

RESOLUTION NO. 2001-051

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF SEP 25 2001

MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT AREA: AUTHORIZATION TO NEGOTIATE AN OWNER PARTICIPATION AGREEMENT FOR 11TH AND K STREETS

WHEREAS, the Amended Redevelopment Plan for the Merged Downtown Sacramento Redevelopment Project Area was prepared by the Redevelopment Agency of the City of Sacramento ("Agency") and approved and adopted on June 17, 1986, by Ordinance Nos. 86-063, -064, -065, -066, and -067 of the City Council of the City of Sacramento and subsequently amended;

WHEREAS, two of the goals of the Redevelopment Plan for the Project Area are:

- a) To eliminate blighted and blighting conditions; and
- b) To increase and develop economic activity in the area by attracting new business, assisting existing business and enhancing property values.

WHEREAS, the Agency adopted the Merged Downtown Five Year Strategic Plan and Implementation Plan for the Project Area on February 29, 2000;

WHEREAS, the Downtown Five Year Strategy and Implementation Plan identifies corner properties on K Street as key development catalyst sites, and as having the greatest potential for retail development;

WHEREAS, the Agency will engage in serious negotiations with the Developer of the Parcel for the purpose of purchasing the Parcel;

WHEREAS, the Parcel is properly zoned and situated for commercial redevelopment, and there are no other sites in the Project Area which would be as compatible with the greatest public good and the least private injury as the subject site for the following reasons, among others:

- a) The Parcel is located at the corner of 11TH and K Streets, an intersection on K Street that the Agency has already invested significant public improvement funds for;
- b) The site offers a scale and location necessary for the development of catalyst commercial;

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- c) The site is located in proximity to the State Capitol, and enjoys significant pedestrian traffic;
- d) It is towards the center of the 5-block area of K Street (between 7th and 12th) most in need of redevelopment attention; and
- e) Unlike most buildings on K Street, the building is large enough (approx. 12,000 square feet) to house a significant retail venue on the ground floor; and

WHEREAS, the Agency approved an Owner Participation Agreement on November 21, 2000, between the Agency and Ransahoff Associates (current Property Owner) which provided a loan of \$325,000 and a grant of equal amount for the renovation of the building located at 1029 K Street for a flagship restaurant operated by Pyramid Breweries; and

WHEREAS, increased project costs due to seismic safety improvements prevented the project from moving forward at that time.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The above statements are true and correct.

Section 2: The public purpose for use of Agency funds is a commercial development of a mixed use building with a ground floor flagship restaurant and office space on the upper stories within the Merged Downtown Sacramento Redevelopment Project Area so that such area can experience a revitalized economic life.

Section 3: For the foregoing reasons, the Redevelopment Agency finds and determines that:

- a) The public interest and necessity requires renewed commercial development and occupancy in the project area;
- b) Such commercial development is planned and located in the manner that will be most compatible with the greatest public good and the least private injury; and
- c) The properties to be acquired are necessary for the proposed use.

Section 4: The Deputy City Manager is authorized to negotiate an Owner Participation Agreement with the California State Association of Counties (CSAC), substantially consistent with the following terms:

- a) Agency provision of a loan in the amount of \$325,000 and a grant in the amount of \$325,000 for assistance with tenant improvements;

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- b) Within 30 days of commencement of negotiations, CSAC shall obtain control of the Parcel; and
- c) Within 90 days of commencement of negotiations, CSAC shall secure a ground floor tenant or tenants that include catalyst restaurant and/or retail businesses that are consistent with the Merged Downtown Five Year Strategic Plan and Implementation Plan.



SECRETARY



CHAIR

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