



# STAFF REPORT

## CITY OF YORBA LINDA

Administration Department

**DATE:** April 1, 2014

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** DAVID CHRISTIAN, ASSISTANT CITY MANAGER / FINANCE *DC*  
DIRECTOR

**SUBJECT:** STATUS REPORT REGARDING THE WEST BASTANCHURY SITE

### RECOMMENDATION

It is recommended that the City Council provide further direction to staff as to a preferred option or options for the development of the West Bastanchury Site property.

### BACKGROUND

Most recently at the January 21, 2014 City Council Meeting staff was directed to "bring back options regarding the West Bastanchury Site independent of the Capital Improvement Program Analysis". Just prior, during the November 5<sup>th</sup> City Council meeting it was announced that the previously scheduled November 12, 2013 City Council Workshop regarding the West Bastanchury Site was postponed in light of the C.I.P. and City financial analysis request. Per the January 21 meeting direction from City Council, staff has now begun working dual tracks again to 1) provide a current City financial analysis and 2) continue to explore the various options available for the development of the West Bastanchury Site.

Without delving back into the long and involved history of the property and previous projects associated with it, below is a brief outline that reminds us what the recent action and/or direction has been given by the City Council relative to furthering the West Bastanchury Site development determination.

1. On September 5, 2013 staff had an initial meeting with the representatives of Shell (SWEPI/Aera Energy) to discuss the possibility of lifting the land use restrictions pertaining to the Tank Farm and Main sites. They have indicated a willingness to lift (or discuss lifting) the restrictions in order to collaborate with the City to an outcome that is mutually beneficial for both parties. This may involve Shell buying back a portion or all of the Main Site and Tank Farm properties. There may also be the possibility of negotiating a price for lifting and/or amending the restrictions themselves on the properties.

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2. September 17, 2013 City Council approved a one-year time extension of the Conditional Use Permit (CUP) 2013-5205 and Design Review 2003-23 for the West Bastanchury Site related to the Main Site and Base Site.
3. Staff was also asked to explore the interest of the property owners of "Rocking T Ranch and Loma Vista Nursery" in selling their land at the corner of Lakeview Avenue and Bastanchury Road. It has since been determined that the Tice Trust Property, of which Rocking T Ranch is a lease, is in escrow to a housing developer. The owner of the land in which we commonly refer to as the Loma Vista Nursery property is not currently interested in selling the land at this time.

### DISCUSSION

The intent of this report is to: 1) provide an "as to date" status of the property, 2) offer potential future land use options; and 3) ask Council to provide direction to staff as to the preferred option(s) for determining future land use.

Recapping previous report information, the three (3) properties City Council is considering together total 40 acres and have the following site characteristics:

#### **1) BASE SITE:** – No Restrictions

- 13.5 acres
- Zoned RE (O) (Residential Estate with an Oil overlay)
- Most recently appraised at \$29.00 +/- per sq. ft. resulting in a land value of \$16,541,000

#### **2) MAIN SITE:** – \*Restrictions subject to the Option Site Agreement with Shell Western E & P Inc. (SWEPI/Aera Energy)

- 19.37 acres
- Zoned PD (Planned Development)
- Most recently appraised at \$23.50 +/- per sq. ft. resulting in a land value of \$19,921,000 (use restrictions not considered)

#### **3) TANK FARM SITE:** – \*Restrictions subject to the Option Site Agreement with Shell Western E & P Inc. (SWEPI/Aera Energy)

- 7.63 acres
- Zoned PD (Planned Development)
- Was not appraised. However, using the Main Site as a comparable reference at a rate of \$23.50 per square foot, we get an estimate a land value of \$7,810,510 (use restrictions not considered)

*\* USE RESTRICTIONS:* Specifically, the Option Site Agreement spells out the allowable "Public Uses" for the Main Site and Tank Farm Site. Though the Shell Specific Plan (PD zone) permits residential development at the Main Site and Tank Farm Site, the Option

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Site Agreement includes the fact that no development of housing can occur on these two parcel(s). The restrictions in the Option Agreement supersede the permitted residential development as identified in the Village Plan IV of the Specific Plan in that they were intended to be triggered upon the City exercising the option to acquire the property.

The most recent appraisal completed and on file was done September 12, 2012 on the Main Site and Base Site only and did not take into consideration the restrictions on the Main Site. Because the use restrictions were not factored into the appraisal, the figures mentioned above for both the Main Site and Tank Farm Site cannot be completely relied upon if those properties were to be sold or leased.

### **ANALYSIS**

#### **Current Environmental Status –**

The Public Works department is in the process of preparing a bid package for the immediate one-time and continuous annual maintenance of the West Bastanchury Site. The contract services that the City proposes to use for these maintenance activities will be paid for by the funds obtained under the settlement agreement with Friends Christian High School. The total amount we received was \$210,656. The estimated cost of the immediate maintenance is \$69,000 and will address weed abatement, slope repairs, debris removal, and debris basin restoration in order to stabilize the site to comply with NPDES requirements. The estimated cost of continuous annual maintenance is \$31,000 and will include inspection, weed abatement, fencing, and ongoing debris removal. Based on these estimates the settlement received will allow us approximately 4 ½ years of annual maintenance without the need to appropriate additional funds from the General Fund.

#### **Potential Options for Council to Consider –**

##### **A. Sell all or a portion of the site.**

- This could be accomplished through the issuance of a Request For Proposal (RFP).
- A single RFP could cover selling and/or leasing the site (Option B) should Council prefer to explore both options.
- The proceeds could be used to develop portions of West Bastanchury (if not completely sold) or applied elsewhere in the City.

##### **B. Lease all or a portion of the site.**

- This could be accomplished through the issuance of an RFP.
- Could be a separate RFP or combined with Option A.
- Would identify interested parties and proposed uses (of which we already have some – see below).
- Would create an annual revenue stream to either off-set operational costs or fund specific reserves.

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### C. Build City and/or community facilities on all or a portion of the site.

- Would have to conform to the use restrictions if on Main Site or Tank Farm Site.
- Does not have to commence immediately. Could be set aside for future development once funds are available (see Option D).

### D. Defer action and leave property in current state pending further analysis on any of the above options.

It should be noted that the City has received several inquiries of interest from various groups including the following:

- A local church who have proposed to build a new church facility along with athletic fields for the City to use.
- An organization who proposed to build and operate a private soccer complex.
- Multiple land brokerage firms.

## ALTERNATIVES

Reschedule the workshop that was cancelled in order to gain input from the community.

## FISCAL IMPACT

The estimated cost of continuous annual maintenance of the 40 acres is \$31,000 which includes inspection, weed abatement, fencing, and ongoing debris removal. Based on these estimates the settlement received from Friends Christian High School will allow us approximately 4½ years of annual maintenance without the need to appropriate additional funds from the General Fund.

Should Council wish to pursue an option that would require the use of a consultant, the current FY 2013/2014 operating budget includes an appropriation of \$25,000 in anticipation that there may be a need for such a consultant to assist in the West Bastanchury Property development process.

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Approved by:

Certified as to Fiscal Impacts:



for  
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David J. Christian  
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