

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE
APPROVING A PURCHASE AND SALE AGREEMENT**

WHEREAS, on April 6, 2010, the City Council adopted a Housing Overlay Zone to accommodate the City 2014-2021 total RHNA allocation and AB 1233 carryover, the City has identified the Housing Opportunity overlay area to facilitate and encourage the development of residential uses; and

WHEREAS, the housing overlay serves as an opportunity to transform existing commercial/industrial sites into residential housing and other consistent supporting uses. Moreover, the City has been studying the Washington Boulevard corridor for economic development opportunities such as; housing, dining, mixed-use development, retail, and neighborhood services; and

WHEREAS, on October 2017, the City of Commerce engaged Eastside Development on the opportunity to purchase the property along Washington Boulevard for the opportunity to develop a project that would complement the Housing Overlay Zone. The City has been in negotiations and has come to an agreement with Eastside Development for the acquisition of real property (The Land) that consists of approximately 142,890 square feet (SF) of land and 18,000 SF of Class "C" industrial office building (approximately 3.7 acres). The properties are located at 5476, 5530, and 5600 Jillson Street (APN 6335-019-022, 6335-019-023, 6335-019-042, 6335-023-049, 6335-023-053, and 6335-023-054), 2500 S. Eastern Avenue (APN 6335-024-038, 6335-024-039, 6335-024-042, 6335-024-043, 6335-024-44, 6335-024-045, 6335-024-046, and 6335-024-048), and 5571 and 5611 E. Washington Boulevard (APN 6335-024-056 and 6335-023-048). The Land is currently zoned for commercial use; and

WHEREAS, the office building occupied by two existing tenants will remain occupied until the property is developed. California and Federal law provide that owners and tenants of property acquired by the City and used for public purposes may request relocation assistance.

WHEREAS, the City of Commerce completed the negotiation of a Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate. The Agreement is made contingent on the completion of a Phase 1 and the City's due diligence on ensuring that the property is free from environmental hazards. An appropriate environmental review and analysis will be required pursuant to the requirements of the California Environmental Quality Act ("CEQA") to analyze the potential environmental impacts of any proposed future project before it is considered by the City's Planning Commission and City Council.

WHEREAS, the purchase of the subject properties for \$10,500,000, will be paid with General Fund dollars. Said purchase is consistent with the results of the appraisal prepared by the City. Once the purchase has been finalized, the City intends to sell the property and recover the funds used for the purchase of subject properties.

WHEREAS, City staff has negotiated a Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate ("Purchase Agreement") whereby the City purchases approximately 3.7 acres of land from Eastside Development.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate for sale of 3.7 acres of land by Eastside Development to the City of Commerce is hereby approved in substantially the form attached hereto.

Section 2. The City Administrator is authorized to execute any and all documents necessary to implement the City's approval of the Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate.

PASSED, APPROVED and ADOPTED this 6th day of August 2018.

Hugo A. Argumedo
Mayor

ATTEST:

Lena Shumway
City Clerk