



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
October 18, 2005

Honorable Mayor and
Members of the City Council

Subject: Land Exchange Agreement with ParkeBridge, LLC

Location/Council District: South side of Interstate 80 between Truxel Road and Northgate Boulevard (District 1)

Recommendation: Adopt a resolution 1) finding that is in the best interest of the City, in accordance with City Code Section 3.88.090, to convey fee title to a vacant land parcel without competitive bidding; and 2) authorize the City Manager to execute the Land Exchange Agreement with ParkeBridge, LLC.

Contacts: Rhonda R. Lake, Program Manager, 808-7902
Janet Baker, Park Development Manager, 808-8234

Presenters: None

Department: General Services

Division: Facilities and Real Property Management

Organization No: 3285

Summary:

A Land Exchange Agreement has been negotiated with ParkeBridge, LLC, for the conveyance of fee title to approximately 24.98 acres of vacant City-owned land in South Natomas at Truxel Road and Interstate 80, hereto noted as the "City Parcel". In exchange for the City Parcel, ParkeBridge will convey approximately 22.81 acres of vacant land located in close proximity to Natomas and Discovery High Schools, the "ParkeBridge Exchange Parcel"(Attachment A).

Committee/Commission Action: None.

Background Information:

City Parcel (APN: 225-0160-088): The City Parcel is comprised of approximately 24.98 acres of vacant land situated along the southeast line of Interstate 80 at Truxel Road within the South Natomas Community Plan area. The City acquired the property in

June 2003 for \$138,085 per acre based on zoning for office use. The acquisition was seen as an opportunity for the City to secure property in a strategic location at the convergence of two major freeways and in an area where available land was in short supply.

ParkeBridge Exchange Parcel (portions of APN's: 225-0160-054, 225-0160-084 and APN: 225-0170-055): The ParkeBridge Exchange Parcel is comprised of 22.81 acres of vacant land in close proximity to Natomas and Discovery High Schools, in the vicinity of Truxel and Interstate 80. ParkeBridge LLC acquired the property and other adjoining property from Natomas Unified School District in 2005. ParkeBridge desires to assemble its adjoining land with the City Parcel for the more efficient development of proposed housing.

The primary business points of the Land Exchange Agreement include the following:

1. **Appraised Value:** Based on an independent fee appraisal, the parties have agreed that the City Parcel has an appraised value of \$315,000 per acre, while the ParkeBridge Exchange Parcel has an appraised value of \$345,000 per acre; therefore, the total appraised value of the 24.98 acre City Parcel is substantially equivalent to 22.81 acres of the ParkeBridge Exchange Parcel.
2. **Condition of Title:** Fee title to the Parcels will be conveyed free and clear of all liens and encumbrances, excepting easements, rights-of-way or other matters of record, subject to the parties' approval of updated Preliminary Reports to be provided by ParkeBridge.
3. **Due Diligence:** The parties shall have sixty (60) days following execution of the Agreement to complete any remaining or additional due diligence activities related to the Parcels.
4. **Costs and Expenses of Escrow:** Each party shall pay for title insurance related to its Parcel. All other escrow fees and costs shall be split equally between the parties.
5. **Prorations:** As of the close of escrow, taxes, assessments, and other expenses shall be prorated between the parties.
6. **Close of Escrow:** Close of escrow shall occur on or before December 31, 2006, subject to ParkeBridge obtaining entitlements for a residential development which includes the City Parcel; however, execution of the Land Exchange Agreement shall in no way restrict the City's exercise of its discretion in the land use entitlement process.

Based on an independent fee appraisal for the proposed land exchange, the appraiser concluded that the highest and best use of both Parcels is to pursue entitlements for residential development; however, the per-acre value of the ParkeBridge Exchange Parcel (\$345,000) was determined to be higher than the per-acre value of the City Parcel (\$315,000) due to additional costs and perceived risks associated with amending the land use designations for the City Parcel from office to residential. Considering this

difference, the total appraised value of the City Parcel is estimated at \$7,868,700 (24.98 acres @ \$315,000), while a substantially equivalent portion of the ParkeBridge Exchange Parcel to be exchanged is estimated at 22.81 acres valued at \$7,869,450 (22.81 @ \$345,000). The City desires to acquire the ParkeBridge Exchange Parcel for future public use and views its proximity to schools as a potential benefit.

Financial Considerations:

Neither party will be required to pay any additional consideration for the property received by it in the exchange.

Environmental Considerations:

Acquisition of the ParkeBridge Exchange Parcel is exempt from the California Environmental Quality Act (CEQA) under section 15316 of the CEQA guidelines. This section allows the acquisition of land when the land is in a natural condition with no development on site. CEQA analysis will be conducted at the time of development.

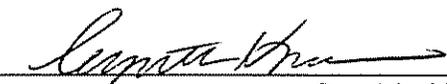
Conveyance of the City Parcel is exempt from the California Environmental Quality Act (CEQA) under section 15312 of the CEQA guidelines, "Surplus Government Property Sales"; however, any subsequent actions for development will undergo appropriate environmental review.

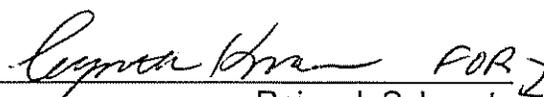
Policy Considerations:

The action requested herein is consistent with the City's Strategic Plan goals to expand economic development throughout the City and to achieve sustainability and livability.

Emerging Small Business Development (ESBD):

No goods or services are being purchased.

Respectfully Submitted by: 
Cynthia Kranc
Facilities Manager

Approved by:  FOR
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:

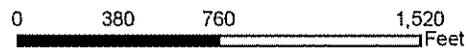
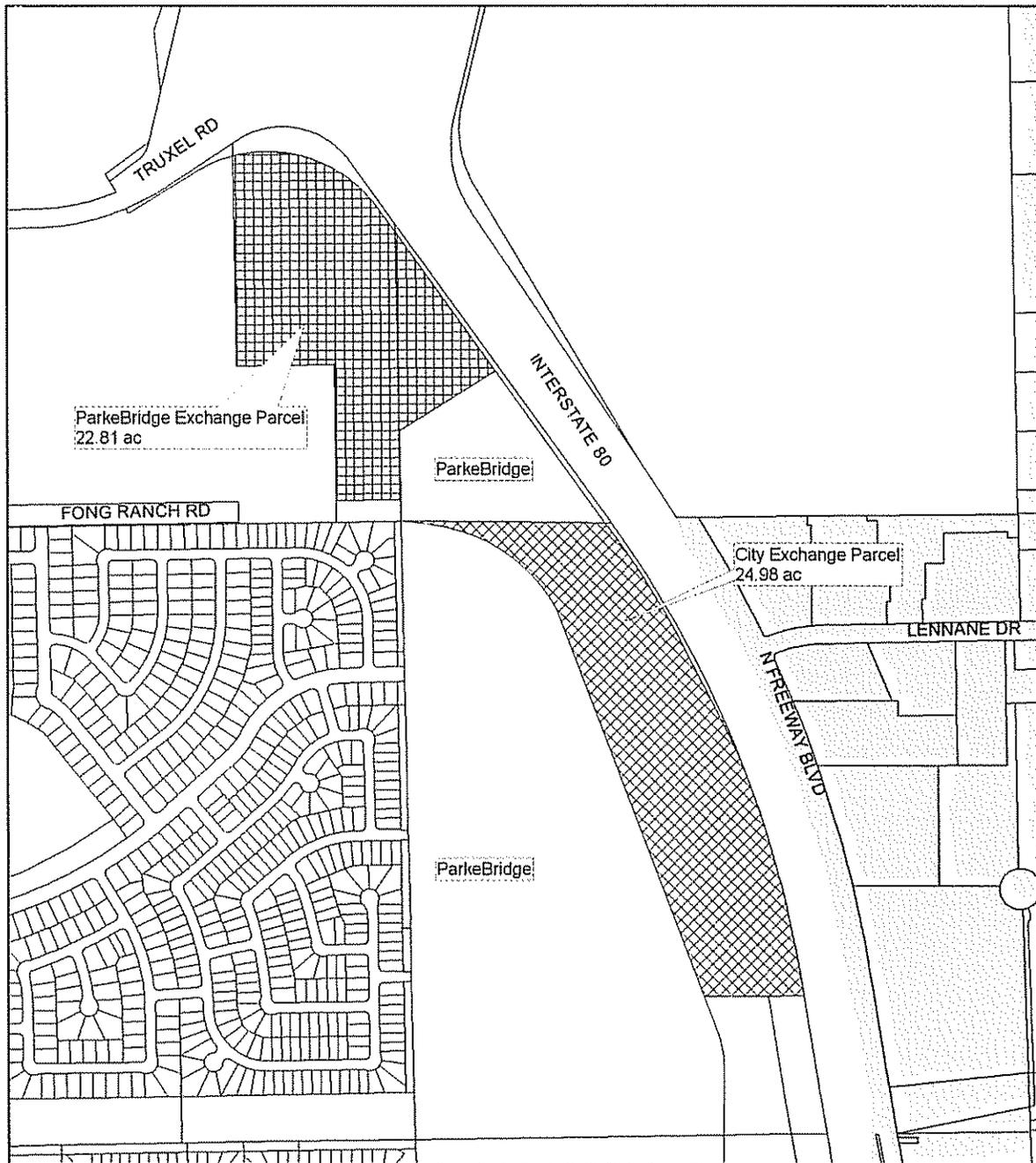

ROBERT P. THOMAS
City Manager

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ATTACHMENT A

ParkeBridge Land Exchange



RESOLUTION NO.

Adopted by the Sacramento City Council

October 18, 2005

**AUTHORIZING THE CONVEYANCE OF VACANT CITY-OWNED LAND WITHOUT
COMPETITIVE BIDDING AND APPROVING THE LAND EXCHANGE AGREEMENT WITH
PARKEBRIDGE, LLC**

BACKGROUND

- A. In June 2003, the City acquired fee title to real property identified as APN: 225-0160-088 (the "City Parcel"), comprised of approximately 24.98 acres in the vicinity of Truxel Road and I-80, and more specifically described and diagrammed in Exhibit "A" attached.
- B. City Code Section 3.88.090 provides for the conveyance of real property without competitive bidding when Council finds that such action will be in the best interest of the City.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

Section 1. It is in the best interest of the City to convey fee title to the City Parcel without competitive bidding as (i) the location of ParkeBridge Exchange Parcel, more specifically described and diagrammed in Exhibit "B" attached, is desired for future public use; and (ii) the City Parcel and ParkeBridge Exchange Parcel have substantially equivalent value.

Section 2. The City Manager is authorized to execute the Land Exchange Agreement with ParkeBridge, LLC and to execute such additional documents and to take such additional actions as necessary to implement the Land Exchange Agreement.

Table of Contents:

Exhibit A: Legal Description and Plat Map City Parcel – 2 pages

Exhibit B: Legal Description and Plat Map ParkeBridge Exchange Parcel – 3 pages

EXHIBIT "A"

Description:

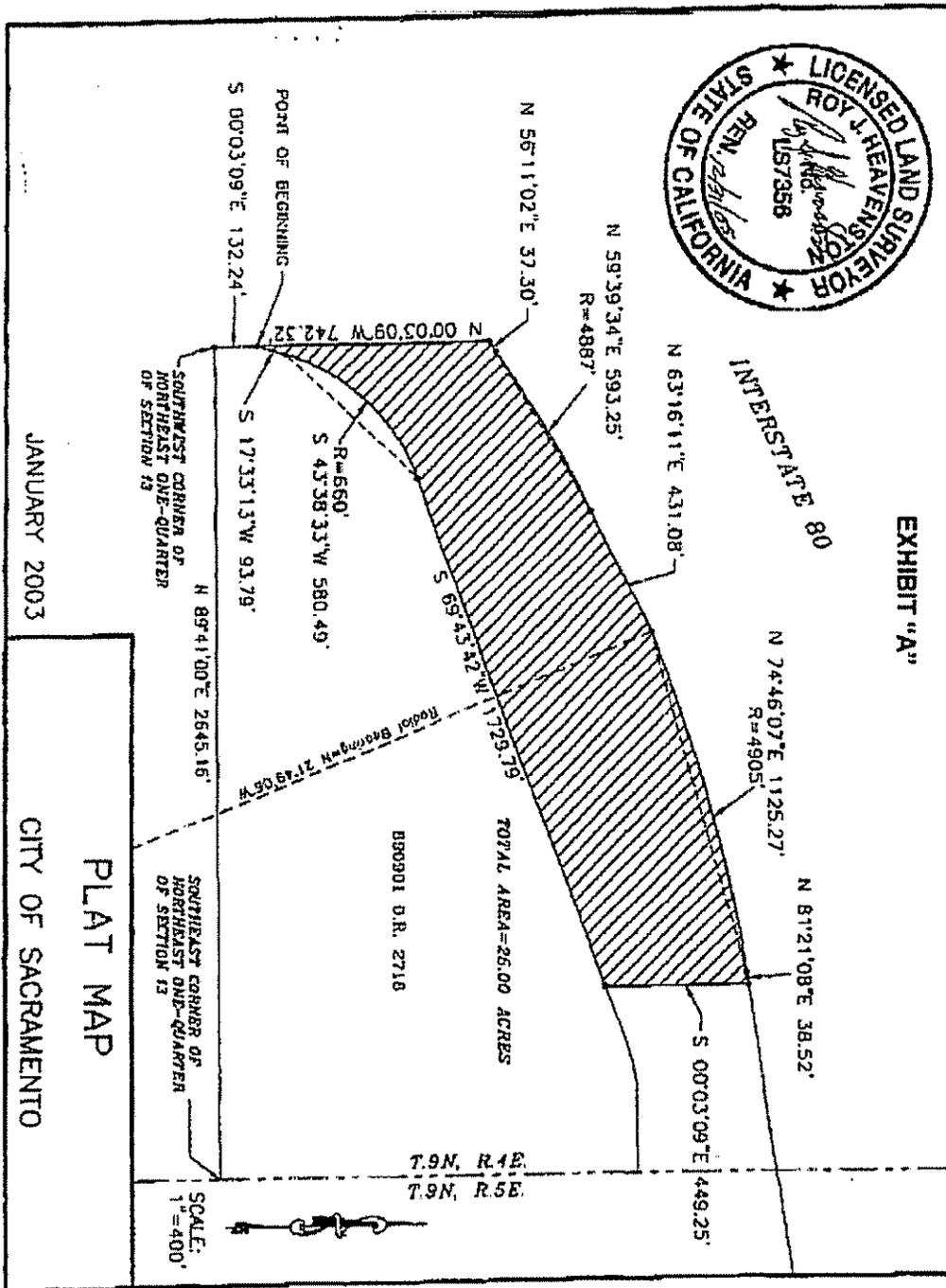
All that certain real property situated, lying and being in the City of Sacramento, County of Sacramento, State of California, described as follows:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, AND LYING IN THE NORTHEAST ONE-QUARTER OF SECTION 13, TOWNSHIP 9 NORTH, RANGE 5 EAST, M.D.B & M., DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST ONE-QUARTER OF SECTION 13, FROM WHICH THE SOUTHWEST CORNER OF SAID SECTION 13 BEARS SOUTH 00°03'09" EAST, 132.24 FEET; THENCE ALONG SAID WESTERLY LINE NORTH 00°03'09" WEST, 742.32 FEET; THENCE NORTH 56°11'02" EAST, 37.30 FEET; THENCE CURVING TO THE RIGHT ON AN ARC OF 4887.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 59°39'34" EAST, 593.25 FEET; THENCE NORTH 63°16'11" EAST, 431.08 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT, CONCAVE SOUTHERLY, HAVING A RADIUS OF 4905.00 FEET, (A RADIAL LINE THROUGH SAID BEGINNING OF CURVE BEARS NORTH 21°49'06" WEST), SAID CURVE BEING SUBTENDED BY A CHORD BEARING NORTH 74°46'07" EAST, 1125.27 FEET; THENCE NORTH 81°21'08" EAST, 38.52 FEET; THENCE SOUTH 00°03'09" EAST, 449.25 FEET TO THE NORTHERLY LINE OF PROPERTY CONVEYED TO GRANT JOINT UNION HIGH SCHOOL DISTRICT BY SACRAMENTO INVESTMENT COMPANY II, LTD., IN DEED DATED AUGUST 31, 1989, RECORDED SEPTEMBER 1, 1989, IN BOOK 8909-01, PAGE 271B, OFFICIAL RECORDS, INSTRUMENT NO 206576; THENCE ALONG SAID NORTHERLY LINE SOUTH 69°43'42" WEST, 1729.79 FEET; THENCE CURVING TO THE LEFT, CONCAVE SOUTHEASTERLY, ON AN ARC OF 660.00 FEET RADIUS, SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 43°38'33" WEST, 580.49 FEET; THENCE SOUTH 17°33'13" WEST, 93.79 FEET TO THE POINT OF BEGINNING.

Order No. 70002503-A

Description: Sacramento, CA Document-Book Page 20030613. 812 Page: 4 of 5
Order: c Comment:



Description: Sacramento, CA Document-Book Page 20030613.012 Page: 5 of 5
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EXHIBIT "B"

#1213.003

**LEGAL DESCRIPTION
FOR
PARKBRIDGE PARCEL**

A portion of Parcel 2 of Certificate of Compliance for Lot Line Adjustment recorded in Book 20050120, Page 1492, Sacramento County Records, in the City of Sacramento, County of Sacramento, State of California, described as follows:

BEGINNING at a point which is the most southerly southeast corner of said Parcel 2; thence along the southerly boundary line of said Parcel 2, South 89° 32' 00" West, a distance of 914.41 feet to the southwest corner of said Parcel 2; thence along the northwesterly boundary line of said Parcel 2, along a non-tangent curve concave to the southeast having a radius of 650.00 feet, and to which a radial line bears South 78° 47' 22" West, northeasterly 711.32 feet, along said curve through a central angle of 62° 42' 02"; hence North 51° 27' 13" East, a distance of 234.28 feet; thence along a non-tangent curve concave to the southeast having a radius of 2935.00 feet, and to which a radial line bears North 38° 32' 47" West, northeasterly 163.48 feet, along said curve through a central angle of 03° 11' 29"; thence North 54° 41' 50" East, a distance of 543.40 feet; thence leaving said northwesterly boundary line and proceeding into said Parcel 2, South 28° 41' 21" East, a distance of 516.36 feet; thence North 89° 51' 45" East, a distance of 271.21 feet; thence South 00° 25' 01" East, a distance of 32.86 feet; thence along a tangent curve concave to the west having a radius of 237.00 feet, southerly 32.73 feet, along said curve through a central angle of 07° 54' 45"; thence South 07° 29' 44" West, a distance of 138.21 feet; thence along a non-tangent curve concave to the east having a radius of 250.00 feet, and to which a radial line bears North 85° 49' 51" West, southerly 20.05 feet, along said curve through a central angle of 04° 35' 44"; thence South 00° 25' 35" East, a distance of 88.24 feet to the most northerly southeast corner of said Parcel 2; thence along the southerly boundary line of said Parcel 2, South 89° 32' 00" West, a distance of 578.21 feet; thence South 00° 25' 21" East, a distance of 418.00 feet to the POINT OF BEGINNING.

Containing 993,472 square feet or 22.807 acres, more or less.

Basis of Bearings description is California State Plane Coordinate System, Zone 2, NAD 83, Epoch Date 1997.30, as measured between NGS Stations "G3704" and "G3804". Said bearing is North 40°11'50" East. Distances shown are ground based.

September 8, 2005

END OF DESCRIPTION

PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA



