




City Council

Item 7 – Purchase and Sale Agreement with Feather River Land Trust for the Loyalton Property

RTC 24-640

July 9, 2024

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Overview

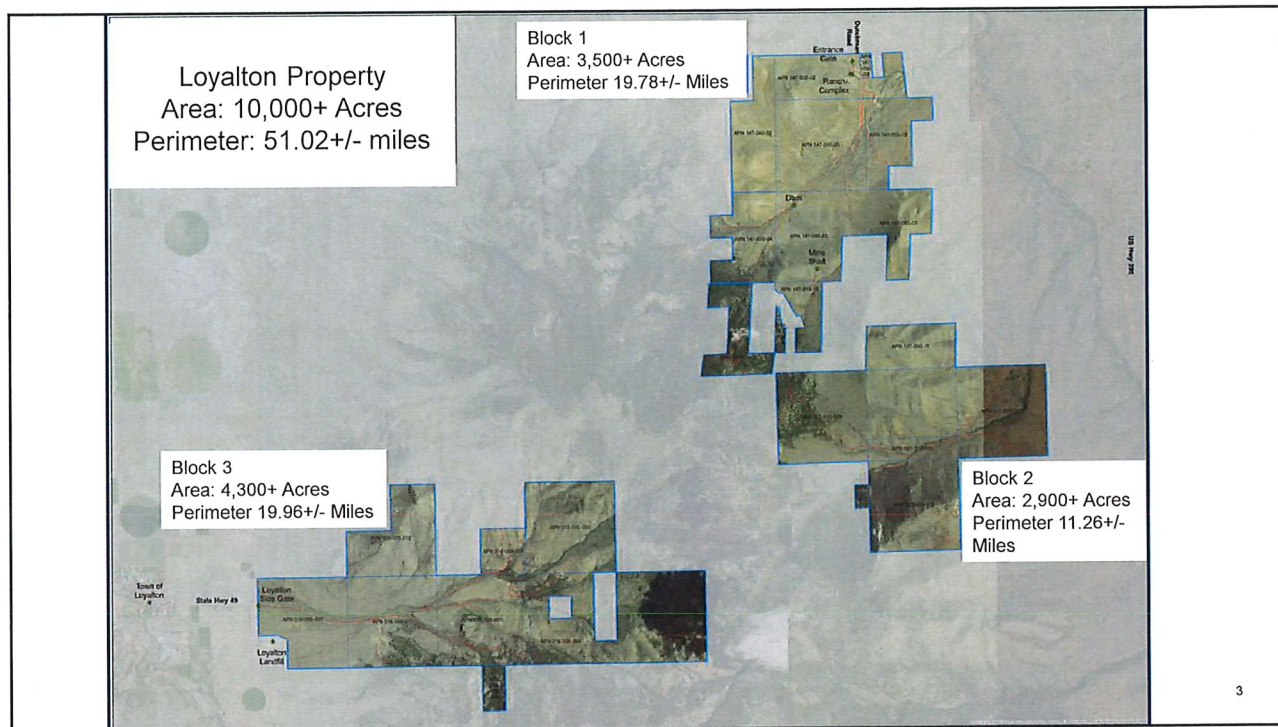
- Bought in 1977 for \$1,613,850.
- Property is Approximately 10,310 Acres in size
- Property is broken up into 3 sections:
 - Main ranch Section with access from highway 70 near Reno Junction
 - A section near Loyalton California with access from Garbage Pit Rd
 - A land locked section with no access from public ROW
- Historically been used as seasonal grazing land and continues to be used as grazing land
- According to City records, the property was acquired with the intent to develop a geothermal power plant
 - Geothermal potential for the land was much lower than anticipated
 - Other uses for the land were investigated, such as quarrying, wind, and solar power
 - Some non-traditional ventures that were reviewed included a ski resort and a pheasant farm

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POST MEETING MATERIAL

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Surplus and Sale

- December 14, 2021 - City Council directed staff to develop a strategy for the sale of Loyalton
- March 8, 2022 - City Council voted to Note and File the Strategy and Next Steps for the sale of Loyalton
- The property was appraised at \$4,370,000 by Valbridge Property Advisors (April 18, 2022).
- June 27, 2022 - Council Adopted a Resolution declaring the property Surplus Land (SLA process completed January 2023)
- Per Council authority executed a contract with CBRE on August 2023
- Property went on the Market on September 12, 2023
- Received a Letter of Interest (LOI) from Washoe Tribe of Nevada and California (October 30, 2023)

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Washoe Tribe Use of Land

- The sale has many benefits for the Washoe Tribe and the area
- Protect the multiple cultural and historical sites and artifacts on the Property.
- Protect species and wildlife on the land - the Loyalton deer her
- This sale would also go towards the Governors 30 by 2030 initiative
- Have also started to work on a visioning plan:
 - Some of the key themes include:
 - Return/promotion of health of keystone species, wildlife corridors, native plants important for traditional foods, tools, and medicines.
 - Gathering place(s) on the land, trails, interpretation, return of ceremony.
 - Education and training for the Tribe (including younger generation, language, traditional lifeways/culture camps, history, certifications, and climate adaptation)
 - Economic development, including restoration contracts (fire recovery, erosion, meadows), classes, and career development
 - Sacred site protection
 - Washoe Tribe food sovereignty

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Purchase and Sale Agreement

- Required significant negotiations including change from the Washoe Tribe to the Land Trust
- **Purchase Price** - \$6.0 million subject to buyer's appraisal
 - Must appraise for \$6 million otherwise Buyer has an option to terminate the Agreement
 - Any sale price below \$6.0 million requires Council approval
 - If the appraisal amount is at least \$5 million, the Buyer could still want to move forward
 - Buyer informed the City that they cannot exceed 20% above appraised value.
- **Appraisal** - Within ten days after the Execution Date, Buyer will select a private state-licensed appraiser who is acceptable to Seller and Buyer's public funding partner(s)
 - Buyer will have thirty (30) Business Days to review the Appraisal
 - Buyer may elect to terminate this Agreement if the Appraisal (and any updates thereto) are not approved by the Funder
- **Closing** - On or before 10 months after the execution date

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Purchase and Sale Agreement

- **Credit for Deposit** - If Buyer fails to deliver the Deposit as and when required by this Agreement, Seller, at Seller's sole discretion, may terminate this Agreement
- **Deposit** - \$100,000 applicable to the purchase price
- **Diligence Period** – The period commencing the Execution Date and ending ninety (90) days after the Execution Date or as extended by Buyer and Seller through mutual agreement in writing
- **As-is** – Buyer acquires property as-is and releases City from any other obligations upon completion of sale
- **Environmental Release** - Buyer will indemnify and hold harmless the City from any and all hazardous materials liability, whether hazardous material contamination occurred prior to or after Buyer's purchase

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Recommendation

1. Determine the proposed action is exempt from CEQA pursuant to Sections 15312 (Class 12 - Sale of Surplus Land) of Title 14 of the California Code of Regulations; and
2. Authorize the City Manager or designee to execute a Purchase and Sale Agreement (Agreement) with Feather River Land Trust for the Loyalton Property in the amount of \$6 million and on the terms presented and take any necessary actions to implement and administer the Agreement, including, execution of a grant deed and an assignment agreement.

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