



City Council Staff Report

Subject: Purchase and Sale Agreement for Successor Agency-owned Property at 5255 Pacific Street (APN 010-170-026)

Date: January 23, 2024

Submitted By: Sherri Conway

Department: City Manager's Office

Recommendation:

Adopt a Resolution of the Successor Agency of the City of Rocklin Approving a Purchase and Sale Agreement for the Sale of Former Redevelopment Agency Property.

Background:

The City of Rocklin Redevelopment Agency owned a parcel at 5255 Pacific Street, totaling approximately 3.0 acres (130,680 square feet), identified as Assessor's Parcel Number (APN) 010-170-026. The property is also referred to as the Big Gun site. Following the dissolution of the Redevelopment Agency in 2012, the subject parcel is now owned by the Successor Agency to the Redevelopment Agency to the City of Rocklin (Successor Agency). The sale or disposition of property is regulated by a Long-Range Property Management Plan (LRPMP), which is approved by the Placer County Oversight Board to ensure the transaction is consistent with the LRPMP and to ensure the fair compensation is being received for the property.

Having satisfied the requirements the Surplus Land Act, the Successor Agency is permitted to proceed with the sale of the property. The City had an appraisal report completed on this property in May 2023 and the appraised value was found to be \$950,000. In August 2023, the City, as Agent to the Successor Agency, executed an Exclusive Sale Listing Agreement with Capitol Rivers Commercial, Inc. In September 2023, the City received a draft Letter of Intent (LOI) from G3 Concepts (Buyer) expressing an interest in purchasing the property.

G3 Concepts develops both Commercial and Multifamily projects, including the San Luis Obispo Public Market, which they currently own and operate with over 20 diverse business types. Their concept for the Big Gun site is the "Rocklin Public Market", an innovative project designed to create a hub where people can eat, drink, play, and gather. As proposed, the centerpiece of the project is a two-story, 6,000- 8,000 square foot public market building, featuring food and beverage vendors on the first floor, with an open area on the second floor for events and overflow seating. A second, stand-alone building would house a potential Brewery, Distillery and Pub, complete with a private outdoor covered patio. Additional

buildings will include more traditional retail space, office space, and a few limited residential units. The project will also include central courtyard designed as a gathering place to foster community engagement.

The Successor Agency approved the Letter of Intent on November 14, 2023. Following execution of the LOI, the Purchase and Sale Agreement (PSA) was negotiated. The proposed terms of the PSA include:

1. The purchase price for the Property will be \$950,000, payable in cash at close of escrow.
2. Within two business days of opening Escrow, Buyer will initially deposit \$10,000.
3. Buyer's obligation to purchase the Property will be subject to completion of Buyer's due diligence and Buyer's approval of the Property, including soils conditions, environmental matters, zoning, use restrictions and other matters, on or before the later of 60 days after the Effective Date of a Purchase Agreement or 30 days after receipt of a Phase 2 Environmental Site Assessment.
4. Buyer's obligation to purchase the Property will be subject to the following contingencies:
 - a. Approval by the City of entitlements for Buyer to develop a primarily retail project, with limited residential units on the Real Property,
 - b. The parties contemplate that the Entitlements will include Design Review, Environmental Review and any required Conditional Use permits or other land use approvals.
 - c. Approval by the City of a shared public parking arrangement and potential pedestrian easements and boundary adjustments consistent with the Entitlements.
5. The Successor Agency is required by law to dispose of this property and must first obtain approval of the Oversight Board for the former Rocklin Redevelopment Agency. The sale will be expressly contingent on approval by Successor Agency and the Oversight Board.
6. The closing of the purchase transaction will occur 6 months after approval of the Entitlements and Shared Parking Arrangement, subject to an outside date to be agreed on.

Staff recommends approval of the Purchase and Sale Agreement to sell the property, subject to the Placer County Consolidated Oversight Board Approval.

Environmental Analysis:

Execution of the Purchase and Sale Agreement is not subject to CEQA.

Fiscal Impact:

There is no fiscal impact to the General Fund from the staff recommendation. Pursuant to Health and Safety Code section 34191.5, proceeds from the sale of property owned by the Successor Agency to the former Redevelopment Agency to the City of Rocklin, must be distributed as property tax to the taxing entries. It is the intent of the Successor Agency to sell the property and use the proceeds to fulfill enforceable obligations. Should proceeds exceed the amount of enforceable obligation, the remaining portion will be distributed as property to tax the taxing entities.

ATTACHMENTS:

1. [Resolution with Exhibits A and B](#)
2. [Purchase and Sale Agreement - 5255 Pacific Street](#)