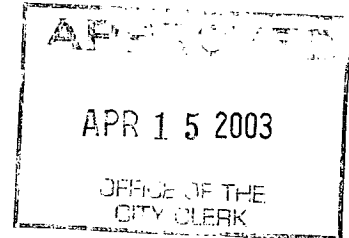


ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO



April 3, 2003

Redevelopment Agency of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: PUBLIC HEARING FOR RESOLUTION OF NECESSITY:
800 J STREET (APN: 006-0097-002), 804 J STREET (APN: 006-0097-003),
812 J STREET (APN: 006-0097-005), 1009 8TH STREET (APN: 006-0097-001)

LOCATION & COUNCIL DISTRICT: 8th /9th on J Street, bounded by J Street and the alley,
Council District 1

RECOMMENDATION:

Staff recommends adoption of the attached resolution that authorizes the City Manger to:

- 1) Adopt a Resolution of Necessity for the Agency acquisition of four commercially zoned properties described as assessor's parcel numbers 006-0097-001, -002, 003, and - 005;
- 2) Acquire the subject property by eminent domain in the event that continuing negotiations do not result in a voluntary sale.
- 3) Amend the Agency budget to transfer \$3.0 million from Developer's Assistance (630-100-3071) to the Downtown Development predevelopment budget (206-500-KC67).

CONTACT PERSONS: Michelle Nelson, Senior Management Analyst, 264-7064
Wendy Saunders, Downtown Development Manager, 264-8196

FOR COUNCIL MEETING OF: April 15, 2003

SUMMARY:

This report recommends the authority to use eminent domain, as a means of last resort, to acquire the subject parcels, which have previously been authorized for acquisition and are needed for a redevelopment project within the Merged Downtown Redevelopment Project Area.

Building on Our History - Creating The Place to Be.

BACKGROUND:

- In 1994, the Agency acquired the eastern 180 feet of the half block bounded by 8th, 9th and J streets and the alley. The acquisition was comprised of five owners and six assessor's parcels and was the first step towards consolidation of the entire block.
- In May 2001, the Agency adopted a Resolution of Necessity for acquiring the 810 J Street parcel by eminent domain, if necessary. The Agency obtained an Order of Possession on the property in December 2001.
- The subject parcels are owned by two entities, First Key, LLC and Second Key, LLC. The four parcels consist of 19,346 square feet and are zoned C-3, Central Business District Zone, Special Planning District.
- On December 3, 2002, the Redevelopment Agency authorized the purchase of the subject parcels and approved Resolution 2002 -051 to establish just compensation and negotiate the voluntary purchase of the property to further land consolidation and blight elimination goals in the Central Business District and the J Street Commercial Corridor.
- Staff has worked toward reaching a fair and mutually acceptable purchase price for the parcel. Agency staff has provided a fair market value offer as determined by an independent appraiser and offered to meet with the owner. The owner declined to meet with the Agency.
- The Property owner has been notified of the Agency's intent to request authorization for eminent domain. Agency staff will continue to make every reasonable effort available to avoid the use of eminent domain on the purchase of the property, however, to keep revitalization efforts moving forward the Agency needs assurance that it will have possession or ownership of the property in a timely fashion.

FINANCIAL CONSIDERATIONS:

The source of funds for purchase of the property is Downtown Tax Increment funds. An appraisal of the site has been completed to determine fair market value. An offer on the property was presented.

The proposed budget for acquisition is \$3.0 million and includes all transaction costs, including: the purchase price of the parcel, building demolition, closing costs, site stabilization, cleanup and security fencing, and an allowance for unanticipated contingencies.

POLICY CONSIDERATIONS:

The actions recommended in this report authorize the Agency to use its eminent domain powers to acquire four commercially zoned properties for the elimination of blight and development of the J Street Commercial Corridor.

ENVIRONMENTAL CONSIDERATIONS:

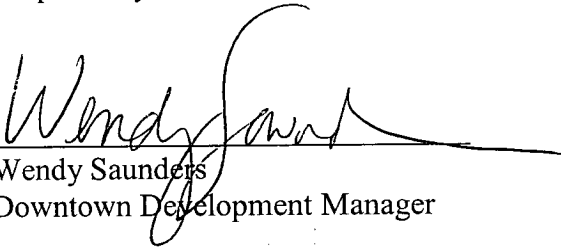
The proposed action to acquire property is in furtherance of the Merged Downtown Redevelopment Plan, as amended. Per California Environmental Quality Act (CEQA) Guidelines Sections 15180, 15162, and 15163, acquisition of parcel for consolidation and development, and actions to encourage redevelopment in a redevelopment area were deemed approved at the time of adoption of the redevelopment plan.

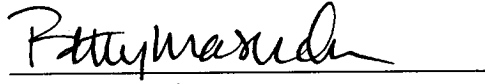
ESBD CONSIDERATIONS:

There are no ESBD considerations associated with this action.

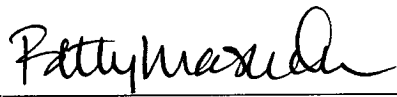
Respectfully submitted:

Approved:


Wendy Saunders
Downtown Development Manager

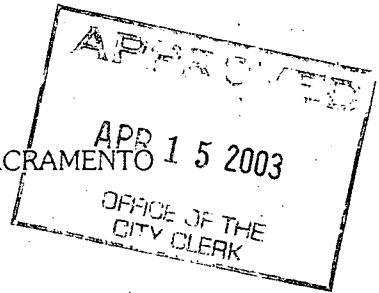

Betty Masuoka
Acting Economic Development Manager

APPROVED:


ROBERT P. THOMAS
City Manager

RESOLUTION NO. 2003-025

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO



ON DATE OF _____

RESOLUTION OF NECESSITY AUTHORIZING ACQUISITION BY EMINENT DOMAIN OF 1009 8th STREET, 800 J STREET, 804 J STREET, AND 812 J STREET LOCATED IN THE MERGED DOWNTOWN REDEVELOPMENT PROJECT AREA

WHEREAS, Amended Redevelopment Plan ("Redevelopment Plan") for the Merged Downtown Redevelopment Project Area ("Project Area") was adopted by the City Council of the City on June 17, 1986 and amended on May 25, 1999.

WHEREAS, three goals of the Redevelopment Plan of the Project Area are:

- a) The assembly of land into parcels suitable for modern, integrated development with improvement pedestrian and vehicular circulation in the Project Area.
- b) The replanning, redesign and development of undeveloped areas, which are stagnant or improperly utilized.
- c) The strengthening of retail and other commercial functions in the downtown area.

WHEREAS, THE 2000-2005 Implementation Plan for the Merged Downtown Project Area was adopted by Resolution No. 2000-011 on February 29, 2000.

WHEREAS, THE 2000-2005 Implementation Plan for the Merged Downtown Project Area calls for programs to assemble and purchase property for future development;

WHEREAS, on December 3, 2002 the Agency authorized the purchase of, and determined the amount of, just compensation for Assessors Parcel Numbers 006-0097-001, -002, -003, -005 located at 1009 8th Street, 800 J Street, 804 J Street, 812 J Street ("Subject Parcels").

WHEREAS, the Agency has, through its counsel, engaged a qualified appraiser who has prepared an appraisal of the fair market value of the Subject Parcels;

WHEREAS, the Agency has submitted a written offer and summary to the owner of the Subject Parcels and offered to meet for the purpose of negotiating a purchase of the Subject Parcels, which the owner has failed to accept; and

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

WHEREAS, the Subject Parcels are properly zoned and situated for redevelopment, and there are no other sites in the Project Area which would be as compatible with the greatest public good and the least private injury as the Subject Parcels.

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

Section 1. The above statements are true and correct.

Section 2. The Redevelopment Agency is empowered to acquire the Subject Parcels by eminent domain pursuant to Health and Safety Code Section 33391.

Section 3. The public purpose for which the Subject Parcels is to be acquired is redevelopment, and more specifically the assembly to eliminate blight, to better utilize underutilized parcels, and to increase development and economic activity in the area.

Section 4. For the foregoing reasons, the Redevelopment Agency finds and determines that:

- (a) The Public interest and necessity requires acquisition of the Subject Parcels, which will make possible the removal of the blighting influence of underutilized and blighted properties;
- (b) The assembly and future development of the Subject Parcels will occur in the manner that will be most compatible with the greatest public good and the least private injury;
- (c) The Subject Parcels are necessary for any future project; and
- (d) Just compensation has been established for the Subject Parcels by Resolution No. 2002-051, offers have been made to the owner of record of the Subject Parcels, as required by section 7267.2 of the Government Code and such owner of the Subject Parcels have been given reasonable opportunity to consider, reject or accept such offers.

Section 5. While continuing to make every reasonable effort to expeditiously acquire the Subject Parcels by negotiation, the City Manager is authorized to institute and prosecute to conclusion actions in eminent domain to acquire the Subject Parcel and to take any action necessary or desirable for such purpose in accordance with California eminent domain law.

Chair

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

5

6.2

NOTICE OF HEARING**AGENCY ACQUISITION OF PROPERTY BY EMINENT DOMAIN**

NOTICE IS HEREBY GIVEN that the Redevelopment Agency of the City of Sacramento is considering acquiring by eminent domain an interest in the real property described below.

LOCATION: The parcels are located within the Central Business District (CBD) in the area bounded by 8th, 9th and J streets and the alley and include 800 J Street (APN: 006-0097-002), 804 J Street (APN: 006-0097-004), 812 J Street (APN: 006-0097-005), 1009 8th Street (APN: 006-0097-001).

GENERAL DESCRIPTION: The property is 19,200 square feet of commercial land in the Central Business District of the City of Sacramento.

REVIEW: The proposed report relating to this acquisition will be available for public inspection commencing on April 11, 2003, at the City of Sacramento Economic Development Department Office, 1030 15th Street, Suite 250, Sacramento, CA 95814.

A public hearing will be held on this project as follows:

Redevelopment Agency of the City of Sacramento

Tuesday, April 15, 2003 at 7:00 p.m., 730 I Street, City Council Chambers.

Should you have any questions regarding this notice, the scheduled meeting or staff report, please contact Michelle Nelson, Senior Management Analyst, at (916) 264-7064

Publish in the Daily Recorder

Run twice: April 4, 2003
 April 11, 2003

Two proofs of publication requested.