




**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**

Agency Report
36



July 30, 1985

Redevelopment Agency of the
City of Sacramento
Sacramento, California

CITY MANAGER'S OFFICE
RECEIVED
AUG 7 1985

Honorable Members in Session:

SUBJECT: Amendments to Existing Downtown Redevelopment Plans for Project Areas 2A, 3, 4, and 8, Declarations of Restrictions, and Master Lease Agreements.

APPROVED
AUG 13 1985
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

SUMMARY

This report contains recommendations concerning:

- 1) Conceptual approval of a general Agency policy regarding the amendment of Declarations of Restrictions and Master Lease Agreements which are inconsistent with the Downtown Strategy Plan and Action Program and with proposed Downtown Redevelopment Plan Updates; and
- 2) The amendment of a specific land use restriction which is inconsistent with the Downtown Redevelopment Strategy Plan and Action Program and the proposed Downtown Redevelopment Plan Updates for Project Areas 2A and 3.

BACKGROUND

At the time that the original Downtown Redevelopment Plans were adopted, Community Redevelopment Law provided for the retention of strict land use controls and the establishment of restrictions and covenants running with lands sold or leased by the Agency for private use. In many cases the resulting plans, deed restrictions, and master lease agreements are more stringent than policies and implementation procedures proposed for the Downtown Redevelopment Plan Updates. Two examples of these inconsistencies involve allowed uses on:

- 1) the block bounded by N, O, 4th and 5th Streets (see Map Attachment B); and

8-13-85
All Districts (1)

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- 2) the platform built over the 5th Street underpass at K Street (Map Attachment C).

Block Bounded by N, O, 4th and 5th Street (Project Area No. 2A)

The existing Downtown Redevelopment Plan for Project Area 2A (Adopted September 13, 1955 as amended by City Ordinance No. 2736, Fourth Series, August 10, 1967, and by City Ordinance No. 3312, Fourth Series, August 30, 1973) specifically restricts land use on this block by requiring that not more than 45,000 square feet of floor area be devoted to office space and that none of this office space be provided in the area used as a supermarket as of August 10, 1967.

The original development concept for this block was one of mixed use including offices, parking, and neighborhood-serving retail. Over time, the needs and demand for retail has not been as great as originally expected and adjustments should be made at this time to reflect changes in the market.

The block is currently occupied by a three-story parking garage which also houses office and retail space and by Tune-Up Masters, a specialized auto service station. The owner of the parcel occupied by Tune-Up Masters wishes to convert the parcel to office use. The adjacent parking structure, which has the same owner, will provide the required parking. Conceptual plans are for a proposed 127,000 square foot 12 story office building.

Staff recommends conceptual approval of an amendment of the Downtown Redevelopment Plan for Project Area 2A to allow office use on the Tune-Up Masters parcel. This modification will be conditioned upon the continued use of the adjacent building on N Street for retail/commercial use. While the proposed Updated Downtown Redevelopment Plan does not place this block in a functional area, the block is directly adjacent to the Concentrated Office District. The currently approved Land Use Map designates this block for "public/special commercial" use.

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Platform Over the Fifth Street Overpass (Project Area No. 3)

Declaration of Restrictions No. 20 dated August 17, 1967 and affecting the platform over the Fifth Street Underpass at K Street limits land use to a commercial bank or similar financial use. This limitation is continued in the Master Lease Agreement between the Agency and Tishman Sacramento, Inc., the developer of the platform (executed August 17, 1967.)

Because the Bank of America Branch developed on the platform is currently underutilized, the Bank, sublessee from Tishman, is in the process of downsizing the branch to a convenience banking center. This change will result in approximately 13,000 square feet of excess space which the Bank wishes to lease for commercial/retail use. While this change of use would conflict with the Declaration of Restrictions and Master Lease, it is consistent with the Updated Downtown Redevelopment Plan which identifies a Retail Core District that includes the platform. The function of the Retail Core is to become the major regional shopping area serving central City residents, downtown employees, suburban residents and visitors.

Staff recommends conceptual approval of the amendment of Declaration of Restrictions No. 20 between the Agency and Tishman Sacramento, Inc. to allow retail uses as well as banking. Staff also recommends that the Master Lease Agreement between the Agency and Tishman Sacramento, Inc. be formally amended to allow retail use. In both cases it is staff's intention that office use continue to be disallowed and that retail uses must be consistent with quality standards established by the Downtown Plaza.

FINANCIAL DATA

This report does not require additional funds.

ENVIRONMENTAL REVIEW

This activity does not require environmental review.

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POLICY IMPLICATIONS

The actions proposed in this staff report are consistent with the previously approved Downtown Redevelopment Strategy Plan and Action Program and there are no policy changes recommended.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of August 5, 1985 the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Amundson, Glud, Luttrell, Pettit, Wooley, Angelides

NOES: None

ABSENT: Lopez, Moose, Sanchez, Teramoto, Walton

RECOMMENDATION

The staff recommends adoption of the attached resolution which:

- 1) Gives conceptual approval of the amendment of land use restrictions contained in the existing Downtown Redevelopment Plan for Project Area No. 3, and Declaration of Restriction No. 20; and
- 2) Approves the amendment of the Master Lease between the Agency and Tishman Sacramento, Inc., (August 17, 1967).

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The attached resolution also gives conceptual approval to the amendment of other Declarations of Restrictions which are discovered to be inconsistent with Updated Downtown Redevelopment Plans. All Formal amendments will occur with the formal approval of Updated Downtown Redevelopment Plans.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slipe, Jr.

For: WALTER J. SLIPE
City Manager

Contact Person: THOMAS V. LEE, 440-1315

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RESOLUTION NO. 85-067

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

August 13, 1985

AMENDMENT OF CERTAIN USE RESTRICTIONS
IN PROJECT AREAS 2A, 3, 4 AND 8



WHEREAS a redevelopment plan for Project Area No. 2A was adopted by City Ordinance 1936, 4th series, September 13, 1955, and last amended by City Ordinance 3312, 4th series, August 30, 1973; and

WHEREAS a redevelopment plan for Project Area No. 3 was adopted by City Ordinance 2208, 4th series, June 16, 1950, and was amended by Ordinance 2991, 4th series, May 27, 1971; and

WHEREAS a redevelopment plan for Project Area No. 4 was adopted by City Ordinance 2681, 4th series, August, 25, 1966, and amended by Ordinance 2992, 4th series, May 27, 1971; and

WHEREAS a redevelopment plan for Project Area No. 8 was adopted by City Ordinance 3146, 4th series, July 20, 1972, and was last amended by Ordinance 4400, 4th series, August 5, 1980; and

WHEREAS a Declaration of Restrictions No. 20 was made August 17, 1969, by the Agency affecting property and space located in Redevelopment Project Area No. 3 and described as the portion of the block bounded by Fifth Street, Sixth Street, K Street, and L Street and the portion of Fifth Street and K Street as said blocks are shown on that certain Record of Survey entitled "certain blocks in area bounded by J and N Street, 2nd and 8th Street, City of Sacramento," recorded in Book 18 Surveys, Map No. 2, Sacramento County Records; and

WHEREAS a Master Lease was executed between the Agency and Tishman Sacramento, Inc. (August 17, 1967) leasing air rights for a structure on a platform over the Fifth Street Underpass; and

WHEREAS a Downtown Redevelopment Strategy Plan and Action Program was adopted by the Agency on April 2, 1985; now, therefore

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

Section 1: The Agency approves in concept the amendment of the Downtown Redevelopment Plan for Project Area 2A by removing limitations on the amount of office space on parcel located on the southwest corner of Fifth and N Streets (APN 006-193-29).

Section 2: The Agency approves in concept the amendment of Declaration of Restrictions No. 20 (August 17, 1967) to allow general commercial enterprises, except offices, that serve downtown, citywide and metropolitan area markets.

Section 3: The Executive Director is authorized to amend the Master Lease between the Agency and Tishman Sacramento, Inc. (August 17, 1967) to allow general commercial enterprises, except office, that serve downtown, citywide and metropolitan area markets.

Section 4: The Agency approves in concept the amendment of existing declarations of restrictions and master leases affecting properties located within Downtown Redevelopment Project Areas 2A, 3 4 and 8 to make these declarations and leases consistent with the Downtown Redevelopment Strategy Plan and Action Program and Downtown Redevelopment Plan Updates as they are adopted.

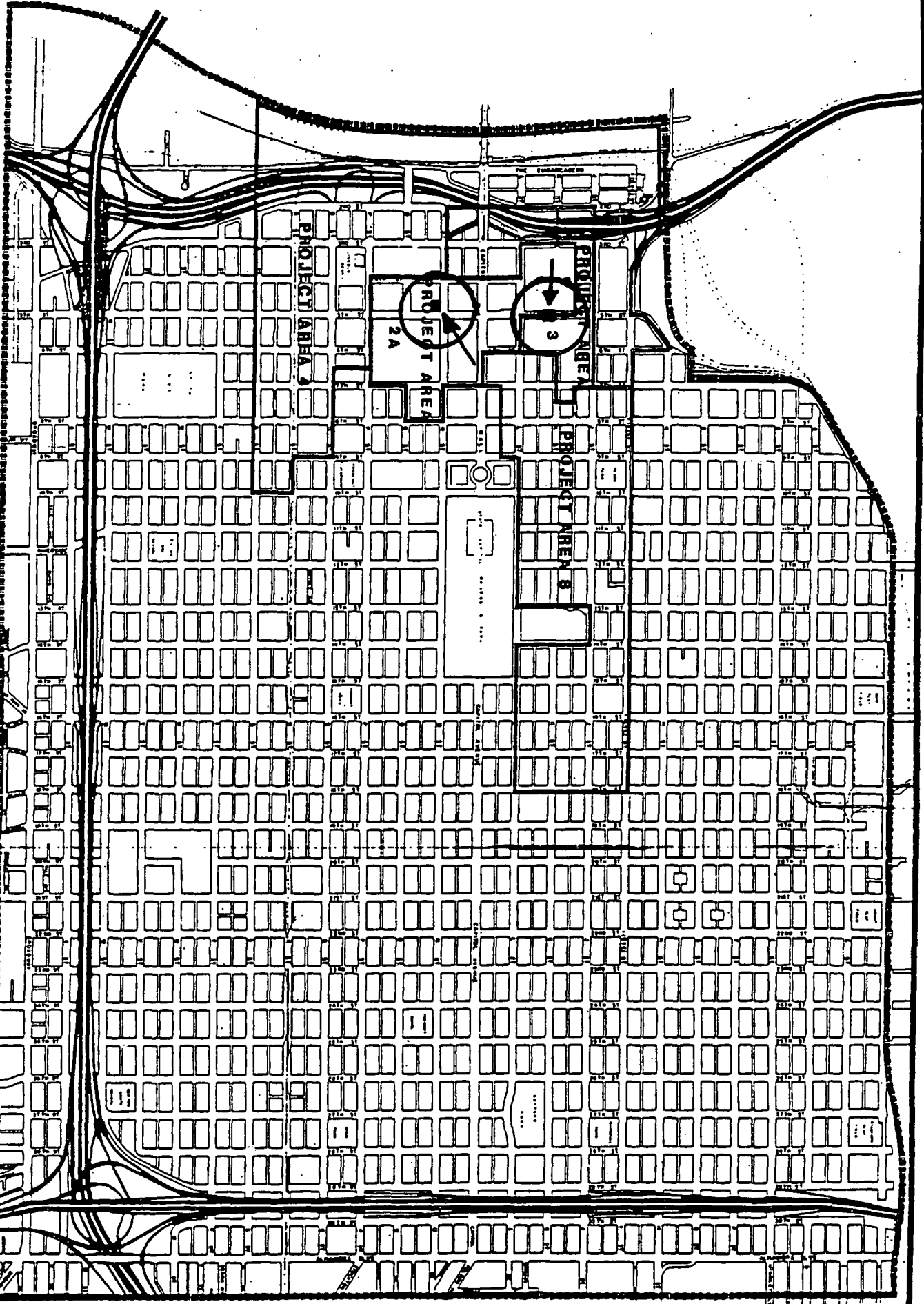
CHAIR

ATTEST:

SECRETARY

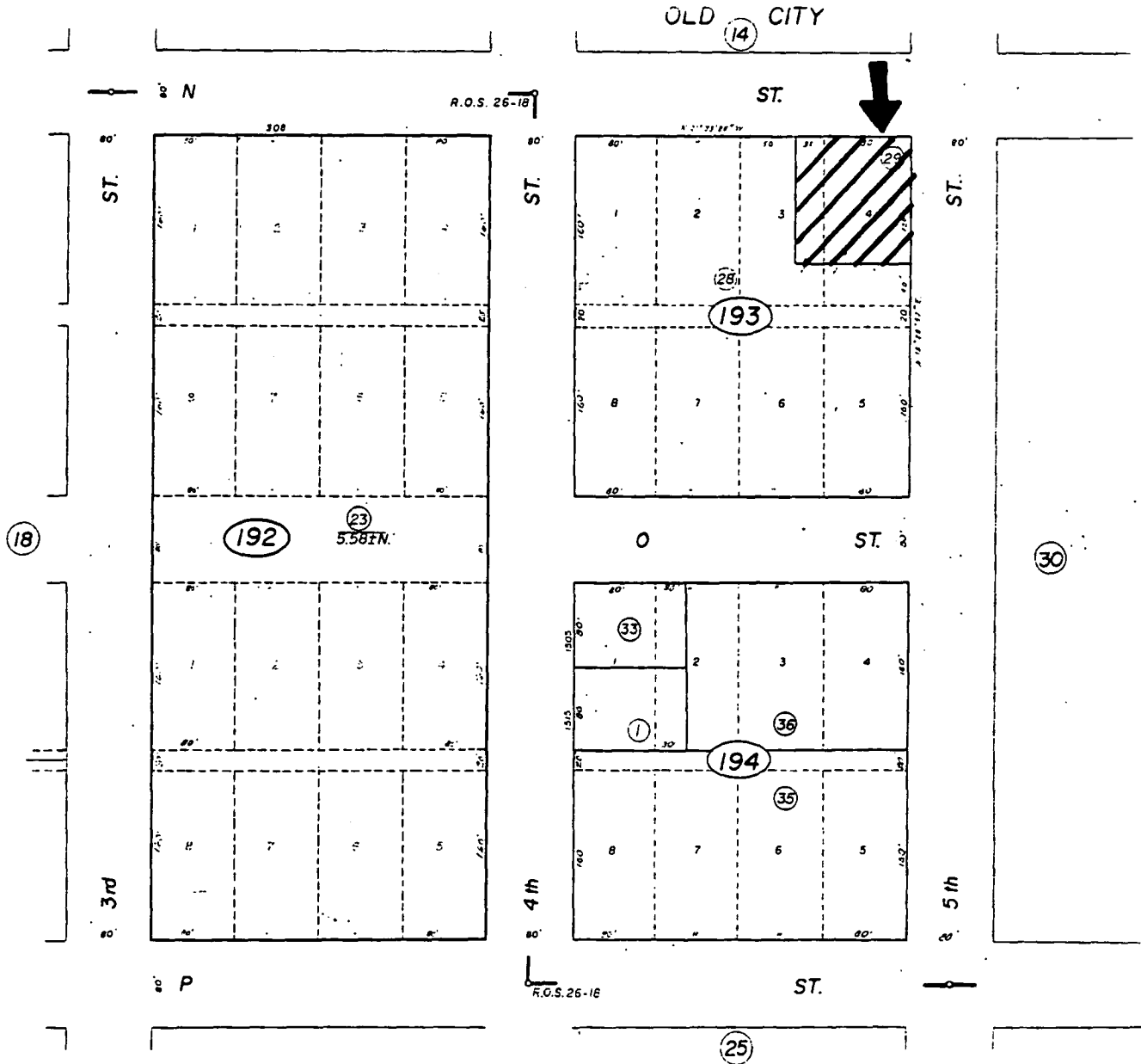
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SACRAMENTO HOUSING and REDEVELOPMENT AGENCY
 DOWNTOWN REDEVELOPMENT PROJECT AREAS

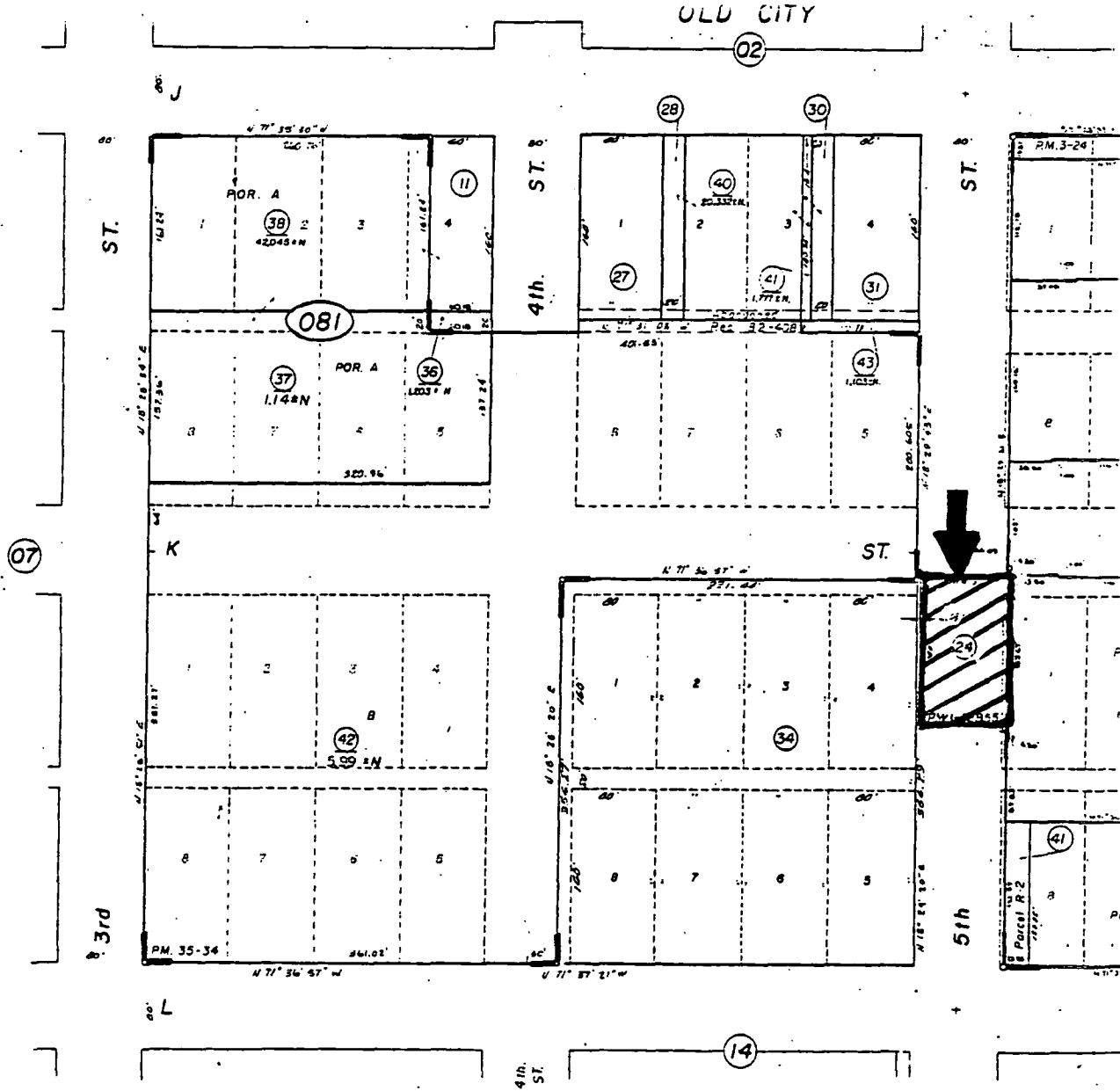
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Proj. #4, Redevelopment Agency, City of Sacto. - R.O.S. Bk. 26, Pg. 18

NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

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Parcel Map, Bk. 1, Pg's 52 & 55
 " " " 3, " 24 (7-24-70)

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 Assessor's Parcel Numbers Shown in Circles