



Legislation Text

File #: 16-146, **Version:** 1

Report Prepared by: Frank Quintero, Director of Economic Development, Economic Development Department

SUBJECT: Driveway License Agreement with Merced Irrigation District for a New Driveway at Stuart Drive and West Avenue

REPORT IN BRIEF

Agreement outlining terms, plans and specifications for a new driveway on the west side of West Avenue at Stuart Drive.

RECOMMENDATION

City Council - Adopt a motion approving the Non-Exclusive Driveway License Agreement with Merced Irrigation District for a new driveway on the west side of West Avenue at Stuart Drive; and, authorizing the City Manager to sign the necessary documents.

ALTERNATIVES

1. Approve as recommended by staff; or
2. Approve, subject to conditions other than recommended by staff; or,
3. Deny; or,
4. Refer to the City Manager for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

Airport Industrial Park: Position the Airport Industrial Park as the Affordable Industrial Park for new businesses and expansion (City of Merced FY 15-16 Budget).

DISCUSSION

On August 17, 2016, the City Council approved the Purchase and Sale Agreement between Roig Properties Corporation (Buyer) and the City of Merced (Seller) for the acquisition of 0.50-acre in the Airport Industrial Park. The subject site is located off Riggs Avenue near West Avenue and serves the point of ingress and egress to the City's Commercial Truck Parking Lot (Attachment 1).

In exchange for the property, the Sales Agreement calls for the Buyer to install improvements around the perimeter of the Truck Parking Lot, including a fence, driveway and drive aisle, and paving off

Stuart Drive and West Avenue. The current driveway to the Truck Parking Facility would be closed off, and replaced with a new driveway off West Avenue constructed by the Buyer (Attachment 2).

In order to proceed with the construction of the a new driveway on the west side of West Avenue at Stuart Drive, a Non-Exclusive Driveway License Agreement between the City and Merced Irrigation District (MID) is required. Staff is requesting that the City Council approve the Agreement, allowing Roig Properties Corporation to proceed with all respective improvements.

MID Agreement Terms: The new driveway on West Avenue at Stuart Drive would cross over an underground MID 84-inch concrete pipeline known as Booster 14 Lateral. The Agreement grants the City permission to cross over the laterals upon the condition that the City install, keep, and maintain the said driveway crossing at the City's expense, and without expense, cost, or liability to MID. The City is also responsible for maintaining the driveway. A contractor hired and paid by Roig Properties Corporation would be responsible for constructing the driveway. Other terms are specified in the Agreement (Attachment 3).

The Agreement also calls out insurance requirements for the contractor installing the improvement. Concrete specifications and pipeline trench details are described and illustrated. The 30-foot driveway will be constructed per City Plans and Specifications. Once the driveway is installed along with other required improvements, the 0.5-acre will be transitioned to Roig Properties Corporation.

Ultimately, the approval of the Agreement will lead to the expansion and growth of Spain-based, Borrell USA.

About the Company: Roig Properties Corporation represents Borrell USA, which is located at 260 Riggs Avenue. Borrell USA is a Spain-based company who sells nut-processing equipment, such as sorters. The company opened its doors in Merced in 2010. Roig Properties Corporation acquired two parcels immediately west of the subject property. Approval of the Agreement and completion of the improvements would facilitate a unified and strategic expansion of Borrell USA, including office space, showrooms, assembly areas, product work areas, and research and development labs and work areas. In addition to job creation, the expansion may facilitate partnership opportunities with international companies.

IMPACT ON CITY RESOURCES

Approval of the Driveway Agreement with MID will assist with the expansion of Borrell USA, establishing Merced as its USA base. The City is not responsible for the costs or construction of the improvements (fence and driveway.) Once the improvements are installed to the satisfaction of the City, escrow will close. The project will require coordination with the City's Engineering Division, including overseeing the construction of the new driveway at West Avenue and Stuart Drive. The City will be responsible for maintaining the driveway over the years to come.

ATTACHMENTS

1. ATTACHMENT 1 - Subject Site Map
2. ATTACHMENT 2 - Improvements
3. ATTACHMENT 3 - Non-Exclusive Driveway License Agreement