



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** SEPTEMBER 18, 2018

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**SUBMITTED BY:** KENNETH A. DOMER, CITY MANAGER

**SUBJECT:** APPROVAL OF PROPERTY TRANSFER TO ORANGE COUNTY TRANSIT DISTRICT OF A PARCEL WITHIN THE FULLERTON TRANSPORTATION CENTER CURRENTLY UTILIZED AS THE ORANGE COUNTY TRANSPORTATION AUTHORITY BUS FACILITY

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### **SUMMARY**

On October 30, 2014, on behalf of the Orange County Transit District (OCTD), the Orange County Transit Authority (OCTA) notified the City of its intent to exercise its "Option to Purchase" from the Fullerton Successor Agency to the former Fullerton Redevelopment Agency (Agency) property currently serving as the Fullerton Bus Depot located at 123 South Pomona, Fullerton, California (Property). City Council, through Closed Session direction to the City Manager on February 6, 2018, authorized the City Manager to negotiate the transfer of the property to the District.

### **RECOMMENDATION**

Approve the Property Conveyance and Use Agreement between the City of Fullerton and the Orange County Transit District transferring the identified parcel for continued use as governmental/public purpose as a bus transit center, subject to the restrictions contained within the Agreement, and authorize the City Manager to make minor modifications to the Agreement so as long as the material and substantive terms and conditions are not modified, in order to effectuate the transfer.

### **PRIORITY POLICY STATEMENT**

- Infrastructure and City Assets.

### **FISCAL IMPACT**

No fiscal impact. Since the property is being transferred as a governmental/public purpose property for continued use as an Orange County Transportation Authority (OCTA) bus facility, there is no fiscal impact at this time and no additional reporting

required per the Long Range Property Management Plan as it is not being sold for economic development purposes.

## DISCUSSION

The Orange County Transit District (OCTD) entered into a Memorandum of Agreement (MOA) Affecting Interests in Real Property (MOA) dated July 30, 1979, with the Fullerton Redevelopment Agency to lease the subject Property. Pursuant to the MOA, OCTD constructed specified improvements on the Property for the Fullerton Transportation Center, which developed into a regional transportation asset with approximately 700,000 annual bus boardings and as a transfer facility to the Fullerton Metrolink commuter train station.

Pursuant to the MOA, the lease terminated on January 1, 2015. The existing MOA included an "Option to Purchase" provision which the State Department of Finance (DOF) considered an "existing obligation." At the time, City staff concurred that OCTA exercising its purchase option to "tie up" the property until such time as the Agency would be allowed to execute a new lease with OCTD as the best option to secure the community benefit provided by retaining the bus depot operations on the property. City staff explained that until the Agency received its LRPMP approval from the DOF and then secured the required compensation agreements with each of the taxing agencies, the Agency would be prohibited by DOF from entering into a new lease and/or completing a transaction for the sale of the property.

The Agency received final DOF approval of its LRPMP on December 22, 2015, and recently the City received word of the last, approved required taxing entity compensation agreement. As such, the Agency is authorized to transfer the subject property (and all of the remaining Successor Agency owned properties) to the City and/or sell/lease properties to a third party. Those properties classified in the LRPMP as being for an "economic development" use are still subject to the requirement of distributing the sales proceeds to the taxing entities as specified in the compensation agreements. However, properties transferred to the City or to another governmental entity for continued use as a governmental/public purpose, such as the current bus facility, are not subject to that requirement and can be transferred versus sold.

As structured, the Property Conveyance and Use Agreement stipulates the site shall be used for a public bus terminal, with bus pads, driveways, and associated lighting and landscaping thereon, and for the provision of public parking, and for no other purpose. The site shall be open to the public and provide bus service every day of the week on a schedule that is reasonable and standard for the provision of public bus services in Orange County, California. OCTA may augment uses as long as public bus services may continue to operate for the benefit of the public. In the event that OCTA makes a decision to not utilize the parcel as a bus facility or to move the use to another parcel elsewhere in the Fullerton Transportation Center (FTC), the property would revert to the City.

City Staff is re-checking all tract maps and assessor parcel maps to assure that the subject property is currently recorded as is proposed to be exchanged (see Attachment 2). If not, Staff will conduct the necessary lot line adjustments and recordings prior to the actual transfer. Additionally, since there is no exchange of funds, the proceedings of

escrow have been jointly agreed to be dispensed with so upon execution of the approved documents, the property will be transferred immediately.

Attachments:

- Attachment 1: Property Conveyance and Use Agreement
- Attachment 2: Tract Map 82-454 – Parcel 4 “site map”