

City of Sacramento

Legislation Text

File #: 2021-00152, **Version:** 1

Title:

Declaration of Surplus Land - 3625 Fong Ranch Road

File ID: 2021-00152

Location: 3625 Fong Ranch Road, District 3

Recommendation:

Adopt a Resolution declaring that the City-owned property located at 3625 Fong Ranch Road is surplus land and is not necessary for the City's use, in accordance with the California Surplus Land Act (Government Code Section 54220 et seq.).

Contact: Bill Sinclair, Real Property Agent, (916) 808-1905; Richard Sanders, Facilities & Real Property Superintendent, (916) 808-7034, Department of Public Works

Presenter: None

Attachments:

1-Description/Analysis

2-Resolution

Description/Analysis

Issue Detail: In 2003, the City acquired 24.98 acres of vacant property ("Original Property") located along the south side of Interstate 80 and east of Truxel Road from Mike & Cindy Dougherty. The cost of the acquisition was \$3,452,130, with funds sourced from the Storm Drainage Contingency Reserve Fund (\$2,052,130) and the July 2002 bond proceeds (\$1,400,000).

In 2005, the Original Property was swapped for 22.81 acres of adjacent vacant property located at 3625 Fong Ranch Road ("Subject Property") owned by ParkBridge LLC. At the time of the swap, it was determined that the value of the Original Property and the Subject Property were equivalent. The City intended to partner with Natomas Youth Baseball (NYB) to construct a park and baseball fields to be known as "Opus Fields at the Natomas Baseball Complex" on the Subject Property and the City executed a lease agreement with NYB for operation of the complex. By 2011, the recession made it no longer feasible to construct the Opus Fields project and the lease agreement with NYB was terminated. Currently there are other existing, recently developed parks located in the general area, which makes development of the Subject Property into a City park unnecessary. Due to its size and

location, no other City use for the Subject Property has been identified.

The California Surplus Land Act (Gov. Code, § 54220 et seq.) places requirements upon local government agencies before agencies can sell surplus property. In 2016, pursuant to the then-existing requirements of the Surplus Land Act, notices of the City's intention to sell the Subject Property were sent to local agencies. The City received one response from the Natomas Unified School District ("District"). After several months of negotiations in 2017, the District decided not to purchase the Subject Property. In February 2018, the Subject Property was listed for sale on the open market for \$6,400,000 with Colliers International. Colliers received considerable buyer interest in the Subject Property and two offers were submitted, but negotiations with both parties were not successful.

In 2019, Assembly Bill No. 1486 was adopted, which amended certain sections of the Surplus Land Act relating to the sale of surplus property. Such amendments went into effect on January 1, 2020. The Surplus Land Act defines surplus land as "*land owned in fee simple by any local agency for which the local agency's governing body takes formal action in a regular public meeting declaring that the land is surplus and not necessary for the agency's use.*" (Gov. Code, § 54221(b)(1).) The Surplus Land Act requires that a local agency declare property as "surplus" supported by written findings before any action may be taken to dispose of the property.

The purpose of the Resolution is to formally declare the Subject Property to be surplus land in compliance with the Surplus Land Act.

Policy Considerations: The recommendations in this report are in accordance with the provisions of the Surplus Land Act.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): The City Council declaration that a parcel is surplus property is in compliance with a statutory requirement and is not part of a project that has been identified, designed or funded. No physical change in the environment would occur. The action is an administrative action that would not result in direct or indirect physical changes in the environment and is not a project as defined in CEQA. (CEQA Guidelines section 15378(b)(4); 15060(c)(3)).

Sustainability: Not applicable

Commission/Committee Action: None

Rationale for Recommendation: The Surplus Land Act requires local agencies to declare property as surplus land supported by written findings before any action can be taken to dispose of the property. Adoption of the Resolution by the City Council will allow for possible sale of the Subject Property in accordance with the requirements of the Surplus Land Act. The next step under the Surplus Land Act will be the City's issuance of Notices of Availability, notifying certain specified entities (including other public agencies and housing sponsors on the State Housing and Community Development department's list) that the property is for sale.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable