covenant and/or restriction of this MOU and the remainder of this MOU shall continue in full force and effect.

14. ENTIRE AGREEMENT. This MOU constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this MOU, and supersedes all prior and contemporaneous understandings or agreements of the parties. Neither party has been induced to enter into this MOU by, and neither party is relying on, any representation or warranty outside those expressly set forth in this MOU.

(Signatures on following page)

IN WITNESS WHEREOF, the parties hereto on the day and year first written above have executed this MOU:

CITY OF RIVERSIDE

COUNTY OF RIVERSIDE

By: 
City Manager

By: _____
Chairman
Board of Supervisors

Attest: 
City Clerk

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

APPROVED AS TO FORM:


Deputy City Attorney


~~Deputy~~ County Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF RIVERSIDE

BOARD OF LAW LIBRARY
TRUSTEES

By: 
Executive Director

By: _____
Chairman
Board of Trustees

Attest: 
~~City Clerk~~ Agency Secretary

APPROVED AS TO FORM:


Agency General Counsel

EXHIBIT "A"

1 MEMORANDUM OF UNDERSTANDING AMONG THE COUNTY OF RIVERSIDE,
2 THE CITY OF RIVERSIDE, THE CITY OF RIVERSIDE REDEVELOPMENT AGENCY
3 AND THE BOARD OF LAW LIBRARY TRUSTEES WITH RESPECT TO VARIOUS
4 ECONOMIC DEVELOPMENT ISSUES IN DOWNTOWN RIVERSIDE

4 THIS MEMORANDUM OF UNDERSTANDING, dated as of June 28, 2005, is
5 executed by the CITY OF RIVERSIDE ("City"), a municipal corporation organized and
6 existing under the laws of the State of California, the CITY OF RIVERSIDE
7 REDEVELOPMENT AGENCY ("Agency"), the COUNTY OF RIVERSIDE ("County"), a
8 political subdivision of the State of California, and the BOARD OF LAW LIBRARY
9 TRUSTEES ("Board") to set forth the parties' understandings relating to the following
10 matters.

11 **RECITALS**

12 A. The County, the City, and the Board each own several parcels of land in
13 Downtown Riverside, California and some parties intend to purchase additional parcels.

14 B. The County, City, Agency, and Board provide essential governmental and
15 quasi-governmental services in the Downtown Riverside area.

16 C. Due to changing demographics and community needs, each party is
17 reevaluating and updating its facility and parking requirements to improve the level and
18 quality of services it provides to the citizens of the City of Riverside and the County of
19 Riverside.

20 D. The County, City, Agency and Board are interested in exploring the
21 possibility of exchanging and selling certain parcels and buildings to achieve their
22 mutual goals of improving the quality of their services.

23 E. The County, City, Agency and Board desire to enter into this cooperative
24 MOU for the purpose of engaging in planning discussions with one another concerning
25 possible exchanges of real property and their effect on achieving mutual goals for
26 Downtown Riverside.

27 F. The purpose of this Memorandum of Understanding is to set forth the
28 agreed scope of planning discussion as framed by the points set forth below.

1 necessity has been properly adopted, lots and buildings on Main Street shown on
2 Attachment "A" as Parcel 6 using funds supplied by the Board.

3 2. The Agency, Board and County propose that the **City** do the following:

4 a. Coordinate with the Agency in the development of an office building
5 or office buildings on the property acquired from the County, shown on Attachment "A".

6 b. Convey the Police Department building and related property shown
7 on Attachment "A" to the County.

8 c. Exchange the County employee parking lot shown on Attachment
9 "A" as Parcel 3 located north of 9th Street and east of Lime Street from the County on
10 mutually acceptable terms. The County shall retain at no cost parking rights on this site
11 until such time that it is needed for redevelopment.

12 d. Relinquish 200 parking spaces to the County in the County Parking
13 Garage located at 3535 12th Street.

14 e. City, as easement holder, and County, as anticipated fee title
15 holder, agree to work cooperatively to adjust or eliminate the City alley and associated
16 easement and existing public infrastructure which affect the Law Library parking lot and
17 Municipal Court properties. Such reconfiguration may be required to redevelop the site.

18 f. Fund Sellers relocation and/or transaction costs tied to the County
19 purchase of Parcel 5, for development of a new law library facility in an amount not to
20 exceed \$100,000.

21 g. Cooperate with County in the relocation of voice and data lines and
22 duct banks from the Old Municipal Courts into nearby City streets.

23 3. Board, County and City propose that the **Agency** do the following:

24 a. Accept the property shown on Attachment "A" from the County in
25 exchange for the Police Department building and related property.

26 b. Coordinate with the County, City and Board in locating a new law
27 library facility.

28 4. The County, Agency and City propose that the **Board** do the following:

1 a. Accept Parcel 5 property from the County in exchange for the
2 complete Law Library parking lot property. Board acknowledges that the exchange
3 property received by Board may be encumbered with income producing leases with
4 considerable remaining lease terms and options to extend.

5 b. Fund the purchase and transaction costs for Parcel 6 for purchase
6 by County for the future Law Library shown on Attachment "A" as Parcel 6.

7 c. Re-let at \$1.00 per year any space presently leased by County on
8 the property identified as Parcel 6 and being held for the future Law Library. Offer
9 County a first right to lease of any space within the property identified as Parcel 5 under
10 the then current rates paid by the prior tenant.

11 d. Continue County's month-to-month lease of the Law Library
12 Parking Lot under present terms and conditions until such time that the proposed
13 exchanges can be implemented or are abandoned, not to exceed 3 years.

14 e. Coordinate with the County, City, and Agency in locating a new
15 Downtown Law Library facility.

16 **5. Miscellaneous Provisions.**

17 a. Demolition of existing buildings is a significant part of the proposed
18 activities. The City will fund the asbestos remediation, and demolition and engineered
19 fill of the basement area of the Old Municipal Court and the County will fund the
20 asbestos remediation, demolition and fill of the Riverside Police Station.

21 b. **Intent of the Parties.** In entering into this Memorandum of
22 Understanding, the parties are establishing the general policy framework upon which
23 each may proceed to plan and negotiate the terms of the actions proposed herein by
24 each of the parties. To the extent that any agreement contained herein would require
25 CEQA and/ formal board or council approvals or actions, such agreements shall not be
26 binding unless and until such approvals or actions occur in accordance with applicable
27 law, and then only in accordance with such approvals and actions. Nothing contained in
28 the memorandum shall bind or commit any public entity hereto, to acquire real property

1 by condemnation.

2 c. **Negotiation in Good Faith.** The parties hereto each acknowledge
3 that each party will, in reliance upon the execution of this Memorandum of
4 Understanding, undertake substantial effort and expenditure of funds to accomplish the
5 purposes described herein. Therefore, each party agrees to present a comprehensive
6 plan and project for approval and to negotiate in good faith and without unreasonable
7 delay.

8 d. **Assignment.** This Memorandum of Understanding is binding upon
9 and shall inure to the benefit of the parties, and their respective successors and
10 assigns.

11 e. **Authority to Execute.** Each person executing this Memorandum
12 of Understanding represents to the other signatories that he or she has the authority
13 necessary to execute this Memorandum of Understanding, and that no other consent or
14 approvals are required or necessary for this Memorandum of Understanding to be
15 binding.

16 f. **Further Documents.** The parties agree to execute any other
17 documents and to take such other and further action as may be reasonably necessary
18 to implement the understandings set forth herein. However, this consent shall not
19 extend to discretionary approvals that require the parties formal approval of the parties
20 governing boards.

21 g. **Duplicate Originals.** The parties may execute duplicate originals
22 of this Memorandum of Understanding or any other documents that they are required to
23 sign or furnish pursuant to this Memorandum of Understanding.

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1 IN WITNESS WHEREOF, the parties have executed this Memorandum of
2 Understanding to be effective on the day and year first above written.

3
4 COUNTY OF RIVERSIDE

CITY OF RIVERSIDE

5
6 By: Marion Ashley
7 Marion Ashley, Chairman
Board of Supervisors

By: Bradley J. Hudson 6-29-05
Bradley J. Hudson
City Manager

8 ATTEST:

ATTEST:

9
10 By: Nancy Romero
11 Nancy Romero
Clerk of the Board

By: Colleen J. Nicol
Colleen J. Nicol
City Clerk

12
13 BOARD OF LAW LIBRARY TRUSTEES

CITY OF RIVERSIDE

REDEVELOPMENT AGENCY

14
15 By: Michael J. Beck
16 Chairman
Board of Trustees

By: Bradley J. Hudson 6-29-05
Michael J. Beck Bradley J. Hudson
Executive Director

17
18
19 FORM APPROVED
COUNTY COUNSEL

JUN 22 2005

20
21 BY Joe S. Rao
22 ASSISTANT COUNTY COUNSEL

ATTEST:

By: Colleen J. Nicol
Colleen J. Nicol
Agency Secretary

APPROVE AS TO FORM:

23
24 For By: Gregory P. Priamos
Gregory P. Priamos
City Attorney/Agency General Counsel

25
26
27 By: Ronald O. Loveridge 6-29-05
Ronald O. Loveridge
Mayor

1 List of Parcels

2 Parcel 1: Old Municipal Court and Haymond Building site

3 Parcel 2: Riverside Police Department

4 Parcel 3: County Employee Parking Lot on Lime Street

5 Parcel 4: 200 Spaces in County Parking Structure

6 Parcel 5: Provident Bank Building

7 Parcel 6: Zinke Properties

8 Parcel 7: Law Library Parking Lot

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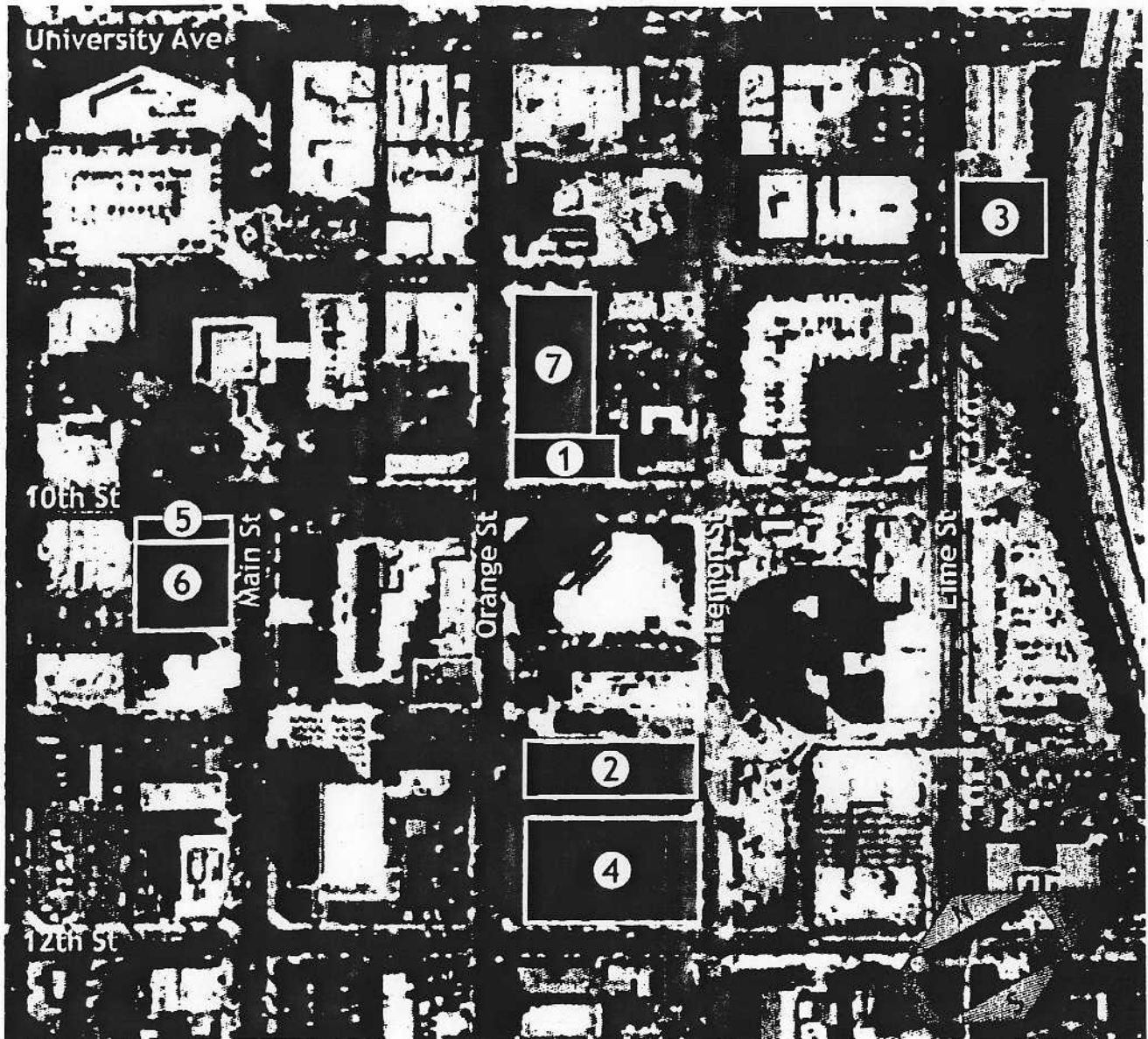
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ATTACHMENT "A"



LIST OF PARCELS

1	Old Municipal Court and Haymond Building Site
2	Riverside Police Department
3	County Employee Parking Lot on Lime St.
4	200 Space in County Parking Structure
5	Provident Bank Building
6	Zinke Properties
7	Law Library Parking Lot