



STAFF REPORT

DATE: May 11, 2020

TO: Sacramento Regional Transit Board of Directors

FROM: Brent Bernegger, VP, Finance/CFO

SUBJ: DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT WITH CATALYST DEVELOPMENT PARTNERS FOR CALVINE ROAD AND AUBERRY DRIVE (APN115-0130-061, 115-0130-071)

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

-) Re-defines the Closing Date as 45 days after County approval of entitlements, but with a sunset of June 30, 2021.
-) Terminates the monthly deposits of \$10,000 and immediately releases Sacramento Regional Transit (SacRT) \$160,000 currently held in escrow.
-) States the cost of the Special Planning Area amendment will be paid for by Catalyst Development Partners as per the Purchase and Sale Agreement.

FISCAL IMPACT

There is no change in the purchase and sale price. However, this amendment is needed as any buyer cannot proceed with a project on the parcels under existing zoning requirements. In exchange for releasing the seller from future required contributions of \$10,000 monthly cash deposits into escrow, the buyer would immediately release \$160,000 from the escrow (non-refundable) to SacRT.

DISCUSSION

SacRT and Catalyst Development Partners entered into a Purchase and Sale Agreement (“PSA”) on May 14, 2019 for the sale of two parcels on Calvine and Auberry in Sacramento County. Due to the COVID-19 pandemic and some administrative issues surrounding the zoning requirements, SacRT and the Buyer, Catalyst Development Partners, would like to amend the terms of the existing PSA as described above. Outdated zoning requirements under the Calvine Road/Highway 99 Special Planning Area will require an amendment to the Special Planning Area in order to develop this property as proposed by the Buyer (APN115-0130-061, 115-0130-071), which is estimated to take approximately a year to complete. To further complicate the entitlement process, the COVID-19 pandemic is causing delays in entitlement processing and impacting the market.

Due to these impacts, the Buyer is requesting a cap of \$160,000 (ten percent of the purchase sales price) on deposits, which is the current amount the Buyer has already deposited in escrow. However, as a concession to the extended escrow period, the Buyer will allow SacRT to withdraw the non-refundable \$160,000 out of escrow immediately.

Staff recommends the Board delegate authority to the General Manager/CEO to execute the amendment.

RESOLUTION NO. 20-05-0037

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

May 11, 2020

DELEGATE AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT WITH CATALYST DEVELOPMENT PARTNERS FOR CALVINE ROAD AND AUBERRY DRIVE (APN115-0130-061, 115-0130-071)

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

THAT, the Third Amendment to the Purchase and Sale Agreement (“PSA”) between Catalyst Development Partners, therein referred to as “Buyer” and Sacramento Regional Transit District, therein referred to as “SacRT” whereby the parties agree to re-define the Closing Date for the close of escrow to “45 days after County approval of entitlements”, but with a sunset of June 30, 2021; and cap deposits into escrow at \$160,000, and releasing the escrow funds to SacRT as a non-refundable deposit, is hereby approved.

THAT, the Board hereby directs and authorizes the General Manager/CEO to execute said Third Amendment to the Purchase and Sale Agreement.

STEVE HANSEN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary