



**CITY OF ELK GROVE
CITY COUNCIL STAFF REPORT**

AGENDA TITLE: Receive an annual report on City surplus lands and consider a resolution affirming prior declarations of surplus lands (Bond Road, APN 127-0120-096; E. Stockton Blvd., APN 115-0162-023; 8729 E. Stockton Blvd., APN 115-0162-036; 8169 Sheldon Road., APN 117-0220-020; 8165 Sheldon Road, APN 117-0220-021) and declaring certain other lands surplus (8340 Sheldon Road, APN 116-0030-097; 10251 Grant Line Road, APN 134-0190-009), and authorizing the City Manager to send notices of availability as to the surplus lands (CEQA Exempt)

MEETING DATE: March 11, 2020

PREPARED BY: Christopher Jordan, AICP, Director of Strategic Planning and Innovation
Ann Grava, Real Estate Manager

DEPARTMENT HEAD: Jason Behrmann, City Manager

RECOMMENDED ACTION:

Staff recommends that the City Council receive an annual report on City of Elk Grove ("City") surplus lands, adopt a resolution affirming the City Council's prior declaration of certain surplus lands in light of the new law, Assembly Bill 1486 (Bond Road, APN 127-0120-096; E. Stockton Blvd., APN 115-0162-023; 8729 E. Stockton Blvd., APN 115-0162-036; 8169 Sheldon Road., APN 117-0220-020; 8165 Sheldon Road, APN 117-0220-021) and declaring certain other lands (or portions thereof) located at 8340 Sheldon Road, APN 116-0030-097 and 10251 Grant Line Road, APN 134-0190-009 as surplus land, and authorizing the City Manager to send notices of availability as to the surplus lands.

BACKGROUND INFORMATION:

Assembly Bill 1486 by Assemblymember Ting was approved by the Legislature and signed by the Governor in the Fall of 2019. AB 1486 made various amendments to Government Code Sections 54220 et seq., concerning the process for disposition of surplus land by cities and other local agencies. These new laws became effective January 1, 2020.

Among other matters, these new laws require the City to annually report on surplus lands held by the City. The intent of this legislation was, among other things, to improve the process for providing notice of surplus lands to facilitate development of affordable housing around the State. The new law requires that any land “not necessary for the agency’s use” be declared surplus prior to disposition of the land. “Agency’s use” is defined in the new law as land that is used or planned to be used for the agency’s work or operations such as a water treatment plant, park, detention basin or other agency use. The state law definition of agency use expressly excludes commercial or industrial uses, such as non-government retail, entertainment, or office development. If an agency disposes of land to finance such a project or activity, that disposition must go through the surplus land process under the new law. In some cases, the City is still evaluating property it owns to determine whether or not it is necessary for the City’s use. Those properties have not been included in this report.

Any land that is declared as surplus must be noticed to other public agencies and prospective affordable housing developers that have registered with the State prior to any solicitation or negotiation with other developers or interested parties. Noticed agencies and registered housing developers have 60 days from the date of notice to express interest in the property and 90 days to complete good-faith negotiations. If terms are not agreed upon between the interested party and the City within this 90-day period of good faith negotiations, the City may negotiate with any other developers or interested parties for the disposition of the surplus land.

The new law expresses a preference for residential uses, and particularly affordable housing. With certain exceptions, the City cannot disallow a residential site as a condition of disposal of property. Additionally, if the surplus property is sold to an entity intending to develop 10 or more residential units, at least 15 percent of the property must be restricted as affordable units. No consideration is made in the new law regarding existing

general plan or zoning limits, nor does the law supersede local land use control, meaning any future development must still be consistent with the City’s land use regulations.

Finally, the new law requires the City to report on the list of surplus lands in the General Plan Annual Report, which is due April 1 of each year, starting April 1, 2021. Although a report is not required for this year, staff is currently working on this report for 2020 and intends to provide it to City Council at the March 25, 2020 meeting.

ANALYSIS/DISCUSSION:

Existing Surplus Lands (Reaffirmation)

Table 1 lists, and Figure 1 illustrates, property the City owns that was previously declared surplus. All of the properties were acquired in conjunction with transportation improvement projects – specifically the Sheldon/State Route 99 Interchange and the Bond Road/Grant Line Road Intersection Improvement. Staff does not recommend removing any of these sites from the Surplus Lands List. In light of the new law, staff recommends that the City Council reaffirm its declaration that these properties are surplus land.

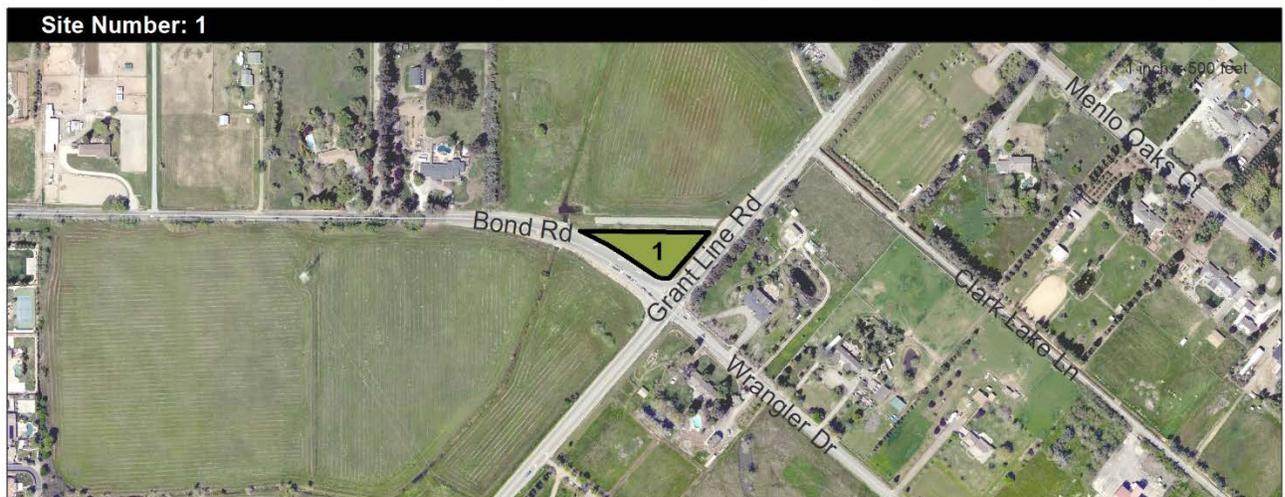
Table 1: Existing Surplus Lands

Site Number	Assessor’s Parcel Number	Address (If Assigned)	General Plan Designation	Zoning	Declared Surplus
1	127-0120-096	Bond Rd	Estate Residential with Commercial Overlay	Triangle SPA	September 26, 2012 Resolution 2012-174
2	115-0162-023	E Stockton Blvd	High Density Residential	RD-25	
3	115-0162-036	8729 E Stockton Blvd	High Density Residential	RD-25	
4	117-0220-020	8169 Sheldon Rd, City of Sacramento	Suburban Center ¹	C-2-R ¹	
5	117-0220-021	8165 Sheldon Rd, City of Sacramento	Suburban Center ¹	C-2-R ¹	

Notes:

1. General Plan and Zoning information is for City of Sacramento, who is the land use agency for the subject property.

Figure 1: Existing Surplus Lands



Proposed Surplus Lands (New Declaration)

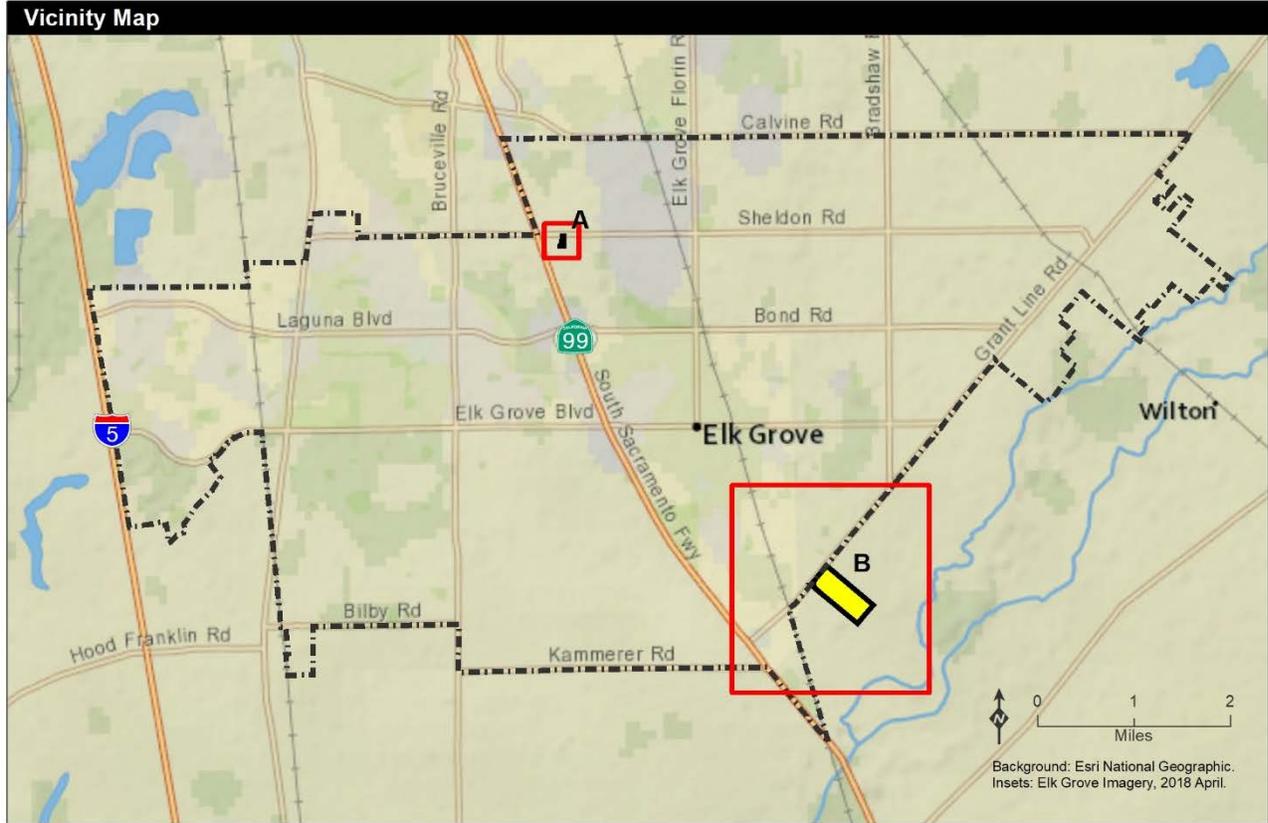
This section describes property the City owns that staff recommends be designated as surplus land. The properties are listed in Table 2, illustrated in Figure 2, and are discussed in more detail below. While the City owns other sites that may be considered for surplus in the future, only the sites recommended by staff are discussed in this report.

Table 2: Potential Surplus Lands

Site Number	Assessor's Parcel Number	Address (If Assigned)	Size (Acres)	Related Project	Recommended Action
A	116-0030-097	8340 Sheldon Road	1.04±	Sheldon/SR-99 Interchange	Declare Surplus
B	134-0190-009	10251 Grant Line Rd	96.23±	Multi-Sport Park Complex	Declare Surplus

- Site A – This site was acquired for right-of-way for transportation improvements. The improvements have been completed. Staff recommends declaring the site surplus.
- Site B – This is the site of the planned Multi-Sport Park Complex. Staff is actively working on infrastructure master planning to support annexation of the site and surrounding properties later this year. However, based upon prior Council direction, staff understands that construction and operation of the Complex is not to impact existing City finances. Therefore, the environmental analysis for the site includes both development of the full nearly 100-acre site, as well as an alternative, where approximately half the site is sold for an industrial use and the proceeds from the sale are used to finance construction of the Complex on the balance of the site. This approach began prior to the effective date of the new surplus land law. As the City moves toward annexation, staff continues to plan uses for the full site. The City might not need the entire site for the City's use in order to develop the Multi-Sport Complex. Therefore, in order to retain flexibility for the City, staff recommends the Council declare the site as surplus, which would allow the City to market a portion of it for potential development, while still allowing for the potential development of a Multi- Sport Complex project.

Figure 2: Proposed Surplus Lands



Notices of Availability

As part of the proposed action, staff seeks authorization for the City Manager to send out written notices of availability to appropriate public agencies and prospective affordable housing developers, as designated by the new law. Recipients of the notice would then have 60 days to indicate their interest in the purchase of the surplus land. If a recipient timely express interest in the purchase, the City must enter into good faith negotiations for a period of not less than 90 days. The City would not be required to sell the land to the interested party. If terms of sale are not agreed upon following the good faith negotiation, the land may be otherwise disposed of or sold by the City.

ENVIRONMENTAL ANALYSIS:

The proposed action will not cause a direct physical change in the environment, nor a reasonably foreseeable indirect physical change in the environment. This action, therefore, does not constitute the approval of a project under the California Environmental Quality Act (“CEQA”), and it is exempt from CEQA. (Pub. Res. Code § 21065, CEQA Guidelines §§ 15060(c),(2)(3); 15061(b)(3); 15064(d)(3); 15378(a).)

ALTERNATIVE ACTIONS:

The Council could modify staff’s recommendation and remove some or all of the proposed sites from the potential surplus list. The Council could also add sites that were not recommended by staff. However, staff’s recommendation is informed by current work efforts and the recent changes in state law.

FISCAL IMPACT:

There are no immediate financial impacts relative to the recommended action. Some direct costs will be incurred due to notices that must be mailed to the State, other agencies, and registered developers notifying them of the City’s surplus property list. These costs are minimal and can be accommodated within current budget authority.

ATTACHMENT:

1. Resolution

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
DECLARING CERTAIN CITY-OWNED REAL PROPERTIES TO BE SURPLUS
PURSUANT TO GOVERNMENT CODE SECTION 54220, ET SEQ.**

WHEREAS, the Surplus Property Land Act, Government Code Section 54220, et seq., defines surplus property as land owned by any local agency that is not necessary for the agency’s use; and

WHEREAS, staff has completed a review of City-owned property and has identified certain sites that may not be necessary for the City’s use as defined in state law; and

WHEREAS, the passage of this resolution will not cause a direct physical change in the environment, nor a reasonably foreseeable indirect physical change in the environment; this action, therefore, does not constitute the approval of a project under the California Environmental Quality Act (“CEQA”), and it is exempt from CEQA. (Pub. Res. Code § 21065, CEQA Guidelines §§ 15060(c),(2)(3); 15061(b)(3); 15064(d)(3); 15378(a)).

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby declares that those certain City-owned properties, and any rights, title, and interest therein, listed in the table below are declared surplus pursuant to Government Code Section 54220 et seq. and based upon the following findings:

Assessor’s Parcel Number	Address (If Assigned)	Size (Acres)	Related Project	Surplus Type
127-0120-096	Bond Rd	0.49±	Bond Road Widening	Surplus
115-0162-023	E Stockton Blvd	0.78±	Sheldon/SR-99 Interchange	Surplus
115-0162-036	8729 E Stockton Blvd	1.81±	Sheldon/SR-99 Interchange	Surplus
117-0220-020	8169 Sheldon Rd, City of Sacramento	0.56±	Sheldon/SR-99 Interchange	Surplus
117-0220-021	8165 Sheldon Rd, City of Sacramento	0.48±	Sheldon/SR-99 Interchange	Surplus
116-0030-097	8340 Sheldon Rd.	1.04±	Sheldon/SR-99 Interchange	Surplus
134-0190-009	10251 Grant Line Rd	96.23±	Multi-Sport Park Complex	Surplus

Finding: The land is surplus and is not necessary for the agency’s use.

Evidence: The Bond Road Widening and Sheldon/SR-99 Interchange projects are complete, and the remaining properties acquired for construction of these facilities are no longer necessary for the City’s use. There are no further City projects described in the City’s Capital Improvement Program or General Plan on the subject sites.

For the Multi-Sports Park Complex property, the City may not need the entire site for the proposed Multi-Sports Park Complex. Planning of the site and its amenities is continuing. The City is exploring potential sale of a portion of the property, the proceeds of which could be used as a way to support the construction of the overall project. Any portion sold would not be used for a City facility, and no projects are identified in the City's Capital Improvement Program or General Plan that would utilize the portion sold.

AND, BE IT FURTHER RESOLVED, that the City Manager or authorized designee is authorized to prepare and send all notices required by state law related to the declaration of the above-identified surplus property including, without limitation, notices of availability of the surplus property as provided for by state law.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 11th day of March 2020

STEVE LY, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS
CITY ATTORNEY