



## Staff Report

**TO:** City Council  
**FROM:** Kyle Warsinski, Economic Development Manager  
**DATE:** July 19, 2022  
**SUBJECT:** **Resolution: Approving the Sale of Surplus Land (APNs 418-190-007, 418-140-028, 418-140-029, and Portions of 418-190-004 and 418-190-005)**

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### Background and Analysis:

The City of Beaumont owns property along Fourth Street, east of Beaumont Avenue/State Route 79, and is identified as Assessor's Parcel Numbers 418-190-006, 418-190-007, 418-140-028, 418-140-029, and portions of 418-190-004 and 418-190-005.

On December 7, 2021, the City Council approved a resolution declaring the properties listed in the Purchase and Sale Agreement as surplus land. On December 8, 2021, the City of Beaumont published a Notice of Availability in compliance with the Surplus Land Act. During the required 60-day notice period the City received no interest from affordable housing developers or other public agencies. On May 31, 2022, the City provided a Notice of Disposition to the State Department of Housing and Community Development (HCD). On a letter dated June 14, 2022, HCD approved the disposition of the properties and permits the sale of the properties in compliance with the Surplus Land Act (Attachment A). The Purchase and Sale Agreement contains a land use covenant which will be recorded on the land prior to the close of escrow consistent with the requirements of the Surplus Land Act.

The City Council authorized the City Manager to negotiate the sale of these properties to an interested buyer.

Section 3.03.020 of the Beaumont Municipal Code prescribes the process to dispose of real property. That section reads as follows:

*The duties of the Purchasing Officer shall include the disposition of real property in any lawful manner provided that the sale is for the common benefit of the City's citizens.*

*The City Planning Commission shall prepare a report that indicates that disposition of the property conforms with the General Plan. A formal declaration that the property is surplus shall not be required.*

On November 19, 2019, the Beaumont Planning Commission held a public hearing and voted to approve to receive and file the staff report indicating the disposition of the property is in conformance with the Beaumont General Plan.

### **Analysis:**

The subject site consists of approximately 2.15 acres of vacant commercial land. The property is zoned Community Commercial and is designated as Community Commercial in the General Plan. The property can also be seen in the following materials attached to this staff report:

- General Plan Land Use Map (Attachment B)
- Zoning Map (Attachment C)
- Aerial Photograph (Attachment D)

As described above, the duties of the Purchasing Officer shall include the disposition of real property in any lawful manner provided that the sale is for the common benefit of the City's citizens. The sale of the property to the interested developer shall serve multiple benefits to the citizens of the City.

The potential buyer, 5th Street Development, LLC desires to purchase, entitle, and develop the property into a retail and service commercial development. The project will provide a potential for eating, shopping and service outlets for Beaumont residents and travelers passing by on the Interstate 10 Highway. A commercial project at this location will have opportunity to generate sales and use taxes which are placed in the general fund to help pay for critical City services. The development of these properties will also generate property tax revenue.

The purchase and sale agreement were prepared based on completed negotiations between the City Manager and the buyer. Main deal points contained within the agreement are as follows:

- **Total Purchase price: \$1,211,150**
- Opening of escrow deposit: \$65,000
- 180 days investigation "due diligence" period

- Allowance for up to three (3) 30-day extensions to the investigation period. The buyer shall pay \$5,000 per extension

The property was appraised in September 2019. The buyers offer to purchase the property is at or above fair market value.

**Fiscal Impact:**

The proposed purchase and sale agreements would generate \$1,211,150 in unobligated revenue to the general fund. Staff estimates annual general fund revenues from the property to be \$30,000 to \$40,000, which includes revenue from property tax, in-lieu Vehicle License Fees (VLF), and sales and use taxes.

**Recommended Action:**

Waive the full reading and adopt by title only, "A Resolution of the City Council of the City of Beaumont, California, Approving the Sale of Surplus Land."

**Attachments:**

- A. HCD Approval to dispose letter
- B. 4<sup>th</sup> Street Properties – General Plan
- C. 4<sup>th</sup> Street Properties – Zoning Map
- D. Aerial 4<sup>th</sup> Street Properties
- E. Purchase and Sale Agreement
- F. Resolution – Approving the Sale of Surplus Land