



STAFF REPORT

DATE: July 26, 2021

TO: Sacramento Regional Transit Board of Directors

FROM: Brent Bernegger, VP, Finance/CFO

SUBJ: DECLARING A PORTION OF 3009 POWER INN ROAD EXCESS TO TRANSIT OPERATIONS AS SURPLUS

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

If adopted, these actions will allow the Sacramento Regional Transit District (SacRT) to list the property for sale or lease, following state and federal surplus disposition processes.

FISCAL IMPACT

The sale of surplus properties will generate restricted proceeds that SacRT will utilize as funding sources on other capital projects. After any future Board decision regarding sale or lease of a property, a budget amendment will be submitted to the Board for approval if required.

DISCUSSION

Staff has assessed the current and future transit use of a 12.65 acre parcel SacRT owns at 3009 Power Inn Road (Assessor Parcel Number 079-0310-006). As described at the June 14 Board meeting, SacRT operates a park and ride lot, bus loop, and wayside equipment on the improved portion of the property (approximately 4.2 acres). Also, at the June 14 meeting, the Board voted to allow the installation of an EV charging station in the parking lot. In addition, SacRT has been talking to other entities about leasing underutilized parking spaces to support neighborhood businesses and offer first/last mile mobility options, such as car and scooter share.

With future development envisioned in the area, Staff believes the existing parking spaces should be retained for current and future demand for park and ride and first/last mile mobility options. Staff recommends consideration of the remaining, unimproved portion of the property (approximately 8.45 acres) as excess to transit operations and to dispose of it as surplus property.

To dispose of the property, SacRT will follow State Surplus Land Act and Government Code requirements and federal requirements set out in Federal Transit Administration (FTA) Circular 5010.1E and Title VII of SacRT’s Administrative Code. The State Surplus

Land Act (SLA) requires notifying the state of SacRT's surplus properties, providing notification to agencies and to entities on the state's list of affordable housing developers, and consideration/negotiation of offers.

Title VII of the SacRT Administrative Code Section 7.6.04, written to reflect FTA guidelines, requires surplus property acquired with federal funds to be sold to the highest bidder. The FTA rules have changed and selling to the highest bidder is no longer mandatory; instead, FTA requires that transit districts obtain the "highest value or at least fair market value" for the property. Because there may be other factors driving SacRT's determination of the best overall proposal for SacRT, which may not be from the highest bidder and because the SLA requires SacRT to enter into the offeror who will produce the most housing, not the highest bidder, Staff recommends that the Board waive the requirement that SacRT sell these parcels to the highest bidder, since that runs counter to the requirements set out in the SLA Guidelines and are inconsistent with what the FTA allows.

If the Board votes to declare the unimproved portion of SacRT's Power Inn parcel as surplus property, Staff will issue a Notice of Availability (NOA) as required by the SLA. The notice will be effective for 60 days. During that 60-day period, SacRT will not be able to market the property to market rate purchasers. If SacRT receives a response to the NOA, SacRT will begin negotiations with the offeror upon expiration of the 60 NOA period. SacRT must negotiate in good faith for 90-days. If the parties come to terms within the 90-days, Staff will return to the Board to approve the agreed upon terms and conditions. If the parties do not come to terms, SacRT will be permitted to begin marketing the parcel to market rate buyers. If SacRT receives no offers during the 60-day NOA period, it will be able to begin marketing the parcel to market rate buyers at the conclusion of the 60 days.

Offers on the property will be presented in the future to the public and the Board for review and consideration. Concurrence from the State and the FTA will be required prior to final decisions by the Board whether to execute any purchase sale agreements.

Staff recommends that the Board approve the attached Resolution.

RESOLUTION NO. 21-07-0090

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

July 26, 2021

DECLARING A PORTION OF 3009 POWER INN ROAD EXCESS TO TRANSIT OPERATIONS AS SURPLUS

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

THAT, the unimproved portion (approximately 8.45 acres) of real property described as Assessor Parcel Number 079-0310-006 is hereby declared to be surplus to transit operations in accordance with the California Government Code Section 54221 (California Surplus Land Act), federal requirements set out in FTA Circular 5010.1E, and Section 7.6.01 of Title VII of Sacramento Regional Transit's (SacRT) Administrative Code.

THAT, the Board hereby waives the requirement in Section 7.6.04 of Title VII of SacRT's Administrative Code that federally purchased properties be sold to the "highest bidder" after an Invitation to Bid.

THAT, as required under California Government Code Section 54222, the General Manager/CEO is hereby authorized and directed to prepare and issue a Notice of Availability (NOA) as required under the California Surplus Land Act and engage in negotiations with any qualified offerors responding to the NOA, for presentation to the Board for ultimate approval.

THAT, if SacRT receives no offers in response to the NOA or if any offers presented in response to the NOA fail to conclude in successful negotiations, the General Manager/CEO is hereby authorized and directed, in accordance with Chapter 6 of the Title VII of SacRT's Administrative Code, to begin the process of soliciting and negotiating offers for disposition of the above-referenced surplus property, for presentation to the Board for ultimate approval.

STEVE MILLER , Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary