



City of Santa Clara

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Agenda Report

22-768

Agenda Date: 6/7/2022

REPORT TO COUNCIL

SUBJECT

Action on a Resolution Declaring the Loyalton Ranch Property Surplus (Deferred from May 24, 2022)

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City of Santa Clara owns and maintains approximately 10,270 rural acres of undeveloped land in Lassen and Sierra Counties near the California-Nevada border. The property is located in northeastern California, about 30 miles north of Truckee, CA, 110 miles northeast of Sacramento, CA, and about 20 miles northwest of Reno, NV. The land is referred to locally as the Trosi Ranch, and within the City as the Loyalton Ranch Property. The City purchased the property with electric utility funds in 1977 for \$1,613,850 or \$157/acre. The City's Electrical Department, doing business as Silicon Valley Power (SVP), is responsible for the maintenance of the property.

On December 14, 2021, the City Council discussed a potential sale of the Loyalton Ranch Property and directed staff to develop a strategy for the sale of the Loyalton Ranch Property and present it to the City Council at a future meeting. On March 8, 2022, the City Council voted to Note and File the Strategy and Next Steps for the sale of the Loyalton Property, as follows:

1. Complete an updated Appraisal for the property.
2. Schedule tours of the property for Councilmembers who are interested to visit the site.
3. Schedule for Council consideration declaration of the property as Surplus Land.

DISCUSSION

Updated Appraisal

Valbridge Property Advisers completed an appraisal for the property (Attachment 1). The property was appraised at \$4,370,000. As discussed on the March 8, 2022 Council Report, staff also explored hiring additional "local" appraisers to perform a separate appraisal for comparison purposes. Six firms were contacted but none were able to provide the service, mostly due to capacity constraints.

City Council Loyalton Site Visits

On April 26, 2022, Councilmembers Becker, Hardy and Park joined with City staff and visited the two of the three main properties accessible by a four-wheel drive vehicle. The field visit included the site of the former Trosi Ranch complex buildings south of CA Route 70 that were consumed by the 2020 Loyalton Fire and the property easterly of the City of Loyalton on CA Route 49 northerly of the Sierra County Solid Waste landfill. Property showed regrowth of native high desert grasses, spring wildflowers and continued cattle grazing on pastures with mule deer and other wildlife.

Declaration of Property as Surplus Land

When the City desires to dispose of land not necessary for agency use, it must first declare the land surplus at a regular public meeting and make written findings supporting the declaration that the land is "surplus land." Generally, the Surplus Land Act (SLA) identifies three types of land: (1) land necessary for "agency use," (2) land no longer necessary for agency use but exempt from most of the SLA ("exempt surplus land"), and (3) land no longer necessary for agency use that is not exempt ("surplus land"). "Agency use" is defined as land that is being used or that has a planned use "pursuant to a written plan adopted by the local agency's governing board." Agency use does not include commercial or industrial uses, including retail, entertainment, office, or any property disposed of for the sole purpose of investment or revenue generation. (Gov. Code § 54221(c).)

The attached resolution (Attachment 2) declares the property as Surplus Land. Per the Resolution the Council finds that the City owns the Property in fee simple, the City does not currently use the Property, and the City has no written or adopted plan for future use of the Property. Further, the Council finds that the Property has not been suitable for its intended electric utility purposes, and in 2020 the Loyalton Fire burned approximately 90% of the Property. So, the Property is no longer necessary for the City's use or operations and thus should be declared surplus.

If the City Council adopts the proposed Resolution declaring the Loyalton Ranch as Surplus Land, staff will proceed with issuing a Notice of Availability (NOA) (Attachment 3) to certain parties designated in the SLA in the form provided in Appendix A to the HCD Guidelines. (Gov. Code §54222; HCD Guidelines, 201.)

Upcoming Items and Negotiations

After the City issues the NOA, it cannot take any action to dispose of the Loyalton Ranch Property for 60 days. If the City receives one or more responses to the NOA within those 60 days, the City must engage in good faith negotiations with the responding parties for at least 90 days. The 90-day negotiation period cannot begin until the first day following expiration of the 60-day NOA period.

There are specific requirements regarding accepting and rejecting certain types of offers, and the City will provide the Council with any necessary updates as the process continues.

ENVIRONMENTAL REVIEW

The declaration of the Property as surplus land and posting of the Notice of Availability is not a project within the meaning of the California Environmental Quality Act ("CEQA") under CEQA Guidelines section 15206(b)(4), 15312 and 15061(b)(3) because it can be seen with certainty that there is no possibility that the declaration and associated activities will have a significant effect on the environment because no development or construction is proposed.

FISCAL IMPACT

There are no additional costs anticipated at this time.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's

Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

ALTERNARTIVES

1. Act on a Resolution Declaring the Loyalton Ranch Property Surplus.
2. Do not Act on a Resolution Declaring the Loyalton Ranch Property Surplus.
3. Any other Council Direction.

RECOMMENDATION

There is no staff recommendation.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Rajeev Batra, City Manager

ATTACHMENTS

1. Property Appraisal Report
2. Resolution
3. Notice of Availability