



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO REDEVELOPMENT AGENCY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
July 22, 2008

Honorable Chair and Members of the Redevelopment Agency

Title: Acquisition of 1400, 1410 and 1414 Del Paso Boulevard

Location/Council District: 1400, 1410 and 1414 Del Paso Boulevard, North Sacramento Redevelopment Area, District 2

Recommendation: Adopt a **Redevelopment Agency Resolution** 1) authorizing the purchase of three parcels located at 1400, 1410 and 1414 Del Paso Boulevard for just compensation, which is Fair Market Value as determined by an independent appraisal; and 2) amending the 2008 Sacramento Housing and Redevelopment Agency (SHRA) budget to transfer \$1,200,000 of North Sacramento Development Assistance funds to the project to fund all actions necessary to purchase this property.

Contact: Lisa Bates, Deputy Executive Director, 440-1316, Sarah Hansen, Program Manager, Community Development, 440-1322

Presenters: None.

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The properties at 1400, 1410 and 1414 Del Paso Boulevard are being offered to the Redevelopment Agency for voluntary sale by the property owner. These contiguous and underutilized parcels are located at Del Paso Boulevard and Edgewater Street within a quarter-mile radius of the Arden/Del Paso Light Rail Station. This opportunity site, totaling 30,000 square feet and zoned C-2 General Commercial, includes three parcels, two of which are vacant and one has a building on it (Attachment 2).

Policy Considerations: The acquisition of these properties is consistent with the goals and strategies of the Five-Year Implementation Plan to eliminate blight, "Eliminate Barriers to Redevelopment" and "Reinvigorating the Boulevard," as well as the Northeast Line Plan. Securing control of the properties ensures the Agency's ability to assist in promoting and expanding high density mixed-use development along this commercial corridor.

Acquisition of 1400, 1410 and 1414 Del Paso Boulevard

Environmental Considerations:

California Environmental Quality Act (CEQA): Acquisition of these properties does not commit the Agency to proceed with a development project. California Environmental Quality Act ("CEQA") Guidelines Section 15004(b)(2)(A) allows for land acquisition where the Agency will conduct CEQA review once the proposed project has been defined when the acquisition does not limit the choice of alternatives or mitigation measures, and future development of the land is subject to CEQA compliance. Once the scope of development of the property has been defined, environmental review of the proposed project will be conducted. Therefore, this action is exempt from environmental review.

Sustainability Considerations: The Acquisition of 1400, 1410 and 1414 Del Paso Blvd. 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 5 – Public health and Nutrition, specifically Target number 5 which calls for the redevelopment or rehabilitation of areas within the City or aged City facilities based on old, wasteful, and/or dysfunctional designs to achieve better results for people and the environment.

Other: The National Environmental Policy Act does not apply. The Agency is in the process of completing an Environmental Site Assessment (ESA) of the properties the results of which could impact the negotiations and final sale price.

Committee/Commission Action: At its meeting of May 15, 2008, the *North Sacramento Redevelopment Advisory Committee (RAC)* recommended approval of the attached resolution to acquire this property. The votes were as follows:

AYES: Clark, Curry, Harlan, Hubbs, Lukehart, Mack, Mulligan, and Scott

NOES: None

ABSENT: Adams, Armstrong, Charland, and Veden

Sacramento Housing and Redevelopment Commission Action: It is anticipated that, at its meeting of July 16, 2008, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will report back to the Redevelopment Agency Board in the event that this does not occur.

Rationale for Recommendation: The acquisition of these properties would assist in the elimination of blight and achieve redevelopment objectives including the construction of mixed-use commercial and/or residential development along the Boulevard. It would allow the Agency to gain control of a key opportunity site

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to ensure that the future development of the property reflects the highest and best use based on the Five-Year Implementation Plan and the Northeast Line Plan, as well as development in accordance with Zoning and Special Planning District ordinances.

As these parcels are located in the "four corners" area, a key intersection on the Boulevard, and adjacent to another Agency-owned property, this is a good opportunity for the Agency to gain control of the sites and ensure that future redevelopment efforts reflect their highest and best use, which would include demolishing the building at 1414 Del Paso Boulevard, clearing the site and preparing it for a mixed-use development project that would compliment the vision for this commercial intersection.

Financial Considerations: This report recommends giving the Interim Executive Director budget authority to appropriate \$1,200,000 of the Bank of America Credit Line to acquire 1400, 1410 and 1414 Del Paso Boulevard. The North Sacramento Redevelopment Area's future Tax Increment flow will be used to repay the Line of Credit. This recommendation is presented prior to receipt of the Bank of America Line of Credit based on assurance that the transaction will be approved and in order that the purchase may proceed without undue delay.

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

Respectfully Submitted by: 
LA SHELLE DOZIER
Interim Executive Director

Recommendation Approved:


RAY KERRIDGE
City Manager

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Acquisition of 1400, 1410 and 1414 Del Paso Boulevard

Background

The redevelopment objective at Del Paso Boulevard and Edgewater Street is to develop these four corners with a consistent development project that creates an integral commercial hub with neighborhood-serving businesses and offers continuity to the Boulevard in the form of good urban design, architecture and appropriate land uses.

1340 Del Paso Boulevard

This is an Agency-owned property that is currently being prepared for redevelopment.

1327 Del Paso Boulevard

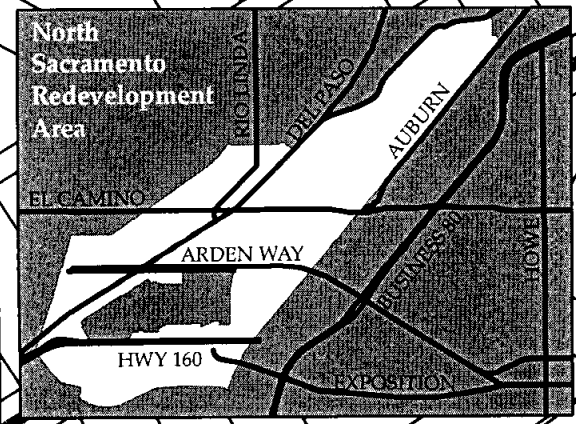
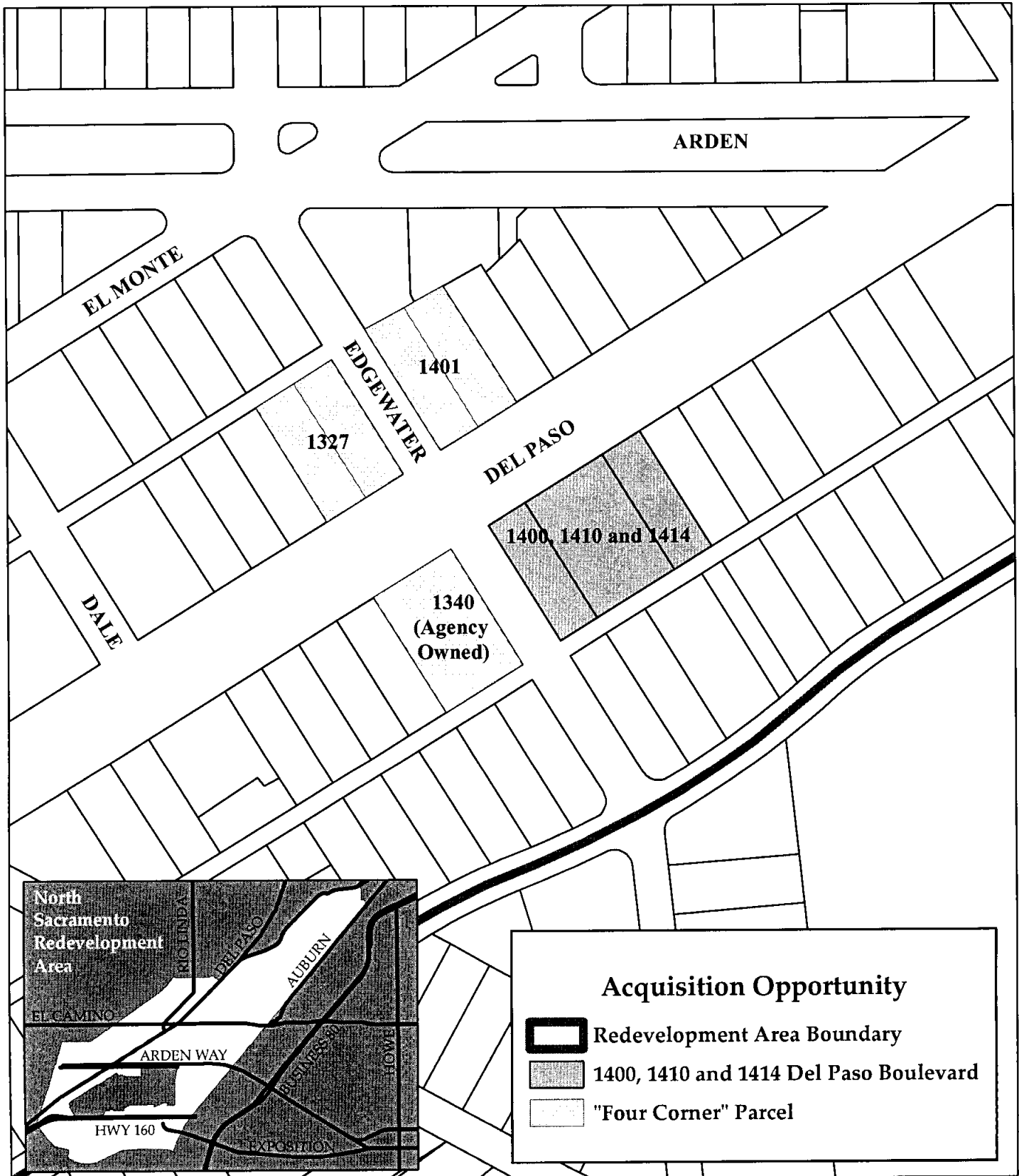
This property is owned by Mr. Daniel Friedlander who owns other properties on the Boulevard. He also owns the Greens Hotel at 1700 Del Paso Boulevard, the Supper Club building next door at 1616 Del Paso Boulevard, as well as the LIMN furniture store warehouse at 1409 Del Paso Boulevard. He is heavily invested on Del Paso Boulevard and is willing to work with the Agency to create a dynamic “four corners” project.

1401 Del Paso Boulevard

The two parcels on the northwest corner of this intersection at 1401 Del Paso Boulevard are available for voluntary sale; however, they require environmental remediation. Depending on the extent of the environmental contamination and required clean up, the Agency may consider acquiring this property in the future.

Please refer to the map in Attachment 2 for the location of these properties.

1400, 1410 and 1414 Del Paso Boulevard North Sacramento Redevelopment Area



RESOLUTION NO. 2008 - _____

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

AUTHORIZING ACQUISITION OF PROPERTIES LOCATED AT 1400, 1410 and 1414 DEL PASO BOULEVARD

BACKGROUND

- A. The opportunity site consists of three parcels totaling 30,000 square feet that are zoned C-2, General Commercial. These parcels are located within the Transit-Oriented Development (TOD) quarter-mile radius of the Arden/Del Paso Light Rail Station.
- B. Acquisition and development of this vacant and underutilized site will eliminate blighting conditions and promote revitalization and private investment within the Project Area.
- C. Acquisition of these properties does not commit the Agency to proceed with a development project. California Environmental Quality Act ("CEQA") Guidelines Section 15004(b)(2)(A) allows for land acquisition where the Agency will conduct CEQA review once the proposed project has been defined when the acquisition does not limit the choice of alternatives or mitigation measures and future development of the land is subject to CEQA compliance. Once the scope of development of the property has been defined, environmental review of the proposed project will be conducted. Therefore, this action is exempt from environmental review. The National Environmental Policy Act does not apply.

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

- Section 1. All of the evidence presented having been duly considered, the findings, including the environmental findings, as stated above, are approved.
- Section 2. The Interim Executive Director or designee is authorized to take all actions as may be reasonably necessary to purchase, for not substantially more than just compensation, the following parcels ("Property"):

1400, 1410 and 1414 Del Paso Boulevard (APN 275-012-5001-0000, 275-012-5028-0000, and 275-012-5004-0000).

Section 3. The Interim Executive Director or designee is authorized to transfer \$1,200,000 in Tax Exempt bond funds to the 1400, 1410 and 1414 Del Paso Boulevard Project, amend the budget accordingly and to purchase the Properties and carry out all related activities.