



41 ~~7~~

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

July 15, 1981

CITY MANAGER'S OFFICE
RECEIVED
JUL 15 1981

City Council of
the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Report Back Regarding the McClellan Redevelopment
Project Feasibility

SUMMARY

The attached report contains recommendations regarding the above subject from the United States Air Force, the McClellan Project Area Committee and Redevelopment Agency staff. This report will be presented at your July 21, 1981 Council meeting.

RECOMMENDATION

The staff recommends adoption of the recommendations listed in the attached report.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slupe

WALTER J. SLUPE
City Manager

FILED
SACRAMENTO REDEVELOPMENT AGENCY

Date _____



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

July 10, 1981

Meeting Date: July 21, 1981

Redevelopment Agencies of the City and
County of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Report Back Regarding the McClellan Redevelopment Project
Feasibility

The Agency's preparation and distribution of the attached Feasibility Report stimulated numerous discussions between the Air Force, Project Area Committee and the Agency, related to the issues surrounding the proposed McClellan Redevelopment Project. In addition, the Air Force has prepared a written response to the Agency's report which is also attached.

All parties concur that the project is substantially a different project than originally conceived and the primary issue requiring resolution is that of financing.

As a result of these discussions the following positions have been developed:

FINANCIAL

- . The Air Force and the Agency staff have agreed to disagree on the magnitude of the deficit. The Air Force maintains that the deficit will not exceed the \$3.5 million as identified in the Corps of Engineers' report. The Agency contends that the magnitude of the deficit could approach \$6.0 million.
- . If the Agency staff is correct in the estimate of the deficit, it is recommended that the Agency commit tax increment revenues for a period of 20 years to offset the difference between the Corps' estimate \$3.5 million and actual project costs, or up to \$7 million. The Air Force has agreed to attempt to obtain an appropriation of \$3.5 million to cover the Corps' estimated deficit.
- . The problem of operating capital exists should the deficit exceed \$3.5 million. Tax increment funds will not be available for several years after the project has been initiated and should the Agency's estimate of the deficit be correct, initial operating funds will be required in order to complete the acquisition portion of the project. The potential of obtaining a loan or other forms of initial financing to cover this deficit is currently being investigated.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agencies of the
City and County of Sacramento
July 10, 1981
Page two

Exchange Agreement

- . The Agency maintains that it should only be involved in the disposition phase of this project, and the Corps of Engineers the acquisition phase. This position would be especially true if the federal government is going to provide the initial operating capital which would be repaid through tax increment revenues. The Air Force should contract directly with Corps rather than with the Agency which would be required to subcontract with either the County Department of Public Works Real Estate Division or the Corps because of the magnitude of this project and limited staff capacity.

However, the Air Force and the Project Area Committee would rather the Agency be involved in both the acquisition and disposition phases.

Priorities

- . All parties have concluded that the concept of priorities should not be considered at this time, and assuming full funding, all areas should be acquired together. However, it is critical that as soon as the schedule of acquisition or work program (a component of the exchange agreement) is developed it must be communicated to all parties

Noise and Land-Use

- . All parties concur with the recommendation that the planning departments of the City and County develop a strategy to mitigate future nonconforming uses either through mechanisms such as rezoning to industrial or through noise combining zones and that representatives of McClellan AFB be appointed to the County's Planning Advisory Councils and that McClellan be notified of City Planning Commission hearings on projects which could impact or be impacted by Base activities.

Bell Avenue School

- . All parties concur that an ultimate decision on noise mitigation measures for the Bell Avenue School be deferred until the release of the 1982 AICUZ report. The Air Force is currently investigating potential noise attenuation measures from the source end of the problem.

The Project Area Committee's recommendation is attached.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agencies of the
City and County of Sacramento
July 10, 1981
Page three

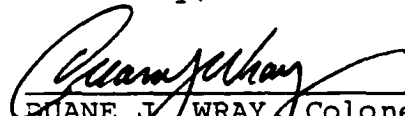
RECOMMENDATIONS:

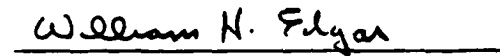
It is recommended that:

- . Staff be instructed to attempt to finalize the financial obligations of the parties prior to the public hearings on the plan in the fall.
- . Staff be instructed to begin negotiations on the exchange agreement which includes the schedule of acquisition.
- . Staff of the Planning Department be instructed to develop a strategy to mitigate future nonconforming land uses.
- . Staff be instructed to defer actions to mitigate noise at the Bell Avenue School until the 1982 AICUZ report is released.

In conclusion, all parties concur that the project is a positive one and should be brought to fruition as expeditiously as possible.


Sincerely,


DUANE J. WRAY, Colonel, USAF
Base Civil Engineer


WILLIAM H. EDGAR
Interim Executive Director

APPROVAL RECOMMENDED:


WALTER J. SLUPE
City Manager


BRIAN H. RICHTER
County Executive

McCLELLAN PROJECT AREA COMMITTEE
6500 WATT AVENUE
SACRAMENTO, CA 95660
334-7545

At the regularly scheduled McClellan Project Area Committee meeting on July 7, 1981, PAC took the following action in response to the presentations regarding the Project feasibility made by the Sacramento Housing Redevelopment Agency and the McClellan Air Force Base. These actions were taken on the basis that full funding for the implementation of the project is, or will be, available and that all acquisitions, namely North, West, and East Project areas will be acquired concurrently, and furthermore, the intent of the resolutions was to expedite the Project implementation.

The resolutions are as follows:

It was MOVED and seconded that the PAC go on record as favoring the Redevelopment Agency as the acquirer and Agent for the Project. Motion CARRIED with one nay by Steve Zumalt.

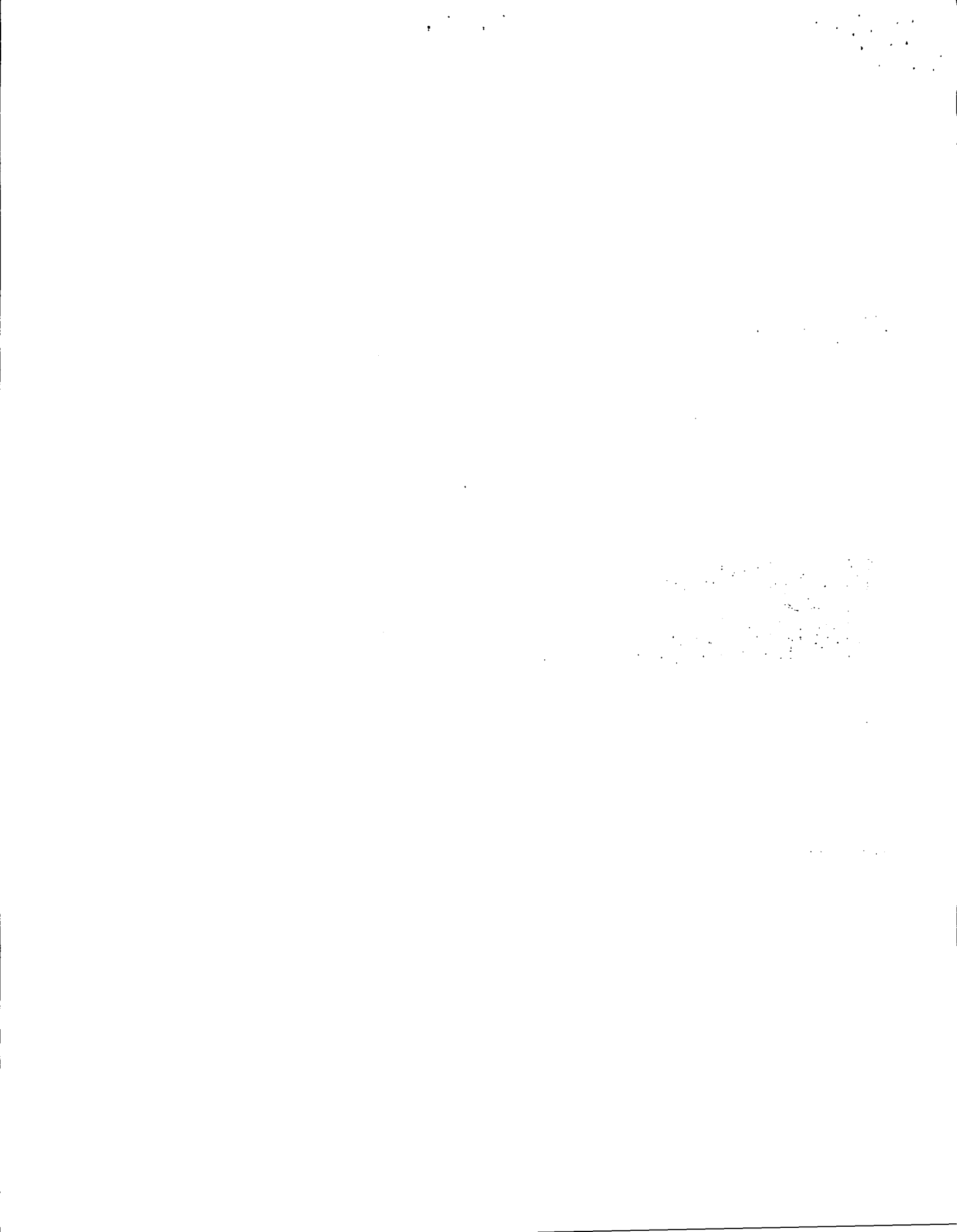
It was MOVED and seconded that the PAC approves the McClellan Project plan generally and urges that the Redevelopment Agency and the Air Force continue to move the program forward as quickly as possible. The motion CARRIED with one abstention by Steve Zumalt.

For further information, feel free to contact Mr. Kish Mithaiwala, Project Director, at the above address.

Sincerely,



Merrie O'Brien
Chairperson
McClellan Project Area Committee



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Transmittal Date: June 8, 1981

Meeting Date: June 16, 1981

TO: Redevelopment Agency of the County of Sacramento
FROM: William H. Edgar, Interim Executive Director
SUBJECT: Report Back Regarding the McClellan Redevelopment Project Feasibility

SUMMARY AND RECOMMENDATIONS

This report has been prepared pursuant to the Board of Supervisors' approval of the Sacramento Housing and Redevelopment Agency's April 14, 1981 report regarding the feasibility of the McClellan Redevelopment Plan.

It is recommended that: 1) adoption of the Redevelopment Plan be deferred until firm commitments are received from the Federal Government that all costs related to this project will be provided; 2) Agency staff be directed to maintain the position that the Agency must be indemnified from all liabilities resulting from the exchange component of the Project or be directed to undertake the disposition function only; 3) the Agency establish the following acquisition priority: a) east area concurrently with vacant parcels in the north area, b) remainder of north area, c) west area; 4) the potential impact to 13 residences north of the north expansion area be considered during environmental review process required for the runway expansion; 5) Planning Departments of the City and County develop a strategy to mitigate nonconforming uses based on the LDN contours as established in the 1976 AICUZ report; and 6) upon completion of the 1982 AICUZ study, recommendation should be included to resolve the noise problem at the Bell Avenue School site.

BACKGROUND

On March 24, 1981 the Board of Supervisors directed staff to report back on April 14, 1981 as to the advisability of conducting a noise study for the McClellan Redevelopment Project Area. At that April 14, 1981 meeting the Board accepted the Agency's recommendation which, in addition to recommending against a noise study, proposed that in 30 days the Agency report back addressing the concerns of the McClellan Project Area Committee (PAC) as well as additional Agency concerns related to the project's feasibility. On May 19, 1981 staff was authorized an additional 30 days to review and evaluate the Corps of Engineers' report regarding the feasibility of this project.

The McClellan Redevelopment Project was initiated in November of 1978 for the purpose of facilitating the exchange of land necessary for the

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
County of Sacramento
June 8, 1981
Page 2

changing mission of McClellan Air Force Base. To date, the redevelopment planning process has progressed to the point of developing a Preliminary Plan, a draft Redevelopment Plan and accompanying report, and draft Environmental Impact Report. The next steps in this process will be the finalization of these documents (Schedule attached as Exhibit I).

The following is a list of issues as presented in the April 14, 1981 report and recommendations to direct the development of the final draft of the Redevelopment Plan and supporting documents:

A. Corps of Engineers' Report

The Corps of Engineers' report detailing the costs related to the land acquisition and disposition program was released to the Agency on May 15, 1981. The report estimates that the value of the 139± acres of the Air Force property can be exchanged for 443± acres of east, west and north property but will result in a \$257,522 land value for land value deficit (approximately 3% of the acquisition costs). However, this is only a portion of the financing problem. The report also estimates a total deficit of \$3,429,175 between the acquisition of the north, west and east expansion areas and the disposition of Camp Kohler and Splinter City. This deficit of \$3.4 million is principally associated with administrative and relocation expenses required for the acquisition portion property exchange. The Corps' report does not include the Agency's administrative costs related to the disposition of Camp Kohler and Splinter City (which would vary depending on the parcelization appropriate for maximum sales value). It is estimated that disposition costs are \$2,500 per parcel but the ultimate number has not been determined. It is estimated that Camp Kohler and Splinter City would most likely be subdivided into 20 parcels for an estimated disposition cost of \$50,000. The report also includes an added contingency figure of 15% to the disposition value of Camp Kohler and Splinter City (from a conservative position the contingency should be discounted and deducted). In effect these factors may reflect an artificially high estimated disposition value. If, in fact, this is the case, the acquisition/disposition gap would be even larger than the \$3.4 million estimated and may equal as much as \$6.0 million. This \$6.0 million figure assumes a contingency of 15% deducted from the Corps' estimated land value and a \$2,500 administrative cost for 20 disposition parcels.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
County of Sacramento
June 8, 1981
Page 3

SUMMARY OF FINANCIAL FEASIBILITY

I. Acquisition of private land

A. West expansion area	\$ 555,000
B. North expansion area	11,926,000
C. East expansion area	<u>453,500</u>
Total Acquisition	\$12,934,000

II. Disposition of Air Force property

A. Camp Kohler area	\$ 1,015,450
B. Splinter City area	<u>8,489,875</u>
	\$ 9,505,325
C. Disposition costs	- 50,000
D. Deduction of 15% contingency	<u>-2,479,650</u>
Total Disposition	\$ 6,975,675

III. Deficit

A. Acquisition costs	\$12,934,000
B. Disposition value	<u>6,975,675</u>
Total Deficit	\$ 5,958,325

Recommendation:

It is recommended that adoption of Redevelopment Plan be deferred until firm commitments are received from the Federal Government that all costs related to this project will be provided. The Agency has prepared a Memorandum of Understanding which, when negotiated and agreed upon by the Air Force, will resolve this financial issue. Any commitment of local funds would limit the ability of the Agency to complete the redevelopment activities as proposed in the three phase program approved by the Board and Council on November 20, 1979, i.e., the use of tax increment funds to fill the acquisition gap would preclude their use for capital type improvements (staff report attached as Exhibit II).

B. Exchange Agreement

Although prepared by the Agency, the exchange agreement between the County and Air Force has not been finalized. This Agreement is critical since it will ultimately define the City and County (through the Agency) financial liabilities as well as roles, and legal obligations in executing the project. The Agency and Air Force must concur on the contents of the Exchange Agreement,

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
County of Sacramento
June 8, 1981
Page 4

through a Memorandum of Understanding, prior to finalizing the Redevelopment Plan.

Following are issues which must be resolved:

1. Inverse condemnation or other litigation against the Agency could result from unexpected blighting influences created by this project (i.e. partial acquisition, unexpected noise impacts, etc.) should the Agency assume the acquisition function. Since the Agency lacks any funds of its own, this would ultimately result in a financial obligation of the County Board of Supervisors and/or the City Council.
2. Should the Agency assume the acquisition function and the Agency agree to a higher acquisition price for a private parcel than the General Services Administration (GSA) valuation adjusted for the disposition price of the Air Force parcel, the acquisition escrow would be short of cash to the extent of the difference. In these instances a mechanism would have to be developed for the Air Force to contribute such sums as may be necessary to accomplish the transfer-exchange.
3. Again, should the Agency assume the acquisition function and in situations for which simultaneous escrow exchange cannot be utilized (for example, in those instances in which the payment to the acquisition parcel holder must be made through the court as a part of a condemnation award) the Air Force will have to provide funds to the Agency for those few short term instances in which the payment must be made in advance of the simultaneous escrow exchange.
4. If the Agency assumes only the disposition function (i.e., the Corps releases Air Force property to the Agency for marketing and sale to a private developer - thus insuring appropriate rapid development through performance schedules and sales contracts - and deposits sale revenues into escrow from which the Corps would acquire the north, east and west expansion areas) the problems related to inverse condemnation, escrow timing or higher than expected acquisition costs would not have a direct impact on the Agency. However, as this approach appears to be a Federal acquisition program and bypasses GSA it may be difficult to obtain Congressional approval. If this disposition only approach is taken, the Redevelopment Project Area and Plan must be modified to reflect this change in approach.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
County of Sacramento
June 8, 1981
Page 5

Recommendation:

It is recommended that the staff be directed to maintain the position that the Agency must be indemnified from all liabilities resulting from the exchange component of the project or staff be directed to undertake the disposition function of this project only.

C. Priority Acquisition and Relocation

These two issues are interrelated as acquisition of commercial and residential properties in the northern expansion area will require the availability of relocation funds. Relocation funds are critical for the acquisition of the northern expansion area. Without such funds and if the land exchange is financially feasible (the existing deficit is offset by the Federal Government) it would appear that the Federal Government could acquire some of the vacant land in the north area during the first action year. As noted in a letter to the PAC from Colonel Duane J. Wray, it is uncertain when or if relocation funds will be available:

The relocation costs must come from a Military Construction Program (MCP) Appropriation. The Department of Defense (DOD) has already submitted its Fiscal Year 1982 MCP budget to Congress so DOD's next opportunity for submitting an MCP appropriation request is the Fiscal Year 1983 MCD budget which will go to Congress in January 1982. A Congressional representative could possibly add to the Fiscal Year 1982 MCP while it is in committee. If Congress elects to add to the Fiscal Year 1982 MCP relocation funds could be available in October 1981. If we must wait for the Fiscal Year 1983 MCP, relocation funds would not be available until October 1982.

Congressmen Fazio and Matsui have indicated interest in introducing legislation for this purpose, however, they have stated that all costs including the acquisition deficit must be included in this appropriation legislation as they do not wish to introduce multiple bills related to the same project.

McClellan may be reluctant to engage in such a spot acquisition program of vacant properties since it results in property management and security problems during the period of parcelization.

The Project Area Committee has maintained the position that the north area acquisition have the highest priority due to the existence of residential and commercial uses within the area and the resulting uncertainties of continued ownership/tenure.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
County of Sacramento
June 8, 1981
Page 6

Recommendation:

It is recommended that the Agency establish the following acquisition priority:

1. East expansion area concurrently with vacant parcels in the north expansion area.
2. Remainder of the north expansion area (i.e., parcels requiring relocation assistance).
3. West expansion area with no acquisition in this area until all of the north area acquisition is complete.

D. Additional Acquisition

It has become apparent to the Agency that an additional 13 residential properties adjacent to the northern expansion area may be severely impacted by noise when the runway is shifted northward.

Recommendation:

It is recommended that this area be evaluated during the environmental review process required for the construction of the runway at this new location. The environmental review should consider all blighting influences (i.e., noise and crash potential) created by the runway shift and recommended appropriate mitigating measures. The recommendation of mitigating measures at this time, without an in-depth analysis, would be speculative at best.

E. Noise and Land Use

In the past, various developments have located within high noise areas surrounding McClellan. Under the existing land use controls of the County, projects requiring the subdivision of land are subject to development review to evaluate noise impacts. However, single family projects not requiring the subdivision of land or rezoning are not subject to any development controls related to noise. In the City no specific noise related reviews are conducted and a number of developments have located in high noise level areas. For example, within the past six months a tri-plex has been constructed at the northeast corner of Bell Avenue and Pinell Street in the City of Sacramento. This site is within the 80 LDN AICUZ contour. In the County an additional six single-family residences have been constructed between "Q" Street and Elkhorn Boulevard on 26th Street within the 70 LDN AICUZ contour during the past two years.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
County of Sacramento
June 8, 1981.
Page 7

Recommendation:

Planning Departments of the City and County develop a strategy to mitigate nonconforming uses based on the LDN contours as established in the 1976 AICUZ report. Implementations mechanisms, industrial zone designation of residential property or noise combining zoning, which designate building standards should also be explored. The building standards, enforced to reduce noise impacts, should be as stringent as those proposed in the 1976 AICUZ report. The standards and zones should be updated upon release of the 1982 AICUZ update.

In order to obtain technical input from McClellan, a Base representative should be appointed to the County's Planning Advisory Councils which adjoin the Base. McClellan should also be notified of all City Planning Commission hearings on projects which could be impacted by Base activities.

This strategy is recommended in lieu of a no-growth policy prohibiting new residential development on vacant land in areas of high noise areas.

F. Bell Avenue Elementary School

Due to the continued use of Bell Avenue Elementary School, which is located at the intersection of Bell Avenue and Pinell Street in the City, methods for alleviating the high noise levels experienced at this location must be identified.

Recommendation:

Bell Avenue Elementary School continues to be exposed to high noise levels resulting from McClellan's operations. It appears that no external funds are available to reduce or eliminate the noise situation. However, the AICUZ study will be updated in 1982. This update will provide estimated LDN's based on the new runway location and should identify appropriate corrective actions.

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of June 15, 1981 the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above-mentioned action. In the event they fail to do so, you will be advised prior to your June 16, 1981 meeting.

RECOMMENDATION

The staff recommends acceptance of this report, and authorization for staff to proceed with the following recommendations:

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
County of Sacramento
June 8, 1981
Page 8

1. Adoption of Redevelopment Plan be deferred until firm commitments are received from the Federal Government that all costs related to this project will be provided;
2. Agency staff be directed to maintain the position that the Agency must be indemnified from all liabilities resulting from the exchange component of the project or be directed to undertake the disposition function only;
3. The Agency establish the following acquisition priority: a) east area concurrently with vacant parcels in the north area, b) remainder of north area, c) west area;
4. The potential impact to 13 residences north of the north expansion area be considered during environmental review process required for the runway expansion;
5. Planning Departments of the City and County develop a strategy to mitigate nonconforming uses based on the LDN contours as established in the 1976 AICUZ report; and
6. Upon completion of the 1982 AICUZ study, a recommendation should be included to resolve the noise problem at the Bell Avenue School site.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

APPROVAL RECOMMENDED:

BRIAN H. RICHTER, County Executive

Contact Person: Leo T. Goto

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

SCHEDULE McCLELLAN REDEVELOPMENT PROJECT

The following is a list of steps remaining for the adoption of the McClellan Redevelopment Plan. Included in these steps are related documents and departmental responsibilities. The dates provided are goals and may not be completed in that time frame. It is the intent of the Agency to meet these goals so long as they do not jeopardize the quality of the end product, i.e. the Redevelopment Plan and its implementation.

Date	Activity/responsibility	Purpose
3/14/81- 6/17/81	Memorandum of Understanding, draft and negotiate (legal dept./redevelopment division)	Resolve major issues required to prepare Exchange Agreement.
5/19/81	Board of Supervisors/City Council - continuance on feasibility study (Redevelopment Division)	Request for continuance of Agency's feasibility study which will address major concerns of Agency & PAC as well as the general feasibility of the project. Request for study to be continued until 6/16/81.
5/26/81	North Highlands Community Council - General Plan Amendment (Redevelopment Division/County Planning Dept.)	Council to review/recommend on project's consistency with the General Plan.
6/9/81	County Policy Planning Commission - Draft E.I.R./continuance on General Plan Amendment	Commission to continue consideration on General Plan Amendments to 8/25/81. Commission will also receive comments on Draft E.I.R.
6/15/81	SHRC - Draft E.I.R. (Redevelopment Division)	Final hearing to receive comments on Draft E.I.R.
6/15/81- 7/15/81	Final E.I.R. preparation (County Environmental Section)	County staff to prepare final draft of E.I.R. for Agency
6/16/81	Board of Supervisors/City Council - Feasibility Study (Redevelopment Division with Legal Dept. review)	Agency staff to present Feasibility Study to legislative bodies. This study will address major concerns of Agency & PAC as well as the general feasibility of the project.
6/17/81- 7/17/81	Draft Exchange Agreement (Legal Dept. with Redevelopment Division review)	Formalize terms of exchange program.
6/18/81- 7/17/81	Consultant to prepare final draft of Redevelopment Plan/report to accompany Plan (Redevelopment Division/CH ₂ M Hill)	Prepare final draft of Redevelopment Plan and report accompanying Plan.

8/25/81	County Policy Planning Commission (Redevelopment Division)	Commission to review and recommend for consistency of Redevelopment Plan & General Plan. (Item continued from 6/9/81) Commission must also recommend on Redevelopment Plan, Report accompanying the Redevelopment Plan and final E.I.R.
8/27/81	City Planning Commission (Redevelopment Division)	Review & recommendation on Redevelopment Plan, report accompanying the Plan and final E.I.R.
9/1/81	PAC (Redevelopment Division)	PAC to recommend on Redevelopment Plan, report and final E.I.R.
10/1/81	SHRC - Public Hearing on Redevelopment Plan documents (Redevelopment Division)	Recommend adoption of Redevelopment Plan
10/8/81	Public Hearing by Board of Supervisors on Redevelopment Plan, report to accompany Redevelopment Plan, E.I.R. and General Plan Amendment. City Council to hold Public Hearing during this same week.	Adoption of Redevelopment Plan



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

November 28, 1979

Redevelopment Agency of the
City of Sacramento
City Hall, 915 I Street
Sacramento, CA 95814

CITY GOVERNING BOARD

PHILLIP L. ISENBERG, MAYOR
LLOYD CONNELLY
PATRICK B. DONOVAN
BLAINE H. FISHER
THOMAS R. HOESER
DOUGLAS N. POPE
JOHN ROBERTS
ANNE RUDIN
DANIEL E. THOMPSON

Honorable Members in Session:

SUBJECT: Proposed McClellan Redevelopment Project

SUMMARY

It is requested that the Board of Supervisors and the City Council approve a three phased concept for the McClellan Redevelopment Project and authorize the Redevelopment Agency to move forward with Phase I activities which include the retaining of a consultant to prepare a FINAL REDEVELOPMENT PLAN, after adoption of the attached Preliminary Plan by the City and County Planning Commissions.

COUNTY GOVERNING BOARD

ILLA COLLIN
C. TOBIAS (TOBY) JOHNSON
JOSEPH E. (TED) SNEEDY
SANDRA R. SMOLEY
FRED G. WADE

EXECUTIVE DIRECTOR

WILLIAM G. SELINE

BACKGROUND

The McClellan Study was undertaken in order to enable the City, County and adjacent community, working with the Redevelopment Agency, to prepare a Preliminary Redevelopment Plan for the area. The purpose of this Plan is to eliminate certain blight in the area, resolve problems resulting from planning activities proposed by McClellan Air Force Base, as such activities may affect the adjacent community and to assist McClellan AFB with expansion needs.

On October 24, 1978, you adopted Resolution No. 78-763 by which you made the finding that "the survey area for McClellan AFB requires study to determine whether a Redevelopment Project or Projects within said area are feasible."

On May 29, 1979, you officially appointed the McClellan Interim Project Area Committee with Resolution No. 2830. Six months prior to this date, citizen volunteers had been working with Agency staff in the preparation of the Preliminary Plan.

P.O. BOX 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
Page Two

November 28, 1979

On June 28, 1979, the McClellan Preliminary Plan was presented to the County Board of Supervisors as an informational item. The Plan was referred to the County Executive for a report back on fiscal implications and to the Redevelopment Commission for recommendations.

On July 31, 1979, the County Executive's office requested the Redevelopment Agency staff to prepare a cost analysis and recommend funding sources on all aspects of declaring the survey area a Redevelopment Project.

Agency staff with the assistance of various City and County departments, has now completed the cost analysis and projections. The cost analysis and projections have been formulated into a three phased program and are identified as Exhibits 1, 2 and 3.

Agency staff wishes to express its appreciation to the members of the Interim PAC for their cooperation and assistance in the preparation of the Preliminary Plan Study. Without their dedication and assistance this study would have taken considerably longer to accomplish.

FINANCIAL DATA

Estimated cost for the preparation of the Final Plan, related reports and continuing study of the total area is \$100,000 (refer to Exhibit 4 for the proposed budget breakdown). Estimated staff expenses, appraisals, and overhead for land disposition and land acquisition to accomplish the McClellan AFB expansion is \$205,000 (refer to Exhibit 5). Total estimated cost of the Redevelopment Plan preparation and McClellan AFB expansion expense is \$305,000. County share of this total is \$135,833, equivalent to City's share.

The projected estimated value of McClellan-owned land is \$3.9 million. Funds derived from the sale of this property would be used to purchase privately-owned property needed by McClellan which has an estimated value of \$4.0 million. To complete the land transaction, McClellan would request the \$100,000 deficit (or whatever the deficit might be) from the Federal Government. Exact costs cannot be determined until final appraisals are made.

Staff has identified Community Development Block Grant funds as the logical source of funding for Phase I.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
Page Three

November 28, 1979

INTERIM PAC RECOMMENDATION

At its June 21, 1979 meeting, the PAC voted to adopt and recommend the Preliminary Plan and Study. On November 8, 1979, the PAC voted unanimously to recommend the three phased proposal presented by staff.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of November 19, 1979, the Sacramento Housing and Redevelopment Commission adopted a motion recommending the adoption of the three phased concept for the McClellan Redevelopment Project and the implementation of Phase I. The vote was recorded as follows:

AYES: Coleman, Luevano, A. Miller, Serna, Teramoto

NOES: Knepprath

ABSTAIN: None

ABSENT: Fisher, B. Miller, S. Walton

BOARD OF SUPERVISORS ACTION

At its meeting of November 20, 1979, the Redevelopment Agency of the County of Sacramento adopted the three phased Redevelopment concept and authorized the selection of a consultant for preparation of the Redevelopment Plan for Phase I.

RECOMMENDATION

The Sacramento Housing and Redevelopment Commission recommends that the Board of Supervisors and the City Council approve a three phased concept for the McClellan Redevelopment Project and after adoption of the Preliminary Plan by the City and County Planning Commissions, authorize the Redevelopment Agency to move forward with Phase I activities which include the retaining of a consultant to prepare a FINAL REDEVELOPMENT PLAN which would include only the Splinter City, Camp Koehler, West Expansion and North Expansion areas; and upon the adoption of the Redevelopment Plan to proceed with the sale of the Splinter City and Camp Koehler areas and the acquisition of the West and North Expansion areas;

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
Page Four

November 28, 1979

and concurrently with disposition and acquisition activities have the consultant continue his study of the survey area and to provide recommendations for activities in the Phase II and Phase III areas so that the Redevelopment Project Boundary could be expanded at a later date should that be the decision of the Governmental bodies.

Respectfully submitted,



WILLIAM G. SELINE
EXECUTIVE DIRECTOR

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Persons: William Aguirre, Robert Roche

McCLELLAN REDEVELOPMENT PROJECT
PROJECTED COSTS FOR "THREE PHASED" PROGRAM

PHASE I
Initial Redevelopment Boundaries
would be limited to Camp Kohler,
Splinter City, West Expansion and
North Expansion Areas

PROPOSED REDEVELOPMENT ACTIVITIES 1980-1982 (3 years)	CITY	COUNTY	PRIVATE DEV./ UTILITIES & IMPROVEMENT FEES	McCLELLAN/ FEDERAL	ECONOMIC DEVELOPMENT ADMINIS.	OTHER
1) Redevelopment Plan Preparation, related reports & additional study of Phase II & Phase III areas - 1980	\$ 33,333 (CDBG)	\$ 33,333 (CDBG)		33,333		
2) McClellan Land Acquisition/Disposition						
a. Admin./Overhead/Miscellaneous	102,500 (CDBG)	102,500 (CDBG)				
b. Land values						
1. disposition proceeds			\$ 3,900,000	\$ (100,000)		
2. acquisition costs				4,000,000		
3. deficit				100,000		
c. Relocation costs				553,944		
3) Underground tunneling of Elkhorn Blvd.				\$28,000,000		
4) Relocation of Bell Ave. School & Pre-School						\$2,000,000
<u>THREE YEAR EXPENDITURES</u> One time only	\$ 135,833	\$ 135,833	\$ 3,900,000	\$32,687,277		\$2,000,000

**ELIGIBLE COMMUNITY DEVELOPMENT (C.D.)
ACTIVITIES 1979-1982 (3 yrs.) for
ROBLA & NORTH HIGHLAND C.D. AREAS

FUNDING

AS FUNDS ARE AVAILABLE

- 1) Housing Rehabilitation Grant Program for low income
- 2) Retrofitting Grant Program for the Disabled
- 3) Housing Rehabilitation and Insulation (SNAP) loans (1-7%)
- 4) Federal Section 312 Rehabilitation Loans (3%) for low income homeowners

- 1) \$1500 maximum per applicant
- 2) \$2500 maximum per applicant
- 3) \$27,000 maximum loan/single family dwelling
- 4) \$27,000 maximum loan/single family dwelling

* Redevelopment Agency would assist the School District in efforts to obtain funds from State, Federal and private foundations.

** Rehabilitation and insulation loans and grants would be made available through the Community Development Program as funds are available. The Robla area which is the City portion of the proposed study area and a portion of North Highlands in the County study area are Community Development (C.D.) areas which are already eligible for low interest rehabilitation loans and grants.

October 29, 1979

McCLELLAN REDEVELOPMENT PROJECT
PROJECTED COSTS FOR "THREE PHASED" PROGRAM

If adopted, Redevelopment Project boundaries would expand to include 70 LDN noise area

PROPOSED REDEVELOPMENT ACTIVITIES 1983-1997 (15 years)	CITY	COUNTY	PRIVATE DEV./ UTILITIES & IMPROVEMENT FEES	McCLELLAN/ FEDERAL	ECONOMIC DEVELOPMENT ADMINIS.	OTHER
1) Redevelopment Agency Planning/Administration/PAC	\$ 10,000	\$ 10,000				
2) Housing Rehabilitation & Insulation Loans/Grants						
a. City-65% in need of housing rehab; assuming 30% would apply (average \$20,000)	\$ 430,000 (21 homes average per year)					
b. County-30% in need of housing rehab; assuming 30% would apply (average \$20,000)		\$ 116,000 (6 homes average per year)				
ANNUAL EXPENDITURES FOR REHABILITATION	\$ 440,000*	\$ 126,000*	-0-	-0-	-0-	-0-
15 YEAR TOTALS	\$6,600,000	\$1,890,000				

* Subject to 15 year annual funding based on availability of money and priority of need. Majority of funds would be City, County C.D. funds.

--Public Improvements and utilities would be undertaken as part of normal City/County long range programs and as private development requires.

McCLELLAN REDEVELOPMENT PROJECT
PROJECTED COSTS FOR "THREE PHASED" PROGRAM

If adopted, Redevelopment boundaries would expand to include entire study area. (21)

PROPOSED REDEVELOPMENT ACTIVITIES 1983-2002 (20 years)	CITY	COUNTY	PRIVATE DEV./ UTILITIES & IMPROVEMENT FEES	McCLELLAN/ FEDERAL	ECONOMIC DEVELOPMENT ADMINIS.	OTHER
1) Roadways 1983-2002 (20 yr. span) a. Raley Blvd. & Bell Avenue	\$ 29,647 18,000 (gas tax, one time only)		\$ 117,705		\$ 29,647	
b. Elkhorn-Watt Avenues to Dry Creek Rd. excluding tunnel costs; 16th St. 1 1/2 miles, U St. 1 1/2 miles, Elverta Rd. 7/8 miles, Dry Creek Rd. 1 mile, miscellaneous		\$ 29,521	\$ 117,705		\$ 29,521	
2) Sanitary Sewer Development a. City area	\$ 18,550		\$ 73,648		\$ 18,550	
b. County area		\$ 3,216	12,768		3,216	
3) Drainage Development a. City area	\$ 29,103		\$ 115,543		\$ 29,103	
b. County area		\$ 26,733	106,134		26,733	
4) Water Development a. City area	\$ 3,768		\$ 14,962		\$ 3,768	
b. County area		\$ 13,190	52,368		13,190	
20 YEAR EXPENDITURES FOR PUBLIC IMPROVEMENTS	\$ *81,068	\$ *78,660	\$ 610,334	-0-	\$ 153,728	-0-
20 YEAR TOTAL FOR PUBLIC IMPROVEMENTS	\$1,639,360	\$1,453,200	\$12,206,680	-0-	\$3,074,560	-0-
20 YEAR ALL PHASES GRAND TOTAL	8,375,193	\$3,479,033	\$16,106,680	\$32,687,277	\$3,074,560	\$2,000,000

* Subject to 20 year annual funding based on availability of money and priority of need.

-- Public Improvements shown above cannot realistically be programmed on an annual basis over a 20 year schedule. Therefore, the annual estimate is for comparison purposes only and is not to be considered as the budget for any given year.

-- Proposed activities could be accelerated depending on private development interests.

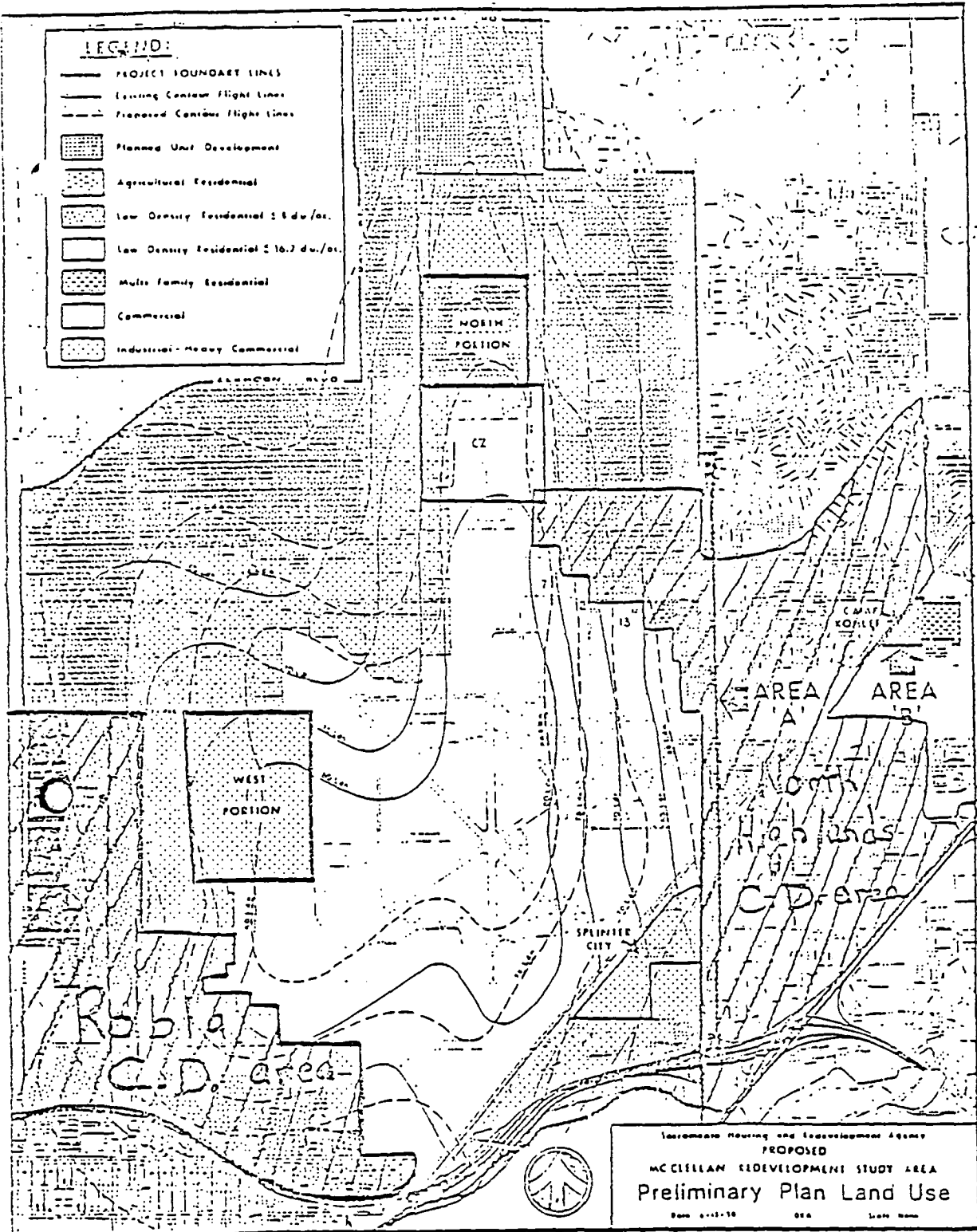


EXHIBIT - B

PHASE I - FIRST ACTIVITY

COST ESTIMATE FOR PREPARATION OF
McCLELLAN FINAL REDEVELOPMENT PLAN
AND RELATED STUDIES

A.	Consultant to Prepare Final Redevelopment Plan for Phase I & additional study of Phase II and Phase III areas (Approximately 6 months in preparation)	\$ 30,000
B.	Sacramento Housing and Redevelopment Agency (Coordination and reviews)	10,000
C.	Mail outs for required public hearing (2650 property owners; certified letters required)	3,800
D.	Project Area Committee - meeting vouchers for members (31 members x \$15 x 12 months)	5,600
E.	Consultants providing Supportive Documents	
1.	<u>Environmental Impact Report for Total Study Area</u> Preparation of appropriate environmental documents in accordance with applicable rules and regulations by the Environmental Section of Sacramento County (assuming noise impact information available from McClellan)	20,000
2.	<u>Marketability and Economic Analysis</u> Determination of highest and best use of surplus property, property re-use appraisals, market demand, identification of constraints to development, parcelization and disposition recommendations and estimate.	15,000
3.	<u>Splinter City Development Traffic Analysis and Elkhorn Boulevard Preliminary Cost Estimate</u> Analysis and determination of traffic impacts of development of Splinter City as proposed by market study and recommendations as appropriate. Preparation of initial preliminary design and cost estimates for Elkhorn Blvd. depression under proposed runway extension.	6,000
		<hr/>
		\$ 90,400
	Contingency	<hr/>
		9,600
		<hr/>
	TOTAL	\$ 100,000
City share	\$33,333	
County share	33,333	
McClellan's share	33,333	

PHASE I - Second ActivityPROJECTED BUDGET FOR McCLELLAN PROJECT
LAND DISPOSITION AND ACQUISITION ACTIVITIES

	<u>Estimated Costs</u>	
	<u>SHRA</u>	<u>USAF</u>
<u>1980 - 1981</u>		
A. Disposition and Marketing of Splinter City (77 acres) and Camp Kohler (31 acres)		
1. Administration/Overhead	\$ 6,540*	
2. Disposition documents, advertising, etc.	<u>3,200</u>	
Subtotal	\$ 9,740 <u>(10,000)</u>	
B. Acquisition of 240 Acres West of McClellan		
1. Administration/Overhead	\$ 25,000	
2. Acquisition Expenses (appraisals, closing costs, etc.)	<u>35,000</u>	
Subtotal	\$ 60,000 <u> </u>	
TOTAL DISPOSITION & ACQUISITION EXPENSE	\$ 70,000 <u> </u>	
<u>1981 - 1982</u>		
A. Acquisition of 200 Acres North of McClellan Including 30-40 Structures		
1. Administration/Overhead	\$ 75,000	
2. Acquisition Expenses (appraisals, closing costs, etc.)	60,000	
B. Relocation Benefits and Expenses		<u>\$553,944</u>
Subtotal	<u>\$135,000</u>	<u>\$553,944</u>
GRAND TOTAL	<u>\$205,000</u>	<u>\$553,944</u>

*Assumes one disposition period or procedure.

McCLELLAN REDEVELOPMENT PROJECT
PROPOSED CITY/COUNTY BUDGET

In order to assist McClellan AFB in its proposed Base expansion the estimated costs for the preparation of a Final Redevelopment Plan and the disposition and acquisition of certain properties are as follows:

PHASE I - First Activity - 1980

Final Redevelopment Plan Preparation Related Reports and Additional Study of Phase II and III Areas	\$100,000
---	-----------

Cost Sharing:

City	\$33,333.
County	\$33,333.
McClellan	<u>\$33,333.</u>

PHASE I - Second Activity - 1980/1981

Disposition Expenses for McClellan Parcels (Splinter City and Camp Kohler)	\$ 10,000
---	-----------

Acquisition Expense for Private Property West of McClellan (240 acres)	<u>60,000</u>
---	---------------

\$ 70,000

Cost Sharing:

City	\$35,000.
County	<u>\$35,000.</u>

PHASE I - Third Activity - 1981/1982

Acquisition Expense for Private Property North of McClellan (200 acres)	\$135,000
--	-----------

Cost Sharing:

City	\$67,500.
County	<u>\$67,500.</u>

GRAND TOTAL COST ESTIMATE	<u>\$305,000</u>
---------------------------	------------------

Cost Sharing:

City	\$135,833.
County	<u>\$135,833.</u>

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (hereinafter "Memorandum") is made this _____ day of _____, 1981, between the UNITED STATES AIR FORCE (hereinafter "Air Force"), and the UNITED STATES CORPS OF ENGINEERS (hereinafter "Corps"), and the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO and the REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO (hereinafter collectively "Agency"). Said Memorandum is made with reference to these Recitals:

A. The Air Force has certain land which is excess to its purposes and which it desires to dispose of in a manner conducive to the orderly development of the community and the best interests of the Air Force. This land is described herein collectively as the "disposition parcels" and sometimes specifically referenced as "Splinter City" and "Camp Kohler", described respectively in Exhibits "A" and "B" hereto.

B. The Air Force/Corps desire to use the Agency as its agent for disposition.

NOW, THEREFORE, the parties agree as follows:

1. The Corps as the agent for the Air Force will release to the Agency for disposition the Camp Kohler and Splinter City parcels. The Corps will retain ownership of the parcels during the disposition phase on behalf of the United States and the Agency will act merely as its agent in arranging a suitable sale and pattern of development.

2. The terms of any such disposition sale shall be subject to the approval of the Corps on behalf of the Air Force and the Corps shall be under no obligation to approve or accept any particular sale or term arranged by Agency.

3. Agency shall not be precluded from presenting to Corps an offer on behalf of Agency in its own right to purchase a portion or all of any parcel.

4. The sale transaction for each parcel shall be closed as soon as the Corps has approved sale agreements for all of the land contained in each parcel or at such earlier time as the Corps may subsequently agree.

5. The Agency may impose such requirements upon the use of the disposition parcels as it may reasonably require in the best interests of the community at large. The land shall also be subject to the usual zoning laws as they may exist or from time to time be amended.

6. Except in those instances, if any, in which the Agency is the purchaser, the sale proceeds from the purchasers shall flow directly to the Corps on behalf of the Air Force.

7. The parties acknowledge that the cooperative performance of their respective obligations pursuant to this Memorandum are essential to the accomplishment of the purposes and anticipated benefits from this agreement. Each party represents and warrants to the other that that respective party shall not do any act which shall have the effect of depriving the other parties from realizing

the benefit of their timely, regular and good faith performance of their obligations herein contained. Each party acknowledges to the other that the foregoing is a material inducement to it to make this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding as of the date first above written.

UNITED STATES OF AMERICA

By _____
United States Air Force

By _____
United States Corps of Engineers

REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO
and
REDEVELOPMENT AGENCY OF THE COUNTY
OF SACRAMENTO

By _____
Interim Executive Director

APPROVED AS TO FORM:

Chief Counsel

Attach: Exhibit "A" - Splinter City
Exhibit "B" - Camp Kohler



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS SACRAMENTO AIR LOGISTICS CENTER (AFLC)
MCLELLAN AIR FORCE BASE, CALIFORNIA 95652

2 JUL 1981

REPLY TO
ATTN OF: DE

SUBJECT: Feasibility of McClellan Redevelopment Project

TO: Sacramento Housing and Redevelopment Agency
Commission Members
630 I Street
Sacramento, CA 95814

INTRODUCTION:

This letter provides: (1) Comments on your staff's June 8, 1981 feasibility report and the Corps of Engineers Brief Real Estate Planning Report, February 23, 1981, (2) summarizes changes that have occurred in the project, and (3) provides a recommendation for continuing the project for which we ask your support and indorsement to the County Board of Supervisors and the City Council.

We wish to thank your staff for all their efforts in developing the land exchange project. It's a new procedure, plagued with new challenges at every decision point; yet we remain committed to its success. The future viability of McClellan Air Force Base as the largest industry in northern California is dependent upon our obtaining additional land through the exchange.

COMMENTS ON SHRDA STAFF REPORT:

We are unable to concur with three of the six recommendations. The first two violate federal law. The third would give lowest acquisition priority to our most critical development area. An analysis of all six recommendations is provided in attachment 1.

Our financial analysis of the Corps of Engineers planning report is in attachment 2. The only significant difference between our analysis and that made by your staff is the 15 percent contingency added onto the Air Force property. Your staff feels this 15 percent should not be included. The Corps uses the term "contingency" to include unknown costs plus inflation increases expected between the date of the planning report and the date of the exchange. We feel that a 15 percent increase for inflation during the two-year period from 1981 to 1983 is reasonable. The contingency percentage used for the acquisition areas was 35 percent - a similar 15 percent for inflation plus 20 percent for unknowns. If the 15 percent were deducted from Air Force property, the 35 percent contingency for acquired property should be reduced to 20 percent.

CHANGES IN THE REDEVELOPMENT PROJECT:

There have been significant changes in cost and requirements for the project. Cost increases have occurred in two areas. First, relocation and administration costs are much higher than expected. Second, the cost of rerouting or tunneling Elkhorn Blvd makes it doubtful that we could soon obtain the needed funding. Total cost of the one-half mile runway extension is estimated to be over \$50 million (cost details are in attachment 3).

The requirement for the runway extension was based on a proposal to move the runway one-half mile to the north to mitigate noise impacts on the densely populated area south of the base. As we developed the project, we found most of the noise complaints came from residents and businesses north of the base who built there without zoning restrictions after the base was opened. So we recommend continuing with land acquisition in the north as a community noise abatement effort even though land costs in the north area are high (95 percent of exchange costs for 45 percent of the land acquired) and the financial feasibility of extending the runway is doubtful.

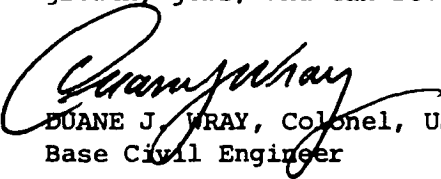
RECOMMENDATION:

Recommend the McClellan Redevelopment Project be approved and the Sacramento Housing and Redevelopment Agency be identified as both the acquisition and disposal agency. A Conditional Exchange Agreement should be developed by the Agency, Corps of Engineers, and McClellan AFB. Congress would be asked to provide \$3.5 million in fiscal year 1983 funds. Any costs over the \$3.5 million and Agency administration could be financed from tax increment funds or from bonds supported by tax increment funds.

Attachment 4 is our estimate of the increased property taxes which local government could anticipate from the project area. Our estimates are conservative, but they show a net tax increase of \$3.6 million in 10 years and \$7.5 million in 20 years.

CONCLUSIONS:

We find that the land exchange needs to continue. It is legally and financially feasible and would benefit all groups involved in the project. McClellan would get much needed land, the residents would be able to move from a high noise area, and local government would benefit from anticipated growth, jobs, and tax revenues. We solicit your support.


DUANE J. WRAY, Colonel, USAF
Base Civil Engineer

- 4 Atch
1. Analysis of SHRDA Recommendations
2. Financial Summary of COE Brief
Real Estate Planning Report
3. Cost of Runway Extension
4. Study on Tax Increased Funding

ANALYSIS OF SHRDA RECOMMENDATIONS

RECOMMENDATION #1. "Adoption of Redevelopment Plan be deferred until firm commitments are received from the Federal Government that all costs related to this project will be provided."

COMMENT: The key phrases as presently proposed are "firm commitments... from the Federal Government that all costs... be provided." Prior to Congress authorizing and appropriating funds for any project, no government official can "firmly" commit the federal government to funding expenditures in any amount. After Congress appropriates funds, government officials can only commit up to the specific amount appropriated. To so commit funds is a violation of the federal Anti-Deficiency Act, 31 USC 665, and would subject such official to administrative and criminal penalties. It would also be unenforceable by the Agency.

RECOMMENDATION #2. "Agency staff be directed to maintain the position that the Agency must be indemnified from all liabilities resulting from the exchange component of the Project or be directed to undertake the disposition function only."

COMMENT: The requirement that the Agency be indemnified "from all liabilities resulting from the exchange component" cannot be met by the Air Force as it, too, is contrary to the Anti-Deficiency Act, 31 USC 665; California-Pacific Utilities Co. v U.S., 194 Ct. Cl, 703 (1971). As a broad generalization, however, most liabilities or lawsuits which might arise from the acquisition Project phase would most probably and reasonably have federal government joinder or sharing from claim or litigation standpoints.

RECOMMENDATION #3. "The Agency establish the following acquisition priority: a) east area concurrently with vacant parcels in the north area, b) remainder of north area, c) west area."

COMMENT: This proposed acquisition priority is a compromise of the Agency's perceived priorities of the Air Force and the Project Area Committee. It neither meets the Air Force's long planned development for McClellan, nor the PAC members wishes to first and foremost relieve them of noise blight in the north acquisition parcel. The west area is most critical to future mission needs of the Air Force. No acquisition priority should be set, and all acquisition parcels should be acted upon as contemporaneous as possible.

RECOMMENDATIONS #4, #5, and #6.

"4. The potential impact to 13 residences north of the north expansion area be considered during environmental review process required for the runway expansion.

5. Planning Departments of the City and County develop a strategy to mitigate nonconforming uses based on the LDN contours as established in the 1976 AICUZ report; and

6. Upon completion of the 1982 AICUZ Study, recommendation should be included to resolve the noise problem at the Bell Avenue School site."

COMMENT: These recommendations are acceptable. They can and should be supported. As to Recommendation No. 4, it merely states the requirement of federal and state environmental law. Recommendation No. 5, is needed to prevent further noise blighting and antithetical, potentially costly encroachment upon McClellan AFB. This would be a proper exercise of the City and County powers for health, environment, and land use planning. Finally, as regards Recommendation No. 6, the more full discussion of the Agency's report must be corrected as the updated, 1982 AICUZ Study will not be useable for the projected future runway extension as the Study cannot make any such speculative conclusions on nonexistent data. However, present or known data in the new AICUZ Study would be viewed for impact upon the Bell Avenue School.

FINANCIAL SUMMARY OF CORPS OF ENGINEERS
BRIEF REAL ESTATE PLANNING REPORT

ACQUISITION COSTS

	<u>LAND AREA</u>			
	<u>WEST</u>	<u>NORTH</u>	<u>EAST</u>	<u>TOTAL</u>
Land	\$396,000	\$ 4,570,000	\$323,433	\$ 5,289,433
Improvements	0	3,200,000	0	3,200,000
Relocation	0	914,000	0	914,000
Administration	15,000	150,000	12,500	177,500
*Contingency	<u>143,850</u>	<u>3,091,900</u>	<u>117,576</u>	<u>3,353,326</u>
Total	\$554,850	\$11,925,900	\$453,509	\$12,934,259

VALUE OF AIR FORCE PROPERTY

	<u>KOHLER</u>	<u>SPLINTER</u>	<u>TOTAL</u>
Land Value	\$ 945,000	\$7,382,500	\$8,327,500
Improvements	0	33,000	33,000
Less Site Clearance Costs	- 62,000	- 33,000	- 95,000
**Contingency	<u>132,450</u>	<u>1,107,375</u>	<u>1,239,825</u>
Total	\$1,015,450	\$8,489,875	\$9,505,325

* Inflation 15% + Unknowns 20% = 35% total

** Inflation 15%

ADDITIONAL FUNDING REQUIRED

Acquisition Costs	\$12,934,259	
Air Force Property	<u>9,505,325</u>	\$3,428,934

LESS OVERHEAD

Relocation (\$914,000 + 35%)	\$ 1,233,900	
Administration (\$177,500 + 35%)	<u>239,625</u>	\$1,473,525

LESS AMOUNT INCLUDED FOR UNKNOWNNS

20% of Acquisition Land and Improvements		<u>\$1,691,886</u>
Adjusted Shortfall		\$ 257,523

COST OF RUNWAY EXTENSION

1. LAND. Includes acquisition of real property and improvements in fee, relocation assistance, administration costs and contingency factor of 35%. Source: Corps of Engineers Brief Real Estate Planning Report, Feb 81.

Land Cost - \$11,926,000 (FY-81 \$)

2. CLEARING & FENCING. Includes demolition of structures, removal of fences, shrubs, trees and other obstructions, and installation of new security fence and gates.

Clearing & Fence Cost - \$235,000 (FY-81 \$)

3. RUNWAY EXTENSION. Includes runway, parallel taxiway, warm up apron, nav aids, fencing, drainage, roads, arrester barrier relocation, striping and miscellaneous related work.

Runway Cost - \$9,000,000 (FY-86 \$)

4. ELKHORN BLVD. Includes temporary rerouting, undergrounding in box culvert, approach ramps and related work. Source: CH2M Hill Preliminary Studies for Subarea Traffic Analysis, 1981.

Elkhorn Undergrounding Cost - \$25,700,000 (FY-86 \$)

5. CONTROL TOWER. Includes relocating existing control tower by constructing new tower approximately 2640' northward. Equipment not included since replacement already programmed by 2049CG.

Control Tower Cost - \$1,200,000 (FY-85 \$)

6. ENVIRONMENTAL MITIGATION. Includes purchase of 13 properties in present APZ-1, relocation assistance, administrative costs, 35% contingency, resale as rezoned agricultural - open space after demolition of structures.

Mitigation Cost - \$2,865,500 (FY-81 \$)

7. SUMMARY.

Land	\$11,926,000 (FY-81)
Clear & Fence.	235,000 (FY-81)
Runway	9,000,000 (FY-86)
Elkhorn.	25,700,000 (FY-86)
Control Tower.	1,200,000 (FY-85)
Mitigation	<u>2,856,500 (FY-81)</u>
Total Out-of-Pocket.	\$50,917,500

STUDY ON TAX INCREMENT FUNDING

1. Purpose of this study: To determine estimated future tax income to be gained by the County of Sacramento as a result of the proposed land exchange between the County and McClellan AFB.

2. Factors used:

a. Sacramento County assesses at 25% of market value and the tax rate is \$4.00 per \$100 of assessed valuation or to say it another way and as used in this study full market value and a tax rate of 1% is used.

b. Corps of Engineering valuation for the McClellan AFB property, detailed in their report dated 23 Feb 1981 is used in this study.

c. The 81.5 acres in the north and south parcel of Splinter City was adjusted to determine usable land for development. This adjustment removed portions of Watt Ave and Roseville Road from the 81.5 acres and resulted in a remaining 64.85 usable acres. This 64.85 acres is that acreage that can be developed for commercial purposes and provide tax income to the county. (REF: Appendix A)

d. To determine an estimated value of improvements to be located on the Splinter City property the following approach was used:

(1) Land (50.48 acres) the southeast end of Splinter City, exchanged with local government in 1967 and now fully developed, was used for comparative purposes. (REF: Appendix B)

(2) To determine the net taxable acreage, this 50.48 acres was also factored to eliminate all non-taxable property so the resultant acreage is only that which is on the tax rolls as improved, taxable property. The 50.48 acres was reduced to 48.64 acres.

(3) County tax records were researched to determine assessed value of improvements on this 48.64 acres of developed land, \$1,477,749 is the assessed value based on 1 March 80 tax assessment which provides 1980 tax assessment for improvements of \$121,524 per acre. The 1980 figures were adjusted to reflect inflationary construction growth since 1977, as published by the Office of Management and Budget, to arrive at a more realistic improvement value figure for use in determining taxable income (REF: Appendix C)

(4) The market value of Splinter City land is \$8,489,875 as determined by the COE report dated 23 Feb 81. (REF: Appendix D)

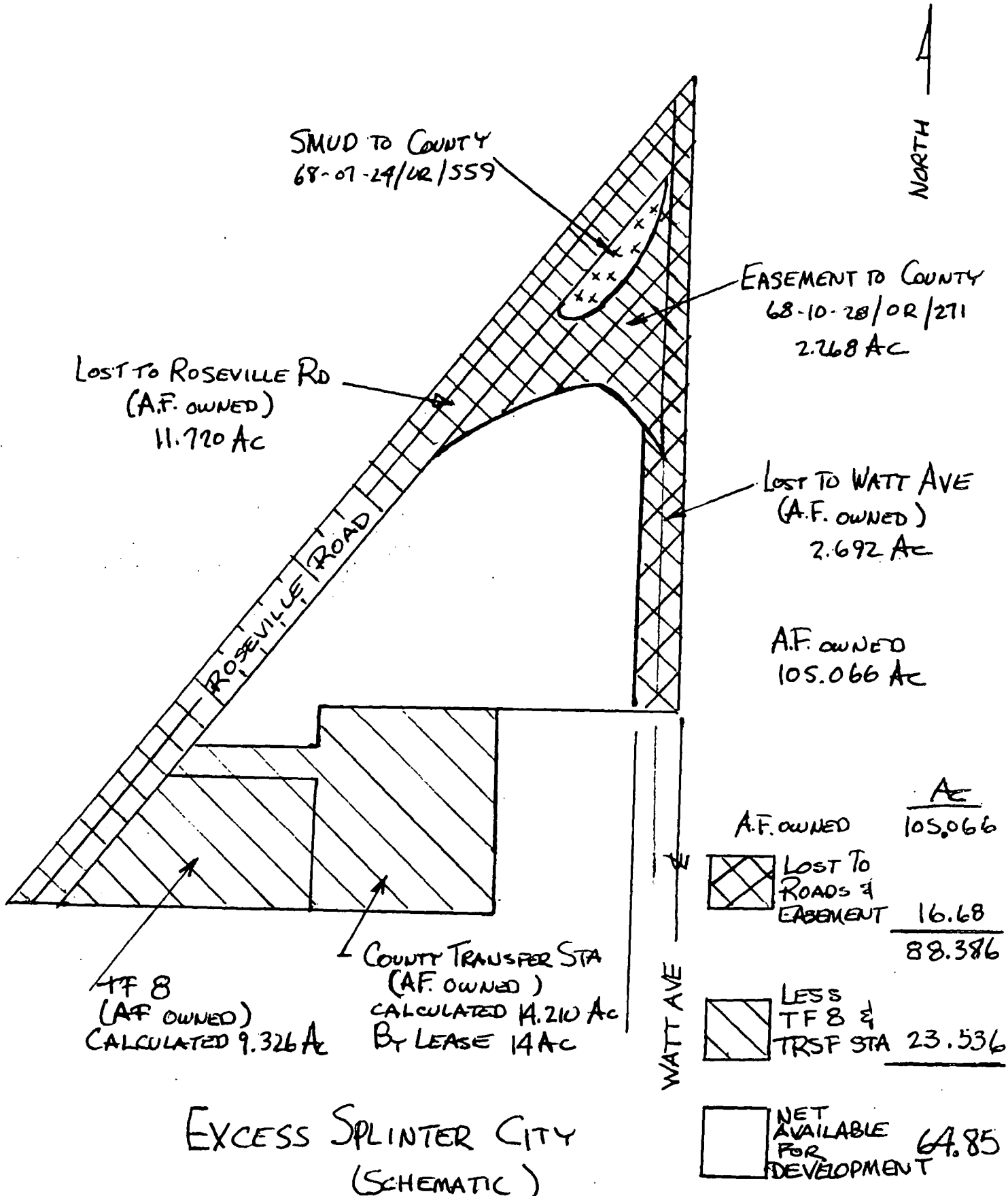
(5) We are assuming the land for Splinter City could be on the tax rolls for the 1984/1985 tax period if the land exchange is accomplished soon.

Atchy

(6) Kohler property (26.9 adjusted acres) (REF: Appendix E) is zones RD - 10 which provides for 10 dwellings or five duplex buildings per acre. One-hundred-thirty-four (134) duplex lots can be realized from this property.

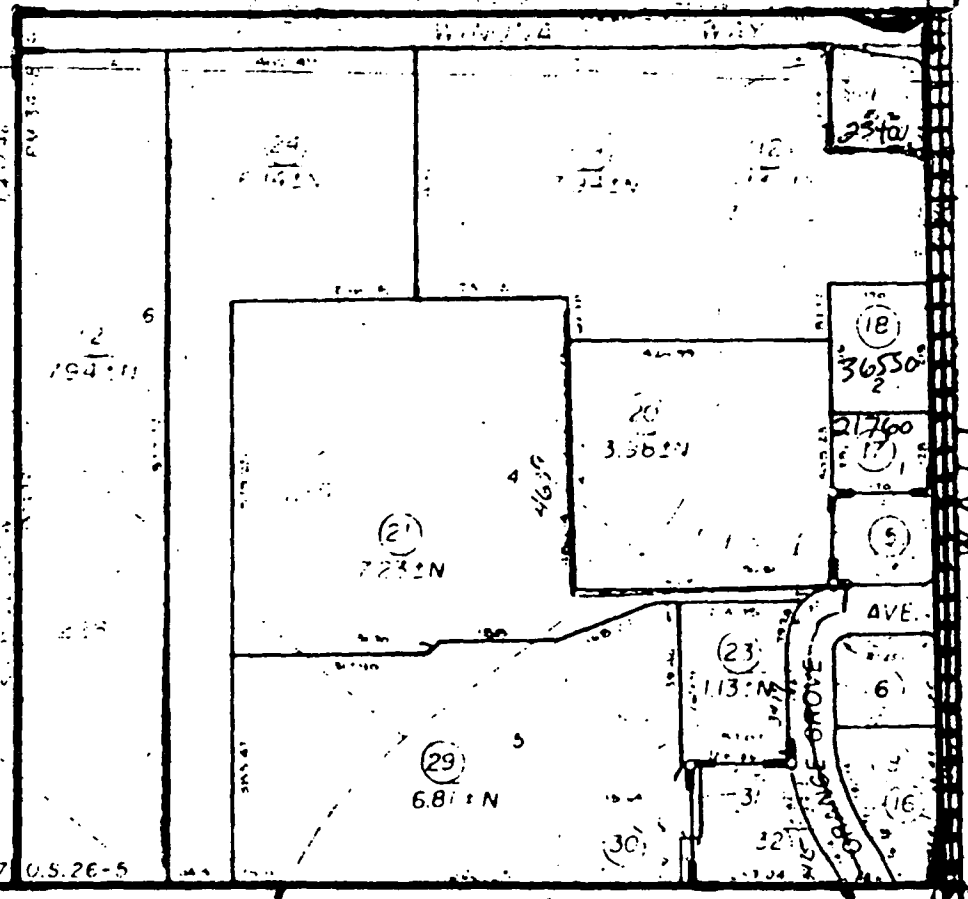
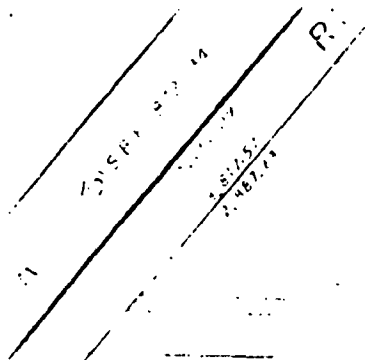
(7) On a per lot basis, current comparable duplexes are assessed as of 1 Mar 80 as, land - \$20,000 and improvements - \$60,000 for a total of \$80,000. Using these 1980 figures, adjusting the land value by 2% per year and the improvements by OMB inflation factor, a 1985/86 value was established, which is the time frame we anticipate Kohler property could be developed and providing the county with tax income. (REF: Appendix F)

(8) Using the above developed data two major charts were developed to illustrate the potential tax assessment value and tax income the county would receive from the land exchange. The tax income chart has been extended for a 10 year period beginning in 1980. Our figures, which are very conservative, indicate a net income over 10 years of \$3,610,865. (REF: Appendices G and H) An extrapolation to 20 years would produce a net income of \$7,478,576.



BOOK 34 OF SURVEYS PAGE 37
SAC. COUNTY RECORDER

AF



(01)

(08)

(16)

(54)

APPENDIX B

10

NE COR. McCLELLAN INDUSTRIAL PARK

SE COR. LUT 269 ARCADE PARK

OAK BELL AVE

MARGARET WAY

TRADED ACREAGE

AF OWNED	50.48
LESS WATT AVE	1.84
LESS PUT & COUNTY	.02
NET USEABLE	48.64

1. Bk. 13, Pg. 30
 2. Bk. 26, Pg. 5 (10-5-67)
 3. Bk. 34, Pg. 37 (12-11-79)

Assessor's Map Bk. 240 Pg. 55
 County of Sacramento, Calif.

ATCH 7

SPLINTER CITY IMPROVEMENTS DETERMINATION

YEAR	ASSESSED MARKET VALUE OF IMPROVE- MENTS ON A PER ACRE BASIS	BUILDING INFLATION FACTOR (c)	ADJUSTED ASSESSED MARKET VALUE OF IMPROVEMENT PER ACRE
1977	114,515 (b)	8.1	123,791
1978		9.1	135,056
1979		15.3	155,720
1980	121,524 (a)	10.2	171,603
1981		9.1	187,219
1982		8.7	203,507
1983		7.9	219,584
1984		7.7	236,492
1985		7.7	254,702
1986		7.7	274,314

a. Assessed market value of the improvements on previously transferred Splinter City land as of 1 Mar 1980. Total value of improvements are \$5,910,996 for the 48.64 acres. ($\$1,477,749 \times 4 = \$5,910,996$)

b. \$121,524 factored back to 1977 by the legal 2% per year.

c. From FY 83 OMB cost forecasting manual.

SUMMARY:

Assuming half of the 64.85 acres is developed by 1 Mar 1985, the total improvements would be $\frac{64.85}{2} \times 254,702 = \$8,258,712$ (used on Appendix G)

If the balance is developed by 1 Mar 1986, the additional improvements would be $\frac{64.85}{2} \times 274,314 = 8,894,631$

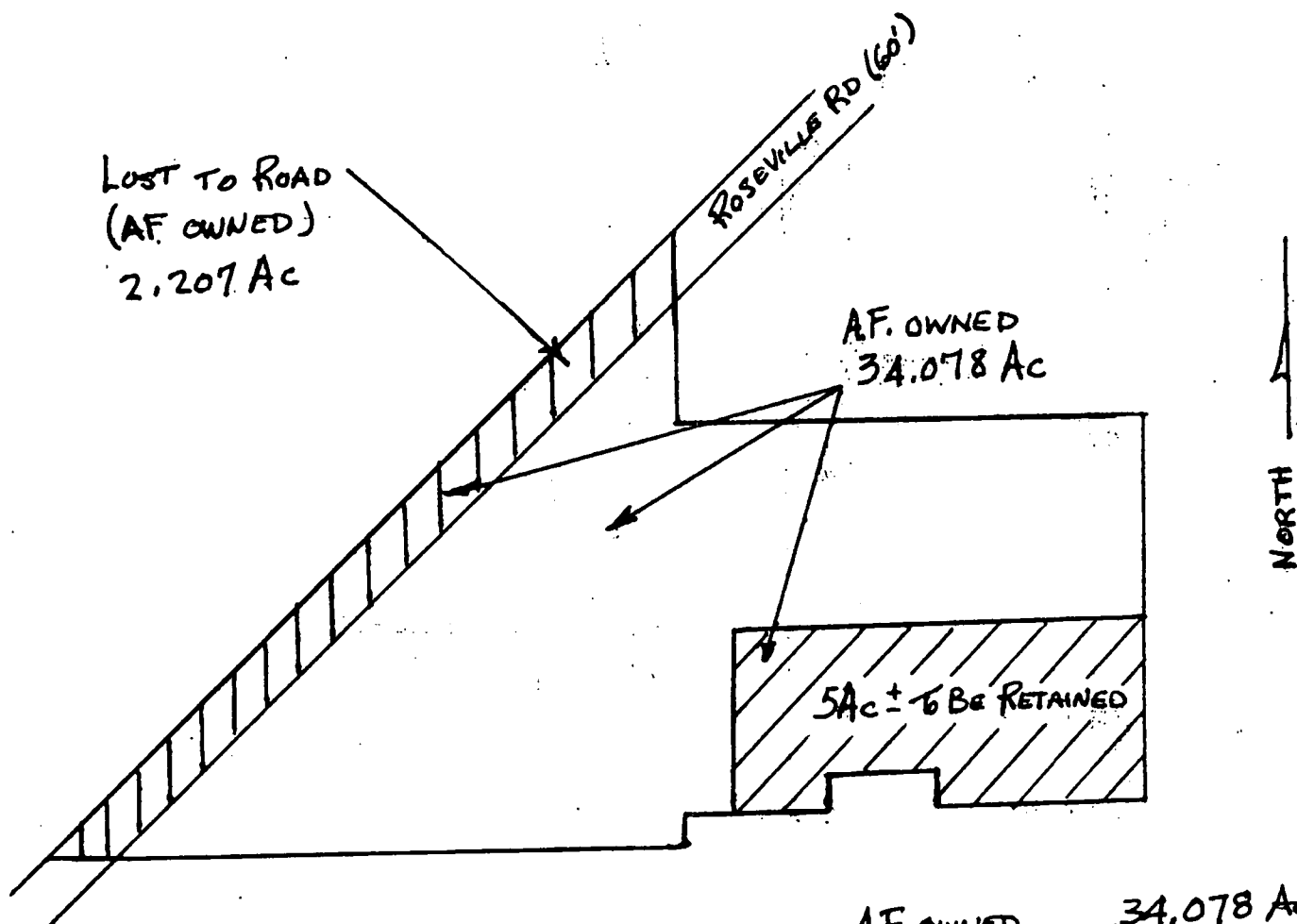
1986/87 Total improvements would be
 $8,258,712 \times 1.02 + 8,894,631 = 17,318,517$ (used on Appendix G)




MARKET VALUE OF SPLINTER CITY LAND

Corps of Engineers: Brief Real Estate Planning Report Dated 23 Feb 81

VALUE ESTIMATE

North Parcel - 9.5 acres	\$1,908,425
South Parcel - 71.5 acres	<u>\$6,581,450</u>
TOTAL VALUE SPLINTER CITY/AREA	\$8,489,875



	A.F. OWNED	34.078 Ac
	LOST TO ROAD	$\frac{2.207 \text{ Ac}}{31.871 \text{ Ac}}$
	AREA RETAINED FOR ISS TR	$\frac{5. \text{ Ac}^{\pm}}$
	NET AVAILABLE FOR DEVELOPMENT	26.9 Ac^{\pm}

CAMP KOHLER - EXCESS
(SCHEMATIC - NO SCALE)

BOOK 34 OF SURVEYS PAGE 38
SAC COUNTY RECORDER

KOHLER PROPERTY ADJUSTMENTS

Kohler land is zoned RD - 10, 10 dwellings per acre or five duplexes per acre. Total acres available for development is 26.9 acres. Total number of duplex lots would be $26.9 \times 5 = 134$.

On a per lot basis, current comparable duplexes are assessed as of 1 March 1980 as land - \$20,000 improvements - \$60,000 Total \$80,000.

Using these values as base line data the following projection is derived:

<u>YEAR</u>	<u>FACTORED LAND VALUE</u>	<u>LAND FACTOR USED(a)</u>	<u>FACTORED IMPROVEMENT</u>	<u>OMB BUILDING INFLATION FACTOR USED</u>
1980	20,000	1.00	60,000	1.00
1981	20,400	1.02	65,460	1.091
1982	20,808	1.02	71,155	1.087
1983	21,224	1.02	76,776	1.079
1984	21,649	1.02	82,688	1.077
1985	22,082	1.02	89,055	1.077
1986	22,523	1.02	95,912	1.077

a. Legal assessment increase - 2%

SUMMARY:

If the same assumption is used as was used with the Splinter City property, namely that half the improvements would be completed by 1 March 1985 and the balance by 1 March 1986. Since these are potentially 134 lots available for development, the value of the improvements would be tax year 1985/86:

$$67 \times 89,055 = \$5,966,685 \text{ (used on Appendix G)}$$

$$\text{Tax year 1986/87: } 1.02 \times 5,966,685 + 67 \times 95,912 = 12,512,123 \text{ (used on Appendix G)}$$

PROJECTED ASSESSED MARKET VALUE

TAX YEAR	SPLINTER CITY			KOHLER			EXISTING PRIVATE LAND CURRENTLY ON THE TAX ROLLS(b)	NET TOTAL ASSESSED(c)
	LAND	IMPROVEMENTS	TOTAL	LAND	IMPROVEMENTS	TOTAL		
1982/83	8,489,875	0	8,489,875	2,788,272	0	2,788,272	3,305,425	14,583,572
1983/84	8,659,673	0	8,659,673	2,844,016	0	2,844,016	3,371,533	14,875,222
1984/85	8,832,866	0	8,832,866	2,900,966	0	2,900,966	3,438,964	8,294,868
1985/86	9,009,523	8,258,712(d)	17,268,235	2,958,988	5,966,685	8,924,673	3,507,743	22,685,165
1986/87	9,189,713	17,318,517(e)	26,508,230	3,018,082	12,512,123 ^(g)	15,530,205	3,577,899	38,460,536

a. From Corps of Engineers valuation, 23 Feb 81

b. Prorated from 1980/81 assessment by 2% per year

c. Assumption is that the existing private property remains on the tax rolls through the 1983/84 tax year.

d. From Appendix E

e. From Appendix E

f. From Appendix F

g. From Appendix F

PROJECTED TAX INCOME
FROM SUBJECT PROPERTIES

TAX YEAR	SPLINTER CITY			KOHLER			EXISTING PRIVATE LANDS (a)	TOTAL NET INCOME (b)	ACCUM TOTAL NET INCOME
	LAND	IMPROVEMENT	TOTAL	LAND	IMPROVEMENT	TOTAL			
1984/85	88,329	0	88,329	29,010	0	29,010	34,389	82,950	82,950
1985/86	90,095	82,587	172,682	29,590	59,667	89,257	35,077	226,862	309,812
1986/87	91,897	173,185	265,082	30,181	125,121	155,302	35,779	384,605	694,417
1987/88	93,735	176,649	270,384	30,785	127,623	158,408	36,495	392,297	1,086,714
1988/89	95,610	180,182	275,792	31,401	130,175	161,576	37,225	400,143	1,486,857
1989/90	97,522	183,786	281,308	32,079	132,779	164,808	37,970	408,146	1,895,003
1990/91	99,472	187,462	286,934	32,670	135,435	168,105	38,729	416,310	2,311,313
1991/92	101,461	191,211	292,672	33,323	138,144	171,467	39,504	424,635	2,735,948
1992/93	103,490	195,035	298,525	33,989	140,907	174,896	40,294	433,127	3,169,075
1993/94	105,560	198,936	304,496	34,669	143,725	178,394	41,100	441,790	3,610,865

a. These taxes are prorated from the base year of 1980/81 by 2% per year. 1980/81 County taxes are \$31,771 (total of 37,706 includes bonds that would be prorated to other property owner if these lands are removed from the tax rolls.)

b. Assumes existing lands on the tax rolls through 1983/84 tax year and off the tax rolls thereafter.

SUMMARY:

Ten year net tax income - - \$3.6 million

Twenty year net tax income - - \$7.5 million



Agency 357

CITY MANAGER'S OFFICE
RECEIVED
MAY 13 1981

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

May 19, 1981

Redevelopment Agency of the
City of Sacramento
Sacramento, CA 95814

Honorable Members in Session:

SUBJECT: Report Back Regarding the McClellan Redevelopment
Project's Feasibility

SUMMARY

This is a request for continuance of the report to be prepared pursuant to the Board of Supervisors' direction on April 14, 1981 until thirty (30) days subsequent to the receipt of the Corps of Engineers' appraisal report (June 19, 1981).

BACKGROUND

On March 24, 1981 the Board of Supervisors directed staff to report back on April 14, 1981 as to the advisability of conducting a noise study for the McClellan Redevelopment Project Area. On April 14, 1981 the Board accepted the Agency's recommendation which, in addition to recommending against a noise study, proposed that in thirty days the Agency report back addressing the concerns of the McClellan Project Area Committee (PAC) as well as additional Agency concerns related to the project's feasibility.

The Corps of Engineers' report detailing the feasibility of the land acquisition and disposition program was to have been available in late March 1981. The report was released on May 12 to the Agency. This report is critical because it provides the basis to determine the financial feasibility of the McClellan Redevelopment Project. The major element in the report will be estimating differential between Camp Kohler and Splinter City disposition value and the three expansion areas' (north, east and west) acquisition value. Therefore, staff requests that the report back be continued until thirty (30) days after the Agency receives the Corps of Engineers' report (June 16, 1981).

FILED
SACRAMENTO REDEVELOPMENT AGENCY

Date 5/19/81
Cont to 6-16-81

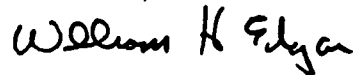
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
May 19, 1981
Page Two

RECOMMENDATION


The staff recommends continuance of the report back on the McClellan Redevelopment Project feasibility until thirty (30) days after the Agency's receipt of the subject Corps of Engineers' report (June 16, 1981).

Respectfully submitted,



WILLIAM H. EDGAR
Interim Executive Director

APPROVAL RECOMMENDED:



WALTER J. SLIPE
City Manager

Contact Person: Leo T. Goto



CITY OF SACRAMENTO

OFFICE OF THE CITY CLERK

915 I STREET
CITY HALL ROOM 203

SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 449-5426

LORRAINE MAGANA
CITY CLERK

MEMORANDUM

TO: BUDGET AND FINANCE COMMITTEE

FROM: LORRAINE MAGANA, CITY CLERK *LM*

SUBJECT: REFERRAL OF ITEM NUMBER 41, COUNCIL
AGENDA OF JULY 21, 1981

DATE: JULY 22, 1981

Pursuant to Council action, the following subject matter is referred to your committee for hearing, report and recommendation:

McCLELLAN REDEVELOPMENT PROJECT FEASIBILITY

LM/mm/41
cc: Each Committee Member



CITY OF SACRAMENTO

OFFICE OF THE CITY CLERK

915 I STREET

CITY HALL ROOM 203

SACRAMENTO, CALIFORNIA 95814

TELEPHONE (916) 449-5426

LORRAINE MAGANA
CITY CLERK

MEMORANDUM

TO: BUDGET AND FINANCE COMMITTEE

FROM: LORRAINE MAGANA, CITY CLERK *LM*

SUBJECT: REFERRAL OF ITEM NUMBER 41, COUNCIL
AGENDA OF JULY 21, 1981

DATE: JULY 22, 1981

Pursuant to Council action, the following subject matter is referred to your committee for hearing, report and recommendation:

McCLELLAN REDEVELOPMENT PROJECT FEASIBILITY

LM/mm/41

cc: Each Committee Member