



STAFF REPORT

DATE: February 10, 2020
TO: Sacramento Regional Transit Board of Directors
FROM: Brent Bernegger, VP, Finance/CFO
SUBJ: TRANSIT ORIENTED DEVELOPMENT/SURPLUS PROPERTY UPDATE

RECOMMENDATION

No Recommendation — For Information Only.

FISCAL IMPACT

None

DISCUSSION:

Over the past few years, SacRT has made a significant efforts to market its existing surplus land resources to generate demand and interest by seeking partners that would be interested in purchasing or leasing property with the goal of both generating funds to be used for other needed transit assets and finding partnerships with companies that will invest in the community by creating student, affordable, or market rate high density housing adjacent to SacRT's transit facilities. In this report, we have listed a few of these recent successes, as well as SacRT's future plans and partnership opportunities.

Arden Way Property: Sacramento Regional Transit (SacRT) sold its Arden Way property on July 3, 2018 to Community Housing Works for approximately \$822,500. The buyer has been approved to build 128 affordable apartment homes on the site.

65th St Property: On November 8, 2019, SacRT closed on the sale of its University/65th Street Transfer Center parcel to allow for transit oriented development to occur adjacent to the light rail station. The sale price was \$2 million, less some sales and administrative fees associated with preparing the property for the sale. However, in addition to the sales price, SacRT and the community will receive approximately \$5 million in improvements to the existing transit center, which includes improving the roads, flow of traffic, and bus stops. The buyers, Symphony Development and Martin CV, have the City of Sacramento's approval to build the "65 East" project, which includes 223 student housing apartments with ground floor retail. The first phase will be street, bus stop and utility work along 67th and Q streets and is expected to take four months. Buses will continue to operate from the bus loop until the new stops are installed.

Cemo Circle Property: SacRT completed soil remediation on the site in November 2019 and received a letter of No Further Action on December 20, 2019. SacRT and USA Properties Fund entered into an agreement to sell the land, located on Sunrise Blvd., for

\$2.05 million, less the cost for remediation fees. To date, the buyer exercised the 2nd of the 3 escrow extensions. The buyer has invested lots of time and money in the project and indicated their willingness to close by the end of February 2020. USA Properties are approved to build approximately 165 market rate apartments and are planning to start construction this year.

Calvine/Auberry Property: SacRT signed a purchase sale agreement with Catalyst Development Partners on May 14, 2019 for \$1.6 million. The buyer is compiling its plans for potentially a multi-family residential project. Closing of escrow is estimated to take place around February 2021.

Florin Station Joint Development: SacRT released a Request for Information on March 19, 2019 and received five responses. Staff held a community workshop on July 18, 2019 to gather input for potential joint development of the Florin station property. Also over the summer, Portland State University's Center for Public Interest Design conducted on-site surveys and stakeholder interviews to further identify community interest. Staff plans to release an RFP for a joint development partner later this month.

Transit Oriented Development (TOD) Action Plan: Over the past seven months, SacRT staff has been working with the Sacramento Area Council of Governments (SACOG) and consultants to review zoning codes and conduct market analysis for potential TOD sites throughout SacRT's system (see attached fact sheet). Five priority sites were identified with potential to be developed within 3-5 years with the right support from local jurisdictions at or near these stations: Globe, Florin, Butterfield, Mather/Mills, and Glenn. The final report is due at the end of this month.

The sale proceeds from these agreements are being placed in a restricted investment account. SacRT plans to reinvest the funds in similar (like kind) capital projects. SacRT's existing administrative campus and maintenance facilities are aging and in need of significant repair and replacement. Therefore, these funds will be used to make the necessary improvements, which should result in future reductions in operating costs as a result of having new updated facilities.

REGIONAL TOD ACTION PLAN

The Regional Transit-Oriented Development (TOD) Action Plan is an effort of the Sacramento Area Council of Governments (SACOG) and the Sacramento Regional Transit District (SacRT) to incentivize and support TOD at SacRT Light Rail stations serving the Sacramento region. The TOD Action Plan will be developed in close collaboration with city, county, and NGO partners between July 2019 and February 2020.

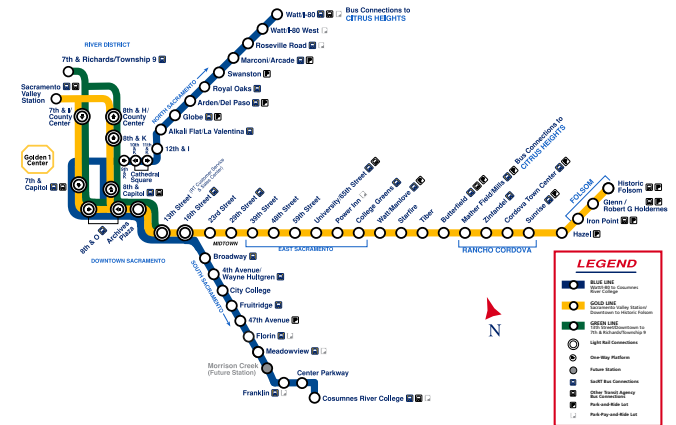
WHAT IS TOD?

TOD is a type of development located close to high-frequency transit that maximizes the amount of housing, jobs, and activity centers within walking distance of transit. TODs support economic development, housing and revitalization, reduce traffic, and connect residents with the places they visit often. Creating these walkable, mixed-use communities near transit is critical to maximizing the region's investment in transit, particularly the light rail system, and to meeting our climate goals by reducing vehicle trips and emissions.

PROJECT OUTCOMES

The TOD Action Plan will lay out concrete strategies and tools to empower local jurisdictions to encourage equitable and inclusive TOD to serve local communities. To do so, the TOD Action Plan will:

- Identify high-opportunity, **TOD-ready sites**
- Recommend **regulatory or policy changes**
- Identify context-sensitive **TOD financing strategies**
- **Enhance equity** and support community needs
- Identify public and private sector **TOD leaders**





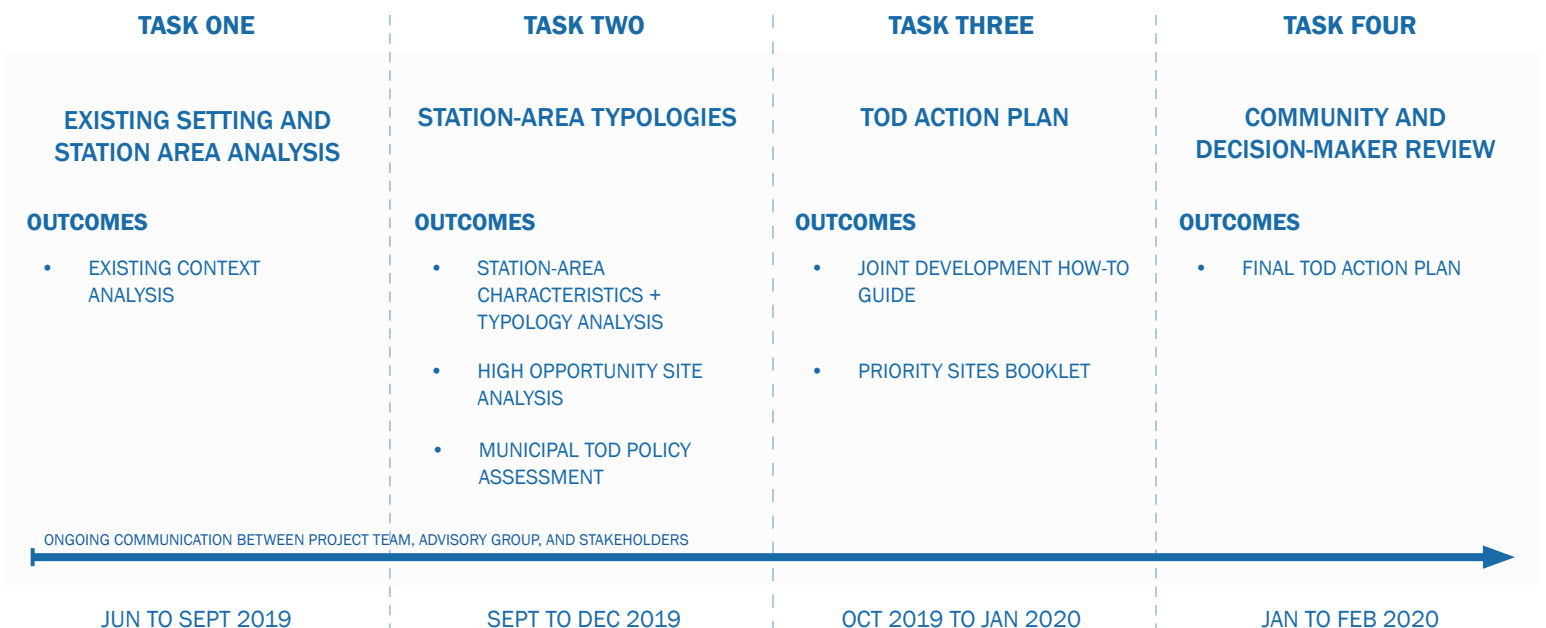
PROJECT OVERVIEW

The TOD Action Plan is a strategy for catalyzing TOD near SacRT Light Rail stations. The TOD Action Plan will foster a transparent and equitable TOD process that provides benefits and encourages growth near Light Rail stations and in the neighborhoods they serve. The TOD Action Plan will offer public agencies, community members, real estate developers, and other partner organizations a roadmap for TOD in their neighborhoods; this will enable them to:

- Identify **key sites and areas** for TOD in the Sacramento region
- Identify **current barriers** to TOD
- Develop strategies for **prioritizing TOD**
- Inspire **TOD champions**
- **Increase transit ridership** and decreasing vehicle miles traveled

PROCESS

The TOD Action Plan will be informed by feedback from public and private sector stakeholders and an Advisory Group of representatives from SACOG, SacRT, and other city, county, and public agencies in the Sacramento region. The TOD Action Plan will be ready to help support successful TOD projects by February 2020.



TOD/Surplus Property Update

February 10, 2020

Brent Bernegger

VP, Finance/CFO



TOD Summary Update

Property Name/Project	Sold/Completed	PSA Completed/ Awaiting Escrow	Upcoming
Arden Way	✓		
65th Street	✓		
Cemo Circle		✓	
Calvine		✓	
Florin Station			✓
Draft TOD Action Plan	✓		

Properties Sold

Arden Way (2.69 acres)

- Sold July 3, 2018
- \$822,477
- Community Housing Works
- 128 Affordable Apartments



Properties Sold

65th Street (1.45 acres)

- Sold November 18, 2019
- \$2M + Relocation of Transit Center
- Symphony Development/Martin CV
- 223 Student Housing and Retail



Sales Pending

Cemo Circle (8 acres)

- Estimated close – February 29, 2020
- \$2,050,000
- USA Properties Fund
- 165 Market Rate Apartments



Sales Pending

Calvine/Auberry (3.67 acres)

- Estimated close – February 2021
- \$1,600,000
- Catalyst Development Partners
- Potentially Multifamily Residential



Future TOD

- Florin Station RFP for Joint Development due out end of the month (20 acres)

Florin Station

Development Program

Uses	Program
Residential	920 units 736,000 sq. ft.
Retail / Flex	47,500 sq. ft.
Park Space	3 acres
Transit Use	Maintain bus bays Keep 120 parking spaces

Estimated Ridership Impact:
920,000 rides annually



TOD Action Plan

- SacRT/SACOG grant project to develop strategies to encourage TOD; due out end of the month
- What's next?