



CITY OF POMONA

COUNCIL REPORT

September 9, 2019

To: Honorable Mayor and Members of the City Council

From: Linda C. Lowry, City Manager

Submitted By: Kirk Pelsner, Deputy City Manager

SUBJECT: ADOPTION OF A RESOLUTION APPROVING A LETTER OF UNDERSTANDING WITH UNION PACIFIC RAILROAD FOR THE ACQUISITION OF CERTAIN REAL PROPERTY IN POMONA, CALIFORNIA

RECOMMENDATION:

It is recommended that the City Council adopt the following resolution (Attachment 1):

RESOLUTION NO. 2019-147 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA APPROVING A LETTER OF UNDERSTANDING WITH UNION PACIFIC RAILROAD FOR THE ACQUISITION OF CERTAIN REAL PROPERTY IN POMONA, CALIFORNIA

EXECUTIVE SUMMARY:

As part of the City's future intent to construct a public parking garage on Vehicle Parking District Lot 10, a portion of land that functions as First Street needs incorporation into the site footprint of the proposed future garage project. Although First Street functions as a City street, Union Pacific Railroad (UP) has always owned the underlying fee title to the land. UP has agreed in principle to sell the needed 19,870 square foot segment of street to the City for nominal amount of \$104,317.50 (\$5.25 per square foot).

PUBLIC HEARING NOTICE:

A public hearing is not required for this action.

FISCAL IMPACT:

If the City ultimately proceeds with the anticipated acquisition, the purchase price of \$104,317.50 plus related escrow and title insurance costs of approximately \$4,000 will be funded by the "Downtown Parking Structures" CIP Project No.441-6725-XXXXX-73368.

BACKGROUND & DISCUSSION:

As part of the City's intent to construct a public parking garage on Vehicle Parking District Lot 10 (Lot 10) at some point in the future, a portion of land that functions as First Street needs incorporation into the site footprint of the garage project. Although First Street functions as a City street, Union Pacific Railroad (UP) has always owned the underlying fee title to the land. UP has agreed in principle to sell the needed

19,870 square foot segment (See Attachment 2) of street to the City for nominal amount of \$104,317.50 (\$5.25 per square foot).

The Lot 10 configuration is constrained by a north-south dimension of 90 feet. In order to construct an efficient parking garage, the north-south dimension needs to be at least 135 feet. The proposed acquisition from UP is for a 19,870 square foot piece with dimensions of 50.95 x 390 feet. This will allow for an overall north-south site dimension of 140.95 feet. At this time the City does not know the specifics of the design, size, orientation, etc, of the proposed garage but staff believes this land will be necessary for any potential development of a parking garage. Until such time as the City makes a final determination to move ahead with the proposed garage, there will be no change in use of this land.

The Letter of Understanding (LOU) with UP sets forth the terms of the sale such as price, escrow process, form of deed, etc. The LOU also provides the City, as Buyer, a 90-day feasibility review period to enter onto the property to conduct necessary environmental studies, soils tests, etc.

Environmental Review

CEQA applies when a public agency proposes to “approve” a project. (Pub. Resources Code, § 21080(a).) The term “approval” refers to a public agency decision that “commits the agency to a definite course of action in regard to a project.” (State CEQA Guidelines, § 15352(a).) Here, the LOU will convey the land from UP to the City but there will be no change in use as a result of this transaction and the acquisition does not commit the City to any definite course of action. The City still retains the discretion to purchase or not purchase the property, and to approve or not approve any future parking garage project on the property. Therefore, the LOU does not constitute a “project” for purposes of CEQA and no further environmental review at this time is required.

ATTACHMENTS:

1. Resolution No. 2019-147 with Exhibit A. Letter of Understanding between the City of Pomona and Union Pacific Railroad.
2. Map