

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
9	06/13/16	Open	Action	06/08/16

Subject: Waive Provisions of Title VII of RT's Administrative Code and Delegate Authority to the General Manager/CEO to Enter into a Purchase and Sale Agreement for 2220 Cemo Circle, Gold River, CA

## ISSUE

Whether to waive advertising provisions of Title VII of RT's Administrative Code and delegate authority to the General Manager/CEO to enter into a purchase and sale agreement for 2220 Cemo Circle, Gold River.

## RECOMMENDED ACTION

Adopt Resolution No. 16-06-\_\_\_\_, Waiving the Advertising Requirements of Title VII of the Sacramento Regional Transit District Administrative Code (Resolution No. 09-11-0184) and Delegating Authority to the General Manager/CEO to Enter into a Purchase and Sale Agreement for 2220 Cemo Circle, Gold River.

## FISCAL IMPACT

The are no revenues currently budgeted for the sale of the property. The amount to be received from this transaction remains to be negotiated.

## DISCUSSION

In January 2015, the RT Board declared RT's Cemo Circle property in Gold River "surplus." After RT did an advertised solicitation (including required outreach to public agencies, developers, brokers, and adjacent landowners), two offers were received. The Board accepted a \$1,730,000 offer from USA Properties Fund, Inc. subject to a number of contingencies and entered into a purchase and sale agreement in July 2015.

Soil testing done during the buyer's due diligence inspections revealed elevated levels of lead and chromium. The source is unknown, but there were several industrial businesses on the site at different times. At the end of October 2015, the buyer terminated the purchase and sale agreement.

RT hired a contractor to perform additional sampling and environmental work to identify the scope of the environmental issue and recommend appropriate remediation. This work has been completed; however, the exact scope and cost of the required remediation remains unknown.

USA Properties remains interested in the property, assuming that a deduction is made from the purchase price for remediation costs. Since, generally, a contaminated property is viewed as less desirable than a clean site where building could immediately commence, Staff does not believe it likely that there would be significant interest in the property by other parties.

Approved:

Presented:

Final 06/08/16

General Manager/CEO

Chief Counsel

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Section §7.6.04 of Title VII of RT's Administrative Code specifies that "surplus property purchased or improved with federal funds must be sold to the highest bidder by competitive bidding. The Invitation to Bid must be advertised for at least 30 days and may be sent to adjacent land owners, developers and real estate brokers. The Board reserves the right to allow bidders to override the highest bid by 10 percent and to reject all bids."

Title VII does not expressly address the appropriate protocol if the process set out in Section 7.6.04 is followed, a contract is executed, and then the property falls out of contract. At this juncture, staff does not believe that an additional 30-day advertised solicitation will yield any higher or better offers for the property. Therefore, Staff is requesting that the Board waive the requirements of Section 7.6.04 and permit Staff to proceed with more targeted marketing efforts designed to expeditiously bring this property back under contract and to delegate authority to the General Manager/CEO to execute a purchase and sale agreement in a form approved by the Chief Counsel.

RESOLUTION NO. 16-06-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

June 13, 2016

**WAIVING THE ADVERTISING REQUIREMENTS OF TITLE VII OF THE  
SACRAMENTO REGIONAL TRANSIT DISTRICT ADMINISTRATIVE CODE  
(RESOLUTION NO. 09-11-0184) AND DELEGATING AUTHORITY TO THE  
GENERAL MANAGER/CEO TO ENTER INTO A PURCHASE AND SALE  
AGREEMENT FOR 2220 CEMO CIRCLE, GOLD RIVER**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE  
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, because the property was previously advertised for sale, the advertising requirements of Section 7.06.04 of the Title VII of the Sacramento Regional Transit District are hereby waived for the property at 2220 Cemo Circle, Gold River (APN 069-0101-032-0000) and the General Manger/CEO is authorized to undertake more targeted marketing efforts designed to elicit an offer for the fair market value of the property.

THAT, the General Manager/CEO is authorized to enter into a Purchase and Sale Agreement for the property at 2220 Cemo Circle with an offeror deemed by the General Manager/CEO, in his discretion, to offer the best value to RT considering both price and conditions to closing, in a form approved by the Chief Counsel.

THAT, the General Manager/CEO is authorized to take all actions and execute all documents necessary to transfer ownership of the property at 2220 Cemo Circle.

\_\_\_\_\_  
JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary