



## City Council Agenda Item

**City Council Meeting Date:** May 2, 2017

**TO:** Patrick Wiemiller, City Manager

**FROM:** Michael W. Luther, P.E., Assistant Public Works Director/City Engineer  
m\_luther@ci.lompoc.ca.us

**SUBJECT:** Authorize Agreement to Purchase Property for the Purpose of Constructing a Vehicle Maintenance and Transit Operations Center; Adoption of Resolution No. 6102(17) Approving Appropriations

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### **Recommendation:**

Staff recommends the City Council take the following actions:

- 1) Authorize the City Manager to execute an Agreement of Purchase and Sale and Joint Escrow Instructions (Agreement) with Level 3 Communications, LLC, (Level 3) to purchase Assessor's Parcel Numbers 085-033-006, 007; 085-040-001; as well as, portion of 085-040-002 (Attachment 1);
- 2) Authorize the City Manager to make any changes and/or amendments to the Agreement which do not substantially affect the terms of sale that are reasonably necessary to complete the sales transaction, as approved as to form by the City Attorney; and
- 3) Authorize the City Engineer to perform the obligations of the City of Lompoc (City) under the Agreement and any supplemental escrow instructions required by the escrow company; and
- 4) Adopt Resolution No. 6102(17) to Approve Appropriations to provide up to \$600,000 of the City's Proposition 1B funds to cover purchase price and associated closing costs of the transaction (Attachment 2); or
- 5) Provide alternate direction.

### **Background:**

The following is a brief history of action taken to support the development of the Transit Operations and Fleet Maintenance Facility Project (Project):

- Proposition 1B was passed by voters in the November 2006 election authorizing up to \$19.925 Billion of general obligation bonds to fund transportation projects. The City anticipates receiving approximately \$2.3 Million for transit projects such as the Project.
- June 4, 2013 – City Council Adopted Resolution No. 5851(13), authorizing the amendment of the City's Proposition 1B fund application to include the development of the Project.
- October 15, 2013 – City Council approved purchase agreement with Union Bank for the former Weyrick Lumber Yard at 320 North D Street.
- April 2014 – Contract with IBI Group issued for needs analysis and programming phase of work.
- March 17, 2015 – Results of Relocation Analysis presented to City Council with the following direction given to staff:
  - Select the combined Transit Operations and Fleet Maintenance Facility as the preferred option (Site Study No. 3). This option required additional property acquisition from Level 3;
  - Award the project Design Contract to IBI Group;
  - Prepare development plans, conduct environmental studies, obtain Planning Commission approval, and advertise the Project for construction;
  - Apply for and program Proposition 1B, Transportation Development Act (TDA), and Federal Transportation Administration (FTA) Section 5307 funds and make any other submittals, as necessary, to fully fund the Project;
  - Develop a project financing plan to fully fund the Project as part of the Biennial Budget Fiscal Years 2015-2017 leveraging available transit funding;
  - Adopt Resolution No. 5972(15) Establishing Official Intent to Reimburse Certain Transit Fund Expenditures from Proceeds of Indebtedness; and
  - Authorize the City Manager to develop and execute interdepartmental agreements defining the rate and terms of long-term City reimbursement of Transit Enterprise Fund based on Fair Market Value (FMV) not-transit use.
- May 12, 2015 – City entered into Contract with IBI to design Project.
- November 3, 2015 – Submitted Project Development application to the Planning Division.
- January 17, 2017 – City Council authorized amendment to IBI contract for value engineering design services.

**Discussion:**

Staff has negotiated the attached Purchase Agreement (Attachment 1) for the property needed to complete the land acquisition required for the Project, as previously approved by City Council on March 17, 2015.

The proposed acquisition is approximately 1.89 acres in size and includes all or portions of four separate lots (see Attachment 3). Most recently, the site is vacant and used by Level 3 for material storage. Prior to that, the site was owned by Union Pacific Railroad

and used as a rail spur. The purchase would provide a utility easement for the existing communication lines, owned by Level 3, that cross the property to D Street and an access easement in favor of the City to A Street. Use of the property for the Project is consistent with the current zoning of the site and surrounding properties ("I" – Industrial).

As part of the due diligence process the City has completed Phase 1 and Phase 2 site assessments. Low level soil contamination was detected during the Phase 2 site assessment. The contamination is believed to be a result of the former site use as a rail spur. Staff and Level 3 have worked cooperatively with the Santa Barbara County Public Health Department, Environmental Health Services Division (EHS) to determine the requirements to obtain environmental clearance of the property from EHS. EHS has indicated the soils can remain on-site with the preparation of a Soils Management Plan (SMP) and recording a deed restriction limiting the use of the property to commercial or industrial purposes. The SMP will be prepared and submitted to EHS for review and approval during escrow and prior to closing.

**Fiscal Impact:**

Level 3 has agreed to a purchase price of \$513,888.89. City Council previously adopted Resolution No. 5851(13), authorizing the amendment of the City's Proposition 1B fund application to include the development of the Project. Over the life of the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) program, or Proposition 1B, the City of Lompoc is expected to receive approximately \$3,100,000.00. The funds will be restricted to costs related to capital improvements related to transit activities. To date, the City has received approximately \$2,471,000.00. This includes \$140,028.00 of Proposition 1B funds recently transferred to the City from Santa Barbara County Association of Governments for a project they are no longer constructing. The only other project currently programmed using Proposition 1B is the Old Town Transit Transfer Center, scheduled for construction later this year. There is adequate funding to purchase the property using Proposition 1B funds. No matching funds are required for the property purchase from any source, including the General Fund.

**Conclusion:**

Staff recommends City Council adopt Resolution No. 6102(17) approving the use of Proposition 1B funds for the land acquisition purchase and authorize the City Manager to execute the Agreement. That direction will complete the necessary land acquisition for the Project and help to ensure that various timely use of funds requirements are met.

Respectfully submitted,

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Michael W. Luther, Assistant Public Works Director/City Engineer

**APPROVED FOR SUBMITTAL TO THE CITY MANAGER:**

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Kevin P. McCune, Public Works Director

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Patrick Wiemiller, City Manager

Attachments: 1) [Agreement of Purchase and Sale](#)  
2) [Resolution 6102\(17\)](#)  
3) [Location Map](#)