"Placerville, a Unique Historical Past Forging into a Golden Future"

City Manager's Report
August 22, 2023 City Council Meeting
Prepared By: Rebecca Neves, City Engineer
Item#: 7.5

Subject: Consider approving a property and right of way exchange in support of current and future public improvements in conjunction with the development of the Middletown Apartments project.

Recommendation: Adopt a Resolution:

1. Accept an Irrevocable Offer of Dedication (IOD) from Middletown Apartments, LP for public street right of way along the frontage of APN 323-570-001; and
2. Declare surplus City owned property located at Cold Springs Road, directly adjacent to APN 323-570-001; and
3. Approve relinquishment of said City owned property to Middletown Apartments, LP for development of the said project; and
4. Directing the City Engineer or designee to record said IOD and City right of way with the Office of the El Dorado County Recorder.

Purpose: The purpose of the proposed action is to accept an Irrevocable Offer of Dedication (IOD) for street right of way along Middletown and Cold Springs Road while concurrently relinquishing a portion of inaccessible City owned property located adjacent to the future project site of the Middletown Apartment project.

Strategic Plan Strategy:

- Infrastructure – Update and Maintain City Owned Infrastructure
- Economic Development – Support smart housing through Mixed Use Development and other housing types to meet the needs of all.

Background: The Middletown Apartment project has been in the planning process for some time and the selected site is in the City's General Plan and recent Housing Element updates, with the most recent update spanning 2021 – 2029, identified as a Regional Housing Needs Allocation (RHNA) Low Income Affordability Residential Site Inventory. As part of the process in securing the construction loan to deliver the project, an ALTA Survey is prepared for the underwriting that shows property boundaries, improvement information, recorded titles, and other various pieces of data that support the defined space for the future development. In the ALTA survey that was produced for the Middletown Apartments project, a remanent parcel was identified as owned by the City of Placerville that was originally thought to be a part of APN 323-570-001. The City's remanent parcel was not found on any previous title reports or County records including the Assessor's Map database. The City had no record of its ownership as well.

When APN 323-570-001 was purchased for the project, the original description and listing price included the remanent parcel for a total of 3.92 Acres the area purchased by Middletown Apartments, LP. However, the true area of the existing parcel is 3.84 Acres, excluding the City's

remanent parcel. This remanent parcel is inaccessible from any adjacent roads or other areas of right of way and can only be accessed by through APN 323-570-001. The apartment project's proposed layout always intended utilizing that area for the project, thought to be a part of the original parcel.

Additionally, as part of the title information and ALTA survey, it was also discovered that the parcel boundary for APN 323-570-001 spans into Middletown Road and Cold Springs Road, encompassing City's owned and operated facilities and infrastructure. Under standard development process, the City is often offered an Irrevocable Offer of Dedication to define clear right of way for the purposes of accessing and maintaining infrastructure. This area over Middletown and Cold Springs Roads too was included in the original purchase price for the property.

Discussion: The Middletown Apartment project team brought the results of the ALTA survey to staff's attention at the end of March this year. Staff reviewed the information presented and worked with the project proponent to come to an acceptable reconciliation and exchange of property based on serving the best interest of the public and meeting Council's Strategic Plan goals. Attachment B provides an exhibit of the exchange that is proposed for Council's approval under this item. This exchange will allow the City to have proper ownership of road right of way on Middletown Road while relinquishing the remanent parcel portions that could be utilized for the project.

The project has submitted plans for a grading permit, which is currently under review by staff who will confirm that the project addresses conditions and mitigation measures defined and required in previous environmental and planning documents related to impacts and resources in the area. Before a grading permit can be issued, the reconciliation of the parcel is necessary for the project to proceed with the planned and approved development.

Options:

1. Accept the IOD to the City of Placerville, declare the City-owned parcel as surplus, and approve relinquishment to Middletown Apartments, LP.
2. Direct staff to take other action.

Environmental: Not applicable to the IOD. A Mitigated Negative Declaration for the project and subject parcel was prepared in 2016 and approved in 2017.

Cost: All costs associated with recording and preparation of the required documents will be the responsibility of the developer.

Budget Impact: None.

M. Cleve Morris, City Manager

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Attachment:

A. Resolution
B. Land Transfer Exhibit