

5.3

June 30, 1992

Redevelopment Agency of the
City of Sacramento
Sacramento, California



Honorable Members in Session:

SUBJECT: AUTHORIZATION TO ISSUE A REQUEST FOR QUALIFICATIONS (SUPERMARKET DEVELOPMENT)

LOCATION

Districts 2, 4 and 8

SUMMARY

This report recommends release of a Request for Qualifications for a consultant and to enter into an agreement to assist staff in site location, site marketing, strategy development, and developer identification for the locating and development of supermarket/grocery stores in the Meadowview area, North Sacramento area, and on the R Street corridor.

COMMISSION ACTION

At its meeting of June 17, 1992, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

- AYES: Amundson, Diepenbrock, Inglis, Moose, Simpson, Wooley, Yew, Simon
- NOES: None
- ABSENT: Cespedes, Williams

STAFF RECOMMENDATION

Staff recommends approval of the attached resolution which authorizes the Executive Director to release a request for qualifications (Attachment I) seeking a consultant to assist the Agency in supermarket/grocery store development in specific target neighborhoods.



P.O. Box 1834

S a c r a m e n t o

CA 95812-1834

916-444-9210

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BACKGROUND

Residents in redevelopment and low-income areas have indicated, during numerous community forums, that a priority of neighborhood development should be to locate supermarket/grocery stores in local neighborhoods. We concur that supermarket/grocery store development and renovation can serve neighborhood revitalization and economic development purposes by providing neighborhood services and products unique to the market service area and by encouraging further economic investment. Agency staff have unsuccessfully attempted to attract supermarket/grocery store developments to certain targeted neighborhoods. Those neighborhoods that we are particularly interested in attracting supermarket/grocery stores to as part of the Agency's revitalization strategy for those areas include North Sacramento, Meadowview, Del Paso Heights, Oak Park, and the R Street corridor. Staff has discussed supermarket/grocery stores possibilities with local advisory groups and consultants who specialize in locating markets in urban areas.

Through these discussions, staff has become more aware of the complexities in supermarket/grocery stores development. Therefore, staff recommends seeking the advise of a specialist in this area to: 1) develop a site-specific strategy; and 2) facilitate the development process.

The following section summarizes the kinds of assistance needed in each neighborhood. Individual contractors have already been hired in Del Paso Heights and Oak Park.

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R Street: The Central City Housing Strategy recommends the locating of a supermarket/grocery store along the R Street corridor. The selected consultant will assist staff in the assessment of the market for a supermarket/grocery store and ability to be supported in the central city. This information will aid the planning department in determining where along the corridor to place a market within the context of their land use analysis of the corridor.

Meadowview: Efforts, for some time, have been underway to attract a supermarket/grocery store in the Meadowview area. The Agency recently received interest in a site that exists on Meadowview Road which represents approximately 12.5 acres of land--other sites may also have potential. The selected consultant will assist staff in analyzing the market for potential development, determining the type and size of store that can be supported; market the site and assist staff in negotiating with the potential operator/owner.

North Sacramento: The consultant will be asked to assist the staff in the identification of potential supermarket/grocery store sites to compliment the overall North Sacramento redevelopment strategy and revitalization efforts underway on Del Paso Boulevard. This may include assisting current operators/owners in market analysis and store presentation.

Del Paso Heights: A current store exists along Marysville Boulevard. This site will not be included in the request for qualifications as a consultant has already been hired as part of the Del Paso Heights redevelopment effort.

Oak Park: The Agency has entered into an agreement with EACS to market and attempt to locate a developer/supermarket/grocery store operator for the Agency owned Broadway and Stockton site. This site will therefore not be included in the request for qualifications.

FINANCIAL CONSIDERATIONS

Funds will be allocated to a maximum of \$30,000 to initiate the project, \$10,000 in downtown developers assistance funds and \$20,000 in city CDBG funds. This funding will pay for market studies, site location analysis, and developer/owner operator identification. The consultant will be paid an additional fee subject to successful negotiations between the Redevelopment

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Agency, the City and the store owner. These funds are already budgeted and no separate appropriation is needed to allocate them to this contract.

POLICY CONSIDERATIONS

The action proposed in the staff report is consistent with previously approved policy and there are no policy changes being recommended.


ENVIRONMENTAL REVIEW

The proposed action does not constitute a project under CEQA per Guidelines Section 15378(b)(3), nor a federal undertaking under NEPA per 24CFR Part 58.34(a)(3).

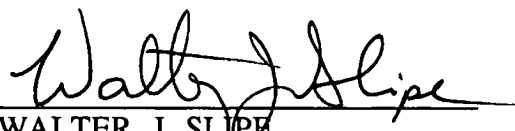
MINORITY/WOMEN'S BUSINESS ENTERPRISE (M/WBE)

The Agency's M/WBE policy will apply to the contract's proposed in this report. Per Agency policy, copies of the request for qualifications will be sent to all applicable consultants in the Agency's Resource Library.

Respectfully submitted by,


for JOHN E. MOLLOY
Executive Director

Transmittal approved by,


WALTER J. SLIPE
City Manager

For Council Meeting of:

June 30, 1992

Contact Person: Bina Lefkovitz, Director Community Development - 440-1360
Glenn J. Valenzuela\Program Manager - 264-1510

staffrpr\sprmrkt

RESOLUTION NO. 92-056

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL CONSULTING SERVICES RELATED TO SUPERMARKET DEVELOPMENT

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

Section 1: The Executive Director is hereby authorized to release the attached request for qualifications for professional consulting services related to supermarket development.

Section 2: The Executive Director is authorized to evaluate the proposals received and to select a consultant in accordance with the Agency's Selection and Retention Policy for Consultants and the request for qualifications.

Section 3: The Executive Director or his designee is hereby authorized to enter into a written agreement with the selected consultant to perform the specified services for compensation not to exceed \$30,000.

ATTEST:

CHAIR

SECRETARY

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

REQUEST FOR QUALIFICATIONS

The Sacramento Housing and Redevelopment Agency is seeking a consultant to assist in the identification and development of new neighborhood-serving supermarket/grocery stores within targeted areas of Sacramento. The specific areas to be investigated and marketed are Meadowview area, North Sacramento area, and the R Street corridor. Neighborhood descriptions and goals are attached to the announcement.

SCOPE OF SERVICES

The following Scope of Services proposes tasks to be completed by the consultant with the ultimate product being the development of a grocery store on the subject sites.

PHASE I: Fee not to exceed \$30,000

- Identify a site or several sites in each area for Agency consideration.
- Develop and prepare a marketing strategy for each site as per Agency direction.
- Identify and prepare information required to market the site, e.g.:
 - Thompson-style market report; suggested boundaries of the site; proposed building footprint.
- Market site to potential supermarket/grocery store developers/operators.
- Identify interested grocery stores.
- Identify potential subsidy, or development incentives if necessary.
- Assess economic feasibility of a supermarket/grocery store.

PHASE II: Fee to be based on contract agreement between SHRA and the supermarket/grocery store market. The performance fee will be a part of the development agreement.

- Assist negotiation with developer/operator and formulation of agreement.

- Facilitate development process
- The time schedule for the Task A, Phase I is four months. If a potential supermarket/grocery store is identified under Task A, Phase II would begin. Because of the nature of this phase a schedule is difficult to predict. It is anticipated that Phase II may extend to two years.

The consultant is requested, as part of their proposal, to submit a time and fee schedule. **Proposals must be submitted to the Redevelopment Agency, 630 I Street, third floor, Sacramento, California 95814, Attention: Joan Roberts, Agency Clerk - not later than 5:00 p.m., Wednesday, July 29, 1992. Late proposals and postmarks will not be accepted.**

INFORMATION AND MATERIALS TO BE PROVIDED

Proposals should be no longer than 12 pages and include the following sections:

1. Experience

Explain your direct experience with the following:

- a. The location of neighborhood serving supermarket/grocery stores in urbanized areas, particularly low to moderate income areas.
- b. The coordination of store services, i.e., construction, remodeling.
- c. The citizen participation process.
- d. The analysis of an existing store and development of improvement strategy.

2. Client References

List references including names and telephone numbers of persons, preferably current or past clients who can be contacted regarding your experience in the areas listed above.

3. Scope of Services

Utilizing the Scope of Services described on page one, outline your general approach to the tasks including a time schedule. Please note how you will allocate to specific tasks the \$30,000 appropriated to this contract. Outline the tasks to be completed.

4. Team Participants

List the staff from your firm who will be assigned to this project. Include resumes of key personnel.

5. Fee Schedule

A fee schedule which includes hourly rate of principals and associates of firm , establishes cumulative maximum dollars payable based on performance of work over the term of the contract. If possible, please develop separate costs for each site.

6. Selection Process

The Agency will review all proposals and invite the most qualified submittals to an interview. The selection committee will consist of:

- A commercial developer
- Sacramento Housing and Redevelopment Commissioner
- Community Development Director, or designee
- A community member
- A business organization member

7. SELECTION CRITERIA

The Agency will utilize the following criteria in determining the recommended consultant:

- Experience in working with the development community
- Experience working with members of ethnically diverse and low and moderate income communities
- Successful location of markets in urban areas
- Ability to complete tasks within timeframes
- Demonstrated success in negotiation with local government and developers
- Ability to assess economic feasibility of supermarket/grocery store

Questions concerning the request for qualifications should be directed to:

Glenn J. Valenzuela
Economic Development Program Manager
1013 7th Street, Suite 200
Sacramento, California 95814
(916) 264-1510

Meadowview Community and Adjacent Areas

The City of Sacramento is the state capitol of California and one of the nations fastest growing metropolitan areas. The economic base of the region is comprised of government, agriculture, support services, and a steady increase in high technological industry.

The Meadowview community is located in the south portion of the City of Sacramento. The boundaries for the Meadowview community are the Union Pacific Railroad tracks on the east; Florin Road on the north, including all census tracts fronting on the north side of Florin Road; Freeport Boulevard on the west; and the Sacramento city limits on the south.

In Meadowview there is a potential for a burgeoning population because of the affordable housing for a new skilled labor force.

- ▶ There are currently five new residential developments planned or under construction that total approximately 1500 units with an average single family home priced around the \$115,000 range. Most of these housing developments are located in the southern part of Meadowview east of I-5.
- ▶ The existing Meadowview community immediately north of the new housing developments has a strong ownership rate of 59%. It is classified as a moderate income community.
- ▶ The median income for Meadowview in 1987 was \$21,558 and is projected to be \$23,756 in 1992. (Source: 1980 National Data Resource)

The city of Sacramento is moving to meet the needs of the future growth of this area. This public commitment is demonstrated in the following ways.

- ▶ A new interconnecting parkway between I-5 and U.S. 99 is scheduled for construction.
- ▶ The new \$5.3 million Meadowview Community Center with facilities for sports, a child care center, outdoor theater, and social services is scheduled for construction.
- ▶ The city has recently formed the new Meadowview Community Advisory Committee to give citizen input on issues affecting area residents.
- ▶ In the last two years the city through the Sacramento Housing and Redevelopment Agency has expended or committed over \$850,000 in projects aimed at revitalization.

The Meadowview area offers a high quality of life and a variety of opportunities in the coming decade. It is an ideal location for business with its excellent transportation, labor, and housing resources.

North Sacramento

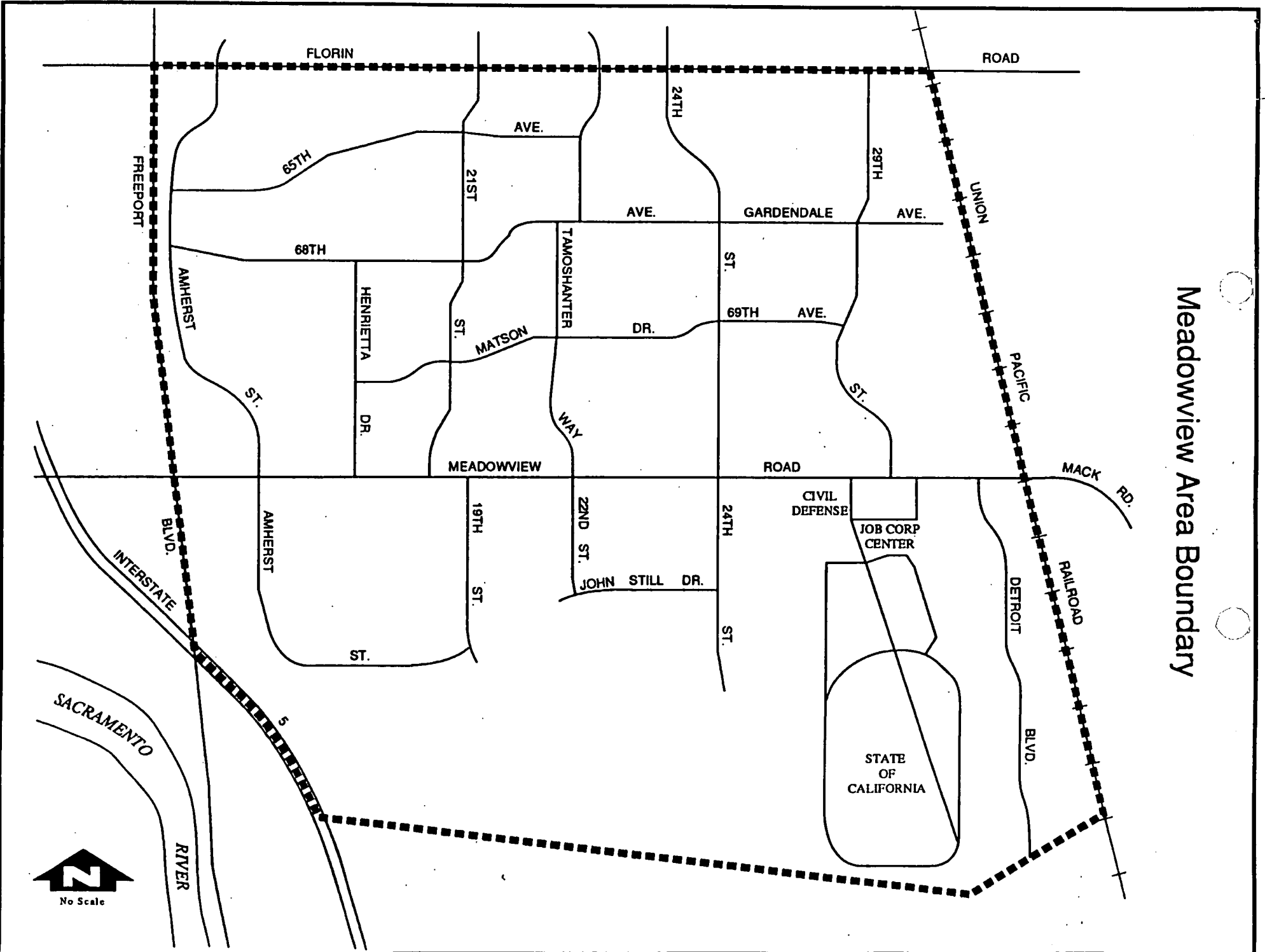
The North Sacramento Redevelopment Project is generally bounded on the east by the Southern Pacific Railroad; on the south by the American River levee; on the west by the Union Pacific Railroad, Stanford Avenue and Altos Avenue; on the north by Eleanor Avenue, Del Paso Boulevard and Craigmont Street (see map).

Land uses within the Project Area include residential, retail, office, industrial and public uses. Of the estimated 19.09 million square feet of development in the Project area, about 14.2 million square feet are occupied by residential uses; the equivalent of an estimated 3,206 units. An estimated 1.18 million square feet are used for retail commercial uses and another 280,000 square feet are developed for industrial uses and an estimated 1.14 million square feet are dedicated to public uses, such as recreational facilities, schools, etc. The attached map shows the City of Sacramento North Sacramento redevelopment area.

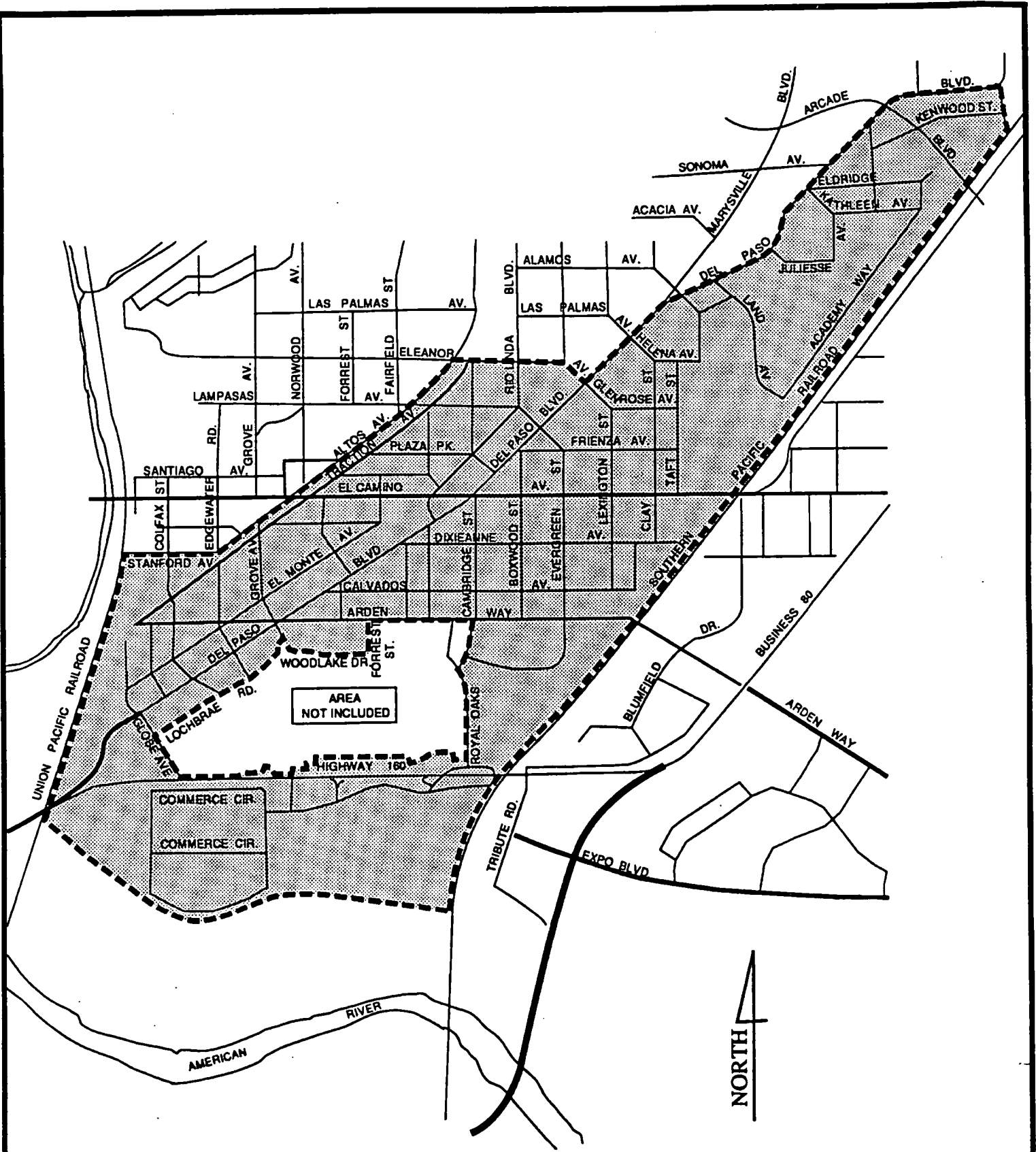
R Street Corridor

The R Street corridor is part of the City of Sacramento's Central City Housing Strategy. The City has undertaken a comprehensive land use analysis as part of the future development of the R Street corridor. The consultant will be asked to evaluate the plan and determine if the area can indeed support a market as well as make recommendations to the planning department on a possible location for the market.

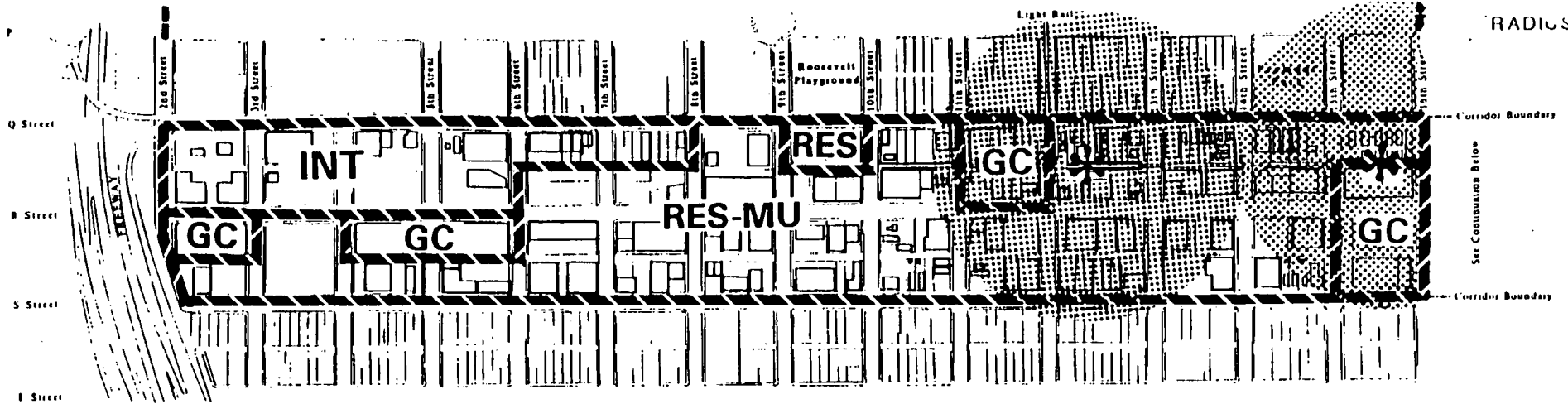
Meadowview Area Boundary



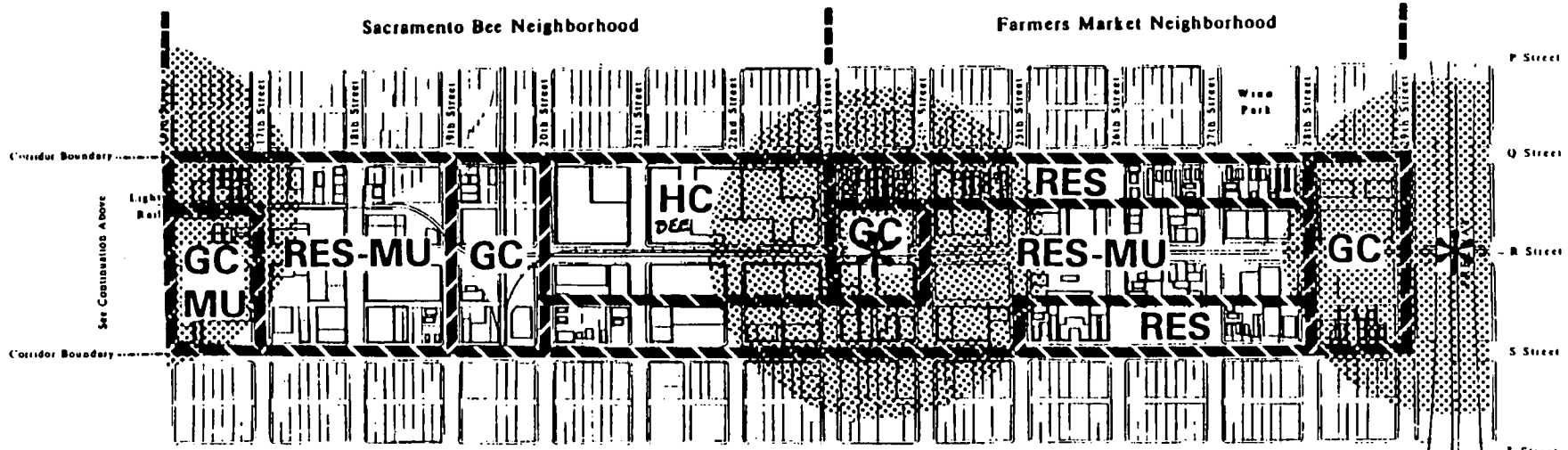
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NORTH SACRAMENTO REDEVELOPMENT AREA



Area West of 16th Street



Area East of 16th Street

**SACRAMENTO
"R" STREET CORRIDOR**

**REVISED LAND USE
City Council Adopted
Preferred Alternative**



INT INTENSIVE
50% OFFICE/50% RESIDENTIAL
100' MAX HEIGHT
AVG 100 UNITS PER ACRE



GC GENERAL COMMERCIAL
100% OFFICE
45' MAX HEIGHT



HC HEAVY COMMERCIAL
C-4 USES
45' MAX HEIGHT



LIGHT RAIL STATION



RES MU RESIDENTIAL MIXED-USE
80% RESIDENTIAL AVG 60 UNITS PER ACRE
20% COMMERCIAL
45' - 75' MAX HEIGHT



RES RESIDENTIAL
R-3 A - 36 UNITS PER ACRE



GC MU GENERAL COMMERCIAL MIXED-USE
50% OFFICE/50% RESIDENTIAL
75' MAX HEIGHT (16TH STREET COMMERCIAL)
60 - 100 UNITS PER ACRE

(13)