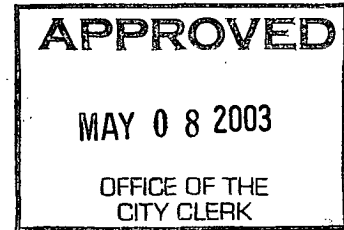


3.25

ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO



May 8, 2003

Redevelopment Agency of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: ESTABLISHING A BUDGET FOR 10TH AND K LAND ACQUISITION

LOCATION & COUNCIL DISTRICT Council District 1
Southeast corner of 10th and K Streets

RECOMMENDATION

Staff recommends adoption of the attached resolution, which authorizes the City Manger to transfer \$1.5 million from Downtown Redevelopment Bond Funds to the 10th and K Project for costs associated with land acquisition and related professional services for the parcel located at 1016, 1020, and 1022 K Street (APN: 006-0104-004)

CONTACT PERSONS Traci Michel, Senior Economic Dev. Project Manager, 264-8645
Wendy Saunders, Downtown Development Manager, 264-8196

FOR COUNCIL MEETING OF May 8, 2003

SUMMARY

This item is a follow up to the Redevelopment Agency's action in Closed Session on March 25, 2003, which established Just Compensation for the property located at 1016, 1020, and 1022 K Street (Property). This report recommends establishing a project budget in the amount of \$1.5 million for costs associated with the land acquisition and related professional services.

BACKGROUND

In Closed Session on March 25, 2003, the Agency established Just Compensation for the Property and authorized staff to negotiate for the purchase of the Property.

The Property is immediately adjacent to the Agency-owned sites on the southeast corner of 10th and K Streets (formerly Woolworth's and Rite Aid). This location is considered key to downtown redevelopment efforts for several reasons:

- Agency currently owns adjacent property identified as a location for catalyst retail/entertainment development;
- 10th Street's high traffic volumes offer significant visibility;
- The site is located in close proximity to the State Capitol, and enjoys significant pedestrian traffic;
- It is the center of the five-block area of K Street (between 7th and 12th) most in need of redevelopment attention;
- In combination with the Agency-owned sites, the 38,000 sf footprint provides the Agency's largest existing development opportunity for a catalyst project on K Street; and
- Public parking to support the site is available behind the building at 10th and L Streets.

The Property currently houses the California Harvest Market and Capitol Clothing businesses. It is anticipated that these businesses will need to be relocated and will not be incorporated into a larger-scale project at that location. Pursuant to California Redevelopment Law, the Agency must provide relocation services to the businesses. To date, staff's access to the building and to information regarding the businesses' specific needs has been limited. Upon approval of the Project Budget, the Agency will work with relocation and appraisal experts to provide the necessary services and assistance to the businesses.

FINANCIAL CONSIDERATIONS

An appraisal has been recently completed and consultants have been asked to submit proposals for assistance with any relocation and business analysis needs. It is estimated that approximately \$1.5 million will be needed to cover the costs of land acquisition, related professional services and initial relocation costs.

Approximately \$52 million in downtown redevelopment bonds were issued in 2003. Funding from the bond sale will be used for acquisition of the subject parcel. A total of \$19.25 million of the bond funds have been committed to other projects (East End Lofts, CADA Warehouse, 18th/L Housing, Fremont Mews, Ping Yuen, 9th and J Lofts) leaving a balance of \$32.75 million. Expenditure of \$1.5 million pursuant to this recommendation will leave a balance of \$31.25 million in bond funds.

POLICY CONSIDERATIONS

The recommended actions are consistent with policies for redevelopment site assembly, as described in the Merged Downtown Redevelopment Plan. These actions are also consistent with the 2005 Downtown Sacramento Redevelopment Strategy and California Redevelopment Law.

Additionally, the Agency's purchase of the Property will create an opportunity for a larger-scale catalyst development project, which meets the evaluation criteria established by Council following the 2001 Redevelopment Workshops, including:

- Contributing to achieving the vision of adopted Five-year Implementation Strategy;
- Helping to remove blight;
- Helping to leverage public investment by creating opportunity for a larger-scale project;
- Helping to spur additional private investment in the vicinity;
- Contributing to City revenues through property tax and sales tax upon project completion; and
- Creating jobs, both during construction and project completion.

ENVIRONMENTAL CONSIDERATIONS

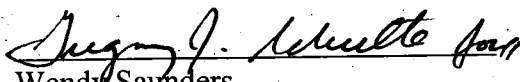
No environmental review is necessary at this time. Any project proposed for the Property is subject to environmental review before any actions are taken.


ESBD CONSIDERATIONS

There are no ESBD considerations associated with this action.


Respectfully submitted:

Approved:

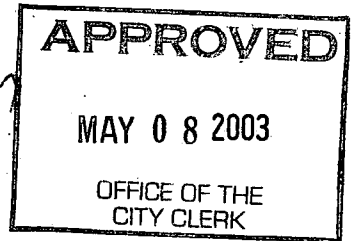

Wendy Saunders
Downtown Development Manager


Betty Masuoka
Acting Economic Development Director

RECOMMENDATION APPROVED:


ROBERT P. THOMAS
City Manager

RESOLUTION NO. 2003-027



ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

ESTABLISHING PROJECT BUDGET FOR PARCEL ACQUISITION LOCATED AT
1016, 1020, and 1022 K STREET (APN: 006-0104-004)

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF
SACRAMENTO:

Section 1. The City Manager is authorized to transfer \$1.5 million from Downtown
Redevelopment Bond Funds to the 10th and K Project for costs associated with the land
acquisition and related professional services for the subject parcel.

ATTEST:

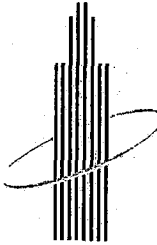
Chair

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____



COUNCIL AGENDA MATERIAL
MTG. DATE 5/8/03 ITEM NO. 3.25
FROM: CITY CLERK'S OFFICE

ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO

May 8, 2003

Redevelopment Agency of the City of Sacramento
Sacramento, California

Honorable Members in Session:

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RECOMMENDATION

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CONTACT PERSONS Traci Michel, Senior Economic Dev. Project Manager, 264-8645
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FOR COUNCIL MEETING OF May 8, 2003

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Building on Our History - Creating The Place to Be.

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