



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO REDEVELOPMENT AGENCY
City of Sacramento**

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Consent
June 23, 2009

Honorable Chair and Members of the Redevelopment Agency

Title: Acquisition of 4601 and 4625 10th Avenue

Location/Council District: 4601 and 4625 10th Avenue (APN 014 022 067 and 068); Oak Park Redevelopment Project Area; Council District 5

Recommendation: Adopt a Redevelopment Agency Resolution: 1) setting just compensation for the properties located at 4601 and 4625 10th Avenue as fair market value as established by an independent appraisal; 2) amending the 2009 Sacramento Housing and Redevelopment Agency (Agency) budget to transfer \$570,000 from Oak Park Tax Increment Development Assistance funds to the 4601 and 4625 10th Avenue Project; and 3) authorizing the Executive Director, or her designee, to carry out all actions reasonably necessary to accomplish the purchase of the property and prepare the site for eventual development, including maintenance, property management, insurance, security expenses and performing an environmental assessment as needed.

Contact: Lisa Bates, Deputy Executive Director, 440-1316; Christine Weichert, Assistant Director, Housing and Community Development, 440-1353

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The Agency acquired 11 underutilized and blighted properties along Stockton Boulevard between 2000 and 2001 with the hope of attracting a major non-profit service provider to this important commercial corridor. Although the development did not take place, the Agency had a ready development site totaling approximately 1.5 acres in size as a result.

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In 2003, the Agency entered into an exclusive right to negotiate with Regent Development (Regent) to acquire and develop the subject properties. The Regent Place Project proposed a 100,000 square foot mixed use development project. The project included ground floor retail, two floors of commercial office space, and 18 residential market rate lofts.

Regent agreed to purchase the land at fair market value; however, the land was acquired by the Agency with tax exempt bond funds which precluded repayment. The Agency and Regent explored alternative avenues to proceed with the project and still have the land sold at fair market value. The result was a development agreement between Regent and the Stockton Boulevard Partnership (SBP). SBP is an organization of property and business owners along Stockton Boulevard working to address issues of economic development, image, maintenance, security, and safety. Under the agreement, the SBP created a mutual benefit non-profit corporation, Community Pride Project (CPP), to receive the land from the Agency and then sell the property at fair market value to Regent. The Agency entered a Disposition and Development Agreement (DDA) with CPP who simultaneously sold the property and assigned the DDA to Regent Development. CPP used the \$195,000 sale proceeds to directly fund a mentoring program, Life Instruction for Teens (LIFT), for at-risk Oak Park youth.

The terms of the DDA required Regent to complete the project within two years from the date of acquisition. The developer received planning approvals and special permits for the project before receiving approval from the Agency to extend the deadline until December 31, 2007. Unfortunately, the developer did not meet that deadline and no tenant has been found.

As no progress has been made on the project for several years, the Agency considered legal options to pursue revestment of the property. If the court process is followed, the time to reacquire the land could be lengthy and costly. The developer has provided documentation that they spent more than \$600,000 to acquire and develop the site.

Regent has agreed to sell the properties to the Agency and to provide all project related documents including, but not limited to, Design Development Drawings, Tentative Map, Property Survey, Topographic Survey, Title Report, Geotechnical Report, Hazard Material Report, Traffic Report, contractor cost estimates and construction schedules.

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After the sale is complete, a Request for Proposals (RFP) will be released to develop the site. Staff will seek a new development partner to capitalize on work completed to date to implement a mixed-use project. Once developed, the site may provide retail/commercial businesses and employment opportunities for the community.

An Urban Land Institute (ULI) Advisory Panel recently analyzed future development for Stockton Boulevard. The Panel concluded that the corridor will not capture a sufficient share of the Sacramento Metro Area's projected growth without effective intervention which may include public/private partnerships. According to the ULI Panel, there is no market driven solution for the corridor; intervention and stimulus by public agencies will be required. It recommends land assembly, acquisition and public financing or subsidies as necessary measures. The proposed action implements the Panel's recommendations and future development of the site will promote a new vision for the corridor.

Policy Considerations: The actions contained in this report are consistent with the adopted 2005-2009 Oak Park Redevelopment Implementation Plan and specifically address the goals of attracting new investment to the area, and increasing Stockton Boulevard corridor development opportunities. The proposed project also is consistent with the Broadway/Stockton Urban Design Plan.

Environmental Considerations:

California Environmental Quality Act (CEQA) It is found and determined that the acquisition of the Property does not commit the Agency to proceed with a specific development project, that the acquisition does not limit the choice of alternatives or mitigation measures for compliance with the California Environmental Quality Act (CEQA), and when the scope of development of the Property has been defined, that the environmental review of the proposed project must then be conducted; and therefore, pursuant to CEQA Guidelines Section 15004(b)(2)(A) and (B), acquisition of the Property is not subject to environmental review.

Sustainability Considerations: The 4601 and 4625 10th Avenue Project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the following goals, policies and targets as follows: the project supports Goal number five – Public health and Nutrition,

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specifically Target number five which calls for the redevelopment or rehabilitation of areas within the City or aged City facilities that were constructed based on old, wasteful, and/or dysfunctional designs to achieve better results for people and the environment.

Other: The National Environmental Policy Act (NEPA) does not apply.

Committee/Commission Action: *Oak Park Redevelopment Advisory Committee (RAC):* At its meeting on June 10, 2009, the RAC voted to not approve the staff recommendation for this item. The concerns expressed on the item included the purchase price and the desire to use the funds for future projects. The votes were as follows:

AYES: T. Johnson

NOES: Meng, Barnes, K. Johnson, Kivel, Lambertson, Lee

ABSENT: Abdullah, Hollins, Jones, Shrewsbury, Rentz

Sacramento Housing and Redevelopment Commission Action: It is anticipated that at its meeting on June 17, 2009, the Sacramento Housing and Redevelopment Commission will approve this item. In the event that they do not, staff will notify the Council on June 23, 2009.

Rationale for Recommendation: Stockton Boulevard between 9th and 10th Avenues is a vital site in the Oak Park Redevelopment Project Area for development due to its proximity to numerous businesses. The project is designed to achieve goals in the Oak Park Redevelopment Plan. Under the appropriate market conditions, a request for proposals will be released for a development project.


Financial Considerations: This report recommends appropriation of \$570,000 in Oak Park Tax Increment Development Assistance funds for the uses described above. A current appraisal has established the fair market value and the Agency's purchase does not exceed this amount. Staff estimates that the total cost to purchase the property at 4601 and 4625 10th Avenue, plus closing costs, site maintenance, security costs and any environmental assessments, is \$570,000.

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M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Recommendation Approved:

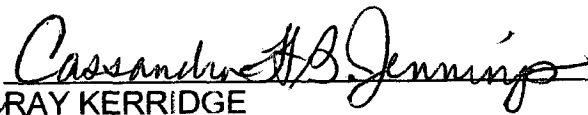
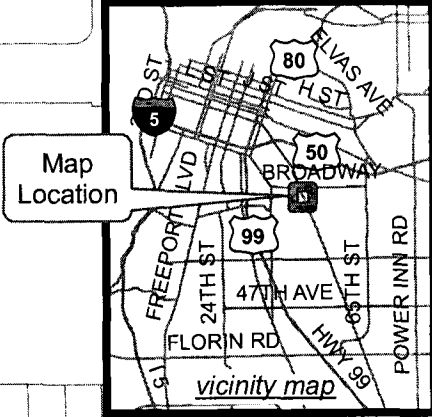
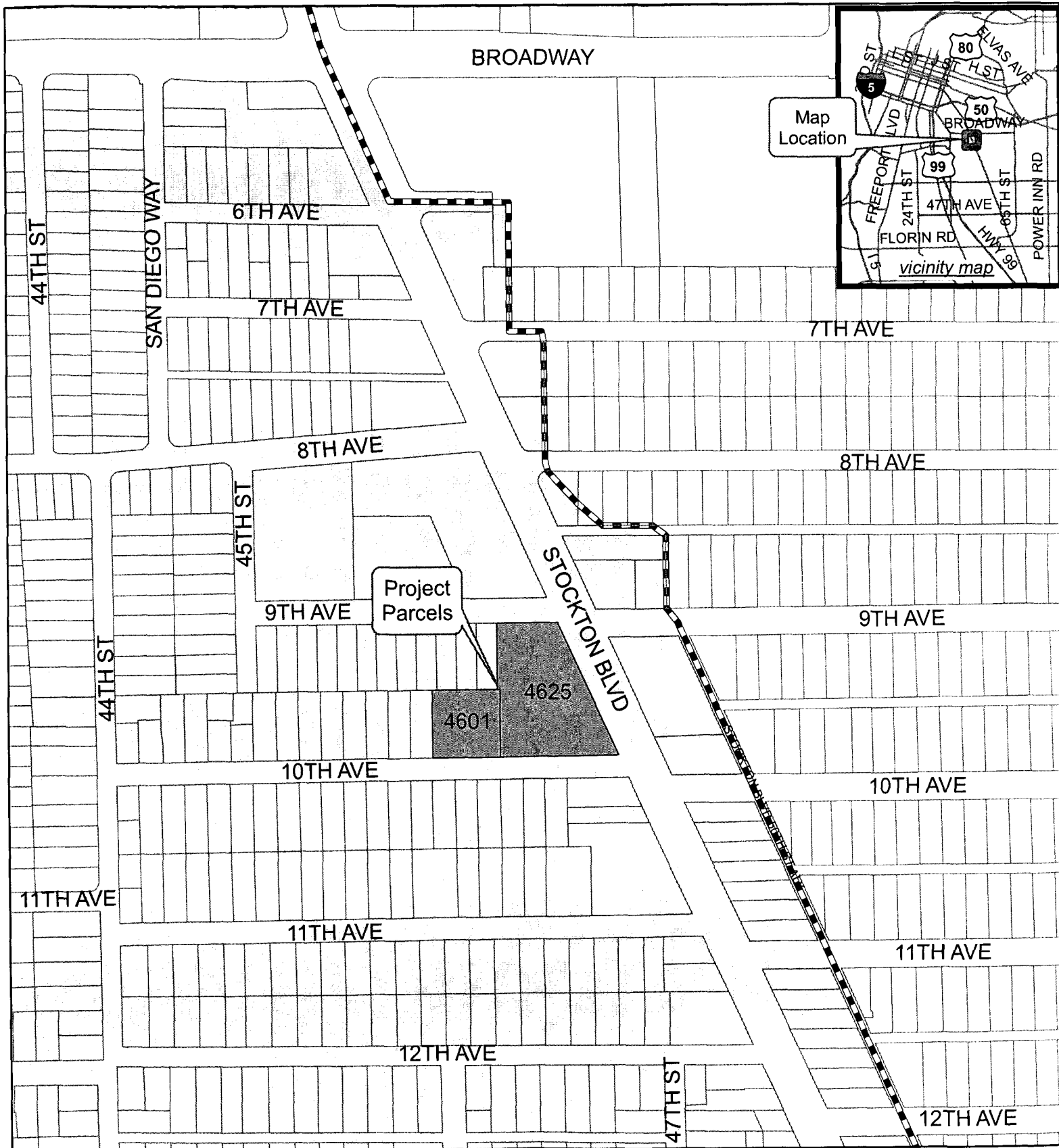

for RAY KERRIDGE
City Manager

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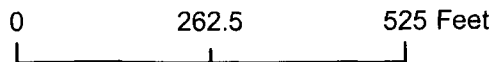


4601 & 4625 10th Avenue



Oak Park Redevelopment Area

Potential Acquisition



SHRA GIS
May 29, 2009

Acquisition of 4601 and 4625 10th Avenue

RESOLUTION NO. 2009 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

AUTHORIZING ACQUISITION OF PROPERTY AT 4601 AND 4625 10th AVENUE FOR JUST COMPENSATION; AMENDMENT OF 2009 AGENCY BUDGET

BACKGROUND

- A. The proposed project supports the Oak Park Five-Year Implementation Plan, specifically in meeting the goals of attracting new investment, and is consistent with the Broadway/ Stockton Urban Design Plan and Broadway/Stockton Special Planning District.
- B. It is found and determined that the acquisition of the Property does not commit the Agency to proceed with a specific development project, that the acquisition does not limit the choice of alternatives or mitigation measures for compliance with the California Environmental Quality Act (CEQA), and when the scope of development of the Property has been defined, that the environmental review of the proposed project must then be conducted; and therefore, pursuant to CEQA Guidelines Section 15004(b)(2)(A) and (B), acquisition of the Property is not subject to environmental review. National Environmental Policy Act (NEPA) does not apply.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

- Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action, as stated above are approved.
- Section 2. The Executive Director, or designee, is authorized to take all actions as may be reasonably necessary to purchase the following parcels 4601 and 4625 10th Avenue (**APN: 014-022-067 and 068**) ("Property") including real and personal property, for not substantially more than just compensation, as established by the appraisal of a duly qualified appraiser.
- Section 3. The Executive Director, or designee, is authorized to amend the Agency Budget to transfer \$570,000 from Oak Park Tax Increment

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Development Assistance funds to the Acquisition of 4601 and 4625 10th Avenue Project and carry out related actions.

Section 4. The Executive Director, or her designee, is authorized to purchase the Property and prepare the site for eventual development, including environmental assessment or remediation if needed up to the approved budgeted amount of \$570,000.