

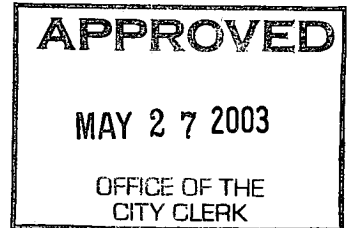
ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO

May 15, 2003

Redevelopment Agency of the City of Sacramento
Sacramento, California

Honorable Members in Session:



**SUBJECT: PUBLIC HEARING FOR RESOLUTION OF NECESSITY:
1016, 1020, and 1022 K Street (APN: 006-0104-004)**

LOCATION & COUNCIL DISTRICT: SE corner of 10th and K streets, Council District 1

RECOMMENDATION:

Staff recommends adoption of the attached resolution, which authorizes:

- 1) Approval of a Resolution of Necessity for the Redevelopment Agency (Agency) acquisition of one commercially-zoned property located at 1016, 1020, and 1022 K Street (Property); and
- 2) Acquisition of the Property by eminent domain in the event that continuing negotiations do not result in a voluntary sale.

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

FOR COUNCIL MEETING OF: May 27, 2003

SUMMARY:

This report recommends the use of eminent domain, as a means of last resort, to acquire the property located at 1016, 1020, and 1022 K Street for redevelopment purposes within the Merged Downtown Redevelopment Project Area.

BACKGROUND:

- The Property is owned by Gordon and Thomas Hughes and consists of a 12,800 square feet footprint. The Property is zoned C-3, Central Business District Zone, Special Planning District.
- The Agency previously established just compensation for the Property (based on an independent appraisal) and authorized its purchase by voluntary, negotiated transaction to further land consolidation and blight elimination goals in the Central Business District and the K Street Commercial Corridor.
- Staff has worked toward reaching a fair and mutually acceptable purchase price for the parcel. Agency staff presented the owners with an offer to purchase for fair market value (i.e. the amount of just compensation established by the Agency) and offered to meet with the owners. The owners declined to meet with the Agency and have not accepted the offer to purchase.
- Staff has notified the Property owners of their right to participate in a potential Agency project at that site and issued a "Statement of Interest in Participating" to the Property owners. The Property owners declined to respond.
- On May 8, 2003, the Agency approved a project budget of \$1.5 million for the costs of land acquisition, related professional services and initial relocation costs for the Property.
- The Property owners have been notified of the Agency's intent to request authorization for eminent domain. If the Agency approves the request, Agency staff will continue to make every reasonable effort available to negotiate a purchase of the Property even while the eminent domain process moves forward. However, to keep redevelopment efforts moving forward, the Agency needs assurance that it will have possession or ownership of the property in a timely fashion.

Location Significance

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 important 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 for a catalyst development;
- The Property is located in close proximity to the State Capitol and enjoys substantial pedestrian traffic;
- Despite these potential advantages, the Property has been historically underutilized, and it is the center of the five-block area of K Street (between 7th and 12th) most in need of redevelopment attention; and
- In combination with the Agency-owned sites, a 38,000 sf footprint would be created, providing the Agency with the 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; and
- The Property is not likely to redevelop in the private market place.

Business Relocation

The Property currently houses the California Harvest Market and Capitol Clothing businesses. It is anticipated that these businesses will need to be relocated. Pursuant to California Redevelopment Law, the Agency must provide relocation services to the businesses. To date, the businesses have been notified that they will be eligible for relocation assistance if the Agency moves forward with acquisition of the Property. Upon approval of the Resolution of Necessity, Agency staff will continue to work with the relocation and appraisal experts to provide the necessary services and assistance to the businesses.

FINANCIAL CONSIDERATIONS:

On May 8, 2003, the Agency approved a project budget for the acquisition of the Property and related professional services and initial relocation costs. There are no additional financial considerations at this time.

POLICY CONSIDERATIONS:

The actions recommended in this report authorize the Agency to use its eminent domain powers to acquire a commercially zoned property for the elimination of blight and development of the K Street Mall.

The actions recommended in this report are consistent with adopted 2001-2004 City of Sacramento Strategic Plan goal to "promote and support economic vitality."


ENVIRONMENTAL CONSIDERATIONS:

The proposed action to acquire property is in furtherance of the Merged Downtown Redevelopment Plan, as amended ("the Plan"). The Agency previously complied with the California Environmental Quality Act (CEQA) at the time of the adoption and amendment of the Plan. The required analysis of the impacts of acquiring parcels for consolidation and development, and actions to encourage redevelopment in the designated redevelopment area was performed, and these activities were approved, at the time of adoption of the Plan and subsequent amendment.


ESBD CONSIDERATIONS:

There are no ESBD considerations associated with this action.

Respectfully submitted:


Wendy Saunders
Downtown Development Manager

Approved:


Betty Masuoka
Acting Economic Development Manager

RECOMMENDATION APPROVED:

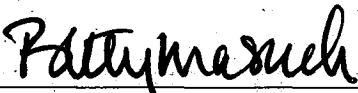

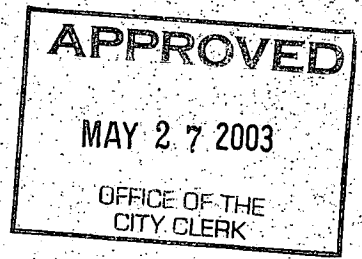

 ROBERT P. THOMAS
City Manager

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RESOLUTION NO. 2003-335

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

**RESOLUTION OF NECESSITY AUTHORIZING ACQUISITION BY EMINENT DOMAIN
OF 1016, 1020, AND 1022 K STREET
LOCATED IN THE MERGED DOWNTOWN REDEVELOPMENT PROJECT AREA**

WHEREAS, the Amended Redevelopment Plan ("Redevelopment Plan") for the Merged Downtown Redevelopment Project Area ("Project Area") was adopted by the City Council of the City on June 17, 1986 and amended on May 25, 1999.

WHEREAS, the 2000-2005 Implementation Plan for the Merged Downtown Project Area was adopted by Resolution No. 2000-011 on February 29, 2000.

WHEREAS, the 2000-2005 Implementation Plan for the Merged Downtown Project Area calls for programs to assemble and purchase property for future development;

WHEREAS, three Redevelopment Plan authorizes and calls for the Agency to undertake various redevelopment activities, including:

- a) The assembly of land into parcels suitable for modern, integrated development with improvement pedestrian and vehicular circulation in the Project Area.
- b) The replanting, redesign and development of undeveloped areas, which are stagnant or improperly utilized.
- c) The strengthening of retail and other commercial functions in the downtown area.

These activities and those referenced above in the Implementation Plan are collectively referred to herein as "The Project."

WHEREAS, on March 25, 2003 the Agency authorized the negotiated purchase of, and determined the amount of, just compensation for, Assessors Parcel Number 006-0104-004 ("Subject Parcel"), as more particularly described in the attached Exhibit A, which is hereby incorporated by reference;

WHEREAS, the Agency has, through its counsel, engaged a qualified appraiser who has prepared an appraisal of the fair market value of the Subject Parcel;

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, the Agency has submitted a written offer and summary of appraisal to the owners of the Subject Parcel, which the owners have failed to accept, and has offered to meet with the owners for the purpose of negotiating the purchase of the Subject Parcel, which the owners have declined to do; and

WHEREAS, the Subject Parcel is properly zoned and situated for redevelopment pursuant to the Redevelopment Plan, 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 Parcel; and

WHEREAS, the Agency adopts this resolution in compliance with section 1245.230 of the Code of Civil Procedure;

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

Section 1. The above statements are true and correct, and are hereby incorporated by reference.

Section 2: The general location and extent of the Property to be acquired is as set forth in the legal description attached hereto as Exhibit A and incorporated herein by reference.

Section 3. The Redevelopment Agency is empowered to acquire the Subject Parcel by eminent domain by, among others, Health and Safety Code Section 33391.

Section 4. The public purpose for which the Subject Parcel is to be acquired is redevelopment, and more specifically the assembly to eliminate blight, to better utilize underutilized parcels, and to increase development and economic activity in the area.

Section 5. For the foregoing reasons, the Redevelopment Agency finds and determines that:

- (a) The public interest and necessity require the proposed Project, which will make possible the removal of the blighting influence of underutilized and blighted properties;
- (b) The proposed Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;
- (c) The Property described in Exhibit A is necessary for the proposed Project.; and
- (d) The offer of just compensation required by Government Code section 7267.2 has been made to the owners of record of the Property.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 6. While continuing to make every reasonable effort to expeditiously acquire the Subject Parcel by negotiation, the Agency staff is hereby authorized to institute and prosecute to conclusion an action in eminent domain to acquire the Subject Parcel and to take any action necessary or desirable for such purpose in accordance with the California Eminent Domain Law.

PASSED AND ADOPTED this 27th day of May, 2003, by a two-thirds (2/3) or greater vote as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

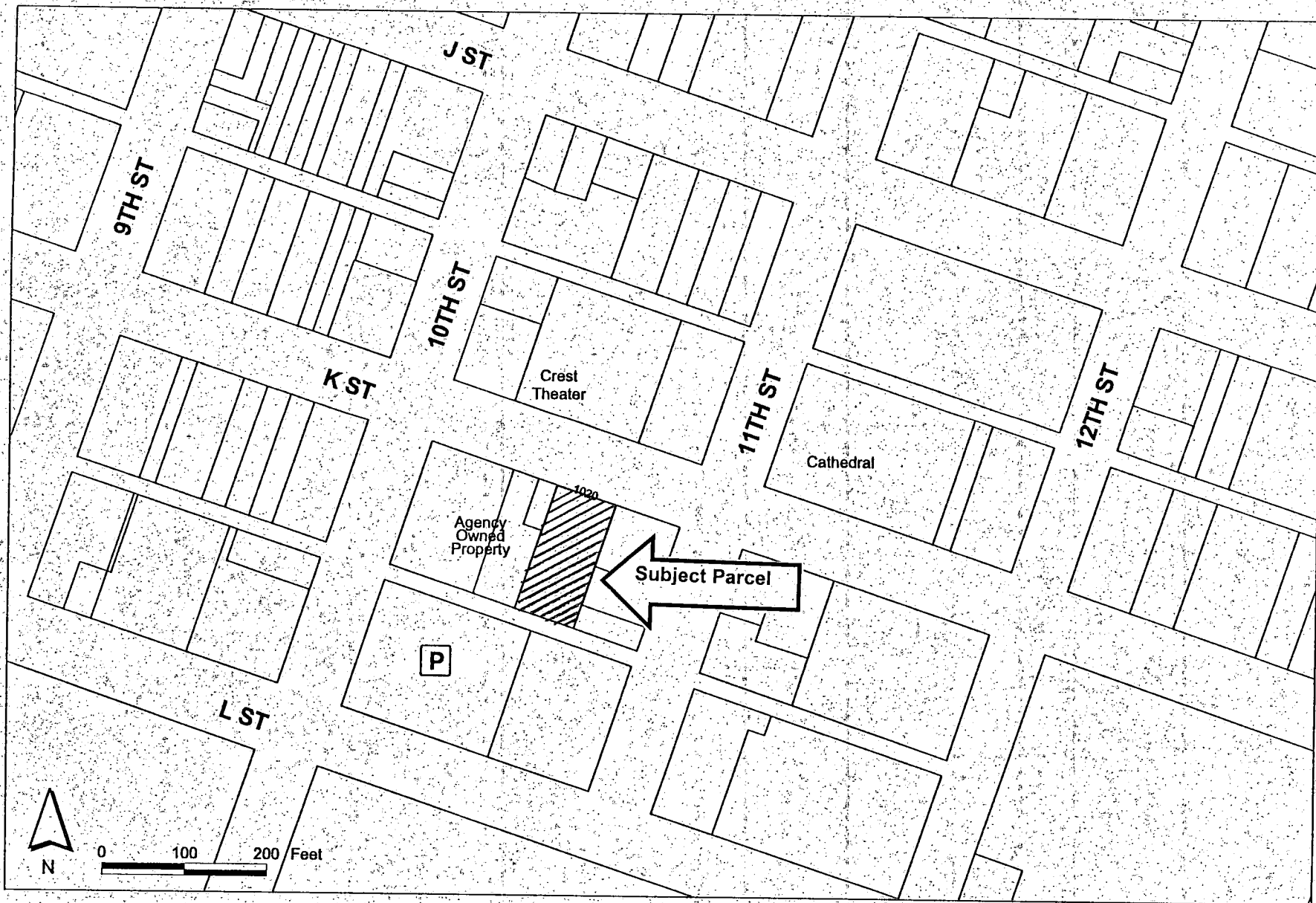
ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____



10th & K Property Aquisition

EXHIBIT A – Continued

LEGAL DESCRIPTION

Real property in the City of Sacramento, County of Sacramento, State of California, described as follows:

Lot 3, in the Block bounded by "K" and "L" and 10th and 11th Streets of the City of Sacramento, according to the Official Map or Plan thereof.

APN: 006-0104-004-0000