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**Sacramento
Housing &
Redevelopment
Agency**

October 13, 2004

Redevelopment Agency of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: BUDGET AMENDMENT FOR 10TH AND K LAND ACQUISITION

LOCATION & COUNCIL DISTRICT Council District 1
Southeast corner of 10th and K Streets

RECOMMENDATION:

Staff recommends adoption of the attached resolution, which authorizes the City Manager, as Redevelopment Agency designee, to transfer \$250,000 from Downtown Redevelopment Bond Funds to the 10th and K Project for additional costs associated with tenant relocation, land acquisition and related professional services for the parcel located at 1016, 1020, and 1022 K Street (APN: 006-0104-004)

CONTACT PERSONS: Traci Michel, Sr. Project Manager, 808-8645
Wendy Saunders, Economic Development Dir., 808-8196

FOR COUNCIL MEETING OF: October 26, 2004

SUMMARY:

On May 8, 2003, the Redevelopment Agency (Agency) authorized acquisition of the property located at 1016, 1020, and 1022 K Street (Property) and approved an initial acquisition budget of \$1.5 million. This report recommends amending the project budget by an additional \$250,000 for final relocation costs and anticipated additional costs associated with the land acquisition and related professional services.

BACKGROUND:

- On May 27, 2003, the Agency approved a Resolution of Necessity for acquisition of the Property and authorized acquisition of the property by eminent domain in the

event that continued negotiations did not result in a voluntary sale. An initial acquisition budget of \$1.5 million was also approved at the same time.

- On July 8, 2003, the Court granted to the Agency an Order of Possession for the property, which became effective October 9th, 2003.
- Pursuant to California Redevelopment Law, the Agency must provide relocation services to the businesses. Agency staff has worked with relocation and appraisal experts to provide the necessary services and assistance to the businesses. Final relocation and settlement agreements have been completed with former Property tenants California Harvest Market and Capitol Clothing at a cost that exceeds the initial budget allocation.
- It is anticipated that the proposed budget amendment will cover all final relocation settlement costs as well as professional service fees associated with the balance of the land acquisition process.

FINANCIAL CONSIDERATIONS:

Is it estimated that an additional \$250,000 will be needed to cover all final relocation costs as well as professional service fees associated with the balance of the land acquisition process. Staff recommends transferring \$250,000 from Downtown Redevelopment Bond Funds to the 10th and K Project for the additional costs.

POLICY CONSIDERATIONS:

The recommended actions are consistent with policies for redevelopment site assembly, as described in the Merged Downtown Redevelopment Plan. These actions are also consistent with the 2005 Downtown Sacramento Redevelopment Strategy and California Redevelopment Law.

Additionally, the Agency's purchase of the Property will create an opportunity for a larger-scale catalyst development project, which meets the evaluation criteria established by Council following the 2001 Redevelopment Workshops, including:

- Contributing to achieving the vision of adopted Five-year Implementation Strategy;
- Helping to remove blight;
- Helping to leverage public investment by creating opportunity for a larger-scale project;
- Helping to spur additional private investment in the vicinity;
- Contributing to City revenues through property tax and sales tax upon project completion; and
- Creating jobs, both during construction and project completion.

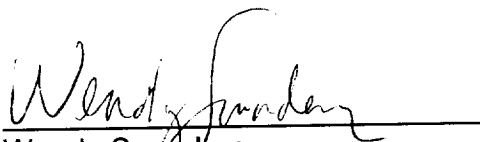
ENVIRONMENTAL CONSIDERATIONS:

No environmental review is necessary at this time. Any project proposed for the Property is subject to environmental review before any actions are taken.

ESBD CONSIDERATIONS:

There are no ESBD considerations associated with this action.

Respectfully submitted:



Wendy Saunders
Economic Development Director

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

Table of Contents
Resolution, Page 4

RESOLUTION NO. _____

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

**BUDGET AMENDMENT FOR PARCEL ACQUISITION LOCATED AT
1016, 1020, and 1022 K STREET (APN: 006-0104-004)**

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

Section 1. The City Manager is authorized to transfer \$250,000 million from
Downtown Redevelopment Bond Funds to the 10th and K Project for final
relocation costs, as well as professional service fees associated with the balance
of the land acquisition process.

Chair

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____