



STAFF REPORT
7/27/2022

TO: Honorable Mayor and City Council Members

FROM: Carlos Campos, City Attorney

SUBJECT: Resolution No. 2022-81 approving an Agreement for Exchange of Real Property and Joint Escrow Instructions between the City of Coachella and Imperial Irrigation District to convey fee title of an approximately 3.37-acre electrical substation site located at 86-351 Avenue 52 (APN: 763-131-002) and convey a 30-foot public utility right-of-way over an abutting parcel (APN: 763-131-001), in exchange for an approximately 1.73-acre vacant parcel of land located at the southwest corner of 9th Street and Shady Lane (APN: 778-120-001).

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt the attached resolution and authorize the City Manager to execute the attached Agreement for Exchange of Real Property and Joint Escrow Instructions with Imperial Irrigation District, subject to final revisions as approved by the City Manager in consultation with the City Attorney.

BACKGROUND:

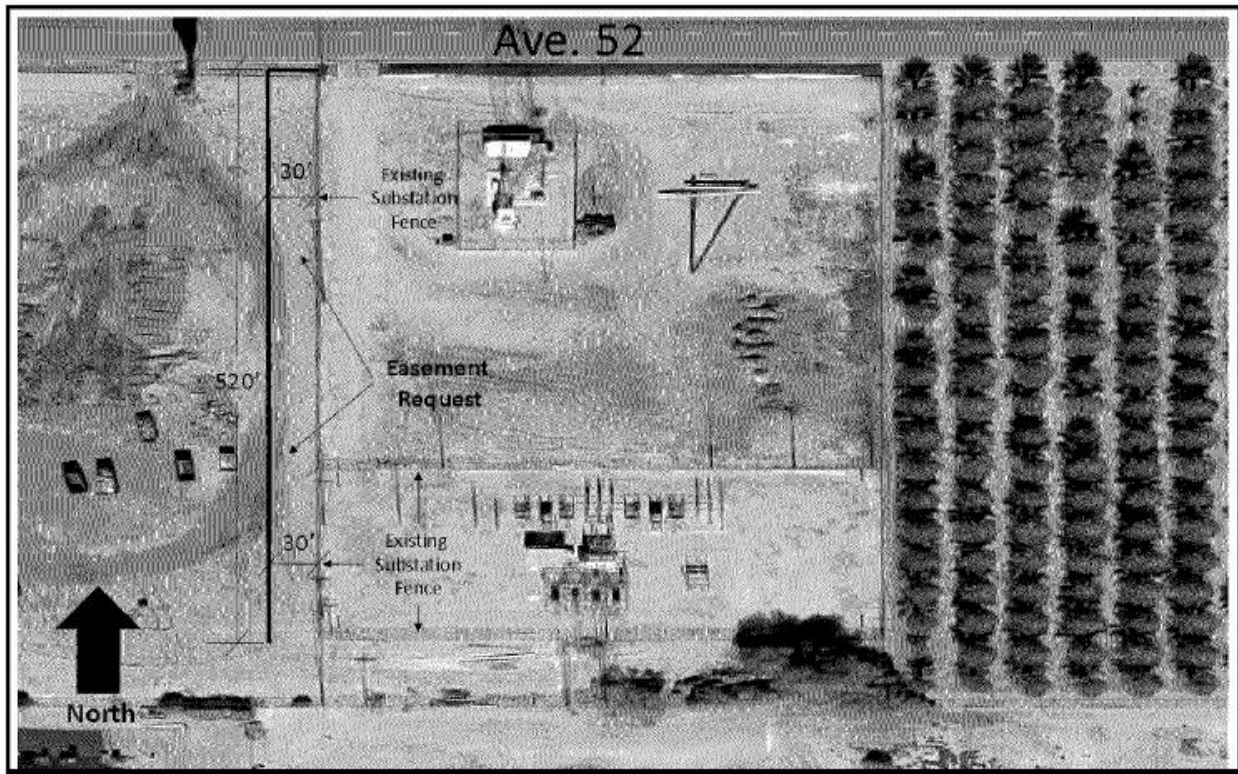
On February 13, 2019, the City Council previously approved Resolution 2019-06 authorizing the execution of an Agreement for the Exchange of Real Property (the "Agreement") among the City of Coachella, the Successor Agency to the Coachella Redevelopment Agency and Imperial Irrigation District ("IID"). This authorization is necessary to approve changes to the Agreement relating to the removal of the Successor Agency to the Coachella Redevelopment Agency (the "Successor Agency") as a party to the Agreement. The Successor Agency has previously conveyed the Avenue 52 electrical substation site City, and the City intends to acquire the abutting parcel (APN: 763-131-001) from the Successor Agency which will permit the granting of the 30-foot public utility right-of-way over the abutting parcel. Once the conveyance of the abutting parcel by the Successor Agency to the City has occurred, the Successor Agency will no longer have an ownership interest in either of the subject properties to be exchanged with IID, and accordingly the Successor Agency has been removed as being a party to the Agreement for Exchange of Real Property and Joint Escrow Instructions with Imperial Irrigation District.

DISCUSSION/ANALYSIS:

Avenue 52 Substation Parcel:

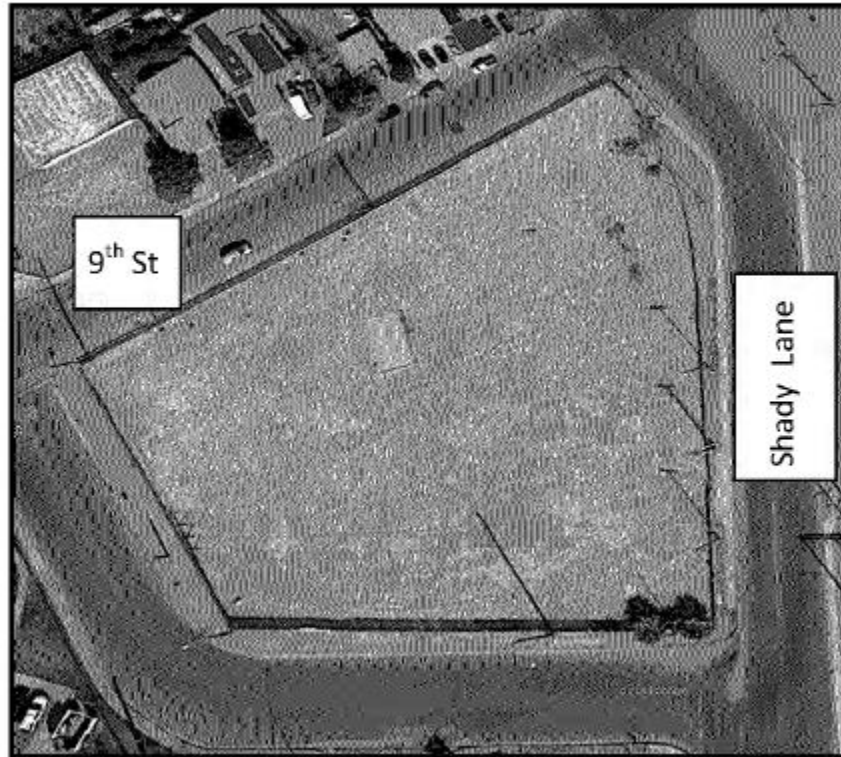
The City of Coachella owns an approximately 3.37-acre parcel that has a public utilities “right-of-way” easement over the entire parcel for electrical substation purposes, granted in 1984 to IID. City staff has agreed to convey fee title of this land to IID, in exchange for a vacant parcel of land located at the southeast corner of 9th Street and Shady Lane.

Additionally, contingent on the City’s acquiring title to the adjoining lot to the west of the Avenue 52 substation site, the City is granting a 30-foot public utilities right-of-way easement over the adjoining lot. An exhibit of the Avenue 52 substation site and the proposed 30-foot right-of-way are shown on the exhibit below.



Shady Lane Parcel:

In consideration of the exchange of the substation parcel and the requested 30-foot right-of-way over the adjacent parcel, City staff negotiated a land exchange with IID for a surplus vacant 1.73-acre parcel at the southwest corner of 9th Street and Shady Lane that was previously used as an outdoor storage yard. The exhibit below shows an aerial photo of the parcel.



The short-term use of the above property is suitable for a public park, or urban plaza use where public art can be displayed. The parcel is within the “Pueblo Viejo Revitalization Plan” area and has a long-term potential for high-density urban housing. However, because the site is unimproved and the parcel may require soils remediation for development of any habitable structures, staff finds that there is a public interest in obtaining title to this property for a public use in the short term. The goal is to create an “art walk” connector that would link the “Shady Lane Mural” to the south with the “Coachella Walls Murals” along 6th Street to the north. Accordingly, staff negotiated this “land exchange” with IID as part of the conveyance of the IID Substation site with the added 30-foot right-of-way. Title is to vest as “City of Coachella” for the acquired 1.73-acre parcel.

CONCLUSIONS AND RECOMMENDATION:

City staff recommends adoption of the attached Resolution No. 2022-81 authorizing the City Manager to execute the attached Agreement for the Exchange of Real Property with IID, and take all necessary actions to facilitate the exchange of real property, subject to final revisions as approved by the City Manager in consultation with the City Attorney. This includes joint escrow instructions between the City of Coachella and IID to convey title to a 3.37-acre electrical substation site located at 86-351 Avenue 52 (APN: 763-131-002) and a 30-foot public utility right-of-way over an abutting parcel (APN: 763-131-001) in exchange for a 1.73-acre vacant parcel of land located at the southwest corner of 9th Street and Shady Lane (APN: 778-120-001).

FISCAL IMPACT:

There are minor fiscal impacts associated with the proposed Agreement in that the City of Coachella will be required to pay for real estate title insurance for the land exchange. However,

the City will gain a land asset that could be used for a public park in the short term, and possible future multifamily residential uses.

Attachments: Resolution No. 2022-72

Agreement for the Exchange of Real Property