

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE
APPROVING THE PURCHASE AND SALE AGREEMENT AND ESCROW
INSTRUCTIONS BETWEEN THE COMMERCE REFUSE TO ENERGY AUTHORITY
(CREA), AND THE CITY OF COMMERCE, FOR PROPERTY LOCATED AT 5926
SOUTH SHEILA STREET, IN THE CITY OF COMMERCE, CALIFORNIA**

WHEREAS, For several years the City considered purchasing the property located at 5926 South Sheila Street, in the City of Commerce, and the facility contained thereon, if and when available for sale. In 2016 City staff discussed with CREA the City's desire to obtain a right of first offer and right of first refusal to purchase the subject property in the event of a sale. CREA staff agreed to support the grant to the City of a right of first refusal. The CREA Board of Directors also expressed its interest to work with the City first before other alternatives are considered. On January 5, 2016, the City Attorney prepared an agreement that set forth the terms and conditions for the City's right of first refusal to purchase the subject property; and

WHEREAS, After negotiations between the City of Commerce and CREA staff, both parties have come to an agreement to sell the subject property to the City of Commerce, at current market value and verified with an appraisal, for the lump sum of \$5,000,000. The price is below the independently appraised value and has been tentatively agreed to by CREA and the Sanitation District; and

WHEREAS, The purchase of the subject property will enable the City to relocate its Transportation Department to a new Transit Maintenance Facility (TMF) at the proposed CREA site that will meet the department's needs. The new facility will include maintenance service bays, vehicle storage, washing and fueling facilities, including electric vehicle charging stations for City vehicles in preparation of state fleet electrification mandates and administrative offices; and

WHEREAS, As the demand for public transportation has grown in the past 20 years, the City has increased its fleet size, and has exceeded the vehicle parking capacity at the existing Transit Maintenance Facility located at 5555 Jillson Street, in the City of Commerce. The City's fixed route service has grown more than 50% in the past 10 years in terms of revenue hours, revenue miles, and fleet size. As a result, the City's existing TMF is currently not meeting operational needs; and has exceeded its onsite parking capacity; and

WHEREAS, A new Transit Maintenance Facility at the proposed CREA site will enable the City to better serve its customers, residents, employees, visitors, and future transit riders. This real estate purchase and the subsequent creation of housing on the current transportation site would also work towards enhancing the City's vision for the Housing Opportunity overlay area which includes the transformation of existing commercial/industrial sites into residential housing within the Rosewood Neighborhood Planning Area; and

WHEREAS, An appropriate environmental review of the proposed developments and analysis will be required pursuant to the requirements of the California Environmental Quality Act ("CEQA") to analyze the potential environmental impacts of the proposed projects before they are considered by the City's Planning Commission and City Council.

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

Section 1. The Agreement of Purchase and Sale and Joint Escrow Instructions for the purchase of property located at 5926 South Sheila Street from the Commerce Refuse to Energy Authority (CREA), is hereby approved in substantially the form attached hereto.

Section 2. The City Manager is authorized to execute any and all documents necessary to implement the City's approval of the Agreements of Purchase and Sale and Joint Escrow Instructions.

PASSED, APPROVED and ADOPTED this 15th day of October 2019.

John Soria
Mayor

ATTEST:

Lena Shumway
City Clerk