

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 14-15, 2025

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.17, Action

Prepared By: Anja Aulenbacher
Associate Deputy Director

Published Date: August 1, 2025

Subject: Sacramento Regional Transit District Request to Retain Proceeds from the Sale of Excess Property Purchased with Traffic Congestion Relief Program Funds, Resolution G-25-55

Recommendation:

Staff recommends that the California Transportation Commission (Commission) approve the Sacramento Regional Transit District's (SacRT) request to:

- Retain the state's share of proceeds generated from the sale of excess property purchased with Traffic Congestion Relief Program funds, in accordance with Resolution G-25-55 and Attachment B, and
- Purchase new light rail vehicles with the proceeds.

Issue:

In March 2002, SacRT received an allocation of \$3,900,000 of Traffic Congestion Relief Program funds for the right-of-way phase of the Route 80 Light Rail Corridor project. A portion of these funds was used to purchase five parcels. In 2017 and 2020, three parcels were assessed, deemed surplus, and sold, and the building on the fourth parcel was destroyed in a fire, respectively. SacRT received a total of \$774,984 for the sale of the three parcels, which has accrued \$122,511 in interest. Additionally, SacRT received \$1,802,350 from insurance for the loss due to the fire, which has accrued \$236,527 in interest. The underlying property of the fourth parcel as well as the fifth parcel is still owned and utilized by SacRT.

Pursuant to the provisions of the Master Agreement entered into by the State and SacRT for the project, SacRT has submitted a request to retain the net proceeds from the sale of the excess property and accrued interest in the amount of \$897,000, and the insurance claim payout and accrued interest amount of \$2,038,000 for a total of \$2,935,000. SacRT proposes to use the proceeds to purchase new light rail vehicles to replace those that have been in service for over 40 years. Modernization of SacRT's light rail system is critical for the continued

service that SacRT provides, which helps to relieve congestion on the state's transportation systems. A formal request letter asking to retain the funds is included in Attachment B.

Background:

The Traffic Congestion Relief Act of 2000 (Assembly Bill 2928, Chapter 91, Statutes of 2000 and Senate Bill 1662, Chapter 656, Statutes of 2000) created the Traffic Congestion Relief Program to relieve congestion on the state's transportation systems. The Act committed \$4,908,900,000 to 141 specific projects, including \$25,000,000 to project number 116 - the Route 80 Light Rail Corridor project.

On February 28, 2002, the Commission approved the programming of \$3,900,000 for the Traffic Congestion Relief Program's Sacramento Regional Transit project number 116 – Phase 3 (right-of-way phase) for the Route 80 Light Rail Corridor project in Sacramento County. In March 2002, the State and SacRT entered into an Agreement (Agreement R9307A). Under delegated authority, the California Department of Transportation (Caltrans) allocated \$3,900,000 of Traffic Congestion Relief Program funds to the right-of-way phase for SacRT's Route 80 Light Rail Corridor project.

Caltrans includes standard provisions in the Master Agreements signed by the State and the implementing agency. Master Agreement number 64A0038 A01, signed by the State and SacRT, states the following provisions, among others:

- “State...shall be entitled to a refund or credit...if Recipient, (i) ceases to utilize Project for the original intended public transportation purposes or (ii) sells or transfers title to or control over Project.
- “Such credit due to State as a refund shall not be required if Recipient dedicates the proceeds of such sale or transfer exclusively to a new or replacement State approved public transit purpose, which replacement facility or vehicles will then also be subject to the identical use restrictions for that new public purpose and the Credit ratio due State should that replacement project or those replacement vehicles cease to be used for that intended described pre-approved public transit purpose.”

Attachments:

- Attachment A: Resolution G-25-55
- Attachment B: Request Letter from the Sacramento Regional Transit District

CALIFORNIA TRANSPORTATION COMMISSION
Sacramento Regional Transit District Request to Retain Proceeds from the Sale of
Excess Property Purchased with Traffic Congestion Relief Program Funds,
Resolution G-25-55

- 1.1 **WHEREAS**, the Traffic Congestion Relief Act of 2000 committed \$4.9 billion to 141 specific projects including the Route 80 Light Rail Corridor project; and
- 1.2 **WHEREAS**, in accordance with Government Code Section 14556.11, the California Transportation Commission (Commission) established, in consultation with the Department of Transportation (Department) and regional agencies, guidelines to implement the Traffic Congestion Relief Program/Act of 2000 (Act); and
- 1.3 **WHEREAS**, in March 2022, the Sacramento Regional Transit District received an allocation of \$3.9 million in Traffic Congestion Relief Program funds for the right of way phase of the Route 80 Light Rail Corridor project under Agreement R9307A; and
- 1.4 **WHEREAS**, in December 2003, the Sacramento Regional Transit District purchased five parcels for \$2,474,354; and
- 1.5 **WHEREAS**, in November 2017, three parcels were deemed surplus and sold and netted \$774,984.31 in proceeds and \$122,511.24 in accrued interest; and
- 1.6 **WHEREAS**, one parcel was destroyed by fire and reimbursed through insurance for \$1,802,350, which has accrued \$236,526.67 in interest; and
- 1.7 **WHEREAS**, Sacramento Regional Transit District has requested to retain the revenue of the sale of surplus properties and insurance reimbursement, including the accrued interest on both, for a total of \$2,935,000; and
- 1.8 **WHEREAS**, agreement R9307A requires that Sacramento Regional Transit District refund or credit the State if it ceases to utilize the property for the intended public transportation purposes, or sells, or transfers the title; however such refund or credit is not required, subject to Commission approval, if Sacramento Regional Transit District uses the proceeds to fund public transit capital projects in Sacramento County; and
- 1.9 **WHEREAS**, Sacramento Regional Transit District has proposed to use the proceeds to purchase new light rail vehicles to further the modernization of the light rail system that is critical for the continued service that helps to relieve congestion on the state's transportation systems.

- 2.1 **NOW, THEREFORE, BE IT RESOLVED**, that the Commission hereby approves Sacramento Regional Transit District's request to retain the State's share of proceeds generated from the sale of surplus properties and insurance reimbursement plus accrued interest on the condition that Sacramento Regional Transit District will use the retained proceeds to fund Sacramento County public transit capital projects; and
- 2.2 **BE IT FURTHER RESOLVED**, that Sacramento Regional Transit District accepts all other terms and conditions of existing State Agreements and will continue to conform to environmental obligations at Sacramento Regional Transit District's own cost and without any financial contribution or obligation by the State of California.

July 23, 2025

Ms. Tanisha Taylor
Executive Director
California Transportation Commission
1120 N Street Sacramento, CA 95814

Subject: Request for Approval to Retain Proceeds from Surplus Property Sale and Insurance Settlement

Dear Ms. Taylor,

The Sacramento Regional Transit District (SacRT) respectfully requests approval to retain a total of \$2,936,000, comprised of net proceeds from the sale of surplus property and insurance settlement funds related to properties originally acquired using Transportation Congestion Relief Program (TCRP) funds. SacRT intends to reinvest these funds in the procurement of a new light rail vehicles (LRV) as part of its ongoing vehicle replacement program.

In March 2002, SacRT was awarded \$3.9 million in TCRP funds under Program Supplement 03A0038, executed as Agreement R9307A, for right-of-way (ROW) acquisition to support express service improvements along the Blue Line corridor, including double tracking and realignment of light rail infrastructure as part of the Northeast Corridor Improvement Project.

In December 2003, SacRT used a portion of these funds to acquire five parcels totaling 5.24 acres at a combined purchase price of \$2,474,354. The acquisitions included the following Assessor Parcel Numbers (APNs): 277-0134-003, 277-0134-004, 277-0134-005, 275-0240-074-0000, and 277-0134-023.

In 2017, three parcels (APNs 277-0134-003, 004, and 005), totaling 2.69 acres, were determined to be no longer necessary for transit operations. The SacRT Board formally declared them surplus on November 13, 2017, and the properties were sold on July 3, 2018, for \$822,583.72, resulting in net proceeds of \$774,984.31. As of this request, \$122,511.24 in interest has accrued, for a combined total of \$897,495.55.

On June 10, 2020, the building located on parcel APN 275-0240-074-0000 (approximately 1.73 acres) was destroyed by fire. In August 2020, SacRT received \$1,802,350 in insurance proceeds covering the loss of the structure and any related improvements. Since that time, \$236,526.67 in interest has accrued, bringing the total available amount to \$2,038,876.67.

Importantly, SacRT still owns the underlying property (APN 275-0240-074-0000) as well as APN 277-0134-013, and continues to use both parcels for agency purposes, including staging for construction. SacRT respectfully requests approval to retain \$897,000 from surplus property sale proceeds and accrued interest, \$2,038,000 from insurance settlement proceeds and accrued interest.

The State Master Agreement indicates if property purchased with TRCP funds is sold, either the State is to be refunded for its share of the proceeds, or the State share of the proceeds are to be applied to another State approved transit project. These funds would be reinvested in the purchase of a new light rail vehicle. In accordance with the TCRP Master Agreement, SacRT acknowledges that if any vehicles

procured with these retained funds are later decommissioned or sold, the State will be owed a proportional share of the proceeds, consistent with how right-of-way assets are treated.

We appreciate your consideration of this request and would be happy to provide any additional documentation or supporting materials upon request. If you have any questions or require additional information, please contact Carol Cherry at (916) 508-2014.

Thank you for your consideration.



Henry Li
General Manager/CEO
Sacramento Regional Transit District

FIDELITY NATIONAL TITLE COMPANY

1375 Exposition Blvd., Suite 240, Sacramento, CA 95815

Phone: (916) 646-6018 Fax: (916) 646-6043

Sellers Settlement Statement Estimated

Escrow No: 01001948 - 010 PA

Close Date:

Proration Date: 06/29/2018

Disbursement Date:

Seller(s): Sacramento Regional Transit District, a public corporation

Buyer(s)/Borrower(s): CHW Arden Way Development LLC, a California limited liability company

Property: 880, 924, & 936 Arden Way
Sacramento, CA

Description	Debit	Credit
TOTAL CONSIDERATION: Total Consideration		822,477.00
ESCROW CHARGES: Escrow Fee to Fidelity National Title Company	850.00	
Mobile Notary Service (if applicable) to Fidelity National Title Company	150.00	
TITLE CHARGES: Owners Policy for \$822,477.00 to Fidelity National Title Company	2,309.00	
RECORDING FEES: City/County Tax/Stamps to Fidelity National Title Company	904.75	
City/County Tax/Stamps to Fidelity National Title Company	2,261.81	
PRORATIONS AND ADJUSTMENTS: 880 Arden Way from 6/29/2018 to 7/1/2018 based on the Annual amount of \$7,443.66		41.35
924 Arden Way from 6/28/2018 to 7/1/2018 based on the Annual amount of \$2,831.14		23.59
936 Arden Way from 6/28/2018 to 7/1/2018 based on the Annual amount of \$5,013.80		41.78
COMMISSIONS: \$41,123.85 (5% of \$822,477.00) to Turton Commercial Real Estate	41,123.85	
Sub Totals	47,599.41	822,583.72
Proceeds Due Seller	774,984.31	
Totals	822,583.72	822,583.72

Travelers Property Casualty Company Of America
P.O. Box 430
Buffalo, NY 14240-0430

09/09/2020

Sacramento Regional Trnst Dst
Alan Beltramo
Po Box 2110
Sacramento CA 95812-2110

Insured: Sacramento Regional Trnst Dst
Claim Number: FJJ7167
Policy Number: QTEJ630 -1796N962
Date of Loss: 06/10/2020
Loss Location: 924 Arden Way Sacramento CA

Dear Mr. Beltramo,

We have issued payment for the actual cash value of the necessary building repair less the 15% penalty for the documented vacancy of the property

Payment totaling \$1,802,350.02 was issued on August 13, 2020 to resolve this claim. Please refer to the updated Statement of Loss that was provided to you via email for additional detail regarding the current claim evaluation.

Please keep in mind that our payment is based upon the information and documentation we received in connection with our investigation of this claim. If you believe additional benefits are owed for your loss, please contact us immediately. You may negotiate the check being sent to you without prejudicing your right to pursue additional benefits.

Please review the Legal Action Against Us condition, which can be found in the Deluxe Property Coverage Form, DXT 100 (11/12), page 34 of 38. This condition states in part that the time limit for bringing action is 2 years after the date of loss. However it should be noted that the time between the date this claim was reported to us and the date our final claim determination is communicated to you in writing is not included in the suit limitation period.

Please understand that we cannot advise you regarding your legal rights. Thus, you should not consider our interpretation of the law as legal advice to you. If you have any questions regarding the time within which a lawsuit may be brought against us, or any other questions about your legal rights regarding your policy or this claim, you have the right to seek legal counsel. It would be at your expense should you choose to do so.

Please be advised that we were unable to identify any viable recovery avenues on this claim and ultimately our subrogation investigation was closed.

In the meantime, if you have any questions or concerns at this time, please do not hesitate to contact me.

Thank you.



Sincerely,

Dawn A Lucia
Claim Professional
Direct: (916)730-2283
Office: (916)730-2283
Fax: (866)381-6247
Email: DLUCIA@travelers.com

Travelers Property Casualty Company Of America
P.O. Box 430
Buffalo, NY 14240-0430

09/09/2020

Sacramento Regional Trnst Dst
Alan Beltramo
Po Box 2110
Sacramento CA 95812-2110

Insured: Sacramento Regional Trnst Dst
Issuing Company: Travelers Property Casualty Company Of America
Claimant: Sacramento Regional
Claim/File #: FJJ7167
Date of Loss: 06/10/2020
Reference #:

Dear Mr. Beltramo,

I am writing to confirm our previous conversation that the claim we received on 06/10/2020 has concluded with the following payment:

Loss Payee: Sacramento Regional Transit District
Total Paid: \$1,802,350.02

If you have any questions about this claim, please call me at (916)730-2283 or email me at DLUCIA@travelers.com, and I will be happy to assist you.

Sincerely,

Dawn A Lucia
Claim Professional
Direct: (916)730-2283
Office: (916)730-2283
Fax: (866)381-6247
Email: DLUCIA@travelers.com



RECEIVED

SEP 14 2020

BY: LEGAL DEPT.



Insured: Sacramento Regional Transit District
Policy #: 630-179N962
Underwriting Co: Travelers Property Casualty Company of America
Claim #: FJJ7167
Eff. Dates: 7/1/2019-7/1/2020
Date of Loss: 6/10/2020
Loss Location: 924 Arden Way/2075 Evergreen in Sacramento, CA

Completed By: DLUCIA
Date: 7/29/20

Statement of Loss

Coverage: BUILDING						
	Policy Limit:	\$	2,300,000			
	Sub Limits:					
	Coinsurance %:					
	Deductible	\$	100,000			
Item:			RCV	Deprec. Amount	ACV	Comments
B 1a	Security June 5-June 11 2020	\$	781.80	\$	781.80	Detail on 'Security' Tab
B 1b	Security June 12-June 25, 2020	\$	11,846.27	\$	11,846.27	Detail on 'Security' Tab
B 1c	Security June 26-July 9, 2020	\$	478.65	\$	478.65	Detail on 'Security' Tab
B 1d	Repair Estimate (includes Demo Bid)	\$	2,347,567.74	\$ 140,262.66	\$ 2,207,305.08	
Coverage Totals		\$	2,360,674.45	\$ 140,262.66	\$ 2,220,411.79	
Gross Loss		\$	2,360,674.45	\$ 140,262.66	\$ 2,220,411.79	
<Less Deductible> -					\$ (100,000.00)	
Net Loss After Deductible		\$	2,360,674.45	\$ 140,262.66	\$ 2,120,411.79	
LESS 15% Reduction for Vacancy		\$	(354,101.17)		\$ (318,061.77)	
TOTAL Payable		\$	2,006,573.28		\$ 1,802,350.02	
<Previous Payments>		\$	-		\$ -	
Net Loss and Payable		\$	2,006,573.28		\$ 1,802,350.02	