



## Staff Report

**TO:** City Council  
**FROM:** Robert L. Vestal, Public Works Director  
**DATE:** November 19, 2024  
**SUBJECT:** Donation Agreement for 6.26 Acres of Real Property

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**Description** Donation Agreement between Lassen Development Partners, LLLP, and the City of Beaumont for 6.26 Acres of real property located in the County of Riverside (APN:424-010-007).

### **Background and Analysis:**

Phase II of the Potrero Interchange Project requires access control along the project limits of State Highway Route 60 (SR-60). Consequently, one connection point must be eliminated, which currently provides access to the Hall property (APN:424-010-019). The Hall property is not coincident with any other public right-of-way and eliminating the connection point would render the property landlocked. Refer to Figure 1 – Hall Property Access.

To prevent the property from being landlocked, the City must obtain an easement through a neighboring parcel to provide an alternative legal and physical means of access. RCTC and City staff have been working diligently to secure a feasible easement from neighboring properties. The two property owners adjacent to the Hall property, to the east, are not willing to grant an easement, and significant improvements would be required for the City to make the potential easement traversable. However, Lassen Development Partners, LLLP (Lassen), the property owners to the south of the Hall property, are willing to donate the property to the City. This donation would allow the City to grant an easement to the Hall property.

### **LASSEN PROPERTY**

Lassen is the owner of real property commonly referred to as APN: 424-010-007, totaling approximately 6.26 acres, located south of the Hall property, in the County of Riverside. The property is subject to a Settlement Agreement and Release between Sierra Club, Timoteo Land Investors, LLC, and Timoteo Lan Development. Refer to

Attachment B for Settlement Agreement. The Settlement Agreement has several terms which impact the property. One of which is as follows:

1. Developer agrees, in connection with seeking entitlements for development of APN no. 421-020-007 to use best efforts to persuade any approving agencies or regulatory entities that any open space or conservation requirements they may impose will be on the portion of that parcel located northerly of the Conservation Easement that the Developer is already granting related to Cooper's Creek and under the Streambed Alteration Agreement No. 1600-2012-0136-R6. In the event that no regulatory authority requires any open space or conservation requirements in connection with entitlements for development of APN no. 421-020-007, then Developer shall offer a perpetual Restrictive Covenant and/or Conservation Easement to, first, the entity, if any, that has accepted the land marked "23"; second, the Riverside Land Conservancy or other similar entity over this portion of the parcel; and, third, if such offer is not accepted, shall itself prepare and record a Perpetual Open Space and Land Conservation Covenant and Deed Restriction over this same portion of APN no. 421-020-007 marked "24" on Exhibit B. The Perpetual Open Space and Land Conservation Covenant and Deed Restriction shall reserve in perpetual open space and land conservation that area marked "24," while permitting as compatible uses environmental maintenance and monitoring (e.g. planting, invasive plant removal, litter removal), and a passive recreational trail or bike lane.

## **DONATION AGREEMENT**

A Donation Agreement was developed to identify the responsibilities of the City and Lassen. Refer to Attachment A for Donation Agreement. The following are significant terms of the Donation Agreement:

City agrees to complete those mitigation requirements applicable to the Property as required by the following agreements:

- The City hereby assumes the remaining obligations under the Settlement Agreement and Release dated as of April 2017 applicable to the Property, a copy of which has been delivered to the City on or prior to the Execution Date.
- The City hereby acknowledges and agrees to maintain MPLD II Inland Empire LLC ("MLPD") as its agent and representative for the satisfaction of the obligations set forth under Section 24 of the Release Agreement, and to

reimburse MPLD for 24% of all cost incurred by MPLD under Section 24 of the Release Agreement, and to pay invoices to MPLD within 30 days of receipt. City agrees that the 24% reimbursement amount is a reasonable portion of the amount incurred by MPLD under Section 24 related to the Property.

- The City hereby assumes the rights and obligations of the Developer under the Agency on or prior to the Execution Date and agrees to allow MLPD to continue to act as its Agent and Representative under such letter.
- The City hereby agrees to be the signatory and obligated party under the draft Conservation Easement currently drafted to be by and between Beaumont Crossroads Logistic II Park Association (“Beaumont Crossroads”) and the Developer, as Grantor, in favor of Rivers and Lands Conservancy (“RLC”), as Grantee, solely as it relates to the Property, a copy of which has been delivered to the City on or prior to the Execution Date, including assuming the obligations of the Developer as guarantor set forth therein. For the sake of clarity, City shall not assume the forgoing obligations applicable to the Retained Parcel identified as Assessor’s Parcel Number 424-010-008.
- The City hereby agrees to be the signatory and obligated party under the draft Endowment Management Agreement, currently drafted to be by and between Beaumont Crossroads, the Developer, and RLC, including assuming the obligations of the Developer to fund its portion of the Endowment Assessment pursuant to the Property Analysis Record (PAR) as shown in Exhibit C solely as it relates to the Property. For the sake of clarity, City shall not assume the forgoing obligations applicable to the Retained Parcel identified as Assessor’s Parcel Number 424-010-008.

Due to the project schedule and vulnerability of the project funding for Potrero Interchange – Phase II, RCTC and City staff are recommending City Council approve the Donation Agreement and subsequent obligations. The Donation Agreement has a 60-day feasibility period commencing on the date of the Donation Agreement.



Figure 1 - Hall Property Access

**Fiscal Impact:**

The estimated cost of this staff report is \$1,500.

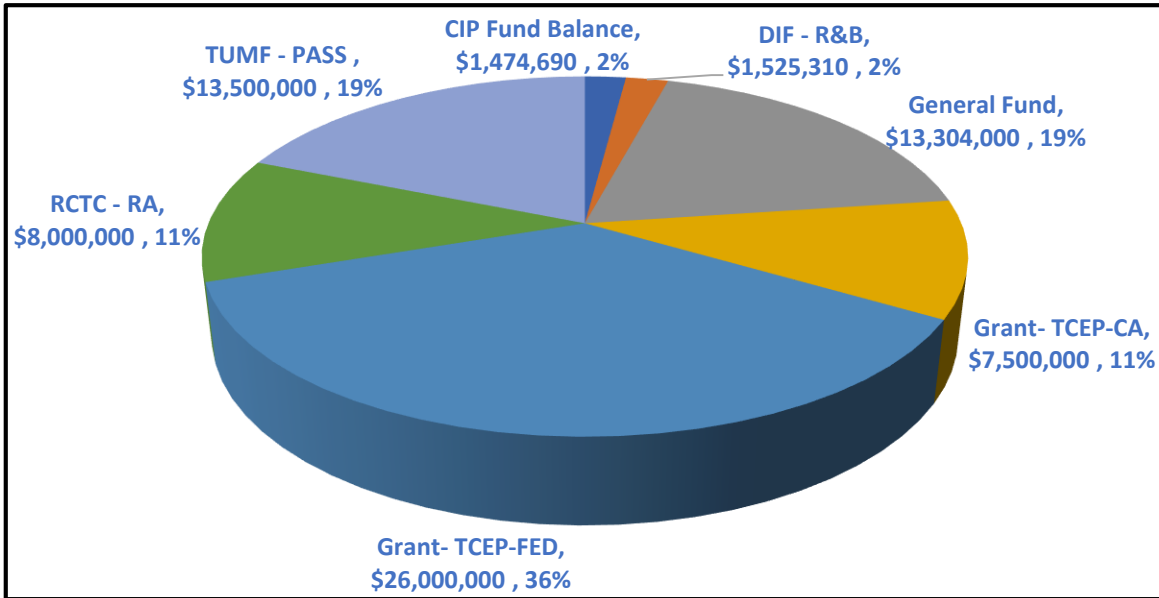
The value of the donated land is not known. City staff will need to obtain an appraisal report for financial statement purposes. The Finance Department has \$9,000 budgeted in 100-1225-7068-0000 for this service.

The Endowment Assessment pursuant to the Property Analysis Record is estimated to be \$200,000 and will be paid from the Potrero Interchange Project (CIP 2016-003).

The cost to develop and manage the Hazardous Materials Management Plan is estimated to be \$453,816 and will be paid from the Potrero Interchange Project (CIP 2016-003).

Please refer to the following project accounting chart and table for a summary of project funding and budget:

**Estimated Project Cost= \$71,304,000**



**CIP 2016-003 Potrero Phase II Project Budget Summary**

Project Component	Budget	Encumbered	Paid to Date	Remaining Budget
Project Management				
Preliminary Services				
Environmental				
Design	\$4,408,658	\$(3,245,390)	\$(845,492)	\$1,163,268
Permits				
Right-of-Way	\$1,340,972	\$(4,980)	\$(4,348)	\$1,335,992
Construction	\$55,441,370			\$55,441,370
Construction Management	\$10,113,000			\$10,113,000
Equipment				
<b>Total</b>	<b>\$71,304,000</b>	<b>\$(3,250,370)</b>	<b>\$(849,840)</b>	<b>\$68,053,630</b>

**Recommended Action:**

Authorize the City Manager to execute a Donation Agreement between Lassen Development Partners, LLLP, and the City of Beaumont for 6.26 Acres of real property located in the County of Riverside (APN:424-010-007).

**Attachments:**

- A. Donation Agreement
- B. Settlement Agreement