



CITY COUNCIL AGENDA REPORT

MEETING DATE: DECEMBER 4, 2007

ITEM NUMBER:

SUBJECT: AGREEMENT FOR RIGHT-OF-WAY ACQUISITION FOR THE HARBOR BOULEVARD/I-405 FREEWAY IMPROVEMENT PROJECT

DATE: NOVEMBER 19, 2007

FROM: PUBLIC SERVICES DEPARTMENT - TRANSPORTATION SERVICES DIVISION

PRESENTATION BY: PETER NAGHAVI, TRANSPORTATION SERVICES MANAGER

FOR FURTHER INFORMATION CONTACT: PETER NAGHAVI, TRANSPORTATION SERVICES MANAGER, (714) 754-5182

RECOMMENDED ACTION:

- 1) Approve the purchase agreement and escrow instructions (Attachment 1) for a portion of property at 3330 Harbor Boulevard owned by 3330 Harbor Boulevard Associates, LLC.
- 2) Approve the purchase agreement and escrow instructions (Attachment 2) for a portion of property at 3350 Harbor Boulevard owned by Interinsurance Exchange of the Automobile Club.
- 3) Authorize the Mayor and City Clerk to sign the purchase agreement.
- 4) Authorize the City Clerk to accept and record the easements.

BACKGROUND:

In accordance with the Environmental Impact Report (EIR) for the Segerstrom Home Ranch project and associated Development Agreement, as well as the City's General Plan, several improvements are required along the Harbor Boulevard corridor. They include:

- Construction of a tieback wall along northbound Harbor Boulevard and provision of a direct lane to the northbound onramp behind the freeway/bridge columns;
- Provision of a fourth northbound through lane at Harbor Boulevard/South Coast Drive intersection; and
- Provision of a continuous fourth southbound through lane on Harbor Boulevard that begins just north of South Coast Drive and connects to the existing four lanes south of the I-405 Southbound onramp.

Attachment 3 depicts the location of proposed improvements. In order to implement this project, the Transportation Services Division staff secured grant funding through the Orange County Transportation Authority's (OCTA) Measure M program with matching funds derived from Segerstrom Home Ranch Development Mitigation funds.

This project has been separated into components based on jurisdiction. The area between Gisler Avenue and to just south of South Coast Drive is within the State of California Department of Transportation (Caltrans), whereas the improvement at Harbor Boulevard/South Coast Drive intersection is within the City. The City portion of the project requires right-of-way acquisition to accommodate the fourth northbound through lane north of South Coast Drive.

In May 2005, the City Council awarded a contract to Overland, Pacific & Cutler Inc., to initiate right-of-way acquisition and appraisal work for properties along Harbor Boulevard north of South Coast Drive to accommodate the proposed roadway improvements within City's project.

ANALYSIS:

The City's right-of-way consultant, Overland, Pacific & Cutler Inc., obtained the necessary appraisals and conducted cost analysis for the properties to be acquired and negotiated with the property owners on behalf of the City. Comparable property acquisition costs within Orange County were assessed to establish fair market and "cost-to-cure" values, and purchase offers were presented to each property owner meeting the Uniform Standards of Professional Appraisal Practice.

Parcel 1

The final settlement value/price was established at \$105,550 for the portion of property located along 3330 Harbor Boulevard, owned by 3330 Harbor Boulevard Associates, LLC. This property is located at the northeast corner of the Harbor Boulevard and South Coast Drive intersection. The attached Agreement for Acquisition of Real Property and Joint Escrow Instructions (Attachment 1) has been duly executed by the owner and their legal counsel.

Parcel 2

The final settlement value/price was established at \$107,618 for the portion of property located at and along 3350 Harbor Boulevard, owned by Interinsurance Exchange of the Automobile Club. This property is located immediately to the north of the 3330 Harbor Boulevard property, described above. The attached Agreement for Acquisition of Real Property and Joint Escrow Instructions (Attachment 2) has been duly executed by the owner and their legal counsel.

The agreements are presented for City Council's approval in order to finalize title transfer to the City. Following the completion of escrow process, the easements will be accepted and recorded by the City Clerk.

ALTERNATIVES CONSIDERED:

The City Council may select to not execute the purchase agreement. This action would preclude the ability to proceed with the improvement project and result in the loss of the allocated grant funding.

FISCAL REVIEW:

As part of the 2004-05 budget, a total of \$372,000 was appropriated for the project's right-of-way appraisal and acquisition services. The City has secured OCTA grant funding from the Measure M Master Plan of Arterial Highways (MPAH) program covering 50% of the project costs. The remaining 50% of the costs were derived from OCTA Growth Management Area (GMA) funds. The cost for right-of-way services is \$51,400. The cost for right-of-way acquisition would be derived from the remaining funds of approximately, \$321,000. The balance of funds in the right-of-way phase will be transferred to the construction phase of the project. The construction of the City portion of the project is estimated at approximately \$400,000, which will be funded by a combination of Measure M program funds as well as previously allocated Home Ranch funds.

LEGAL REVIEW:

The City Attorney's office has reviewed and approved both agreements and escrow instructions as to form and content.

CONCLUSION:

The City has successfully negotiated purchase prices of \$105,550 and \$107,618 for portions of two properties located immediately north of South Coast Drive along the east side of Harbor Boulevard. Acquisition of the right-of-way easements from these properties is necessary to construct the Harbor Boulevard Improvement Project. In order to initiate escrow and secure access rights to a portion of the property, it is recommended that the Council approve the Purchase Agreement between the City and the property owners and authorize the Mayor and City Clerk to sign. Staff also recommends that the City Council direct the City Clerk to accept and record the easements following the completion of the escrow process.

PETER NAGHAVI
Transportation Services Manager

MARC PUCKETT
Finance Director

KIMBERLY HALL BARLOW
City Attorney

Attachment:

1. [Agreement for Acquisition of Real Property and Joint Escrow Instructions – 3330 Harbor Boulevard](#)
2. [Agreement for Acquisition of Real Property and Joint Escrow Instructions – 3330 Harbor Boulevard](#)
3. [Location Map](#)

Distribution: City Manager
City Attorney

City Clerk
Deputy City Mgr. - Dev. Services
Director of Public Services