

## **STAFF REPORT**

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**DATE:** July 24, 2023  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Jamie Adelman, VP, Procurement, Real Estate and Special Projects  
**SUBJ:** APPROVING NEW GROUND LEASE FOR PARKING PURPOSES WITH GARY NAZARENO

### RECOMMENDATION

Adopt the Attached Resolution.

### RESULT OF RECOMMENDED ACTION

Approval of a new lease will allow continuation of the ground lease for parking purposes with Gary Nazareno through August 31, 2033.

### FISCAL IMPACT

Revenues generated from the lease will be \$770 per month for the first five years (09/01/2023-08/31/2028 totaling \$46,200) and \$847 per month for an additional five years (09/01/2028-08/31/2033 totaling \$50,820).

### DISCUSSION

On July 1, 2018, Sacramento Regional Transit District (SacRT) entered into a short-term lease with Gary Nazareno (Lessee) where SacRT (Lessor) leased a portion of its right of way parcel (APN 010-0010-005) for parking adjacent to Mr. Nazareno's property at 1815 Stockton Boulevard in East Sacramento.

This property was initially leased to the prior owner of 1815 Stockton Blvd beginning in 1989 and has been the subject of several subsequent leases since that time. Staff could not find evidence that the Federal Transit Administration (FTA) ever reviewed this use of FTA-funded property and will be seeking formal concurrence to ensure that SacRT is fully compliant with its obligations as a grant recipient. If the FTA does not concur in the leased use, SacRT will terminate the lease pursuant to the termination for convenience provision. While SacRT does not currently have a day-to-day need to use the property, the lease provides SacRT the right of access if needed and allows SacRT to terminate for convenience on 30 days' advance notice.

The current lease was to expire on July 1, 2023 but was extended through August 31, 2023, under General Manager authority to consider Mr. Nazareno's request for a ten-year

lease, which requires SacRT Board approval. Staff negotiated a 10% rate increase over the 2018 rate and another 10% rate adjustment in five years.

Staff recommends approval of the ten-year lease at the rates described above with no other changes to all other terms of the original contract.

RESOLUTION NO. 2023-07-074

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

July 24, 2023

**APPROVING NEW GROUND LEASE FOR PARKING PURPOSES WITH GARY NAZARENO**

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

THAT, a ten-year Ground Lease for Parking Purposes by and between Sacramento Regional Transit District (therein "SacRT") and Gary Nazareno (therein "Lessee") at the rate of \$770 per month for five years and \$847 per month for an additional five years on a portion of Assessor Parcel Number 010-0010-005 adjacent to 1815 Stockton Boulevard subject to SacRT's right to terminate pending Federal Transit Administration's concurrence, is hereby approved.

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

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Tabetha Smith, Assistant Secretary