

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
21	05/14/18	Open	Information	05/09/18

Subject: Surplus Property Located at Calvine Road and Auberry Drive in Sacramento, CA (APNs: 115-0130-061 and 115-0130-071)

ISSUE

Inform the Board of offers received for surplus property located at Calvine Road and Auberry Drive in Sacramento, CA (APNs: 115-0130-061 and 115-0130-071).

RECOMMENDED ACTION

None as a result of this informational report.

FISCAL IMPACT

None at this time.

DISCUSSION

On June 27, 1995, Sacramento Regional Transit District (SacRT) entered into a land exchange agreement to acquire an approximately 3.05 acre parcel on the southeast corner of Calvine Road and Auberry Drive for the purpose of constructing a park-and-ride lot on the proposed South Sacramento Corridor Phase II (SSCP2) extension. The Board voted to exercise an option to acquire an additional acre of land on the site in June of 1998. The property, identified as APNs 115-0130-061 and 115-0130-071 (Subject Property), is approximately 3.84 acres and is further identified in Attachment A.

The Subject Property was acquired by exchanging 4 acres of land previously identified for a park-and-ride lot located at Calvine Road/Highway 99 for the Subject Property. The property located at Calvine Road/Highway 99 was obtained through dedication at no cost to SacRT.

A different alignment was ultimately chosen for the SSCP2 extension and on January 26, 2015, since SacRT no longer intended to develop the site, the Board voted to declare the Subject Property as surplus to transit operations.

SacRT enlisted the services of a commercial real estate broker to market the Subject Property for potential development and procure a purchaser. SacRT's broker met with approximately 65 potential purchasers and 3 offers were ultimately received. Two offers proposed acquiring the property in fee and one offer proposed a long-term ground lease. Because SacRT requires termination rights on ground leases, that offer was withdrawn by the potential purchaser.

SacRT's real estate broker presented the following two offers to SacRT's real estate committee for consideration:

Approved:

Presented:

Final 05/09/18

General Manager/CEO

Manager, Real Estate

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Summary of Offers Presented to SacRT		
	<u>Offer #1</u>	<u>Offer #2</u>
Offeror:	Catalyst Development Partners	Calvine Development Partners
Purchase Price Offered	\$1,600,000	\$1,500,000
Initial Deposit:	\$100,000	\$30,000
Due Diligence:	90 days	90 days, with additional 180 day "Planning Period" during which \$20,000 of the initial deposit remains refundable
Additional Deposit:	\$10,000 for every 30 day extension after expiration of due diligence period	\$20,000 each for up to two 3-month extensions of the "Planning Period"
Close Escrow:	No later than 18 months following expiration of the due diligence period; or 30 days following receipt of approvals	30 days following the later of (i) the expiration of the planning period; or (ii) any extension period
Proposed Use:	Multi-family housing (market rate)	Retail (unspecified)
<p>* Note: Final purchase price and terms of payment will be determined by the Board in Closed Session at a future meeting.</p>		

Although the Subject Property is no longer located along a proposed light rail alignment, it is included within SacRT's long-range plan for high frequency bus service and SacRT has prioritized offers that incorporate aspects of transit oriented development (TOD). After assessing both offers for the site, SacRT's real estate committee determined that the proposed use of Offer #1 is most consistent with SacRT's TOD goals.

This is an informational item and no action is required at this time. Staff will return to the Board at a future date to determine next steps for the surplus disposition. Staff will seek further direction from the Board regarding price and terms of payment in future Closed Session.

ATTACHMENT A

Calvine Road & Auberry Drive, Sacramento, CA
APNs: 115-0130-061 and 115-0130-071

