

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	03/25/19	Open	Action	03/18/19

Subject: Approving a Non-Developmental Lease Agreement with the State of California for Use of State Property located and bordered by P, Q, 29th and 30th Streets, Sacramento, CA

ISSUE

Whether to approve a new Non-Developmental Lease Agreement with the State of California for parking located under the Capital City Freeway and Bordered by P, Q, 29th and 30th Streets, Sacramento, CA.

RECOMMENDED ACTION

Adopt Resolution No. 19-03-____, Approving a Non-Developmental Lease Agreement with the State of California Department of Transportation (Caltrans) for the Use of State Property for Parking Located Under the Capital City Freeway and Bordered by P, Q, 29th and 30th Streets, Sacramento, CA.

FISCAL IMPACT

Budgeted:	Increase in lease cost is not budgeted but will be absorbed through YTD surplus	This FY:	\$	17,650*
Budget Source:	Operating	Next FY:	\$	159,960
Funding Source:	Operating	Annualized:	\$	159,960*
Cost Cntr/GL Acct(s) or Capital Project #:	CC 84/GL 680002			
Total Budget:	\$ 159,960			

To be included in future year budgets.

*Amount reflects increase in rent above previously-budgeted amount. Rent amount will be increased in future years based on CPI increase. In addition, in 2024 Caltrans can request new appraisal to increase rent.

DISCUSSION

On December 11, 2001, Sacramento Regional Transit (SacRT) and Caltrans entered into a lease for the use of Caltrans property for parking and open storage. The usage for the lot is primarily for parking for employees who operate and maintain SacRT transit vehicles and storage of SacRT transit vehicles and facilities equipment. The majority of employees using this parking lot are related to transit operations and transit vehicle maintenance personnel that provide public transit service from early morning to late night hours. This property is needed because of its proximity to SacRT's Administration, Bus Maintenance and Operations Dispatch facilities located at 2811 and 2815 O Street and 1400 29th Street.

Approved:

Presented:

Final 03/19/19

General Manager/CEO

VP, Finance/CFO

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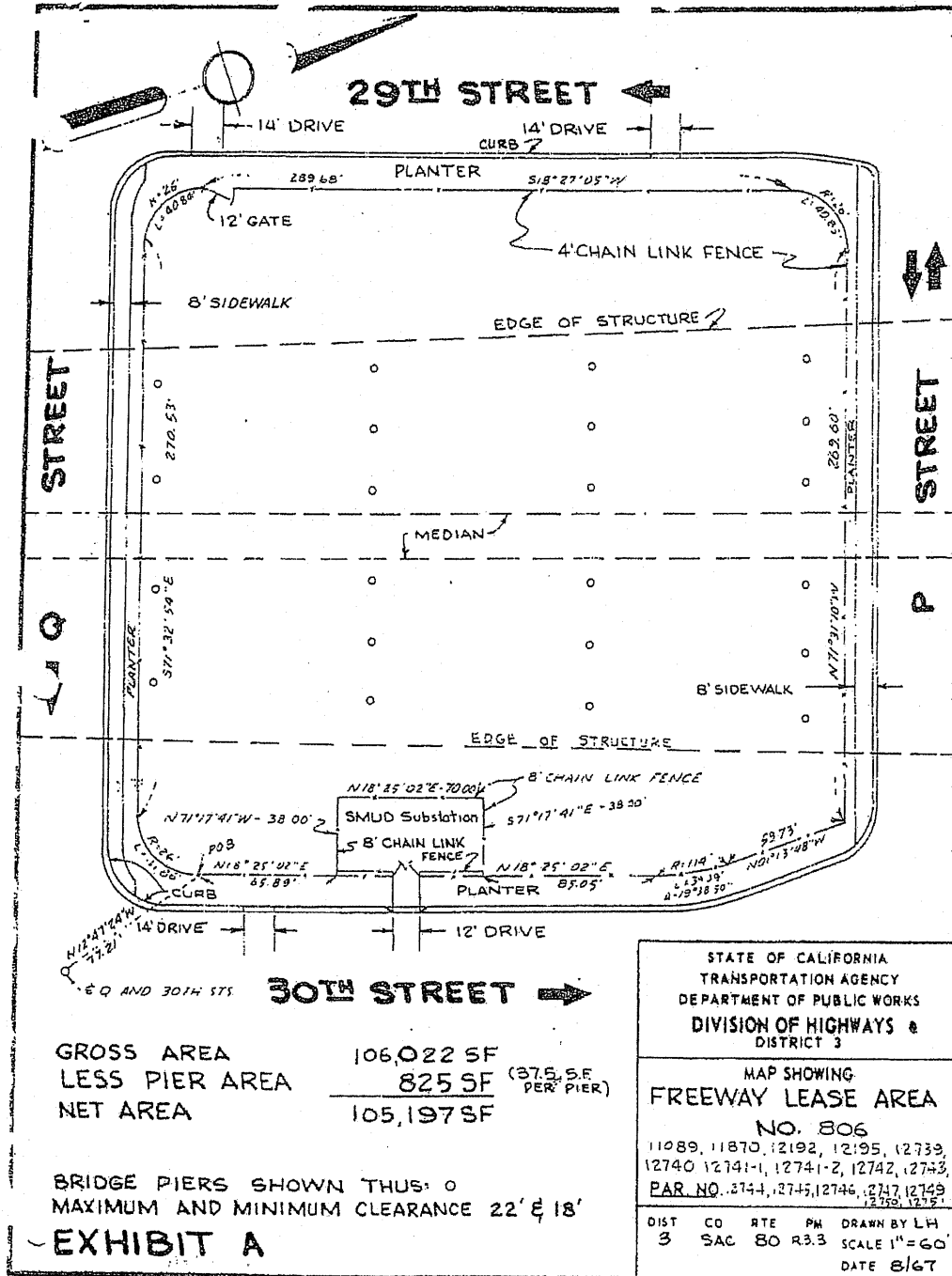
The property is a 119,037 square foot lot, and is bounded by 29th and 30th Streets on the west and east respectively, and P and Q Streets on the north and south respectively in Sacramento, CA (see Attachment A).

On July 1, 2005, SacRT and Caltrans entered into a 5-year lease that included a one-year option to extend with the lease expiring on June 30, 2011. Caltrans amended the lease beginning June 1, 2011 with an expiration date of June 30, 2016. SacRT has continued occupying the property in a holdover status since June 30, 2016.

SacRT Staff and Caltrans have agreed on a new 10-year lease, commencing April 1, 2019 and expiring on March 31, 2029. Caltrans obtained an appraisal of the property and the new rental rate of \$159,960 for the first year (an increase of \$42,360 per year over the prior rate) is the appraised fair market rent value. The rent will be adjusted after the first year in accordance with the CPI index and, on March 1, 2024, Caltrans can request an appraisal and increase the rent based on the new fair market value.

Staff recommends approval of the Non-Developmental Lease Agreement.

ATTACHMENT A



RESOLUTION NO. 19-03-_____

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

March 25, 2019

APPROVING A NON-DEVELOPMENTAL LEASE AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FOR THE USE OF STATE PROPERTY FOR PARKING LOCATED UNDER THE CAPITAL CITY FREEWAY AND BORDERED BY P, Q, 29TH AND 30TH STREETS, SACRAMENTO, CA

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

THAT, the Non-Developmental Lease Agreement between the State of California Department of Transportation (Landlord) and Sacramento Regional Transit District (Tenant), whereby Tenant agrees to lease State Property located in the City of Sacramento, California, located under the Capital City Freeway and bordered by P, Q, 29th and 30th Streets for a term of ten (10) years commencing on February 1, 2019 and expiring on January 31, 2029.

THAT, the General Manager/CEO is hereby authorized and directed to execute said lease.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary