REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
1030 15th Street, 2nd Floor, Sacramento, CA 95814

Report to the City Council

on the proposed

Seventh Amendment to the Redevelopment Plan for the Richards Boulevard Redevelopment Project

and

Adoption of the Redevelopment Plan for the Railyards Redevelopment Project

March 4, 2008

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INTRODUCTION

BACKGROUND

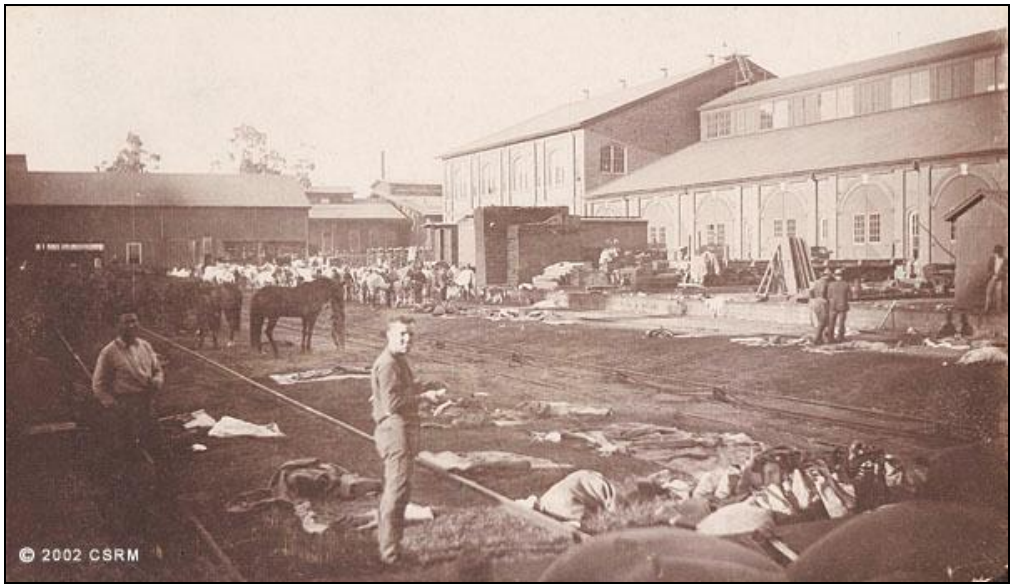
The Redevelopment Agency of the City of Sacramento ("Agency") adopted the Richards Boulevard Redevelopment Plan ("Richards Plan") in 1990 to address blighting conditions in a portion of Downtown Sacramento. Despite numerous attempts to alleviate blight in the Richards Boulevard Project Area ("Richards Area"), many blighting conditions still remain. In particular, the southern portion of the Richards Area containing the former Union Pacific Railyards has several unique issues that require separate attention. Thus, the Agency is pursuing an amendment to the Richards Plan ("Plan Amendment") to remove the southern portion of the Richards Area and concurrently designate it as a separate Railyards Redevelopment Project Area ('Railyards Area") under a new Railyards Redevelopment Plan ("Railyards Plan" or "Plan Adoption"). As part of the Plan Amendment, the Richards Redevelopment Project ("Richards Project") will be renamed the River District Redevelopment Project ("River District Project").

The Railyards Area consists of 58 acres of governmental and professional offices and 240 acres of the former Sacramento Union Pacific Railyards. It contains several historic buildings that were the heart of the City's early industrial movement in the late 1800's. Though a part of the Richards Area since 1990, efforts by the Agency to redevelop the Railyards Area over the past 18 years have not resulted in any substantive change due to unique obstacles that make it different from the rest of the Richards Area. These obstacles include historic preservation issues and costs, a severe lack of infrastructure, environmental contamination and a need to realign the area's levee system.

Railyards Area History

The Railyards Area emerged as the heart of the early industrial movement in the western United States, serving as the western terminus of the Transcontinental Railroad since the early 1860s. The Central Pacific and Southern Pacific railroads operated in the Railyards Area for almost 140 years. During its peak in the 1930s and 1940s, the Railyards Area was the region's largest employer and hosted the largest railroad facility of its kind west of the Mississippi River. Industry activity slowed as auto and air travel grew in popularity, and few buildings were constructed after 1945. The site had more than 90 buildings in the 1940s; however, most were destroyed or demolished after activity declined and now only eight of the major historic buildings remain. The last rail yard workers left in 1995, leaving much of the Railyards Area abandoned. Union Pacific purchased the Southern Pacific Railroad in the late 1990s, acquiring most property within the Railyards Area. Today, approximately 240 acres of the Railyards Area is owned by Thomas Enterprises; the remaining area is owned by government agencies and private parties[1].

[1] Source: Sacramento Railyards Specific Plan Public Review Draft (August 2007) and Draft Environmental Impact Report for the Railyards Specific Plan (August 2007)



Soldiers during Pullman Strike, Southern Pacific Railroad Sacramento Shops, 1894. Image Source: Sacramento History Online.

Celebration for arrival of steam locomotive, Southern Pacific Railroad Sacramento Shops, 1925. Image Source: Sacramento History Online.

The Richards Plan, which currently includes the Railyards Area, was adopted by the City Council in 1990 to address conditions of physical and economic blight. Conditions included deteriorated and dilapidated buildings, defective design and character of physical construction, environmental contamination due to hazardous waste, impairments to economic investment, economic maladjustment, and more. The Richards Area is bordered by the American River on the north, the Sacramento River on the west, and 27th Street to the east. The southern border varies along North B Street and I Street.

The Richards Plan has been amended six times to amend project area boundaries and extend time and financial limits. Table i-1 lists these amendments:

Plan Adoption & Amendment History **Table i-1**

Richards Boulevard Redevelopment Plan

No.	Date Adopted	Ordinance No.	Approved Action
-	7/17/1990	90-037	Plan Adoption
I	10/4/1994	94-045	Amend time limit to incur debt and establish time limit to repay debt
II	7/2/1996	96-038	Add project area
III	11/13/2003	2003-073	Extend plan duration by one year for making ERAF payments
IV	9/28/2004	2004-050	Extend time limit on eminent domain authority
V	1/16/2007	2007-003	Repeal time limit on indebtedness
VI	5/8/2007	2007-044	Describes Agency's eminent domain program
VII	Proposed for 2008		Amend project area boundaries (remove Railyards Area)

Source: City of Sacramento

Despite these amendments and a number of private sector and governmental efforts described later in this Report, the Railyards Area continues to exhibit blighting conditions that existed at the time of the Richards Plan adoption. However, the Railyards Area faces several issues that are unique and separate from the rest of the Richards Area.

Conditions in the Railyards Area are so severe and extensive that they are anticipated to drain Richards Area redevelopment funds, leaving no resources to address additional needs in the balance of the Richards Area. The Railyards Plan Adoption, concurrent with the Richards Plan Amendment, is being proposed to provide more focused resources for the Railyards Area and protect the remainder of the Richards Area from the costs and constraints of addressing issues contained in the Railyards Area. Section A of this report expands on reasons for the Plan Adoption and Section B documents the blighting conditions that exist today.

PLAN AMENDMENT AND ADOPTION

The principal purposes of adopting the separate and distinct Railyards Plan and concurrent Plan Amendment are:

- To enable the Railyards Area to be developed and to provide support and assistance to that area as feasible, necessary and appropriate; and
- To protect the remainder of the Richards Area from the costs and other development constraints particularly affecting the proposed Railyards Area.

The Plan Amendment and Plan Adoption (collectively referred to as the "Proposed Actions") are governed by the California Community Redevelopment Law, Health and Safety Code Sections 33000 et seq. ("Redevelopment Law").

This document is the Agency's Report to the City Council ("Report") on the Proposed Actions. It has been prepared pursuant to Sections 33457.1 and 33352 of Redevelopment Law. Section 33457.1 of the Redevelopment Law states that any reports and information required by Section 33352, to the extent warranted by a proposed redevelopment plan

amendment, shall be prepared and made available to the public prior to a public hearing on the proposed redevelopment plan amendment. Similarly, Section 33451.5 of the Redevelopment Law requires the preparation of a report in connection with certain redevelopment plan amendments, including amendments that change the boundaries of the project area, for delivery to the Department of Finance and the Department of Housing and Community Development no later than 45 days prior to the public hearing on the proposed redevelopment plan amendment. This Report is intended to provide the Agency Board and City Council with reports and information that are required by Sections 33352, 33451.5 and 33457.1 to be prepared for the adoption of the Railyards Redevelopment Plan and Seventh Amendment to the Richards Boulevard Redevelopment Plan.

As previously described, the Plan Amendment that is part of the Proposed Actions is limited to the removal of 300 acres from the Richards Area and the renaming of the Richards Area as the River District Project. Because the Plan Amendment is limited to the removal of territory and renaming of the Project Area, the City Council will not be required to make any findings of blight in connection with the Plan Amendment. Consequently, this Report does not contain maps or descriptions of existing blighting conditions within the River District Project Area (the Richards Area remainder) or the programs or projects proposed to eliminate remaining blight within the River District Project Area. Blighting conditions within the River District Project Area and the programs and projects necessary to eliminate those blighting conditions were described at the time the Richards Plan was adopted in 1990 and/or as required by any of the previous six amendments to that Plan; no changes to that Plan as it currently applies to the River District Project Area (other than the renaming of the Project Area) are being proposed. The portion of the Richards Area that is being removed and adopted as the Railyards Area does require the City Council to make findings of blight and, consequently, this Report documents and describes, in detail, existing conditions within the Railyards Area, the programs or projects proposed to eliminate the identified blighting conditions, and other evidence in support of the findings required in connection with that Plan Adoption.

Plan Amendment and Adoption Process

This Report is one of several documents that Redevelopment Law requires the Agency to prepare during the amendment and adoption process, and is intended to provide a comprehensive description of the Proposed Actions. Over the past several months, the City Council, the Agency, the City's Planning Commission, affected taxing agencies, and the community at large have had an opportunity to study and comment on the Proposed Actions.

The City Council approved a Preliminary Plan at its meeting of August 14, 2007 and authorized Agency staff to prepare documents for the Proposed Actions. The City Council adopted the Preliminary Report and received a draft text of the Plan Amendment and Railyards Plan at its meeting on December 11, 2007. This Report is one of the final steps in plan amendment process pursuant to California Community Redevelopment Law ("Redevelopment Law"), allowing the Agency Board to consider the adoption of the Proposed Actions.

This Report to the City Council, the final Plan Amendment, and the final Railyards Plan will be considered by the Agency and the City Council at a joint public hearing on April 22, 2008. All River District Area and Railyards Area (collectively referred to as the "Project Areas") property owners and affected taxing agencies will receive notice of this public hearing by

mail and through the publication of public notices in local newspapers. If the Proposed Actions are approved by the City Council after the public hearing, the Agency will send a copy of the adopted ordinance to the governing bodies of all affected taxing entities, the Sacramento County Assessor, and the Sacramento County Auditor-Controller. A final Environmental Impact Report on the Proposed Actions will be considered on May 6, 2008.

CONTENTS OF THIS REPORT

The contents of this Report to the City Council are presented in fourteen sections, which generally correspond to the subdivisions presented in Section 33352 of Redevelopment Law. The sections are as follows:

Section A: Reasons for the Proposed Actions, Including a Description of the Proposed Projects and How Such Projects will Improve or Alleviate Blight in the Railyards Area.

Section B: A Description of the Physical and Economic Blighting Conditions Existing in the Railyards Area

Section C: Five-Year Implementation Plans

Section D: Explanation of Why the Elimination of Blight in the Project Areas Cannot be Accomplished by Private Enterprise Acting Alone or Through Other Financing Alternatives Other Than Tax Increment Financing

Section E: Proposed Method of Financing, Including the Economic Feasibility of the Proposed Actions

Section F: Method of Relocation

Section G: Analysis of the Preliminary Plans

Section H: Report of the Planning Commission

Section I: Report of Community Outreach Efforts

Section J: Statement of Conformance to the General Plan

Section K: Environmental Documentation

Section L: Report of the County Fiscal Officer

Section M: Neighborhood Impact Report

Section N: Summary of the Agency's Consultations with Affected Taxing Entities and a Response to Said Entities' Concerns Regarding the Plan

Appendix A: Railyards Area Five Year Implementation Plan

Appendix B: River District Area Five Year Implementation Plan

Appendix C: Railyards Area Base Year Reports

SECTION A

Reasons for the Proposed Actions, Including a Description of the Proposed Projects and How Such Projects will Improve or Alleviate Blight in the Railyards Area

PROJECT AREA LOCATION

The existing Richards Area is located within the City of Sacramento, in Sacramento County, California. It is 1,368 acres and is generally bounded by the American River on the north, the Sacramento River on the west, and I Street on the south. The eastern border varies between 20th Street and 27th Street. The proposed Plan Amendment will remove approximately 300 acres, 298 of which will be adopted as the Railyards Area. For administrative purposes, a two-acre parcel from the existing Richards Area will not be included in the Railyards Area because it also belongs to the adjacent Downtown Redevelopment Project Area[2]. The proposed Railyards Area is generally bounded by the Sacramento River on the west, North B Street on the north and I Street on the south. The eastern boundary varies between 7th Street and 12th Street. The remaining Richards Area will be renamed the River District Redevelopment Project Area. A map of the existing and proposed project area boundaries related to the Proposed Actions is attached hereto as Exhibit A-1 and incorporated herein by this reference.

This section provides reasons for amending the Richards Area and adopting the Railyards Area. As mentioned in the introduction, this Report is not required to document blighting conditions in the River District Area and focuses primarily on describing conditions in the Railyards Area.

[2] At the time the Richards Boulevard and Downtown Redevelopment Project Areas were adopted, the two-acre parcel (APN 006-0025-013-0000) consisted of two parcels divided by a railroad right-of-way. One parcel was included in the Richards Area and the other parcel was included in the Downtown Area. The right-of-way was later removed and the two parcels were combined into one. For administrative purposes, the single parcel will remain in the Downtown Redevelopment Project Area and will not be included in the Railyards Area.

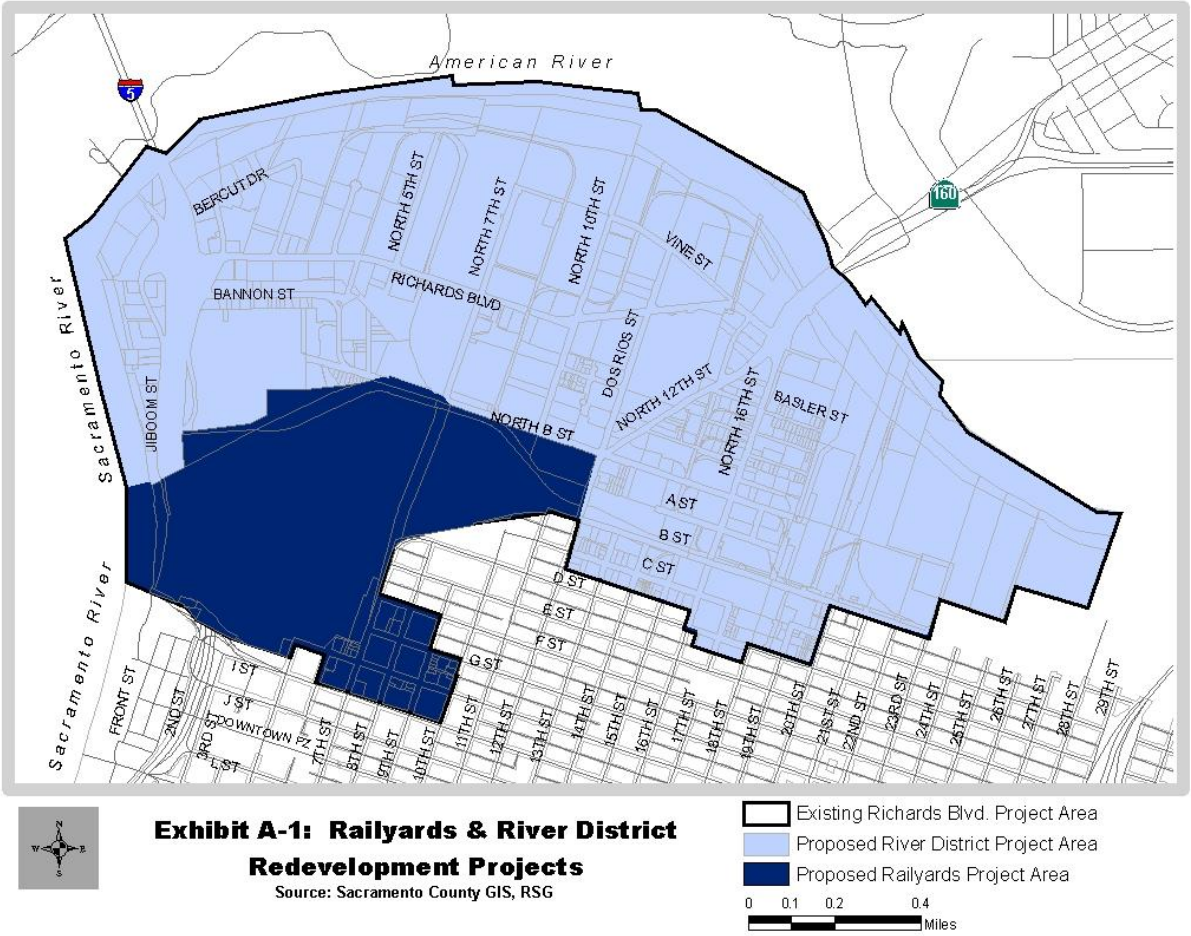


Exhibit A-1: Railyards & River District Redevelopment Projects
Source: Sacramento County GIS, RSG

REASONS FOR THE PROPOSED ACTIONS

Efforts to redevelop the Railyards Area as part of the Richards Project over the last 17 years have not resulted in any substantive change to the area because there are unique obstacles to the redevelopment of the Railyards Area that make it different from the rest of the Richards Area. These include:

- Almost complete lack of infrastructure
- The need to realign the levee system in the Railyards
- Environmental contamination and the higher costs of development and longer timeline related to mitigation of the contamination
- Historic preservation issues and costs
- Time and cost issues related to realignment and removal of railroad tracks.

Very little new development or renovation has successfully occurred within the Railyards Area since the Richards Project's inception. Several attempts have been made to redevelop the Railyards Area that ended in failure:

- Former Mayor Joe Serna Jr. attempted to attract a major-league baseball team in 1996 to play in a potential new railyard stadium. A minor-league stadium was built in West Sacramento instead[3].
- A Railyards Specific Plan was drafted in 1997 to guide major new development in the Railyards Area, with the goal of expanding and reinforcing Sacramento's Downtown as a vital and attractive urban place. The 1997 Railyards Specific Plan established guidelines to transform the area into a major transportation hub, major employment center, and an inviting place to live. It aimed to complete the City's circulation system, reconnect the Downtown and Central City with the City's rivers, and to preserve the area's historic and cultural resources within a four-year timeline. The 1997 Railyards Specific Plan was never realized.
- Union Pacific negotiated with a developer to build a 37-acre entertainment, retail, office and housing complex in 1999; however, the developer withdrew its plans in 2000 when the City did not grant a large public subsidy.
- In 2002, Union Pacific proposed a new 37-acre development project that was never built. The Sacramento Bee reported that Union Pacific had over 10 developers submit applications to work in the Railyards Area.
- The City considered introducing a measure in 2002 to raise taxes to fund a redevelopment concept for the Railyards Area. Plans included a new stadium for the Sacramento Kings, a major new transportation hub, offices and housing. This measure was never realized.

Despite numerous redevelopment attempts, the Railyards Area's unique constraints and blighting conditions impose extremely high costs and have deterred development of the area.

The Railyards Plan would allow the Agency to improve its efforts in the Railyards Area by restructuring the resources available to implement redevelopment activities. Community Redevelopment Law provides a number of tools which can be used to facilitate the redevelopment of the Railyards Area. These include the ability to invest in infrastructure, assist private development, use tax increment revenue, issue bonds, and assemble land to stimulate development.

Agency staff examined the impact of splitting the Richards Area into the two areas. The areas are significantly different in terms of development constraints, property ownership, infrastructure deficiencies, environmental cleanup and timeline for development. In both sub-areas the effect of the split was positive.

For the Railyards Area, having a separate redevelopment project area will enable the Agency to more effectively address the unique constraints that plague the area and provide support and assistance to redevelopment projects as feasible, necessary and appropriate. It will also make more funding options possible for the development of the Sacramento Intermodal Transportation Facility and other transportation infrastructure due to the longevity required for these types of funding mechanisms.

For the remaining Richards Area, which would become the River District Project Area, this approach will protect tax increment revenues generated in the River District Project Area for

[3] The Sacramento Bee published a series of articles on the Railyards Area in 2002, which are viewable at: http://dwb.sacbee.com/content/news/story/2409197p-2859880c.html

projects within its boundaries, rather than shifting all resources to the potentially costly and complicated needs of the Railyards Area. The formation of the Railyards Area will also aid the River District Project Area by spreading a "fair share" of the costs to relieve infrastructure capacity problems (i.e. sewer, traffic, stormwater) throughout the two areas.

An ancillary benefit of creating a new and separate Railyards Plan would be realized by affected taxing agencies (including the City General Fund, school districts, County, and special districts), in that tax revenues generated by the 2006 sale of the Union Pacific properties would be paid to these taxing entities and not to the Agency as tax increment revenue.

Richards Boulevard (River District) Plan Amendment

The proposed seventh amendment to the Richards Boulevard Redevelopment Plan removes the 298-acre area proposed to be the Railyards Redevelopment Project Area and renames the Project and Project Area the “River District Redevelopment Project” and “River District Redevelopment Project Area”, to be consistent with current community development initiatives in the area. No other amendments are proposed.

Specific changes in the Richards Redevelopment Plan include the following:

- Re-titling the Project and Project Area to replace “Richards Boulevard” with “River District” throughout the document
- Replacing Project Area maps and the legal description to reflect the smaller 1,068-acre Project Area boundaries
- Miscellaneous incidental changes.

The Plan Amendment would not alter land use policies, financial or time limits, or any other component of the Richards Boulevard Redevelopment Plan, nor would it change the terms of any financial obligation of the Project Area.

The Plan Amendment is being processed concurrently with the Railyards Redevelopment Plan, and would only go into effect if the Railyards Redevelopment Plan is adopted by the City Council.

The Railyards Redevelopment Plan

A draft Railyards Plan has been prepared that includes all items required by Redevelopment Law and conforms to the City’s General Plan. The draft Railyards Plan:

- Defines the boundaries of the Railyards Area;
- Identifies redevelopment plan goals and actions;
- Identifies uses permitted in the Railyards Area while ensuring conformance with the City’s General Plan;
- Provides methods for financing the Railyards Project;
- Discusses City and Agency cooperation;
- Provides for administration and enforcement of the Railyards Plan;
- Sets time and financial limitations; and
- Provides a procedure for future amendment of the Railyards Plan.

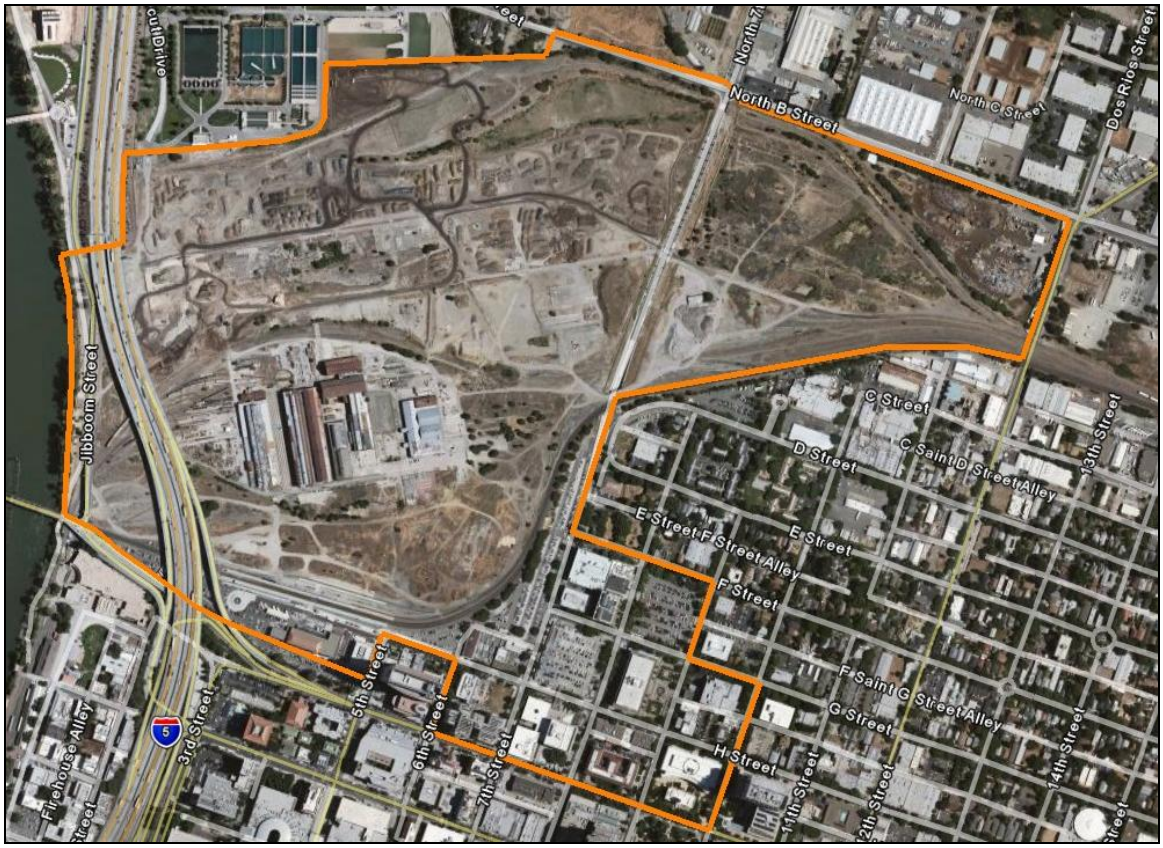
The Railyards Plan includes the following goals:

1. Eliminate blighting influences and correct environmental deficiencies in the Railyards Area, including, among others, buildings in which it is unsafe or unhealthy for persons to live or work, conditions that substantially hinder the viable use and capacity of buildings and lots, impaired investments, high business vacancies, and inadequate or deteriorated public improvements, facilities, and utilities.
2. Strengthen the economic and employment base of the Railyards Area and the community by removing impediments to and encouraging new residential and commercial development and other private investment.
3. Improve public facilities and infrastructure, including providing adequate access to the site and infrastructure that meets modern health and safety standards, provide adequate land for parks and open spaces, and promote an overall environment for social and economic growth.
4. Implement design and use standards to assure high aesthetic and environmental quality and provide unity and integrity to developments within the Railyards Area, preserving historic resources where feasible and promoting public transit access and use.
5. Encourage the cooperation and participation of residents, businesses, public agencies and community organizations in the redevelopment and revitalization of the Railyards Area.
6. Increase, improve and preserve the community's supply of housing available to extremely low, very low, low and moderate income persons and families.

The Railyards Plan would accomplish redevelopment by providing financial and administrative tools to invest in public improvements and assist private development. The private sector cannot achieve development without redevelopment assistance due to the extreme costs related to inadequate infrastructure and other blighting conditions. Section B describes the physical and economic blighting conditions existing in the Railyards Area that impede development. Section E details the projects and programs the Agency may undertake to accomplish redevelopment.

DETERMINATION AS TO WHETHER THE RAILYARDS AREA IS PREDOMINANTLY URBANIZED

A redevelopment project area is considered predominantly urbanized if at least eighty percent of the land has been or is developed for urban uses. The Railyards Area is predominantly urbanized because all 298 acres of the Railyards Area have been developed for urban use at one time. Any land that is currently vacant was previously developed for urban use. The aerial image below shows the Railyards Area in its current state:



Aerial satellite image of the Railyards Area. Source: Google Earth, RSG

The area east of Seventh Street and within the Railyards Area boundary consists mainly of government buildings and private offices. The area northeast of the former Railyard at the southwest quadrant of Twelfth and North B Streets has a long history as a site for metal salvage operations. The remaining 240-acre Railyards property has eight historic buildings remaining where over 90 buildings once stood. Several buildings were destroyed by fires or other disasters over time. Eighty buildings were demolished in 1999 due to age and obsolescence. An aerial photograph taken in the 1950s depicts the full extent of development in the Railyards Area:

Aerial of Railroads Area circa 1950s. Image Source: City of Sacramento.

A second photograph shows former development that existed around the Sacramento Central Shops:

Fourth Street, Sacramento Depot and Southern Pacific Railyards circa 1929. Arrows point to the Central Shops area. Image Source: Historical Resources Impact Analysis Report.

A DESCRIPTION OF SPECIFIC PROJECTS THE AGENCY MAY PURSUE AND HOW POTENTIAL PROJECTS WILL ADDRESS CONTINUING REDEVELOPMENT OF THE RAILYARDS AREA

The proposed Railyards Plan includes a general description of public projects that may be undertaken by the Agency in the Railyards Area. If the Railyards Plan is adopted, specific projects and programs identified in the Five Year Implementation Plan, attached in Appendix A, as required by Redevelopment Law will be undertaken. The following identifies and discusses potential projects the Agency may consider over time in its efforts to complete revitalization of the Railyards Area.

Traffic/Circulation

The Railyards Area has minimal transportation infrastructure and cannot support development in most of the area. The Agency may implement the following projects to improve circulation and encourage new development and eliminate blight.

- The construction, reconstruction, widening or other improvement of streets and roadways within or serving the Railyards Area;
- The installation or modernization of traffic signals on streets and roadways within or serving the Railyards Area;

- The realignment of the levee system within the Railyards Area to allow cohesiveness, efficient use of land, more developable land, and better circulation within the area;
- The realignment or removal of railroad tracks within or serving the Railyards Area;
- The construction, reconstruction or other improvement of curbs, gutters and sidewalks along or adjacent to streets and roadways within or serving the Railyards Area; and

The installation, construction, reconstruction or other improvement of bridges, over or underpasses, and street medians, as well as bicycle paths, bus shelters and other improvements that facilitate multi-modal public transportation.

Water, Sewer and Flood Control

The Railyards Area lacks adequate water and sewer infrastructure. The Railyards Plan will allow for the installation, construction, reconstruction or other improvement of water, sewer and storm drainage systems and lines (collection, treatment and/or delivery) within or serving the Railyards Area, including the acquisition of new water sources.

Parking

The Agency may fund installation, construction, reconstruction or other improvement of both on-street and surface parking spaces and lots, as well as structured parking facilities, within or serving the Railyards Area.

Streetscape and Street Lighting

The Railyards Area requires the installation of new, or repair or replacement of existing, landscaping and irrigation, street lighting, gateways and other signage, street furniture, trash receptacles, planters, murals and other amenities within or serving the Railyards Area.

Utilities

The Railyards Plan will allow for the installation of new, or repair or replacement of existing, electrical distribution systems, natural gas distribution systems, and cable television and fiber optic communication systems; where feasible, said utilities shall be placed underground.

Parks, Open Spaces and Community Facilities

The Agency seeks to encourage the installation, construction, reconstruction or other improvement of parks, open spaces, school facilities, fire and police facilities, libraries, cultural centers, community centers, plazas, bicycle and pedestrian trails, recreational facilities and playgrounds.

Agency Assistance

The Agency may assist property owners with building renovations in order to eliminate blight. Necessary improvements include seismic upgrades, repair of damaged wood structural elements, new concrete slabs, new support structures, and removal of asbestos

containing materials and lead based paint. Tenant improvements are specifically excluded from the general rehabilitation[4].

Low and Moderate Income Housing Program

The Agency is required to set aside not less than 20 percent of the tax increment revenue generated by the Project into a special Low and Moderate Income Housing Fund. These funds are to be used to increase, improve and preserve the supply of low and moderate income housing in the community.

The Agency's housing program may include a variety of funding assistance and other programs, including but not limited to one or more of the following components: 1) residential rehabilitation loan program; 2) residential rehabilitation grant program; 3) residential acquisition and rehabilitation program; 3) property acquisition assistance for qualified home buyers; 4) residential loan assistance; and 5) assistance in the construction of new or substantially rehabilitated residential dwelling units.

SUMMARY

The Railyards Plan would allow the Agency to implement projects that alleviate blight and foster redevelopment of the Railyards Area. Redevelopment of the Railyards Area cannot be achieved by private enterprise alone due to the high costs associated with historic renovation, infrastructure development, and environmental remediation. The Railyards Plan would enable the Agency to assist private development to revitalize the Railyards Area. It would also produce resources that allow the Agency to fund public projects related to traffic, water, sewer, utilities, and other infrastructure and public facilities. The Railyards Plan would help achieve the goals of the Railyards Specific Plan, which identifies several planning goals for the Railyards Area to ultimately have a mixture of cultural facilities, office space, hospitality, entertainment, retail, residential, educational, and open space.

[4] For more information on renovation of the Central Shops, see the Conceptual Design Cost Plan for the Sacramento Railyards Central Shops, prepared by Davis Langdon in 2006.

SECTION B

A Description of the Physical and Economic Blighting Conditions Existing in the Railyards Area

BLIGHTING CONDITIONS

Sections 33030 through 33039 of Redevelopment Law describe the conditions that constitute blight in a redevelopment project area. A blighted area is one that necessitates the creation of a redevelopment project area, because the combination of conditions in the area constitute a burden on the community, and cannot be alleviated by private enterprise, governmental action, or both. Section 33030 of Redevelopment Law defines a blighted area as follows:

> *"An area that is predominantly urbanized, as that term is defined in Section 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community that cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment."*

The Richards Plan was adopted to address the blighting conditions present in that area as defined by Redevelopment Law at that time. The blighting conditions included:

- Dilapidation and deterioration of buildings
- Defective design and character of physical construction
- Age and obsolescence
- Mixed character of buildings or shifting uses
- Faulty interior arrangement and exterior spacing
- Lots of irregular form, shape, or size
- Multiplicity of ownership patterns
- Presence of hazardous materials
- Prevalence of depreciated values, impaired investments, and social and economic maladjustment

Within both the River District Area and the Railyards Area, these blighting conditions continue to persist, in large part due to failed and stagnated efforts to redevelop the 240-acre Railyards property. Blighting conditions that exist in the Railyards Area under current Redevelopment Law standards include:

- Buildings in which it is unsafe or unhealthy for persons to live or work caused by:
  - Serious dilapidation and deterioration caused by long-term neglect
  - Construction that is vulnerable to serious damage from seismic or geologic hazards

    - Inadequate water and sewer utilities
- Conditions that substantially hinder the viable use or capacity of buildings or lots caused by:
    - Buildings of substandard, defective, or obsolete design or construction
- Depreciated or stagnant property values
- Impaired property values due in significant part to hazardous wastes
- Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings

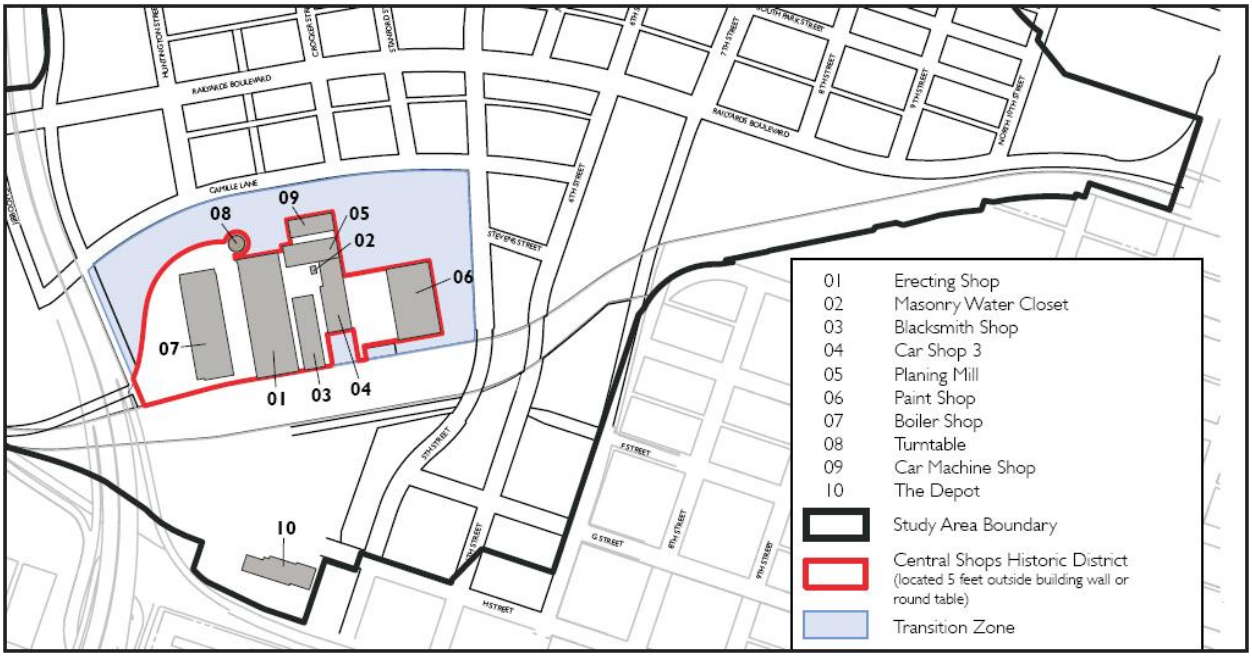
The following section of this Report describes the serious physical and economic conditions that exist in the Railyards Area, in particular the 240 acre Railyards property.

Physical Blight

Redevelopment Law Section 33031(a)(1) defines one condition of physical blight as buildings in which it is unsafe or unhealthy for persons to live or work. That condition may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.

The Railyards Central Shops are the oldest buildings in the Railyards Area. They are located in the southwest portion of the Railyards Area, east of Jibboom Street, south of proposed Camille Lane, west of proposed extension of Fifth Street, and north of F Street. The Central Shops consist of eight buildings: the Erecting Shop, Blacksmith Shop, Car Shop 3, Planing Mill, Paint Shop, Boiler Shop, Car Machine Shop, and the Depot. The Railyards also has two smaller structures: the Masonry Water Closet/Privy and the Turntable. The total square footage of historic buildings within the Railyards Area is 385,000 square feet[5]. The map below shows the location of each building by its historic name and use.

[5] Source: Draft Conceptual Feasibility Analysis of the Thomas Enterprises Development Program



Map of Railyards Central Shops. "Study Area Boundary" is the Railyards Specific Plan boundary, not the Railyards Area. Source: Sacramento Railyards Design Guidelines

The Central Shops are in serious disrepair due to their age and, for most buildings, several years of vacancy. Six of the existing Central Shops were vacated by 1995 or earlier. Eighty buildings were demolished by the previous owner (Union Pacific) in 1999 due to age and obsolescence. The Boiler Shop and Erecting Shop are currently leased by the State Department of Parks and Recreation for restoring rail cars.

A Conceptual Design Cost Plan for Central Shops prepared by Davis Langdon details what repairs are necessary for the Car Machine Shop, Planing Mill and Privy, Car Shop 3, Blacksmith Shop, and Paint Shop. Major restoration elements include seismic upgrades, repair of damaged wood and structural elements, new concrete slabs, new support structures, and removal of asbestos containing materials and lead based paint. Additionally, general exterior rehabilitation will include demolition of existing finishes, cleaning, patching of concrete and brick finishes, repair and replacement of existing windows and doors, replacement of metal siding, and new roofing. Interior rehabilitation will include core area partitions and finishes to the lobbies, corridors, restrooms, and mechanical spaces. New stairs, elevators, plumbing, natural gas piping, water heating equipment, lighting, fire alarms, and fire sprinklers will be included in the interior rehab. In addition the paint shop will receive radiant slab heating. Tenant improvements are specifically excluded from the general rehabilitation.

These repairs impose a significant cost. As shown in Table B-1, the average cost per square foot to repair the Central Shops buildings will be $276.20 per square foot based on the Davis Langdon Conceptual Design Cost Plan. This compares to an average cost of $51.36 to $72.53 per square foot for renovation of existing buildings for retail purposes.[6]

[6] Marshall & Swift Valuation Service, Regional Shopping Center Shell Buildings, Class A-B, Excellent to Class C Excellent; adjusted with October 2007 local multiplier for Sacramento.

Central Shops Renovation Costs **Table B-1**

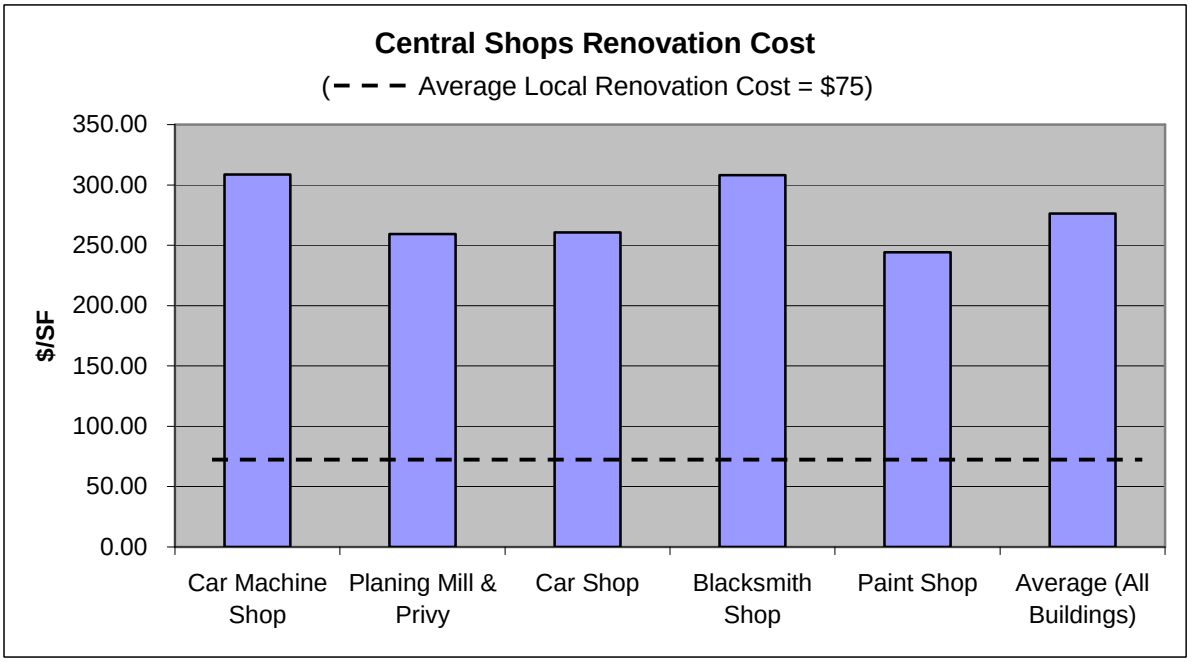
Sacramento Railyards Area

Building	Gross Floor Area	$/SF	Total Cost
Car Machine Shop	28,500	308.72	$ 8,798,520
Planing Mill & Privy	42,028	259.38	$ 10,901,223
Car Shop	60,680	260.54	$ 15,809,567
Blacksmith Shop	28,043	308.20	$ 8,642,853
Paint Shop	60,822	244.14	$ 14,849,083
Average	220,073	276.20	$ 59,001,246

* These costs do not include Hazardous Material Abatement

Source: Conceptual Design Cost Plan, Prepared by Davis Langdon

The following graph displays the renovation cost per square foot for each building compared to the current local average.



The extremely high cost associated with renovating the Central Shops makes it unreasonable for private enterprise to redevelop the Railyards Area without Agency assistance. The buildings are a valuable historical resource and should not be demolished, yet their current condition makes them unsafe to occupy. The proposed Railyards Plan makes it possible for the Agency to assist renovation efforts and alleviate blight in the Railyards Area.

In addition to severe dilapidation and deterioration, the Central Shops buildings are vulnerable to serious damage from seismic or geologic hazard and require upgrades since many were built prior to the 1940s. The Draft Environmental Impact Report for the Railyards Specific Plan ("Draft EIR") states that the historic Central Shops must be stabilized and

reinforced prior to trenching or other construction activities adjacent to the buildings in order to mitigate potential damage. Buehler & Buehler Structural Engineers conducted a seismic evaluation of the Central Shops and documented what aspects of the buildings were in compliance with national standards as regulated by the American Society of Civil Engineers and the Federal Emergency Management Agency. It found that several portions of the buildings were non-compliant with national standards. These are summarized in Tables B-2 to B-6.

Non-Compliancies: Car Machine Shop **Table B-2**

Sacramento Railyards Central Shops

Area of Non-Compliance	Concern
Building System	Vertical discontinuties - mezzanine shear walls, strengthening
Building System	Deterioration of wood - some deterioration to be remediated
Building System	Masonry units - damaged units to be replaced
Building System	Masonry joints - damaged units to be replaced
Lateral-Force-Resisting System	Shear stress check - masonry and wood walls
Connections	Wall anchorage - connections of walls to diaphragms required
Connections	Transfer to shear wall - new connections to be provided
Connections	Girder/column connection
Connections	Stiffness of wall anchors - anchors to diaphragms to be provided
Connections	Beam, girder, and truss supports - secondary support required
Connections	Wood posts - may require strenghening
Connections	Foundations dowels
Connections	Walls not connected through floors - mezzanine walls discontinuous
Diaphragms	Straight sheathing - to 2nd and 3rd floors
Diaphragms	Spans - at 2nd and 3rd floors
Diaphragms	Unblocked diaphragms - ratios are higher than limits

Source: Seismic Evaluation, Buehler & Buehler

Non-Compliancies: Planing Mill **Table B-3**

Sacramento Railyards Central Shops

Area of Non-Compliance	Concern
Building System	Vertical discontinuities - core/shear walls at 2nd level
Building System	Deterioration of wood - some wood members need to be replaced
Building System	Masonry units - several units to be replaced
Building System	Masonry joints - several areas that require repointing
Lateral-Force-Resisting System	Shear stress check - masonry and wood walls
Connections	Wall anchorage - connections of walls to diaphragm required
Connections	Transfer to shear walls - new connections to be provided
Connections	Girder/column connection - strenghtening may be required
Connections	Stiffness of wall Anchors - additional anchors to diaphragms to be provided
Connections	Beam, girder, and truss supports - secondary support required
Connections	Wood posts - may require strenghtening
Connections	Foundation dowels
Connections	Walls not connected through floors - 2nd floor walls discontinuous
Diaphragms	Straight sheathing - 2nd level & 3rd level ceiling
Diaphragms	Spans - 2nd level & 3rd level ceiling
Diaphragms	Unblocked diaphragms - 2nd level ceiling, eastside

Source: Seismic Evaluation, Buehler & Buehler

Non-Compliancies: - Car Shop 3 **Table B-4**

Sacramento Railyards Central Shops

Area of Non-Compliance	Concern
Building System	Deterioration of wood - deteriorated wood to be replaced
Building System	Masonry units - damaged units to be replaced
Building System	Masonry joints - deteriorated joints to be replaced
Building System	Unreinforced masonry wall cracks - large cracks on north and south walls
Lateral-Force-Resisting System	Shear stress check - additional lateral support required
Connections	Wall anchorage - connections of walls to diaphragm required
Connections	Transfer to shear walls - new connections to be provided
Connections	Girder/column connection - May require strengthening
Connections	Stiffness of wall anchors - anchors to diaphragms to be provided
Connections	Beam, girder and truss supports - secondary support required
Connections	Wood posts - may require strengthening
Connections	Foundation dowels
Diaphragms	Straight sheathing - 2nd floor and roof strenghtening required
Diaphragms	Spans - 2nd floor and roof strengthening required
Foundation	Foundation performance - wall/foundation remediation required

Source: Seismic Evaluation, Buehler & Buehler

Non-Compliancies: Blacksmith Shop **Table B-5**

Sacramento Railyards Central Shops

Area of Non-Compliance	Concern
Building System	Deterioration of wood - minor
Building System	Deterioration of concrete - several columns require repair
Lateral-Force-Resisting System	Shear stress check - concrete monument frames at south end
Lateral-Force-Resisting System	Reinforcing steel - testing required
Connections	Uplift at pile caps - concrete to be added
Connections	Wall anchorage - anchors at walls required
Connections	Transfer to shear walls - new connection required
Connections	Roof panels - panels to be replaced
Diaphragms	Unblocked diaphragms - area to be sheathed

Source: Seismic Evaluation, Buehler & Buehler

Source: Seismic Evaluation, Buehler & Buehler

Non-Compliancies: Paint Shop **Table B-6**

Sacramento Railyards Central Shops

Area of Non-Compliance	Concern
Building System	Deterioration of wood - minor
Building System	Masonry units - damaged units to be replaced
Building System	Masonry joints - several walls to be repointed
Building System	Unreinforced masonry cracks
Lateral-Force-Resisting System	Shear stress check - masonry shear walls
Lateral-Force-Resisting System	Proportions - bracing required at east walls at gable
Connections	Wall anchorage - connections of walls to diaphragms required
Connections	Transfer to shear walls - connections required
Connections	Wood posts - strengthening may be required
Connections	Foundation dowels
Connections	Girder/column connection - strengthening may be required
Connections	Stiffness of wall anchors - anchors to diaphragms to be added
Connections	Beam, girder, and truss supports - secondary support required
Diphragms	Straight sheathing - 2nd level of 1390 office, plywood required
Diphragms	Spans - 2nd level of 1390 office, plywood required

Source: Seismic Evaluation, Buehler & Buehler

The majority of the Railyards Area lacks adequate water and sewer utilities to supply residents and businesses. The Draft EIR states that a new water distribution system is proposed for the entire 240-acre Railyards property. Existing water mains would be abandoned and replaced by a grid network of water distribution lines and a new water transmission main would be constructed. A new drainage and sewer system would also be constructed. The existing sewer system is not sufficient to support the entire Railyards Area. Sewage plans include a new pump station and new pipelines. The existing drainage system, which currently discharges to the City's combined sewer/drainage system, would be removed to build a new gravity collection system and underground detention storage facility. The preliminary estimated cost for water, storm drainage, and sewer improvements is

$103,546,000[7] according to an Economic Impact Analysis by Economic & Planning Systems.

A second factor of physical blight according to Redevelopment Law Section 33031(a)(2) is conditions that prevent or substantially hinder the viable use or capacity of buildings or lots caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards. Buildings within the Railyards Area suffer from substandard, defective and obsolete design and construction due to their age and lack of necessary maintenance. Although the buildings' design elements will be conserved for historical preservation, they require serious upgrades to bring them up to current development standards and to make them safe to occupy.

Images and descriptions of each structure are provided in the following pages[8].

View of the Central Shops, 1890s. Image Source: Sacramento History Online.

[7] Source: Table A-2 "Preliminary Project Construction Cost Estimates", Sacramento Railyards Specific Plan Economic Impact Analysis by Economic & Planning Systems (EPS)

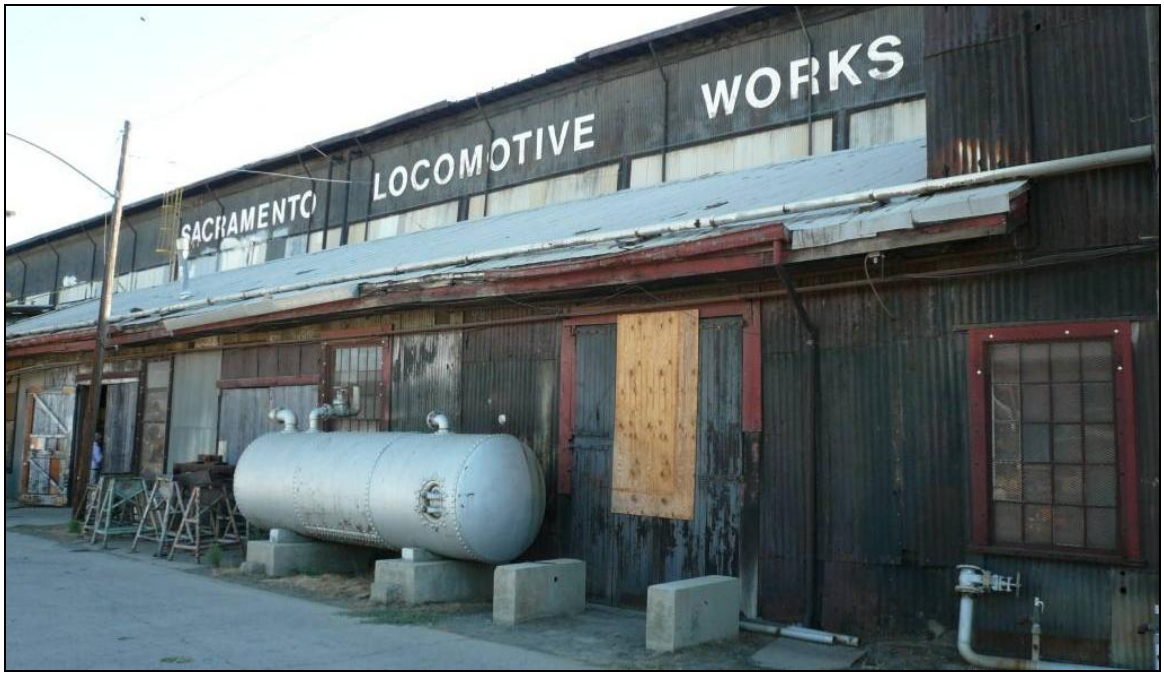
[8] Information on the age and original use of the Central Shops is cited from a document called "Sacramento General Shops" by D.L. Joslyn (1948) from the Central Pacific Railyard Photographic History Museum.

Central Shops Panoramic View, 1906. Image Source: Sacramento History Online.

Boiler Shop

Boiler Shop and Erecting Shop. Image Source: Historical Resources Impact Analysis Report.

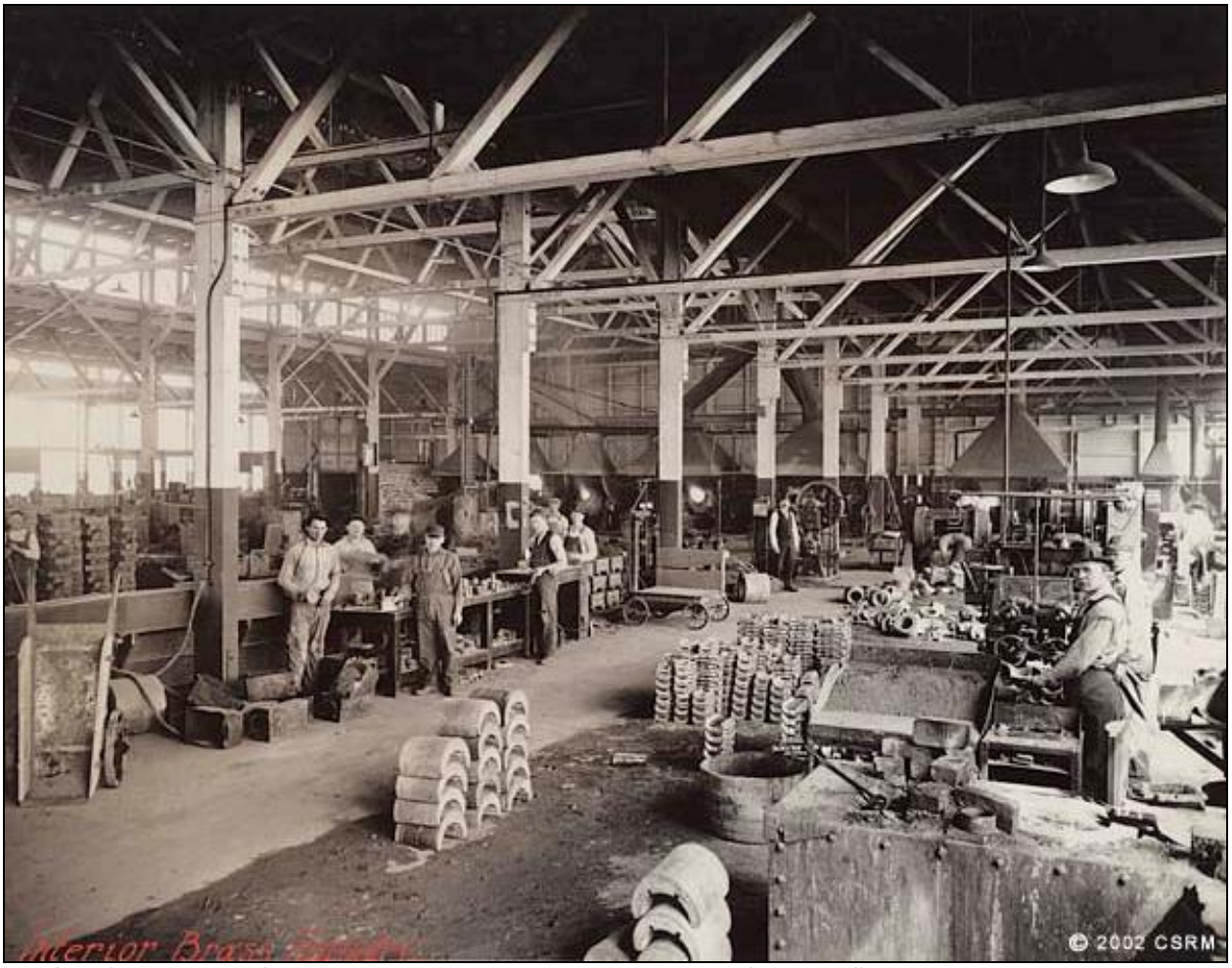
The Boiler Shop was built in 1890 to replace the original boiler shop that was built in 1872 or 1873. It was used to build and repair locomotives. The Erecting Shop was built in the same time period for similar purposes. The Boiler Shop and Erecting Shop are currently leased to the State Department of Parks and Recreation. They use the buildings to restore rail cars. The buildings may eventually be converted to a railroad museum. The buildings are dilapidated and deteriorated due to long term neglect. They have faulty weather protection, broken doors and windows, deteriorated walls and roofing materials, damaged external building materials, are vulnerable to serious damage from seismic or geologic hazards, and have inadequate water and sewer utilities. They are not safe to occupy and will require major renovation to be suitable for active use. More detailed images follow.



Boiler Shop. Image Source: Thomas Enterprises.

Boiler Shop. Image Source: Thomas Enterprises.

Deterioration and dilapidation of the Boiler Shop can be seen along the entire exterior. The roof, eaves, and overhangs are deteriorated and broken in areas. The wood is rotting in parts. Much of the building is constructed with aging, substandard materials (such as corrugated metal) and needs to be reinforced.



Interior of Brass Foundry, 1920s. Image Source: Sacramento History Online.

The photo above shows the interior of the Brass Foundry, which used to be located next to the Boiler Shop but no longer exists.

Erecting Shop

Erecting Shop. Image Source: Thomas Enterprises.

The Erecting Shop has a damaged exterior and foundation. The brick and concrete are severely cracked, which indicate a failing foundation and need extensive repair to protect against seismic damage. The following several photos display conditions resulting from long term neglect and deterioration.

Erecting Shop. Image Source: Thomas Enterprises.

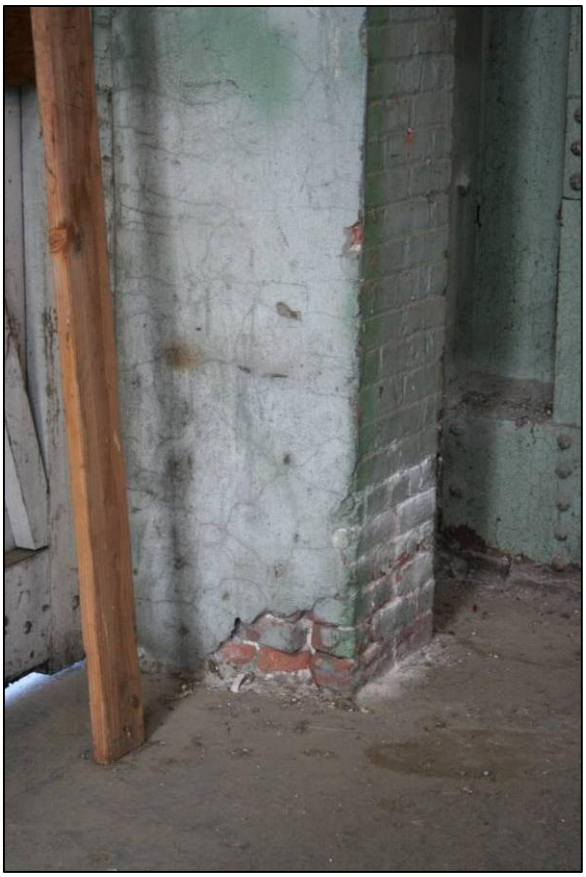
This image shows the extent of damage to the Erecting Shop's eaves and overhangs.

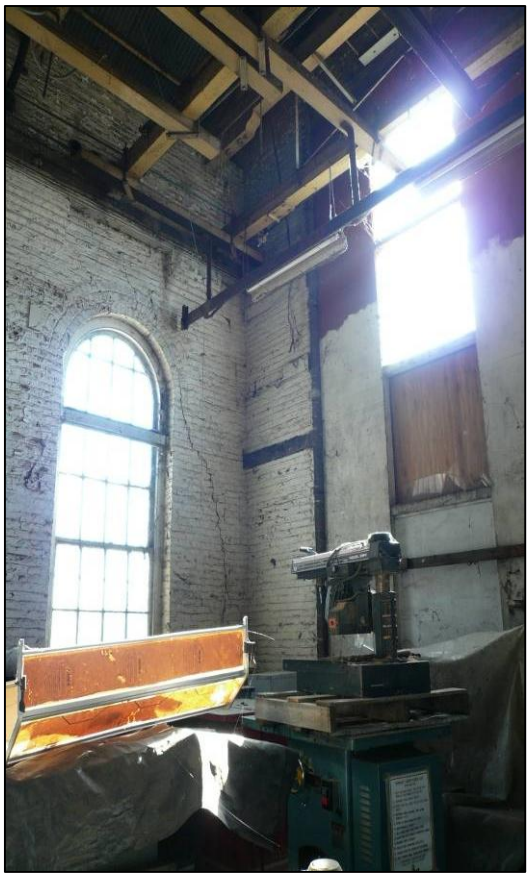
Erecting Shop. Image Source: Thomas Enterprises.

The Erecting Shop's interior walls are cracked and indicate a failing foundation due to severe deterioration. The windows are also broken and non-functional.

Erecting Shop. Image Source: Thomas Enterprises.

This image shows another example of how interior walls are cracked and windows are broken due to severe deterioration. The cracks indicate a failing foundation.





Erecting Shop. Image Source: Thomas Enterprises.

Expanding on the previous images, the condition of the interior walls and windows of the Erecting Shop make the building unsafe for persons to occupy. The two photos above show details of the interior of the Erecting Shop. Deterioration and long term neglect are evident in both photos.

Blacksmith Shop

Blacksmith Shop. Image Source: Thomas Enterprises.

The Blacksmith Shop was built in 1867 and expanded in 1873. It was used to build new locomotives and steam engines. The building is in serious disrepair due to long term neglect. It exhibits faulty weather protection, broken doors and windows, deteriorated walls and roofing materials, damaged external building materials, is vulnerable to serious damage from seismic or geologic hazards, and has inadequate water and sewer utilities. It is not safe to occupy and will require major renovation to be suitable for active use.

Car Shop

Car Shop 3. Image Source: Thomas Enterprises.

The Car Shop shown in the photo above was constructed in 1867. It was used to house offices and build locomotive cars. The Car Shop has faulty weather protection, broken doors and windows, deteriorated walls and roofing materials, damaged external building materials, is vulnerable to serious damage from seismic or geologic hazards, and has inadequate water and sewer utilities. It is unsafe to occupy in its present condition. The photos below provide additional perspectives of this building.

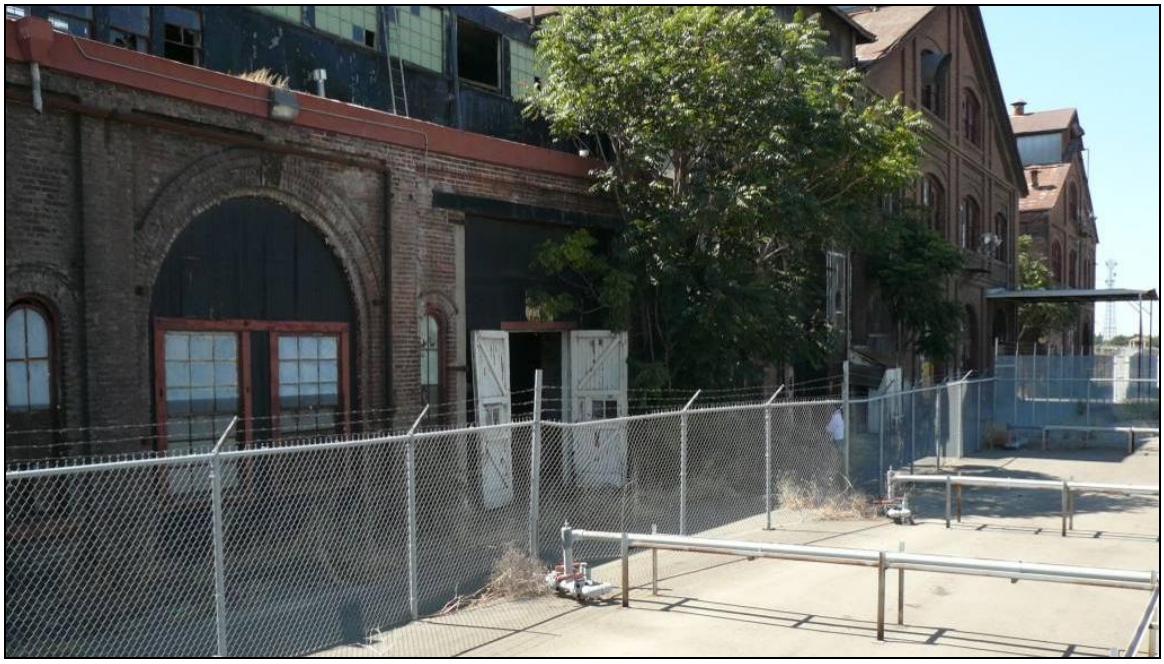
Car Shop 3. Image Source: Historical Resources Impact Analysis Report.

Car Shop 3. Image Source: Thomas Enterprises.

The photos above demonstrate deteriorating exterior building materials and foundations, seismic vulnerability from unreinforced masonry, broken windows and doors, and inadequate access to the property.

Car Shop 3. Image Source: Thomas Enterprises.

The photos above display rusted corrugated metal on the exterior of the building as well as broken and boarded up windows.



Car Shop 3. Image Source: Thomas Enterprises.

The photo above shows broken windows and damaged exterior building materials.

Car Shop 3. Image Source: Thomas Enterprises.

This interior photo shows the severe level of damage to the ceiling.

Car Shop 3. Image Source: Thomas Enterprises.

This image further displays Car Shop 3's deteriorating interior. The ceiling is falling apart due to rotting and splintered wood. The cracked wood support beams show signs of dilapidation and long term neglect.

Car Shop 3. Image Source: Thomas Enterprises.

Cracked interior wall shown in the photo above indicates a foundation and structural failure in Car Shop 3. The building requires intense structural renovation in order to become safe to occupy.

Car Shop 3. Image Source: Thomas Enterprises.

The building also exhibits cracked exterior walls shown in the photo above.

Planing Mill

Planing Mill. Image Source: Historical Resources Impact Analysis Report.

The Planing Mill was built the same year as Car Shop 3 and used for the same purposes. It suffers from faulty weather protection, broken doors and windows, deteriorated walls and roofing materials, damaged external building materials, is vulnerable to serious damage from seismic or geologic hazards, and has inadequate water and sewer utilities. Garbage and debris have accumulated outside the building. This structure also requires major renovation in order to be safe to occupy.

Planing Mill. Image Source: Thomas Enterprises.

The Planing Mill has sustained damage and deterioration to its exterior building materials. Many windows are broken and there are several missing bricks and other holes in the buildings exterior.

Planing Mill. Image Source: Thomas Enterprises.

Portions of the Planing Mill's exterior walls have sustained severe damage. There is also a collection of debris around the building which poses a sanitary and physical hazard to persons near the area.

Privy

Privy. Image Source: Historical Resources Impact Analysis Report.

The Privy is adjacent to the Planing Mill and suffers from faulty weather protection, broken windows, deteriorated walls and roofing materials, damaged external building materials, and is vulnerable to serious damage from seismic or geologic hazards.

Paint Shop

Paint Shop. Image Source: Historical Resources Impact Analysis Report.

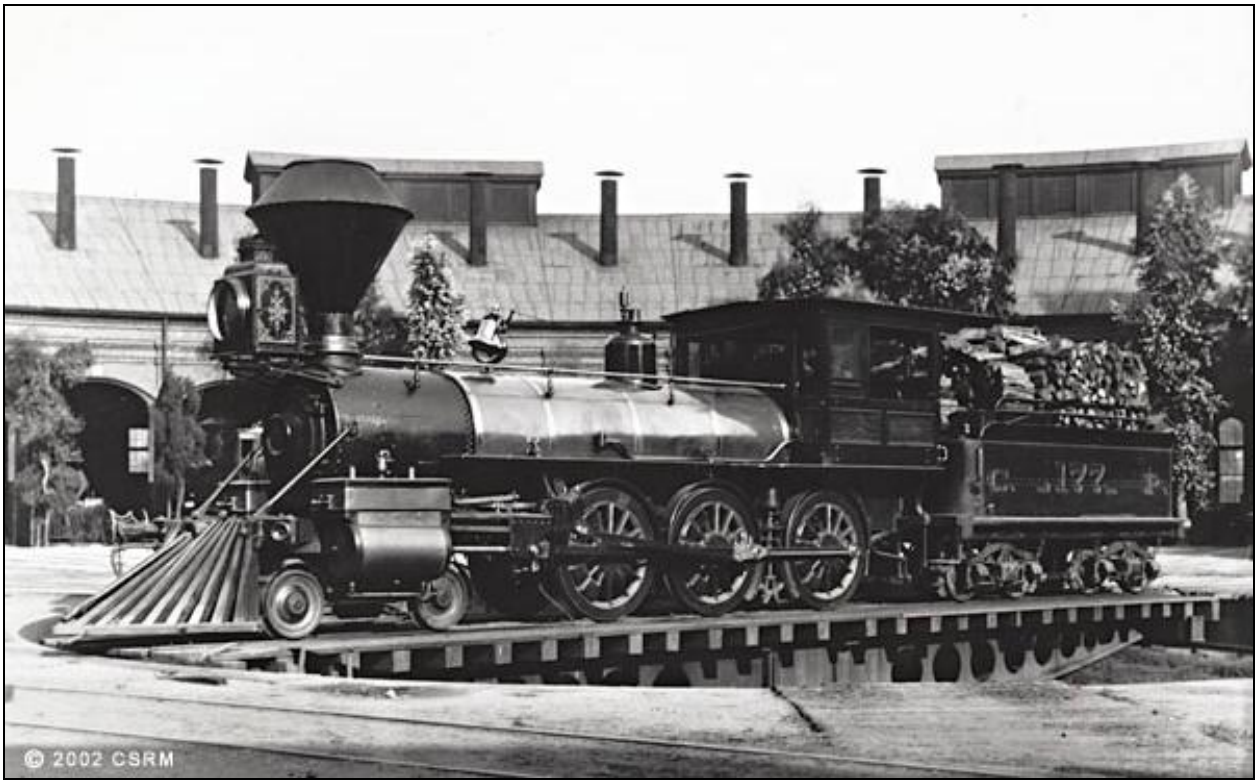
Paint Shop. Image Source: Thomas Enterprises.

The Paint Shop shares the conditions described for the previous buildings and requires major renovation to be safe and healthy to occupy. It exhibits faulty weather protection, broken doors and windows, deteriorated walls and roofing materials, damaged external building materials, is vulnerable to serious damage from seismic or geologic hazards, and has inadequate water and sewer utilities. The two photos above demonstrate these conditions.

Turntable

Turntable. Image Source: Historical Resources Impact Analysis Report.

The Turntable and surrounding pit and tracks are an historic architectural element that needs to be restored. This image further illustrates the dilapidation and deterioration of buildings in the background.



Locomotive at Turntable, 1886. Image Source: Sacramento History Online.

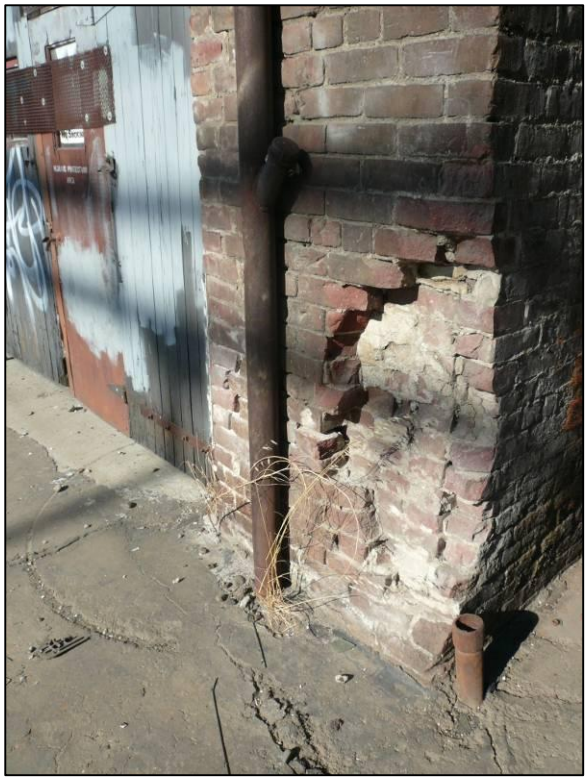
This photo displays a locomotive at the historic turntable in 1886.

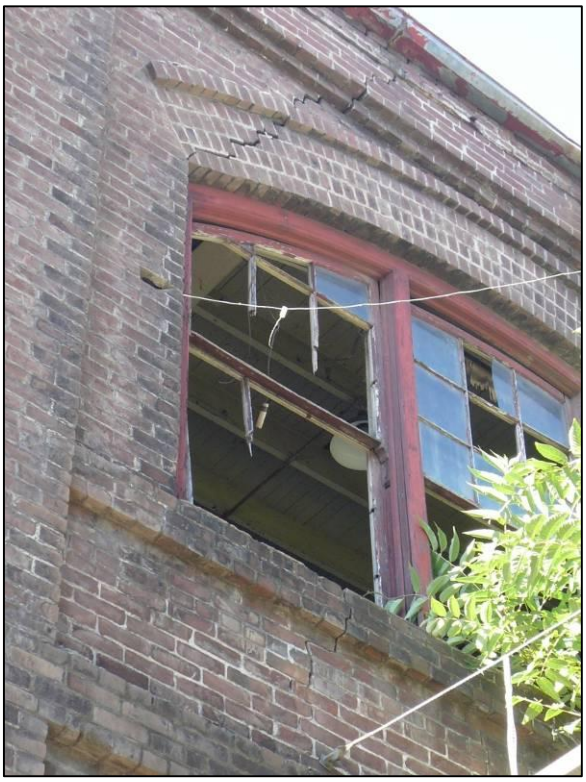
Car Machine Shop

Car Machine Shop. Image Source: Historical Resources Impact Analysis Report.

Car Machine Shop. Image Source: Thomas Enterprises.

The Car Machine Shop was built between 1867-1869 and extended in 1888. It had eleven pits with eleven tracks brought up from the yard to repair and build new locomotives, steamboats and ferries. This building has faulty weather protection, broken doors and windows, deteriorating walls and roofing materials, damaged external building materials, is vulnerable to serious damage from seismic or geologic hazards, and has inadequate water and sewer utilities. It requires major renovation in order to be safe to occupy.





Car Machine Shop. Image Source: Thomas Enterprises.

The two photos above demonstrate broken windows, deteriorating exterior building materials, and faulty weather protection. These conditions present evidence of long term neglect.

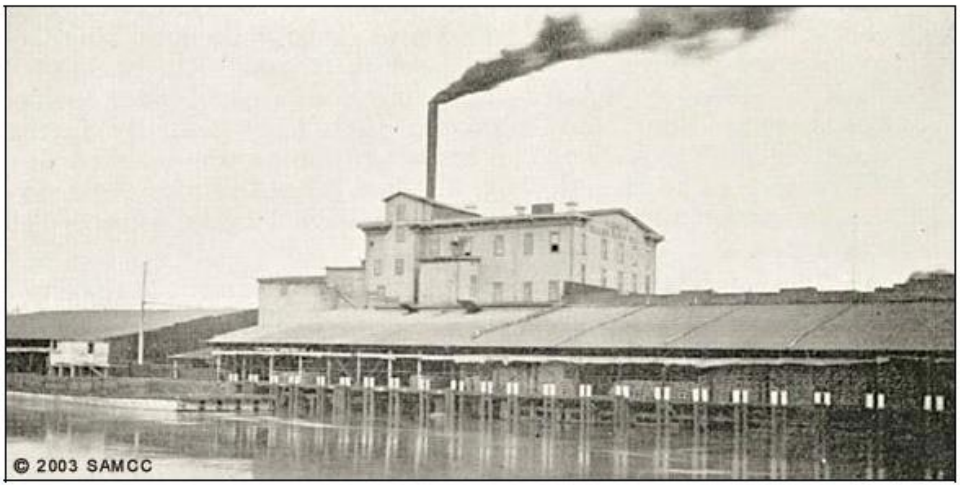
Central Shops Employees in Front of the Car Machine Shop, date unknown. Image Source: Sacramento History Online.

The historic photo above shows the Car Machine Shop and its employees when the building was in full use.

Former Pioneer/Sperry Mill

Remnant (pumphouse) of former Pioneer/Sperry Mill. Image Source: Historical Resources Impact Analysis Report.

This building is a remnant of the former Pioneer Sperry Mill located west of the Jiboom Street viaduct adjacent to the Sacramento River (pictured below). It shares the same blighting conditions as the previously described buildings and needs to be renovated to become safe to occupy.



Pioneer/Sperry Mill, 1894. Image Source: Historical Resources Impact Analysis Report.

Water Tower

Water Tower. Image Source: Historical Resources Impact Analysis Report.

The Water Tower shown in the photo above exhibits signs of serious dilapidation and deterioration due to long term neglect. It requires seismic upgrades and restoration in order to become safe for nearby building occupants.

Economic Blight

The Railyards Area suffers from economic blight as defined by Redevelopment Law Section 33031(b). Conditions include: 1) depreciated or stagnant property values; and 2) impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Redevelopment Law Section 33459).

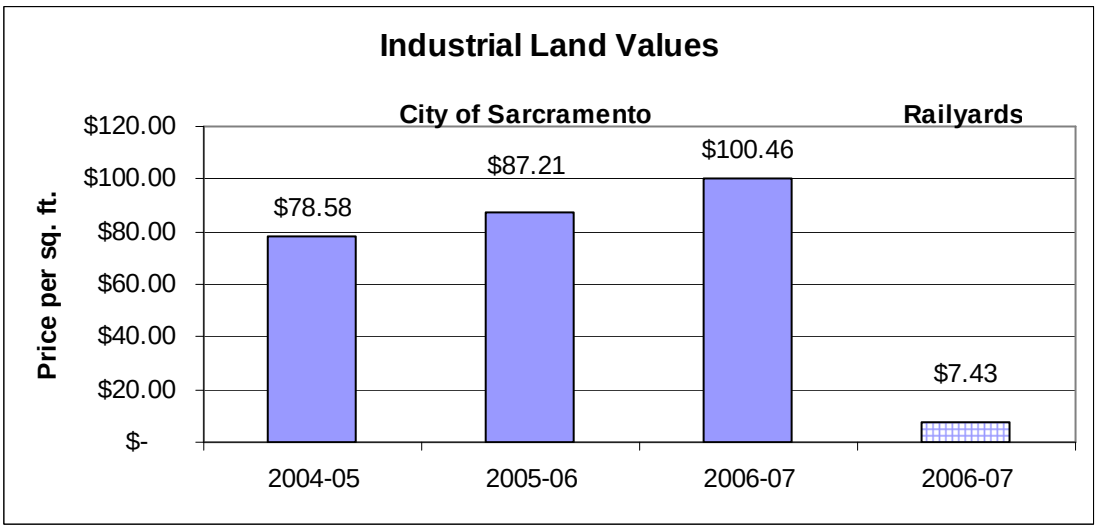
Property values are impaired due to serious structural damage and severe environmental contamination caused by over 100 years of railroad and industrial activity. Table B-7 compares the value of industrial land in the Railyards Area to the City. Within the City, the sales price of industrial land has risen steadily over the past three years, averaging $100.46 per square foot last year. Property values within the majority of the Railyards Area are drastically lower at $7.43 per square foot. This is based on the sale of 238 acres within the Railyards Area in December 2006.

Industrial Land Values **Table B-7**

Railyards Area vs. City of Sacramento

City of Sacramento	No. of Sales	Price/s.f.
Oct. 2004-Sept. 2005	16	$ 78.58
Oct. 2005-Sept. 2006	23	$ 87.21
Oct. 2006-Sept. 2007	20	$ 100.46
Recent Railyards Sale (238 acres)		
Dec. 2006	1	$ 7.43

Source: Loopnet Real Estate Service (Oct. 2007)
City of Sacramento



The Railyards Area has experienced continuous industrial use since the 1860's as a locomotive and railroad car assembly, repair, and refurbishing facility. Historic images throughout this Report show industrial activity from the late 1800s and early 1900s. Many activities in the Railyards Area involved the use of substances and material that are toxic or otherwise hazardous[9]. The majority of the Railyards Area is currently a Federal Superfund site, which is a federal program established to address abandoned hazardous waste sites. The United States Environmental Protection Agency and the California Department of Toxic Substances Control ("DTSC") began initial environmental investigations in the early 1980's and incorporated the site into several regulatory cleanup programs. Chemicals present on the site as indentified by the DTSC include heavy metals, volatile organic compounds, total petroleum hydrocarbons, semivolatile organic compounds, poly nuclear aromatics and asbestos. The site is subject to multiple land use restrictions due to contamination. It must be further remediated in order to accommodate housing. The high cost and complications related to environmental contamination make the majority of the Railyards Area undesirable to develop and have resulted in impaired property values.

[9] Information on environmental contamination is taken from the August 2007 Draft Sacramento Railyards Specific Plan and related Environmental Impact Report, the DTSC website, and various legal agreements provided by the City.

Winzler & Kelley Consulting Engineers performed a Hazardous Materials Survey Report of the Central Shops in July 2006. It details the type, level, and location of hazards located in each Central Shops building. Hazards include asbestos, lead based paint, and Title 22 Metals. A summary of their findings is displayed in Tables B-8 to B-16.

Asbestos Contamination Locations **Table B-8a**

Sacramento Railyards Central Shops

Building	Material Locations	Sample #	Material	Asbestos %	Estimated Quantity
Car Machine Shop	2nd Floor & Mezzanine	6276-I-1	Mastic	5%	3,200 SF
Car Machine Shop	Interior 2nd Floor & Mezzanine	6276-I-2	Mastic	5%	3,200 SF
Car Machine Shop	Wall & Ceilings	6276-L-1	Gasket	30%	20 SF
Car Machine Shop	2nd Floor	6276-N-1	Mastic	40%	5 SF
Planing Mill	Exterior Windows	6282-E-1	Window Putty	2%	2,000 SF
Planing Mill	Exterior Windows	6282-E-2	Window Putty	Prior Positive	2,000 SF
Planing Mill	Interior of the Windows	6282-H-1	Glazing	Trace	10 SF
Planing Mill	Interior of the Windows	6282-H-2	Glazing	Trace	10 SF
Planing Mill	Exterior Debris	6282-M-1	Cement Board	30%	5 SF
Planing Mill	Walkway Windows	6282-P-1	Sealant	2%	150LF
Planing Mill	Walkway Windows	6282-P-2	Sealant	Prior Positive	150LF
Planing Mill	2nd Floor, South Side	6282-Q-1	Insulation	80%	150LF
Planing Mill	2nd Floor, South Side	6282-Q-2	Insulation	Prior Positive	150LF
Planing Mill	South Side, East Side	6282-K-1	Asbestos Cement Pipe	>1% Assumed	40LF
Power House at Planing Mill	Exterior Wall Panels, Three Sides	PH-A-1	Asbestos Cement	20%	1,300 SF
Power House at Planing Mill	Exterior Wall Panels, Three Sides	PH-A-2	Asbestos Cement	Prior Positive	1,300 SF
Power House at Planing Mill	Roof & Surrounding Debris	PH-D-1	Mastic	Grey Mastic=7%	75SF
Power House at Planing Mill	Roof & Surrounding Debris	PH-D-2	Mastic	Prior Positive	75SF
Power House at Planing Mill	Pipe Pile on East Side	PH-E-1	Gasket	70%	3 Each
Power House at Planing Mill	Exterior Wall Panel Seaming	PH-F-1	Sealant	3%	200LF
Power House at Planing Mill	Exterior Wall Panel Seaming	PH-F-2	Sealant	Prior Positive	200LF
Privy at Planing Mill	At Interior/Exterior Walls	6279-F-1	Gasket	80%	3 Each
Privy at Planing Mill	Interior Wood Panels	6279-G-1	Mastic	Black Mastic=2%	300SF
Privy at Planing Mill	Interior Wood Panels	6279-G-2	Mastic	Prior Positive	300SF
Privy at Planing Mill	Floor where occurs 2nd & 3rd Floors	6279-I-1	Vinyl Sheet Flooring & Mastic	Black Mastic=5%	1,400SF
Privy at Planing Mill	Floor where occurs 2nd & 3rd Floors	6279-I-2	Vinyl Sheet Flooring & Mastic	Black Mastic=5%	1,400SF
Privy at Planing Mill	Roof	6279-H-1	Roofing	>1%	700SF

Source: Railyards Central Shops, Hazardous Materials Survey Report; Prepared by Winzler and Kelly Consulting Engineers

Asbestos Contamination Locations (Cont.) **Table B-8b**

Sacramento Railyards Central Shops					
Car Shop 3	Air Room Windows	CS3-E-1	Glazing Compound with Paint	Grey Non-Fibrous Material=Trace	90SF
Car Shop 4	Exterior East Side at Metal Shed/Brick Wall Interface	CS3-G-1	Sealant	5%	100LF
Car Shop 5	Exterior East Side at Metal Shed/Brick Wall Interface	CS3-G-2	Sealant	Prior Positive	100LF
Car Shop 6	Debris Pile on Westside, North End, & Roof	CS3-I-1	Roof Sheeting	Black Felt=50%	1,500SF
Car Shop 7	Debris Pile on Westside, North End, & Roof	CS3-I-2	Roof Sheeting	Prior Positive	1,500SF
Car Shop 8	Debris Pile on Westside, North End, & Roof	CS3-J-1	Mastic	Black Mastic=10% Black Tar=5% Black Felt=60%	200SF
Car Shop 9	Debris Pile on Westside, North End, & Roof	CS3-J-2	Mastic	Prior Positive	200SF
Car Shop 10	Electrical Boxes (when occur)	CS3-P-1	Insulator	20%	350SF
Car Shop 11	Exhaust Duct in Metal Shed	CS3-T-1	Insulation	95%	20SF
Car Shop 12	South Bay, 1st Floor by South Wall	CS3-V-1	Gasket	80%	1 Each
Car Shop 13	Duct on 2nd Floor	CS3-W-1	Insulation	80%	5SF
Car Shop 14	1st Floor Piping (where occur)	CS3-X-1	Insulation	2%	2 Each
Blacksmith Shop	Exterior Window Sills	6280-A-1	Sealant	10%	5SF
Blacksmith Shop	Exterior Window Sills	6280-A-2	Sealant	Prior Positive	5SF
Blacksmith Shop	Interior Electrical Boxes	6280-D-1	Insulator	20%	25SF
Blacksmith Shop	Pipe Valve, Interior	6280-O-1	Gasket	80%	1 each
Blacksmith Shop	Roof	6280-Q-1	Asbestos Cement Roof Panels	>1%	28,000SF
Paint Shop	Roof	6284-D-1	Sheeting	Black Felt=30%	2,100SF
Paint Shop	Electrical Boxes	6284-F-1	Insulation Paper	70%	5 SF
Paint Shop	Electrical Boxes	6284-F-2	Insulation Paper	Prior Positive	5 SF
Paint Shop	Exterior, West Wall	6284-K-1	Sealant	2%	100SF
Paint Shop	Exterior, West Wall	6284-K-2	Sealant	Prior Positive	100SF
Paint Shop	Electrical Boxes	6284-M-1	Insulator	20%	6 each (5SF)
Paint Shop	Stored Valve Pipes	6284-EE-1	Gasket	20%	10SF

Source: Railyards Central Shops, Hazardous Materials Survey Report; Prepared by Winzler and Kelly Consulting Engineers

Asbestos Contamination Locations (Cont.)					**Table B-8c**
Sacramento Railyards Central Shops					
Bldg #6277	Walls	6277-B-1	Vapor Paper	80%	1,500SF
Bldg #6277	Walls	6277-B-2	Vapor Paper	Prior Positive	1,500SF
Bldg #6277	Windows	6277-D-1	Window Putty	Off-White Putty=2%	200SF
Bldg #6277	Windows	6277-D-2	Window Putty	Off-White Putty=2%	200SF
Bldg #6278	Windows	6278-A-1	Sealant	5%	80LF
Bldg #6278	Windows	6278-A-2	Sealant	Prior Positive	80LF
Bldg #6280a (Shed)	Window & Seams on Walls & Roof	6280A-A-1	Sealant	Non-Fibrous Material=3%	50LF
Bldg #6280a (Shed)	Window & Seams on Walls & Roof	6280A-A-2	Sealant	Non-Fibrous Material=5%	50LF
Misc. Structures - Shed by Car Shop #3	Pipe Flange	SHEDCS3-A-1	Gasket	50%	5 each
Misc. Structures - Shed by Car Shop #3	Electrical Box	SHEDCS3-A-2	Insulator	20%	5SF
Wheel Set Washer	Exhaust Stack on ground by washer	WSW-A-1	Insulation	10%	6' Long
Wheel Set Washer	Debris Pile by Wheel Washer	WSW-A-2	Sheeting	80%	10SF

Source: Railyards Central Shops, Hazardous Materials Survey Report; Prepared by Winzler and Kelly Consulting Engineers

Lead Based Paint Contamination Locations **Table B-9a**

Sacramento Railyards Central Shops

Building	Location	Surface	Condition	XRF Result (mg/cm2)*
Car Machine Shop	Warehouse Interior	Wood Structure	Poor	7
Car Machine Shop	Warehouse Interior North Side	Metal Hand Rails	Intact	1
Car Machine Shop	Warehouse Interior North Side	Brick Wall	Poor	7
Car Machine Shop	Warehouse Interior North Side	Wood Windows	Fair	12
Car Machine Shop	Warehouse Interior North Side	Wood Window Frame	Fair	9
Car Machine Shop	Warehouse Interior	Wood Column	Poor	5
Car Machine Shop	Warehouse Interior East	Crane Support	Intact	14
Car Machine Shop	Warehouse Interior	Rolling Door Frame	Fair	2
Car Machine Shop	Exterior South	Metal Safety Ballard	Fair	5
Car Machine Shop	Exterior North	Metal Stairs	Poor	17
Car Machine Shop	Exterior North	Wood Window Casing	Poor	9
Car Machine Shop	Exterior North	Wood Window	Poor	8
Car Machine Shop	2nd Floor Interior North	Brick Wall	Poor	15
Car Machine Shop	2nd Floor Interior NE	Wood Column	Poor	4
Car Machine Shop	2nd Floor Interior North	Plaster Wall	Intact	2
Car Machine Shop	2nd Floor Interior West	Brick Wall	Poor	15
Car Machine Shop	2nd Floor Interior West	Wood Wall	Poor	6
Planing Mill Main Building	1st Floor Interior North	Brick Wall	Poor	33
Planing Mill Main Building	1st Floor Interior North	Wood Window Casing	Fair	15
Planing Mill Main Building	1st Floor Interior North	Wood Window	Fair	16
Planing Mill Main Building	1st Floor Interior NW	Metal Crane Beam	Intact	15
Planing Mill Main Building	1st Floor Interior NW	Wood Column	Poor	15
Planing Mill Main Building	1st Floor Interior SW	Metal Fire Door	Intact	9
Planing Mill Main Building	1st Floor Interior SE	Wood Door Frame	Poor	12
Planing Mill Main Building	1st Floor Exterior East	Wood Window Casing	Poor	17
Planing Mill Main Building	1st Floor Interior West	Wood Wall	Poor	3
Planing Mill Main Building	2nd Floor Interior North	Metal Door	Poor	20
Planing Mill Main Building	2nd Floor Interior North	Brick Upper Wall	Intact	6
Planing Mill Main Building	2nd Floor Interior North	Brick Lower Wall	Intact	13
Planing Mill Main Building	2nd Floor Interior West	Wood Wall	Intact	2
Planing Mill Main Building	2nd Floor Interior East	Wood Window Casing	Fair	17
Planing Mill Main Building	2nd Floor Interior East	Wood Window	Fair	19
Power House at Planing Mill	Interior South	Wood Wall	Poor	5
Privy at Planing Mill	2nd Floor Interior West	Brick Wall	Poor	21
Privy at Planing Mill	2nd Floor Interior South	Wood Window Casing	Poor	2
Privy at Planing Mill	2nd Floor Interior South	Wood Window	Poor	23
Privy at Planing Mill	2nd Floor Interior	Wood Toilet Stalls	Poor	3
Privy at Planing Mill	Exterior South	Wood Door Frame	Poor	3
Privy at Planing Mill	1st Floor Interior East	Brick Wall	Poor	19
Privy at Planing Mill	1st Floor Interior	Wood Ceiling	Fair	4
Privy at Planing Mill	Exterior East	Wood Window Casing	Poor	5
Privy at Planing Mill	3rd Floor Interior North	Brick Wall	Poor	28

*Lead-Based Paint >1.0 milligrams lead/square centimeter (mg/cm2)

Source: Hazardous Materials Survey Report; Prepared by Winzler and Kelly Consulting Engineers

Lead Based Paint Contamination Locations (cont.)				Table B-9b
Sacramento Railyards Central Shops				
Car Shop	1st Floor Exterior East	Metal Pipe	Poor	5
Car Shop	1st Floor Interior Center	Wood Support Column	Poor	2
Car Shop	1st Floor Interior West	Wood Window Sill	Poor	3
Car Shop	1st Floor Interior Center	Brick Wall	Poor	7
Car Shop	1st Floor Interior Center	Vinyl Floor	Poor	6
Car Shop	1st Floor Interior East	Wood Door Frame	Poor	4
Car Shop	1st Floor Interior Center	Wood Column	Poor	8
Car Shop	1st Floor Interior West	Metal Wall	Intact	0
Car Shop	1st Floor Interior North	Metal Ladder	Fair	0
Car Shop	1st Floor Interior East	Brick Wall	Fair	28
Blacksmith Shop	Exterior East	Metal Door	Poor	11
Blacksmith Shop	Interior West	Metal Hoist Column	Fair	1
Blacksmith Shop	Interior East	Metal Hoist Column	Intact	3
Paint Shop	Exterior East	Brick Wall	Poor	37
Paint Shop	Interior North	Wood Window Sill	Poor	2
Paint Shop	Interior West	Metal Electircal Panel	Intact	3
Paint Shop	Interior Center	Metal Support Column	Poor	1
Paint Shop	Interior Center	Concrete Floor	Poor	5
Paint Shop	Interior South	Brick Wall	Fair	10
Bldg #6277	Exterior West	Wood Wall	Poor	6
Bldg #6277	Exterior West	Metal Safety Pole	Poor	5
Bldg #6277	Exterior North	Wood Door Frame	Fair	1
Bldg #6277	Interior West	Wood Wall	Poor	8
Bldg #6278	Exterior North	Metal Hand Rails	Fair	2
Bldg #6283	Exterior South	Metal Ramp Rail	Intact	2
Wheel Set Washer	Exterior	Metal Rail	Fair	5

*Lead-Based Paint >1.0 milligrams lead/square centimeter (mg/cm2)

Source: Hazardous Materials Survey Report; Prepared by Winzler and Kelly Consulting Engineers

Title 22 Metals Above Required Levels **Table B-10**

Sacramento Railyards Central Shops

Building	Metal	Sample #	PPM*	Required**
Car Machine Shop	Lead	6276-01	9,700	1,000
Car Machine Shop	Zinc	6276-01	5,800	5,000
Car Machine Shop	Lead	6276-02	13,000	1,000
Car Machine Shop	Zinc	6276-02	15,000	5,000
Car Machine Shop	Lead	6276-03	2,300	1,000
Car Machine Shop	Zinc	6276-03	4,300	5,000
Planing Mill	Chromium	6282-01	1,900	2,500
Planing Mill	Lead	6282-01	8,800	1,000
Planing Mill	Zinc	6282-01	8,100	5,000
Planing Mill	Lead	6282-02	2,500	1,000
Planing Mill	Zinc	6282-02	2,800	5,000
Powerhouse at Planing Mill	Lead	Powerhouse-01	26,000	1,000
Powerhouse at Planing Mill	Zinc	Powerhouse-01	25,000	5,000
Car Shop	Copper	CarShop3-01	5,100	2,500
Car Shop	Lead	CarShop3-01	36,000	1,000
Car Shop	Zinc	CarShop3-01	39,000	5,000
Car Shop	Lead	CarShop3-02	63,000	1,000
Car Shop	Zinc	CarShop3-02	92,000	5,000
Blacksmith Shop	Lead	6280-01	14,000	1,000
Blacksmith Shop	Zinc	6280-01	12,000	5,000

*PPM=parts per million (mg/kg)
**Taken from Title 22, Division 4.5. Chapter 11, Article 3, §66261.24 Characteristic of Toxicity

Source: Railyard Central Shops Hazardous Materials Survey Report, Prepared by: Winzler & Kelly

Hazardous Materials: Car Machine Shop **Table B-11**

Sacramento Railyards Central Shops

Lead Based Paint Contamination

Location	Surface	Condition	XRF Result (mg/cm2)*
Warehouse Interior	Wood Structure	Poor	6.60
Warehouse Interior North Side	Metal Hand Rails	Intact	1.30
Warehouse Interior North Side	Brick Wall	Poor	6.50
Warehouse Interior North Side	Wood Windows	Fair	12.00
Warehouse Interior North Side	Wood Window Frame	Fair	8.80
Warehouse Interior	Wood Column	Poor	5.20
Warehouse Interior East	Crane Support	Intact	14.00
Warehouse Interior	Rolling Door Frame	Fair	1.60
Exterior South	Metal Safety Ballard	Fair	4.60
Exterior North	Metal Stairs	Poor	17.00
Exterior North	Wood Window Casing	Poor	9.40
Exterior North	Wood Window	Poor	7.80
2nd Floor Interior North	Brick Wall	Poor	15.00
2nd Floor Interior NE	Wood Column	Poor	4.40
2nd Floor Interior North	Plaster Wall	Intact	1.70
2nd Floor Interior West	Brick Wall	Poor	15.00
2nd Floor Interior West	Wood Wall	Poor	6.30

Asbestos Contamination

Locations	Material	Asbestos %	Quantity
2nd Floor & Mezzanine	Mastic	5%	3,200 SF
Interior 2nd Floor & Mezzanine	Mastic	5%	3,200 SF
Wall & Ceilings	Gasket	30%	20 SF
2nd Floor	Mastic	40%	5 SF

Title 22 Metals

Metal	Sample #	PPM**	Threshold***
Lead	6276-01	9,700	1,000
Zinc	6276-01	5,800	5,000
Lead	6276-02	13,000	1,000
Zinc	6276-02	15,000	5,000
Lead	6276-03	2,300	1,000

*Lead-Based Paint >1.0 milligrams lead/square centimeter (mg/cm2)
**PPM=parts per million (mg/kg)
***Taken from Title 22, Division 4.5. Chapter 11, Article 3, §66261.24 Characteristic of Toxicity

Source: Railyards Central Shops, Hazardous Materials Survey Report; Prepared by: Winzler & Kelly

Hazardous Materials: Planing Mill **Table B-12a**

Sacramento Railyards Central Shops

Lead Based Paint Contamination

Location	Surface	Condition	XRF Result (mg/cm2)*
Main Bldg - 1st Floor Interior North	Brick Wall	Poor	33
Main Bldg - 1st Floor Interior North	Wood Window Casing	Fair	15
Main Bldg - 1st Floor Interior North	Wood Window	Fair	16
Main Bldg - 1st Floor Interior NW	Metal Crane Beam	Intact	15
Main Bldg - 1st Floor Interior NW	Wood Column	Poor	15
Main Bldg - 1st Floor Interior SW	Metal Fire Door	Intact	9
Main Bldg - 1st Floor Interior SE	Wood Door Frame	Poor	12
Main Bldg - 1st Floor Exterior East	Wood Window Casing	Poor	17
Main Bldg - 1st Floor Interior West	Wood Wall	Poor	3
Main Bldg - 2nd Floor Interior North	Metal Door	Poor	20
Main Bldg - 2nd Floor Interior North	Brick Upper Wall	Intact	6
Main Bldg - 2nd Floor Interior North	Brick Lower Wall	Intact	13
Main Bldg - 2nd Floor Interior West	Wood Wall	Intact	2
Main Bldg - 2nd Floor Interior East	Wood Window Casing	Fair	17
Main Bldg - 2nd Floor Interior East	Wood Window	Fair	19
Power House - Interior South	Wood Wall	Poor	5
Privy - 2nd Floor Interior West	Brick Wall	Poor	21
Privy - 2nd Floor Interior South	Wood Window Casing	Poor	2
Privy - 2nd Floor Interior South	Wood Window	Poor	23
Privy - 2nd Floor Interior	Wood Toilet Stalls	Poor	3
Privy - Exterior South	Wood Door Frame	Poor	3
Privy - 1st Floor Interior East	Brick Wall	Poor	19
Privy - 1st Floor Interior	Wood Ceiling	Fair	4
Privy - Exterior East	Wood Window Casing	Poor	5
Privy - 3rd Floor Interior North	Brick Wall	Poor	28

*Lead-Based Paint >1.0 milligrams lead/square centimeter (mg/cm2)
**PPM=parts per million (mg/kg)
***Taken from Title 22, Division 4.5. Chapter 11, Article 3, §66261.24 Characteristic of Toxicity

Source: Railyards Central Shops, Hazardous Materials Survey Report; Prepared by: Winzler & Kelly

Hazardous Materials: Planing Mill (cont.) **Table B-12b**

Sacramento Railyards Central Shops

Asbestos Contamination

Location	Material	Asbestos %	Quantity
Main Bldg - Exterior Windows	Window Putty	2%	2,000 SF
Main Bldg - Exterior Windows	Window Putty	Prior Positive	2,000 SF
Main Bldg - Interior of the Windows	Glazing	Trace	10 SF
Main Bldg - Interior of the Windows	Glazing	Trace	10 SF
Main Bldg - Exterior Debris	Cement Board	30%	5 SF
Main Bldg - Walkway Windows	Sealant	2%	150LF
Main Bldg - Walkway Windows	Sealant	Prior Positive	150LF
Main Bldg - 2nd Floor, South Side	Insulation	80%	150LF
Main Bldg - 2nd Floor, South Side	Insulation	Prior Positive	150LF
Main Bldg - South Side, East Side	Asbestos Cement Pipe	>1% Assumed	40LF
Power House - Exterior Wall Panels, 3 Sides	Asbestos Cement	20%	1,300 SF
Power House - Exterior Wall Panels, 3 Sides	Asbestos Cement	Prior Positive	1,300 SF
Power House - Roof & Surrounding Debris	Mastic	Grey Mastic=7%	75SF
Power House - Roof & Surrounding Debris	Mastic	Prior Positive	75SF
Power House - Pipe Pile on East Side	Gasket	70%	3 Each
Power House - Exterior Wall Panel Seaming	Sealant	3%	200LF
Power House - Exterior Wall Panel Seaming	Sealant	Prior Positive	200LF
Privy - At Interior/Exterior Walls	Gasket	80%	3 Each
Privy - Interior Wood Panels	Mastic	Black Mastic=2%	300SF
Privy - Interior Wood Panels	Mastic	Prior Positive	300SF
Privy - Floor where occurs 2nd & 3rd Floors	Vinyl Flooring & Mastic	Black Mastic=5%	1,400SF
Privy - Floor where occurs 2nd & 3rd Floors	Vinyl Flooring & Mastic	Black Mastic=5%	1,400SF
Privy - Roof	Roofing	>1%	700SF

Title 22 Metals

Metal	Sample #	PPM**	Required***
Lead	6282-01	8,800	1,000
Zinc	6282-01	8,100	5,000
Lead	6282-02	2,500	1,000
Lead	Powerhouse-01	26,000	1,000
Zinc	Powerhouse-01	25,000	5,000

*Lead-Based Paint >1.0 milligrams lead/square centimeter (mg/cm2)
**PPM=parts per million (mg/kg)
***Taken from Title 22, Division 4.5. Chapter 11, Article 3, §66261.24 Characteristic of Toxicity

Source: Railyards Central Shops, Hazardous Materials Survey Report; Prepared by: Winzler & Kelly

Hazardous Materials: Car Shop **Table B-13**

Sacramento Railyards Central Shops

Lead Based Paint Contamination

Location	Surface	Condition	XRF Result (mg/cm2)*
1st Floor Exterior SW	Metal Support Column	Poor	16
1st Floor Exterior South	Metal Door	Poor	22
1st Floor Exterior East	Metal Pipe	Poor	5
1st Floor Interior Center	Wood Support Column	Poor	2
1st Floor Interior West	Wood Window Sill	Poor	3
1st Floor Interior Center	Brick Wall	Poor	7
1st Floor Interior Center	Vinyl Floor	Poor	6
1st Floor Interior East	Wood Door Frame	Poor	4
1st Floor Interior Center	Wood Column	Poor	8
1st Floor Interior West	Metal Wall	Intact	0
1st Floor Interior North	Metal Ladder	Fair	0
1st Floor Interior East	Brick Wall	Fair	28

Asbestos Contamination

Location	Material	Asbestos %	Quantity
Air Room Windows	Glazing Compound	Non-Fibrous Material=Trace	90SF
Exterior East Side at Metal Shed & Brick Wall	Sealant	5%	100LF
Exterior East Side at Metal Shed & Brick Wall	Sealant	Prior Positive	100LF
Debris Pile on Westside, North End, & Roof	Roof Sheeting	Black Felt=50%	1,500SF
Debris Pile on Westside, North End, & Roof	Roof Sheeting	Prior Positive	1,500SF
Debris Pile on Westside, North End, & Roof	Mastic	Mastic=10% Black Tar=5% Black Felt=60%	200SF
Debris Pile on Westside, North End, & Roof	Mastic	Prior Positive	200SF
Electrical Boxes (when occur)	Insulator	20%	350SF
Exhaust Duct in Metal Shed	Insulation	95%	20SF
South Bay, 1st Floor by South Wall	Gasket	80%	1 Each
Duct on 2nd Floor	Insulation	80%	5SF
1st Floor Piping (where occur)	Insulation	2%	2 Each

Title 22 Metals

Metal	Sample #	PPM**	Required***
Copper	CarShop3-01	5,100	2,500
Lead	CarShop3-01	36,000	1,000
Zinc	CarShop3-01	39,000	5,000
Lead	CarShop3-02	63,000	1,000
Zinc	CarShop3-02	92,000	5,000

*Lead-Based Paint >1.0 milligrams lead/square centimeter (mg/cm2)
**PPM=parts per million (mg/kg)
***Taken from Title 22, Division 4.5. Chapter 11, Article 3, §66261.24 Characteristic of Toxicity

Source: Railyards Central Shops, Hazardous Materials Survey Report; Prepared by: Winzler & Kelly

Hazardous Materials: Blacksmith Shop **Table B-14**

Sacramento Railyards Central Shops

Lead Based Paint Contamination

Location	Surface	Condition	XRF Result (mg/cm2)*
Exterior East	Metal Door	Poor	11
Interior West	Metal Hoist Column	Fair	1
Interior East	Metal Hoist Column	Intact	3

Asbestos Contamination

Material Locations	Material	Asbestos %	Quantity
Exterior Window Sills	Sealant	10%	5SF
Exterior Window Sills	Sealant	Prior Positive	5SF
Interior Electrical Boxes	Insulator	20%	25SF
Pipe Valve, Interior	Gasket	80%	1 each
Roof	Asbestos Cement Roof Panels	>1%	28,000SF

Title 22 Metals

Metal	Sample #	PPM**	Required***
Lead	6280-01	14,000	1,000
Zinc	6280-01	12,000	5,000

*Lead-Based Paint >1.0 milligrams lead/square centimeter (mg/cm2)
**PPM=parts per million (mg/kg)
***Taken from Title 22, Division 4.5. Chapter 11, Article 3, §66261.24 Characteristic of Toxicity

Source: Railyards Central Shops, Hazardous Materials Survey Report; Prepared by: Winzler & Kelly

Hazardous Materials: Paint Shop **Table B-15**

Sacramento Railyards Central Shops

Lead Based Paint Contamination

Location	Surface	Condition	XRF Result (mg/cm2)*
Exterior East	Brick Wall	Poor	37
Interior North	Wood Window Sill	Poor	2
Interior West	Metal Electircal Panel	Intact	3
Interior Center	Metal Support Column	Poor	1
Interior Center	Concrete Floor	Poor	5
Interior South	Brick Wall	Fair	10

Asbestos Contamination

Material Locations	Material	Asbestos %	Quantity
Roof	Sheeting	Black Felt=30%	2,100SF
Electrical Boxes	Insulation Paper	70%	5 SF
Electrical Boxes	Insulation Paper	Prior Positive	5 SF
Exterior, West Wall	Sealant	2%	100SF
Exterior, West Wall	Sealant	Prior Positive	100SF
Electrical Boxes	Insulator	20%	6 each (5SF)
Stored Valve Pipes	Gasket	20%	10SF

*Lead-Based Paint >1.0 milligrams lead/square centimeter (mg/cm2)
**PPM=parts per million (mg/kg)
***Taken from Title 22, Division 4.5. Chapter 11, Article 3, §66261.24 Characteristic of Toxicity

Source: Railyards Central Shops, Hazardous Materials Survey Report; Prepared by: Winzler & Kelly

Hazardous Materials: Other Buildings **Table B-16**

Sacramento Railyards Central Shops

Lead Based Paint Contamination

Building	Location	Surface	Condition	XRF Result (mg/cm2)*
Bldg #6277	Exterior West	Wood Wall	Poor	6
Bldg #6277	Exterior West	Metal Safety Pole	Poor	5
Bldg #6277	Exterior North	Wood Door Frame	Fair	1
Bldg #6277	Interior West	Wood Wall	Poor	8
Bldg #6278	Exterior North	Metal Hand Rails	Fair	2
Bldg #6283	Exterior South	Metal Ramp Rail	Intact	2
Wheel Set Washer	Exterior	Metal Rail	Fair	5

Asbestos Contamination

Building	Material Locations	Material	Asbestos %	Quantity
Bldg #6277	Walls	Vapor Paper	80%	1,500SF
Bldg #6277	Walls	Vapor Paper	Prior Positive	1,500SF
Bldg #6277	Windows	Window Putty	White Putty=2%	200SF
Bldg #6277	Windows	Window Putty	White Putty=2%	200SF
Bldg #6278	Windows	Sealant	5%	80LF
Bldg #6278	Windows	Sealant	Prior Positive	80LF
Bldg #6280a (Shed)	Window & Seams on Walls & Roof	Sealant	Non-Fibrous Material=3%	50LF
Bldg #6280a (Shed)	Window & Seams on Walls & Roof	Sealant	Non-Fibrous Material=5%	50LF
Misc. Structures - Shed by Car Shop	Pipe Flange	Gasket	50%	5 each
Misc. Structures - Shed by Car Shop	Electrical Box	Insulator	20%	5SF
Wheel Set Washer	Exhaust Stack by Washer	Insulation	10%	6' Long
Wheel Set Washer	Debris Pile by Wheel Washer	Sheeting	80%	10SF

*Lead-Based Paint >1.0 milligrams lead/square centimeter (mg/cm2)
**PPM=parts per million (mg/kg)
***Taken from Title 22, Division 4.5. Chapter 11, Article 3, §66261.24 Characteristic of Toxicity

Source: Railyards Central Shops, Hazardous Materials Survey Report; Prepared by: Winzler & Kelly

The environmental hazards are being mitigated by the newest property owner pursuant to a 1988 Enforceable Agreement between the California Environmental Protection Agency ("EPA"), the Department of Toxic Substances Control, the Southern Pacific Transportation Company ("SPTCo"), and the City of Sacramento. The existing property owner is responsible for SPTCo's obligations to clean the site pursuant to this agreement. A new tri-party memorandum of understanding among the property owner (Thomas Enterprises), the City, and DTSC has been executed.

DTSC has approved remedial action plans for the site which are currently being implemented by the property owner. At this time, five areas within the Railyards Area have been certified as remediated. These include the sand blast grit piles, the battery shop, the pond & ditch, the drum storage area and the Sacramento station. These five sites are

subject to deed restrictions which prohibit certain uses and soil extraction. Land uses in these areas are restricted to commercial and industrial uses. Residential use is only allowed above the ground floor. In the future, the property owner will need to further remediate specific areas of the site to standards that provide for a less restrictive land use. The Railyards Specific Plan currently allows for mixed-use residential. Unless the site is further remediated, residential may not be located on the ground level and must sit above a commercial use.

Sims Metal, located east of the Central Shops, is another highly contaminated property that is being regulated by DTSC. It is an 8.8 acre triangular property situated on the southwest corner of North 12th and North B Streets, bounded on the south and west by the former American River levee. Scrap metal and other recycling operations have occurred on this site since the early 1950s. This has caused groundwater and soil contamination. According to DTSC's EnviroStor database, potential contaminants of concern include lead, copper and compounds, TPH-motor oil, PCBS, Methyl Tertbutyl Ether, 1,2-Dichloroethylene, and Vinyl Chloride. DTSC is working with the property owner to remediate the site. The Final Environmental Impact Report for the Railyards Specific plan states that a portion of the Sims Metal property owned by Thomas Enterprises is currently proposed for development in the final phase, which would likely occur between 2025 and 2030. It would transform from an industrial to a commercial use.

Currently, the City has incorporated checkpoints into the land use entitlements for properties on the Railyards site that still require remediation; these properties will not receive entitlements until DTSC has verified that soil and groundwater remediation has taken place. If the property owner fails to carry out the current action plan and subsequent remediation the Agency would be eligible to remediate the hazardous substances on the property per Redevelopment Law Section 33459.1 (otherwise known as the "Polanco Act"). If the Agency were to take further steps toward mitigation, land use restrictions could be lifted, thus increasing property values.

Most importantly, however, is the fact that the site must be developed in order to cap contaminated sites and carry out the remediation plan. Build-out of the site, predominantly with structures and other types of "caps" on some of the contaminated soil, is necessary to remediate the site and is an integral part of the remediation plan.

Consequently, the costs of remediation include the costs of development of the site. The absence of infrastructure, the presence of rail lines, extreme environmental contamination and other development challenges impede successful development. Many development concepts have been attempted and failed, and only an extraordinary level of development with complimentary uses will make a project successful. This level of development is only possible with significant redevelopment assistance to ensure full build-out and to comply with the remediation plan.

The Railyards Area is considered blighted per Redevelopment Law Section 33031(a)(2) because the Agency may need to use its authority under the Polanco Act if remediation by a property owner were to stop for any reason. The Polanco Act allows the Agency to act as a third party to cause the clean-up of the site if the responsible party fails to timely implement an approved remedial plan. It also provides immunity for the Agency and those who enter into an agreement with the Agency for redevelopment of the site (except the responsible parties who are liable for the contamination). If the responsible parties were to default on their agreement to clean up the site, future property owners would not be held liable for the existing environmental contamination of their properties. The Polanco Act also allows the

Agency to assist property owners to clean up the site through financing or acting as a third party.

The Railyards Area also has an abnormally high number of abandoned buildings. Six out of eight of the buildings within the Sacramento Central Shops are abandoned, and a large portion of land that was previously developed with industrial use is vacant. At the height of its activity, the Railyards Area had over 90 buildings. Now, only eight remain west of Seventh Street and north of I Street. The other buildings have been destroyed or demolished over time. Eighty buildings were demolished by Union Pacific in 1999.

The Railyards Area includes 7.4% of the Sacramento area's total industrial land square footage, yet accounts for over 50% of the region's industrial land vacancies (see Table B-17).

Industrial Land Vacancies **Table B-17**

Railyards Area vs. Sacramento Area

	Total Industrial Area (s.f.)	Vacant Industrial Area (s.f.)
Sacramento Area*	175,965,030	20,401,556
Railyards Area	13,068,000	10,628,640
% in Railyards	7.4%	52.1%

*Includes West Sacramento
Source: Colliers International (2nd Quarter 2007), RSG

The Railyards Plan would allow the Agency to assist development of the area and address the high level of industrial land vacancies for the Railyards Area and the City as a whole.

Summary

The Railyards Area suffers from several physical and economic blighting conditions, including buildings that are unsafe or unhealthy to occupy, conditions that prevent or substantially hinder the viable use or capacity of buildings or lots, depreciated and stagnant property values, impaired property values due in significant part to hazardous wastes, and abnormally high business vacancies/abandoned buildings. The cost of redeveloping the site is extremely high due to unique constraints of serious dilapidation and deterioration paired with a need for historic preservation, a severe lack of infrastructure, and extreme environmental contamination. Due to the high costs associated with renovation, infrastructure development and environmental remediation, it is not feasible for private enterprise to achieve successful development without Agency assistance. Section C refers to Five Year Implementation Plans that discuss specific projects the Agency may pursue over a five year period and how these potential projects will address continuing redevelopment of the Railyards Area. Section E describes the financial mechanisms that may be used by the Agency to redevelop the Railyards Area, including the economic feasibility of the Railyards Plan.

SECTION C

Five-Year Implementation Plans

Implementation Plans contain 1) specific goals and objectives for the Project Areas, 2) the specific projects to be completed in the Project Areas, 3) expenditures to be made during the five-year planning period, and 4) an explanation of how these goals, objectives, and expenditures will eliminate blight within the Project Areas.

An Implementation Plan for the Railyards Area has been prepared and included in Appendix A. The Implementation Plan for the existing Richards Boulevard Area (originally adopted by the Agency on October 20, 2004) has been amended for the proposed River District Project and is included in Appendix B.

SECTION D

Explanation of Why the Elimination of Blight In the Project Areas Cannot be Accomplished by Private Enterprise Acting Alone or Through Other Financing Alternatives Other Than Tax Increment Financing

Section 33352(d) of Redevelopment Law requires an explanation of why the elimination of blight cannot be accomplished by private enterprise alone, or by the City Council's use of financing alternatives other than tax increment financing. For the Richards Area, this information was previously provided in supporting documentation prepared and provided at the time the Richards Project was originally adopted and/or previously amended. Those findings and determinations remain conclusive and beyond legal challenge for the River District Area.

With respect to the Railyards Area, redevelopment cannot be accomplished without Agency participation, nor without tax increment revenue. Indeed, even with both the Agency and tax increment revenue authority, the financial infeasibility of prior redevelopment efforts in the Railyards have resulted in failure over the past 18 years, since creation of the original Richards Boulevard Redevelopment Project. As mentioned in Section A of this Report, the City, private developers, and prior property owners have sought projects that could redevelop the Railyards Area, but these efforts failed due to economic shortfalls resulting from infrastructure needs, building preservation issues, contamination and other challenges. As a result, the Railyards Area continues to languish.

Currently, a new proposal has been brought forward by a private developer and approved by City Council, but the costs of development are so excessive that even with build out of a much denser project, financial shortfalls are anticipated beyond what the private sector, City and other participating agencies can bear. These circumstances mandate participation by the Agency in order to fill the critical gap in the redevelopment of the site.

While private development of the Railyards may generate a significant amount of resources to fund various infrastructure and public facility costs, Agency staff believes that additional public support may be necessary to build out the site and comply with the remediation plan. Based on preliminary budgets for public facilities needed for the site, consisting of storm drainage, sanitary sewer, water, transportation, and public facilities, more than $750 million may be needed to fund these projects. Including funding generated by the development, other City funds, and potential regional, state and local funds, as much as $670 million may be available to fund these improvements, leaving a shortfall of at least $80 million. Agency staff estimates that tax increment revenue from the Railyards Area may be the only viable source of funds to finance these infrastructure and public facility projects. In addition to this $80 million in assistance for public infrastructure and facility needs for the Railyards project alone, another $240 million of nonhousing funds would be needed to fund additional redevelopment projects and programs throughout the Project Area, bringing the total amount of assistance to $320 million, which excludes affordable housing programs mandated by the State.

The $80 million deficit for the Railyards project includes $22 million in transportation projects, including arterial roadway improvements and dry utilities. Rehabilitation of the historic shops is also a significant cost to the completion of redevelopment. Preservation and reuse of these buildings requires not only seismic and other safety improvements, but modifications to accommodate reuse, as the structures are no longer needed for their original intention of constructing, maintaining and operating the western terminus of the transcontinental rail line. Based on preliminary cost estimates from the City, the rehabilitation of the historic shops is anticipated to cost approximately $125 million, of which at least $38 million may be needed from the Agency.

Finally, despite the scale of development proposed for the site, additional assistance is anticipated to be needed in order to redevelop the Railyards Area. These costs include development of parking areas (which is projected to require approximately $20 million in redevelopment assistance alone), remediation costs, and other development incentives.

As stated above, tax increment revenue is a critical element to implementing a successful redevelopment program in most redevelopment project areas, and it is an essential component to the completion of a redevelopment program in the Railyards Area in particular. For decades, the Railyards Area has languished as attempts by the private sector, City, and Agency have not resulted in any significant change in the area. Under the remediation plan for the Railyards, full redevelopment of the site is necessary to address toxic issues present in the area today. Additionally, the Railyards Area has over 385,000 square feet of vacant, unsafe, and obsolete industrial shop space that should be improved at a cost of more than $125 million. Finally, the site lacks basic infrastructure and public facilities, which poses an additional burden on development and compliance with the remediation plan and redevelopment of the Railyards Area.

SECTION E

Proposed Method of Financing, Including the Economic Feasibility of the Proposed Actions

Section 33352 of Redevelopment Law requires that a report of an agency to a legislative body include information on the proposed method of financing, including information on the economic feasibility of the Project Area. The Plan Adoption will allow taxes attributable to the Railyards Area, which are allocated to the Agency pursuant to Section 33670(b) of Redevelopment Law, to be used within the Railyards Area.

The Agency intends to finance redevelopment of the Railyards from the following resources:

- Tax Increment Revenues;
- Bonded Debt;
- Financial Assistance from the City, County, State of California and/or Federal Government;
- Proceeds from lease or sale of Agency-owned property;
- Loans from private financial institutions; and
- Any other legally available source.

The more typical sources of redevelopment financing may be employed as described below.

Financial Assistance from City, State and/or the Federal Government

The Agency may obtain loans and advances from the City for planning, construction, and operating capital. The City may also defer payments on Agency loans for land purchases, benefiting the Agency's cash flow. Such assistance may be employed to meet short term cash flow needs.

As available, other funds such as state-apportioned road funds, state housing and infrastructure bond funds, state and federal transportation funds, and federal Community Development Block Grants will be appropriately utilized in conjunction with Agency funds for costs of project implementation.

Lease or Sale of Agency-Owned Property

Under the proposed Railyards Plan, the Agency may sell, lease, or otherwise encumber its property holdings to pay the costs of project implementation.

Participation in Development

If the Agency enters into agreements with property owners, tenants, and/or other developers that provide for revenues to be paid or repaid to the Agency, such revenues may be used to pay project implementation costs.

Property Tax Increment

The Agency will collect property tax increment as provided for in Section 33670 (b) of Redevelopment Law, and as authorized in the Railyards Plan, to employ tax increment financing to fund redevelopment activities. Tax increment revenue is intended to fund

ongoing redevelopment activities and to pay indebtedness incurred by the Agency. Indebtedness includes principal and interest on loans, monies advanced, or debts (whether funded, refunded, assumed, or otherwise) incurred by the Agency to finance or refinance, in whole or in part, redevelopment activities.

Tax increment revenues will be distributed to address an array of obligations. As required by Section 33334.2 of Redevelopment Law, twenty percent (20 percent) of the Railyards Area's tax increment revenue will be deposited into the Agency's Low and Moderate Income Housing Fund for the purposes of increasing, improving, and preserving the community's supply of low and moderate income housing.

The remaining 80 percent of the tax increment revenue will be used to pay for Agency obligations to taxing entities, debt service costs, and other program expenditures such as infrastructure, capital facilities, and economic development programs within the Railyards Area.

Consistent with Redevelopment Law, the Railyards Plan incorporates certain time limits that affect the Agency's ability to use and collect tax increment revenue. The first of these is the time limit to incur debt, which is 20 years from the date of adoption of the Railyards Plan. The second time limit is the 45 year period (starting from the date of adoption of the Railyards Plan) during which the Agency may collect tax increment revenue.

Assuming the Railyards Plan is adopted in May 2008, the Agency would be permitted to incur debt until May 2028, and collect tax increment revenue until May 2053.

Bonded Debt

Under the proposed Railyards Plan, the Agency would continue to have the capacity to issue bonds and/or notes for any of its corporate purposes, payable in whole or in part from tax increment revenue generated from the Railyards Area. Any bonds issued by the Agency are the responsibility of the Agency, and neither the City nor its taxpayers are liable for debt service on the bonds. Redevelopment Bonds are typically issued based on current cash flows, without regard to the potential increase in revenues that may lie ahead.

The proposed Railyards Plan includes a $500 million limit on the amount of bonded debt that may be outstanding at any one time.

Other Available Sources

Any other loans, grants, or financial assistance from the federal government, or any other public or private source will be utilized, as available and appropriate. The Agency will also consider use of the powers provided by Redevelopment Law to provide construction and other funds for appropriate projects. Where feasible and appropriate, the Agency may use assessment district and/or Mello-Roos bond financing to pay for the costs of public infrastructure, facilities, and operations.

Proposed Method of Financing

One source of project financing for the Railyards Area is the collection of tax increment revenues. Table E-1 presents a detailed preliminary forecast of tax increment revenues for the Railyards Area based on the assumptions noted below:

- *2007-08 Base Year Value:* The Agency would receive property tax increment revenue from Railyards Area assessed value growth in excess of the 2007-08 base year value established by the State Board of Equalization and County

Auditor-Controller. According to reports received from the State Board of Equalization on October 1, 2007 and from the County Auditor-Controller on December 10, 2007 the 2007-08 base year value for the Railyards Area is $54,805,723.

- *New Value Added:* Tax increment revenue from the Railyards Area will largely be contingent on the completion of redevelopment within the Railyards. At present, any private development in the Railyards is subject to the adoption of the Railyards Plan and a subsequent commitment by the Agency to fund extraordinary redevelopment costs necessary to complete the remediation of the site and remove these and other blighting conditions in the Railyards Area. Based on the Specific Plan for the Railyards, City staff estimates that approximately $2.9 billion of new assessed value may be added to the Railyards Area between 2009-10 and 2025-26.

  The phasing of this new value, inclusive of inflationary development and land costs, is included in Table E-1, and is subject to change. The assumed development program that was used to develop these projections involves a relatively high density of residential and nonresidential development, and excludes rehabilitation and reuse of the existing historic structures in the Railyards Area.

  Specifically, these assumptions include the following:

  - *Residential – 10,160 units*
  - *Commercial (Public and Private) 4,791,000 square feet*
  - *Land for Private Development: 92.84 acres (excludes 87.54 acres of acreage for open space, transportation, public facilities, utilities, and historic properties)*

- *Assessed Value Growth Rates:* Projections constructed for the Railyards Area have conservatively applied a 2 percent annual growth rate on assessed values within the Railyards Area.

- *First Year of Receipt:* If the Agency completes the adoption of the Railyards Plan before December 2008, the Agency could start receiving tax increment revenue from the Railyards Area beginning in fiscal year 2009-10. Based on this schedule, tax increment revenues would be collected for a 45 year period from the date of adoption of the Railyards Plan, or until May 2053.

- *County Administrative Fees:* The County Auditor-Controller levies a charge for apportioning property taxes to the Agency. Based on recent experience with other City redevelopment project areas, Agency staff estimates that these administrative fees would equal approximately 1.12 percent of gross tax increment revenue annually.

- *Taxing Agency Statutory Payments:* Consistent with Section 33607.5, the Agency will be remitting payments to affected taxing agencies in the Railyards Area. These payments commence when the Agency begins to collect tax increment revenue from the Railyards Area and continue for the duration of the 45-year timeframe to collect tax increment revenue.

For the first 10 years the Agency collects tax increment revenue, the Statutory Payments are equal to 25 percent of the Railyards Area's annual non-housing tax increment revenue. Subsequently, these Statutory Payments are subject to two increases. Beginning in the eleventh year, in addition to the first 25 percent share, the Agency would be required to pay an additional 21 percent of the incremental increase in non-housing tax increment revenues exceeding amounts in the tenth payment year. Then, beginning in the thirty-first year, Redevelopment Law further provides for a second increase in the Statutory Payments of 14 percent of the incremental increase in non-housing tax increment revenues in excess of the thirtieth year.

In total, these three tiers of Statutory Payments amount to approximately 32 percent of projected Railyards Area non-housing revenues. The actual amount of the Statutory Payments will vary based on the amount of tax increment revenues collected each year. A forecast of Statutory Payments has been included in Table 4. Should actual tax increment revenues exceed or fall below these projections, actual Statutory Payments would be higher or lower.

- *Housing Set-Aside Revenues:* As required by Section 33334.2 of Redevelopment Law, the Agency would deposit not less than 20 percent of Railyards Area tax increment revenues into the Agency's Low/Moderate Income Housing Fund for the purposes of increasing, improving, and preserving the community's supply of affordable housing.
- *Nonhousing Revenues:* Finally, the tax increment revenue remaining after County administrative fees, taxing agency payments, and housing set aside deposits, would be available for eligible redevelopment projects, such as infrastructure improvements, seismic retrofitting, development incentives, remediation costs, and other nonhousing uses.

Projected Tax Increment Revenues **Table E-1**

Railyards Redevelopment Project Area

Year	Existing Assessed Value	New Value Added /1	Total Assessed Value	Incremental Value	Gross Tax Increment	County Admin Fees	Taxing Agency Payments	Net to Agency		
								Housing	**Nonhousing**	**Total**
2007-08	$ 54,805,723		$ 54,805,723	$ -						
2008-09	55,901,837	-	55,901,837	1,096,114						
2009-10	57,019,874	20,000,000	77,019,874	22,214,151	$ 222,142	$ (2,488)	$ (44,428)	$ 44,428	$ 130,797	$ 175,225
2010-11	78,560,272	30,840,710	109,400,981	54,595,258	545,953	(6,115)	(109,191)	109,191	321,457	430,647
2011-12	111,589,001	142,219,223	253,808,224	199,002,501	1,990,025	(22,288)	(398,005)	398,005	1,171,727	1,569,732
2012-13	258,884,388	107,239,665	366,124,053	311,318,330	3,113,183	(34,868)	(622,637)	622,637	1,833,042	2,455,679
2013-14	373,446,534	203,822,751	577,269,285	522,463,562	5,224,636	(58,516)	(1,044,927)	1,044,927	3,076,265	4,121,193
2014-15	588,814,671	245,384,547	834,199,217	779,393,494	7,793,935	(87,292)	(1,558,787)	1,558,787	4,589,069	6,147,856
2015-16	850,883,202	314,039,283	1,164,922,485	1,110,116,762	11,101,168	(124,333)	(2,220,234)	2,220,234	6,536,367	8,756,601
2016-17	1,188,220,935	329,601,705	1,517,822,639	1,463,016,916	14,630,169	(163,858)	(2,926,034)	2,926,034	8,614,244	11,540,277
2017-18	1,548,179,092	266,960,041	1,815,139,133	1,760,333,410	17,603,334	(197,157)	(3,520,667)	3,520,667	10,364,843	13,885,510
2018-19	1,851,441,916	367,932,521	2,219,374,437	2,164,568,714	21,645,687	(242,432)	(4,329,137)	4,329,137	12,744,981	17,074,118
2019-20	2,263,761,925	397,466,284	2,661,228,209	2,606,422,486	26,064,225	(291,919)	(5,955,159)	5,212,845	14,604,301	19,817,146
2020-21	2,714,452,774	494,195,538	3,208,648,311	3,153,842,588	31,538,426	(353,230)	(7,969,665)	6,307,685	16,907,845	23,215,530
2021-22	3,272,821,278	516,276,858	3,789,098,136	3,734,292,413	37,342,924	(418,241)	(10,105,721)	7,468,585	19,350,378	26,818,963
2022-23	3,864,880,098	489,973,570	4,354,853,669	4,300,047,946	43,000,479	(481,605)	(12,187,701)	8,600,096	21,731,077	30,331,173
2023-24	4,441,950,742	435,486,299	4,877,437,041	4,822,631,318	48,226,313	(540,135)	(14,110,808)	9,645,263	23,930,108	33,575,371
2024-25	4,974,985,782	392,487,178	5,367,472,959	5,312,667,236	53,126,672	(595,019)	(15,914,140)	10,625,334	25,992,179	36,617,514
2025-26	5,474,822,418	403,500,679	5,878,323,098	5,823,517,375	58,235,174	(652,234)	(17,794,069)	11,647,035	28,141,837	39,788,871
2026-27	5,995,889,560		5,995,889,560	5,941,083,837	59,410,838	(665,401)	(18,226,713)	11,882,168	28,636,556	40,518,724
2027-28	6,115,807,351		6,115,807,351	6,061,001,628	60,610,016	(678,832)	(18,668,011)	12,122,003	29,141,170	41,263,175
2028-29	6,238,123,498		6,238,123,498	6,183,317,775	61,833,178	(692,532)	(19,118,134)	12,366,636	29,655,877	42,022,512
2029-30	6,362,885,968		6,362,885,968	6,308,080,245	63,080,802	(706,505)	(19,577,260)	12,616,160	30,180,877	42,797,038
2030-31	6,490,143,687		6,490,143,687	6,435,337,964	64,353,380	(720,758)	(20,045,568)	12,870,676	30,716,378	43,587,054
2031-32	6,619,946,561		6,619,946,561	6,565,140,838	65,651,408	(735,296)	(20,523,243)	13,130,282	31,262,588	44,392,870
2032-33	6,752,345,492		6,752,345,492	6,697,539,769	66,975,398	(750,124)	(21,010,471)	13,395,080	31,819,723	45,214,802
2033-34	6,887,392,402		6,887,392,402	6,832,586,679	68,325,867	(765,250)	(21,507,444)	13,665,173	32,388,000	46,053,174
2034-35	7,025,140,250		7,025,140,250	6,970,334,527	69,703,345	(780,677)	(22,014,356)	13,940,669	32,967,643	46,908,312
2035-36	7,165,643,055		7,165,643,055	7,110,837,332	71,108,373	(796,414)	(22,531,406)	14,221,675	33,558,879	47,780,554
2036-37	7,308,955,916		7,308,955,916	7,254,150,193	72,541,502	(812,465)	(23,058,797)	14,508,300	34,161,939	48,670,240
2037-38	7,455,135,035		7,455,135,035	7,400,329,312	74,003,293	(828,837)	(23,596,736)	14,800,659	34,777,061	49,577,720
2038-39	7,604,237,735		7,604,237,735	7,549,432,012	75,494,320	(845,536)	(24,145,434)	15,098,864	35,404,485	50,503,349
2039-40	7,756,322,490		7,756,322,490	7,701,516,767	77,015,168	(862,570)	(24,875,441)	15,403,034	35,874,123	51,277,157
2040-41	7,911,448,940		7,911,448,940	7,856,643,217	78,566,432	(879,944)	(25,620,048)	15,713,286	36,353,154	52,066,440
2041-42	8,069,677,919		8,069,677,919	8,014,872,196	80,148,722	(897,666)	(26,379,547)	16,029,744	36,841,765	52,871,509
2042-43	8,231,071,477		8,231,071,477	8,176,265,754	81,762,658	(915,742)	(27,154,236)	16,352,532	37,340,148	53,692,679
2043-44	8,395,692,906		8,395,692,906	8,340,887,183	83,408,872	(934,179)	(27,944,419)	16,681,774	37,848,499	54,530,273
2044-45	8,563,606,765		8,563,606,765	8,508,801,042	85,088,010	(952,986)	(28,750,406)	17,017,602	38,367,017	55,384,619
2045-46	8,734,878,900		8,734,878,900	8,680,073,177	86,800,732	(972,168)	(29,572,512)	17,360,146	38,895,905	56,256,052
2046-47	8,909,576,478		8,909,576,478	8,854,770,755	88,547,708	(991,734)	(30,411,060)	17,709,542	39,435,371	57,144,913
2047-48	9,087,768,007		9,087,768,007	9,032,962,284	90,329,623	(1,011,692)	(31,266,380)	18,065,925	39,985,627	58,051,551
2048-49	9,269,523,368		9,269,523,368	9,214,717,645	92,147,176	(1,032,048)	(32,138,805)	18,429,435	40,546,887	58,976,323
2049-50	9,454,913,835		9,454,913,835	9,400,108,112	94,001,081	(1,052,812)	(33,028,680)	18,800,216	41,119,373	59,919,589
2051-52	9,644,012,112		9,644,012,112	9,589,206,389	95,892,064	(1,073,991)	(33,936,351)	19,178,413	41,703,309	60,881,721
2052-53	9,836,892,354		9,836,892,354	9,782,086,631	97,820,866	(1,095,594)	(34,862,177)	19,564,173	42,298,923	61,863,096
Cumulative		$ 5,157,426,850	$ 241,015,075,650	$ 238,603,623,838	$ 2,386,025,277	$ (26,723,483)	$ (760,774,944)	**$ 477,205,055**	**$ 1,121,321,795**	**$ 1,598,526,851**
NPV @ 5.0%		2,894,580,331	64,088,925,721	63,120,904,660	662,758,538	(7,422,896)	(201,064,613)	**132,551,708**	**321,719,321**	**454,271,029**
						-1.12%	-31.88%	20.00%	47.00%	67.00%

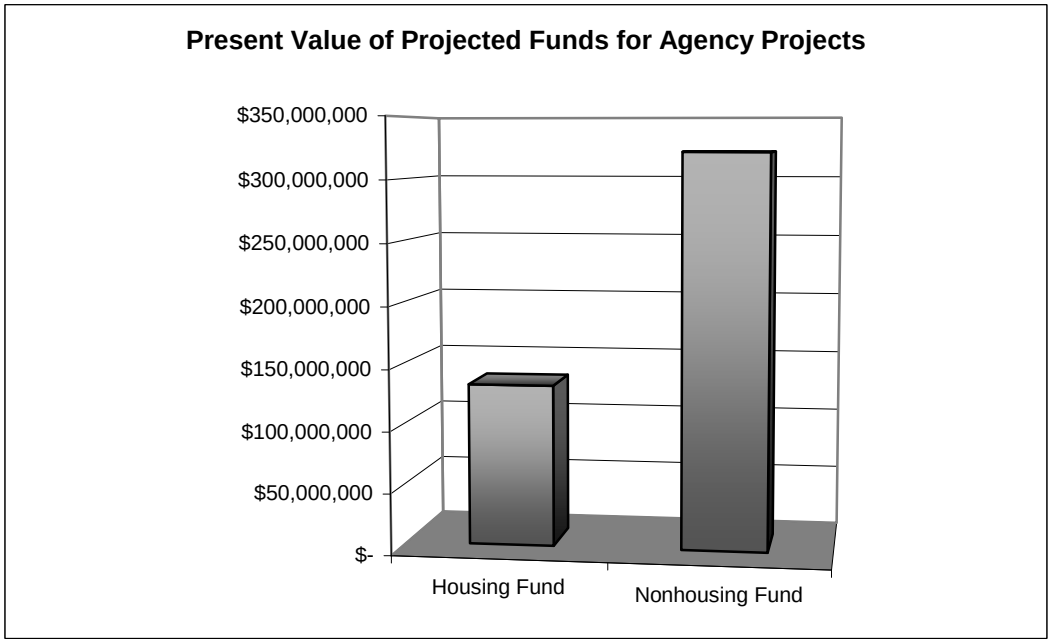
1/ Based on development forecast supplied by City staff (November 2007)

Table E-1 presents annual estimates of assessed values, new development, gross tax increment revenue, County administrative fees, taxing agency payments, and net revenues to the Agency's housing and non-housing funds. A summary of these annual projections delineating the cumulative total and net present value of these figures is presented in Table E-2 below.

Summary of Projected Tax Increment Revenues **Table E-2**

Railyards Redevelopment Project Area

Assumptions		
Base Year Value (2007-08)	$ 54,805,723	
Annual Assessed Value Growth Rate (Exclusive of New Value)	2%	
Total New Development Value (Present Value)	$ 2,894,580,331	
Forecast	Cumulative (45 Years)	Discounted 5.0% Disc. Rate
Gross Tax Increment Revenue	$ 2,386,025,277	$ 662,758,538
Less: County Adminstrative Fee	(26,723,483)	(7,422,896)
Less: Taxing Agency Payments (HSC 33607.5)	(760,774,944)	(201,064,613)
Total to Agency	1,598,526,851	454,271,029
Housing Fund	477,205,055	**132,551,708**
Nonhousing Fund	1,121,321,795	**321,719,321**



Because the cumulative figures show revenues over each of the next 45 years, it is appropriate to analyze projected revenues by discounting in terms of today's values. Using a conservative 5.0% discount rate, the total projected revenue that may be available to the Agency to fund project costs is approximately $454,271,029 consisting of $132,551,708 for affordable housing purposes, and $321,719,321 for non-housing purposes. These projected revenues are compared to total project costs in the following section.

Economic Feasibility Analysis

Redevelopment of the Railyards Area may involve hundreds of millions of dollars of public investment in order to stimulate private investment and remove blight in the Railyards Area. Section A of this Report includes a proposed list of the potential range of projects associated with this effort, based on the information available at this time.

Table E-3 below documents the projected sources and uses of tax increment revenue projected from the Railyards Area.

Sources and Uses **Table E-3**

Railyards Redevelopment Project Area

	Housing	Nonhousing	Total
Sources			
Tax Increment Revenue 1/	$ 132,551,708	$ 321,719,321	$ 454,271,029
Total Sources	**132,551,708**	**321,719,321**	**454,271,029**
Uses			
Affordable Housing Projects/Programs	132,551,708	-	132,551,708
Infrastructure and Public Facilities 2/	-	22,000,000	22,000,000
Historic Structure Rehabilitation 3/	-	38,000,000	38,000,000
Miscellaneous Site Development 4/	-	260,000,000	260,000,000
Total Uses	**132,551,708**	**320,000,000**	**452,551,708**

1/ Presented as a net present value using a 5.0% discount rate.
2/ Excludes funding from other potential sources, including project-based exactions, City of Sacramento funds, and other regional, state and federal funds. Includes anticipated $72 million shortfall in these various funding sources.
3/ Preliminary estimates for potential costs of seismic retrofitting and structural modifications to existing historic structures for commercial and public reuse
4/ Potential costs to mitigate other development costs, such as surface and structured parking, site remediation, and development feasibility incentives.

The amount of funds expended on affordable housing projects is assumed to be equal to the $132.5 million of revenue expected to be generated by the Railyards Area. Nonhousing projects totaling more than $320 million are anticipated to fall into three general categories: 1) infrastructure and public facility improvements, 2) historic structure rehabilitation, and 3) miscellaneous site development costs.

SECTION F

Railyards Project Method of Relocation

In the event that the Railyards Plan is adopted and implementation actions include relocation of residents or businesses, the Agency will adhere to the State Relocation Guidelines, consisting of the State Relocation Law (Government Code 7260 through 7277), and the California Relocation Assistance and Real Property Acquisition Guidelines as established in the California Code of Regulations, Title 25, Chapter 6 (collectively "Relocation Guidelines").

If relocation is necessary to implement the Railyards Plan in order to eliminate blighting conditions, the Relocation Guidelines ensure that the Agency will meet its relocation responsibilities to any families, persons, businesses, or nonprofit local community institutions to be temporarily or permanently displaced as a consequence of the Railyards Plan's implementation.

No persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by the displaced person or family at rents comparable to those at the time of their displacements.

(The Plan Amendment does not alter the Method of Relocation for the Richards Boulevard Redevelopment Project.)

SECTION G

Analysis of the Preliminary Plans

Section 33352(g) of Redevelopment Law requires the inclusion of an analysis of the Preliminary Plan for the Project Areas. A Preliminary Plan was prepared in connection with the adoption of the Richards Boulevard Redevelopment Plan previously, but the Proposed Actions required a reworking of the Richards Boulevard Project Area boundaries and therefore a change to the original Preliminary Plan.

Consequently, on July 26, 2007, the Planning Commission of the City of Sacramento approved a new Preliminary Plan for the Railyards Redevelopment Project, as well as an Amended and Restated Preliminary Plan for the Richards Boulevard Redevelopment Project (together herein referred to as the "Preliminary Plans"). The Preliminary Plans were subsequently approved and accepted by the Agency on August 14, 2007 by Resolution No. 2007-046.

In accordance with Section 33324 of Redevelopment Law, the Preliminary Plans describe the boundaries of the Project Areas and included general statements of land uses and of the layout of principal streets, population densities, building intensities and standards proposed as the basis for the redevelopment of the Project Areas. The Preliminary Plans address how the Project Areas would attain the purposes of Redevelopment Law. The Preliminary Plans also discussed how the proposed redevelopment of the Project Areas is consistent with the community's general plan and described the impact of the project upon residents of the Project Areas and surrounding neighborhoods. A copy of the Preliminary Plans is incorporated into this Report by reference.

The Plan Amendment and Railyards Plan conform to the standards and provisions of the respective Preliminary Plans, as detailed below:

- Project Area Location and Description: This section of the Preliminary Plans describes the boundaries of the Project Areas. With the exception of a technical correction to a split parcel at 5th and H Streets, the proposed boundaries are identical to those described in the Preliminary Plans.
- General Statement of Proposed Planning Elements: This section of the Preliminary Plan states that Project Areas' land uses, proposed layouts of principal streets, proposed population densities, proposed building intensities, and proposed building standards shall be subject to and controlled by the General Plan, Zoning Ordinance, and other local codes, as amended from time to time. These planning elements have been incorporated into the Railyards Plan. With respect to the Richards Boulevard/River District Plan, these planning elements are not affected by the Plan Amendment. Additionally, the Proposed Actions do not propose any changes to population or development densities or land use designations.
- Attainment of the Purposes of the Redevelopment Law: This section of the Preliminary Plan generally sets forth the objectives of the Project Areas. To this end, the Railyards Plan contains a detailed list of redevelopment goals that permit the Agency to complete its redevelopment program to eliminate persistant blighting conditions in the Project Area in accordance with the Redevelopment Law.

- Consistency with the General Plan of the County: The Preliminary Plans, the Railyards Plan and amended Richards Boulevard Plan conform to the standards, policies and provisions of the General Plan, as they exist or are hereafter amended.
- General Impact of the Proposed Project Upon the Residents of the Project Area and Surrounding Neighborhoods: This section of the Preliminary Plans states that residents in and around the Project Areas will benefit from improved traffic circulation, public facilities and services, environmental quality, employment opportunity and economic development activity effectuated by implementation of the Railyards Plan and the amended Richards Boulevard/River District Plan. Other impacts associated with the implementation of the Railyards Plan have been assessed and analyzed in the Environmental Impact Report for the Plan, addressed in Section K of this Report, and the Neighborhood Impact Report, addressed in Section M of this Report. The Railyards Plan provides the Agency with the redevelopment tools and policies necessary to achieve positive impacts and mitigate negative impacts.

SECTION H

Report of the Planning Commission

Section 33352(h) of Redevelopment Law requires inclusion of a report of the Planning Commission of the City of Sacramento ("Planning Commission"). The Planning Commission adopted its report on the conformity of the Railyards Plan and Seventh Amendment to the Richards Plan with the City's General Plan on January 10, 2008, which report is incorporated by reference herein. Pursuant to the Planning Commission's action, the Railyards Plan and Seventh Amendment to the Richards Plan are in conformity with the City of Sacramento General Plan.

SECTION I

Report of the Project Area Committee

A Project Area Committee ("PAC") does not exist for the Richards Boulevard Project. Pursuant to Section 33385.3 of Redevelopment Law, a Project Area Committee ("PAC") is required if the Agency proposes to amend a redevelopment plan to: (1) grant the authority to the Agency to acquire by eminent domain property on which persons reside in a project area in which a substantial number of low- and moderate-income persons reside; or (2) add territory in which a substantial number of low-and moderate-income persons reside and grant the authority to the Agency to acquire, by eminent domain, property on which persons reside in the added territory. The proposed Plan Amendment does not alter the Agency's power of eminent domain in the River District Project, and thus does not require the formation of a PAC.

However, Agency staff has conducted several meetings with River District officals and local property owners as part of the dialog on the Proposed Actions. Staff is anticipating these meetings continuing as the Proposed Actions are considered. Further, Agency staff will be conducting a public workshop, prior to the joint public hearing, to field additional questions and discuss the Proposed Actions with stakeholders and interested parties. Notice of the workshop will be included in the notice of the joint public hearing, which should be mailed to property owners and taxing agencies in March 2008.

Staff will inform the Agency Board and City Council by early April 2008 of the outcome of these meetings.

Pursuant to Section 33385 of the Redevelopment Law, a PAC is required when the Agency proposes to adopt a new redevelopment plan if either: (1) a substantial number of low- or moderate-income persons reside in the project area and the redevelopment plan, as adopted, will authorize the Agency to acquire property on which any persons reside by eminent domain; or (2) the redevelopment plan, as adopted, contains one or more public projects that will displace a substantial number of low- or moderate-income persons. The Railyards Area does not contain a substantial number of low- or moderate-income residents and, therefore, formation of a PAC is not required for the Railyards Plan Adoption.

SECTION J

Statement of Conformance to the General Plan

Section 33352(j) of Redevelopment Law requires a report of General Plan conformance per Section 65402 of the Government Code. As set forth in Section H, on January 10, 2008 the Planning Commission determined that the Proposed Actions are in conformity with the General Plan of the City.

SECTION K

Environmental Documentation

Section 33352(k) of Redevelopment Law requires the inclusion of the report prepared pursuant to Section 21151 of the Public Resources Code. An Environmental Impact Report ("EIR") is being prepared in connection with the Proposed Actions by Gail Ervin Consulting pursuant to California Environmental Quality Act, Public Resources Code Sections 21000, et. seq. ("CEQA") guidelines. A Draft EIR is incorporated herein by reference. A Final EIR will be completed in April 2008 and presented for Agency certification on May 6, 2008.

The Draft EIR reviewed all potential environmental impacts associated with the implementation of the Railyards Plan and amended Richards Plan (collectively referred to as the "Redevelopment Plans"). Topics addressed in the Draft EIR include: aesthetics, light and glare; air quality and microclimate; biological resources; cultural and historic resources; hazards and hazardous materials; hydrology and water quality; noise and vibration; public utilities; and transportation and circulation. The Draft EIR also addresses all other topics and sections required by CEQA.

The Draft EIR analyzes the significant, short- and long-term impacts related to the adoption of the Proposed Actions. The Draft EIR is a program-level EIR as there is no specific development project associated with the Redevelopment Plans. The Draft EIR includes as much detail as possible given the programmatic nature of the Redevelopment Plans in order to maximize information available for the public review, thereby minimizing the extent of future project-specific environmental documentation. The Draft EIR includes information gathered from an Initial Study/Notice of Preparation released on October 25, 2007, consultation with potentially affected agencies, and available literature and reference documents.

The Draft EIR was completed and circulated for public review on January 22, 2008. Comments on the Draft EIR are due on April 4, 2008. A joint public hearing to consider the adequacy of the Final EIR will be held by the Agency and the City Council concurrently with the joint and concurrent public hearings on the Proposed Actions on April 22, 2008. Thereafter, the Agency will consider certifying the EIR at its regular meeting on May 6, 2008.

Summary of Environmental Impacts

In general, the Draft EIR concludes that because general land use types, densities, and intensities that could be developed pursuant to the proposed Redevelopment Plans could ultimately be developed under the existing General Plan, Railyards Specific Plan, and other related land use policy documents, the adoption and implementation of the Redevelopment Plans would not cause significant adverse impacts in the areas of aesthetics, light and glare; air quality and microclimate; biological resources; cultural and historic resources; hazards and hazardous materials; hydrology and water quality; public utilities; and transportation and circulation. In general, the Draft EIR determines that the implementation activities identified with the Redevelopment Plans are intended to mitigate existing problems and remove barriers to planned development within the Project Areas. The Redevelopment Plans are an environmentally superior alternative because they provide the means to eliminate physical and economic blighting conditions in the Project Areas and thereby stimulate and encourage the revitalization, reuse, and new development of properties within the Project Areas. Under the Railyards Plan, inadequate water, sewer, and drainage infrastructure would be upgraded, circulation and pedestrian safety would be improved, hazardous materials would

be remediated, dangerous and vacant buildings would be rehabilitated and reused, and historic resources would be preserved.

The Draft EIR identifies two significant and unavoidable impacts in the area of noise and vibration. Development related to redevelopment would: 1) cause construction noise at sensitive receptors and 2) temporarily increase levels of groundborne vibration. This impact would apply to portions inside of and bordering the Project Areas. Contractors shall ensure that specific steps are taken to minimize noise and vibration and comply with the City of Sacramento Noise Ordinance. This short-term impact from construction remains significant and unavoidable.

The Final EIR will include responses to comments received during the 45-day review period. It will be considered by the City Council and Agency Board at a joint public hearing prior to its certification.

SECTION L

Report of the County Fiscal Officer

On December 10, 2007, the Sacramento County Auditor-Controller provided the Agency a report prepared in accordance with Section 33328 of Redevelopment Law, using the 2007-08 equalized roll as the "base year" assessment roll for the purposes of calculating tax increment in the Railyards Area. In addition, on October 1, 2007, the State Board of Equalization submitted a similar report for state-assessed non-unitary assessed values in the Railyards Area. Together, the County and State Board of Equalization report that the total Railyards secured, unsecured, and state-assessed value in 2007-08 is $54,805,723.

Copies of the base year reports prepared by the County Auditor-Controller and State Board of Equalization are included in Appendix C.

SECTION M

Neighborhood Impact Report

Redevelopment Law requires that a Neighborhood Impact Report discuss the impact the Proposed Actions will have on low and moderate persons or families in the following areas: relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood.

Additional issues that the neighborhood impact report must address include: the number of low or moderate-income dwelling units to be removed or destroyed; the number of low or moderate income persons or families expected to be displaced; the general location of housing to be rehabilitated, developed or constructed; the number of dwelling units planned for construction or rehabilitation to house persons and families of low or moderate income (other than replacement housing); the projected means of financing the aforementioned dwelling units; and the projected timetable for meeting a redevelopment plan's relocation, rehabilitation, and replacement housing objectives.

Relocation

At this time, the Agency does not have any plans to relocate residents or businesses in the Project Areas. If relocation activities are undertaken, the Agency will handle those activities on a case-by-case basis, in accordance with its method of relocation, as contained in Section F of this Report. As a public agency formed under the provisions of state law, the Agency is required to adhere to the State Relocation Law (Government Code Sections 7260 through 7277) and follow the California Relocation Assistance and Real Property Acquisition Guidelines ("State Guidelines") as established in the California Code of Regulations, Title 25, Chapter 6.

Prior to commencement of any acquisition activity that may cause substantial displacement (other than an insignificant amount of non-residential displacement), the Agency will adopt a specific relocation plan in conformance with the State Guidelines. To the extent appropriate, the Agency may supplement those provisions provided in the State Guidelines to meet particular relocation needs of a specific project. Such supplemental policies, if adopted in the Agency's sole discretion, will not involve reduction, but instead enhancement of the relocation benefits required by State Law.

Traffic Circulation

Transportation and circulation impacts resulting from the adoption and implementation of the Railyards Plan and amended Richards Plan are discussed in Section 6.9 of the EIR, incorporated herein by reference.

The Redevelopment Plans fall within the scope of the General Plan, Richards Boulevard Area Plan and the Railyards Specific Plan, and EIRs related thereto. The Railyards Specific Plan EIR considered the land use changes that could occur with adoption of the Railyards Specific Plan, and the cumulative impacts of full build-out of those and nearby General Plan land uses, including those within both Project Areas. The impacts and mitigation discussed in the EIR for the Proposed Actions assumes the adopted mitigation measures from the Railyards Specific Plan EIR for any development activity within the Project Areas. The Proposed Actions would have a less than significant impact on transportation and circulation.

The Railyards Plan permits the Agency to implement projects to improve traffic circulation, which are mentioned in Section A of this Report. The proposed improvements include, but are not limited to, construction and repair of roadways, curbs, gutters, sidewalks, bridges, over or underpasses, street medians, bicycle paths, bus shelters, and other items related to multi-modal public transportation; installation or modernization of traffic signals; realignment of the levee system; and realignment or removal of railroad tracks. The projects proposed by the Agency will improve circulation, mitigate traffic deficiencies, and provide general benefits to the Railyards Area consistent with the circulation element of the General Plan and other related documents.

Environmental Quality

The EIR reviewed the environmental impacts of the Redevelopment Plans, including potential new development and public improvements that could be facilitated by the Agency. The EIR analyzed the following nine areas:

- Aesthetics, Light and Glare
- Air Quality and Microclimate
- Biological Resources
- Cultural and Historic Resources
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Noise and Vibration
- Public Utilities
- Transportation and Circulation

Because the Redevelopment Plans do not propose uses or intensities beyond the General Plan, Railyards Specific Plan, and other related land use policy documents, adherence to adopted land use policies will ensure that implementation of the Redevelopment Plans will lessen or avoid potential impacts. Where applicable, the EIR outlines mitigation measures, which will be required of future development. This will ensure that quality of the environment is maintained.

During implementation of the Redevelopment Plans, specific redevelopment proposals may warrant further specific environmental analysis as required by CEQA.

Availability of Community Facilities and Services

The Initial Study and Notice of Preparation for the EIR determined that the Redevelopment Plans would not have significant impact on public facilities including fire protection, police protection, schools, and parks.

The Redevelopment Plans provide that any redevelopment activity is subject to, and consistent with, the policies set forth in the City's General Plan, Zoning Ordinance, and local codes and ordinances, as they now exist or are hereafter amended; the General Plan and Railyards Specific Plan incorporate policies to mitigate impacts on public services and facilities. Implementation of the Redevelopment Plans and their proposed projects are expected to improve the City's existing community facilities and services. The Redevelopment Plans will allow the Agency to utilize tax increment revenues to provide for

the upgrading of existing, and construction of new, community facilities, which will be of benefit to the Project Areas.

Affect of School Population and Quality of Education

The Project Areas are served by the Sacramento City Unified School District ("SCUSD"), the Grant Joint Union High School District, and the North Sacramento Elementary School District. The Initial Study (dated October 25, 2007) stated in its Public Services chapter that the Redevelopment Plans will result in less than significant impacts upon area schools.

The proposed Redevelopment Plans may result in an increase in planned new housing construction in the Project Areas, particularly in the Railyards Area. Such increases could result in higher student demand on local schools in the SCUSD. The Railyards Specific Plan, in conjunction with SCUSD, estimates that new housing in the Railyards Area will result in an additional 1,250 K-6th grade students, 250 7-8th grade students, and 375 9th-12th grade students. The Railyards Specific Plan states that new development in the Railyards Area will take place in a phased manner; as new development is built within the Railyards Area, the actual student generation rate per household will be monitored in order to evaluate student growth projections and adjust them if necessary. In addition, developers of new residential units will be required to pay school impact fees to contribute to necessary school facilities. According to the Initial Study, a SCUSD Facilities Master Plan ("SCUSD Plan") describes future facilities needs in response to a growing student population and aging buildings, taking development of the Railyards Area into account. The SCUSD Plan describes how the school district should grow, what modifications to make to existing school sites, and outlines planning principles for the development of new school sites. The SCUSD Plan will be used as a tool to implement changes to existing campuses and to construct new ones through the year 2015.

Redevelopment Law also provides statutory payments from generated tax increment to any affected school districts, irrespective of whether the district suffers impacts from the Redevelopment Plans. This revenue may be used for capital and operational purposes, including school facilities.

Property Taxes and Assessments

The Redevelopment Plans call for various methods of financing their implementation. Because redevelopment agencies do not have the constitutional authority to impose taxes, implementation of the Redevelopment Plans will not cause an increase in property tax rates. Rather, the principal method of financing redevelopment will be the utilization of tax increment revenues generated by the Project Areas. Tax increment financing reallocates property tax revenues generated by increases in the assessed value of property in the Project Areas. Although redevelopment of the Project Areas will increase the assessed valuation, the property owners in the Project Areas will not experience increases in property taxes beyond those normally allowed by other state law and state constitutional provisions.

Low and Moderate Income Housing Program

A. *Number of Dwelling Units Housing Low and Moderate Income Households Expected to be Destroyed or Removed by the Railyards Project and River District Project*

The Project Areas contain very few residential units (aside from the Jail, the Railyards Area has no residential units), but it is anticipated that redevelopment implementation may result in a substantial number of new housing units may be

developed in the Project Areas. Displacement is not anticipated to be necessary at this time.

B. *Number of Persons and Families of Low and Moderate Income Expected to be Displaced by the Railyards Project and River District Project*

At this time, the Agency does not have plans to displace any individuals.

C. *General Location of Replacement Low and Moderate Income Housing to be Rehabilitated, Developed and Constructed*

The Agency does not anticipate that any housing units would be removed or destroyed as a result of implementation of the Redevelopment Plans. However, if any destruction or removal occurs as a result of an Agency project pursuant to applicable sections of Redevelopment Law, it is the Agency's intention that any replacement housing units be located within the respective Project Area or in nearby areas that permit residential uses. Any new units may be constructed in areas within the Project Areas where such uses are permitted.

D. *Number of Dwelling Units Housing Persons of Low and Moderate Income Planned for Construction or Rehabilitation Other than Replacement Housing*

Based on the Railyards Specific Plan and other preliminary plans for housing construction, the Agency prepared Implementation Plans for the Railyards Area (Appendix A) and River District Area (Appendix B) which identify the number of housing units that may be developed during the duration of redevelopment within the respective Project Areas. These preliminary forecasts indicate that approximately 10,100 housing units may be developed in the Railyards Area, and 6,600 may be developed or substantially in the River District Area. The number of units is subject to numerous factors and therefore is subject to change. The Agency does not anticipate that any housing will be rehabilitated in either the Railyards Area or River District Area.

E. *Projected means of Financing Rehabilitation and New Construction of Housing for Low and Moderate Income Households*

The Agency intends to utilize not less than 20 percent of its tax increment revenues to finance the rehabilitation, construction and purchase of, and mortgage assistance to, housing for low and moderate income households, in accordance with the provisions of the Redevelopment Law as it now exists or may hereafter be amended. The Agency will also cooperate with the City to pool funds and resources beyond the tax increment set aside funds if it is determined to be necessary by both legislative bodies in order to improve the City's affordable housing stock.

F. *Projected Timetable for Meeting the Redevelopment Plans' Relocation, Rehabilitation and Replacement Housing Objectives*

The Agency has no plans to remove any housing units at this time. However, if any units are destroyed or removed as a result of an Agency project pursuant to applicable sections of Redevelopment Law, replacement housing would be completed within four years following the demolition of any occupied affordable unit.

The time frame for rehabilitating units pursuant to the Redevelopment Plans will be subject to the availability of housing fund revenues. Rehabilitation activities will be gradually phased over duration of the Redevelopment Plans.

SECTION N

Summary of Agency's Consultations with Affected Taxing Entities and Response to Said Entities Concerns Regarding the Plan

On September 11, 2007, the affected taxing agencies and the State Board of Equalization were sent a "Statement of Preparation" for the Proposed Actions. On December 10, 2007, the Sacramento County Auditor-Controller delivered a fiscal officer's report with information required by Redevelopment Law Section 33328. The report states that the total Railyards secured, unsecured, and state-assessed value in 2007-08 is $54,805,723. The report also lists the following taxing agencies affected by the proposed Railyards Plan:

Los Rios Community College District
Sacramento City Unified School District
County-Wide Equalization*
County Library
County General (managed by Sacramento County)
Juvenile Hall*
Regional Occupation Center*
Infant Development-Physically Handicapped*
Infant Development-Mentally Handicapped*
Children's Institutions*
County Superintendent-Administration*
Developmental Center-Handicapped*
Sacramento-Yolo Mosquito Abatement District
City of Sacramento

**Managed by County Superintendent of Schools*

In addition to the taxing agencies listed above, other affected taxing agencies in the River District Area include:

Grant Joint Union High School District
North Sacramento School District

On December 20, 2007, the affected taxing agencies were sent a copy of the Preliminary Report and a draft of the proposed Redevelopment Plan for the Railyards Redevelopment Project Area and draft of the proposed Seventh Amendment to the Richards Boulevard Redevelopment Plan. As a part of each of these mailings, the Agency offered to consult with the affected taxing agencies pursuant to Section 33328 of Redevelopment Law. The Agency did not receive any inquiries from taxing agencies in response to the mailing.

The Agency will transmit a notice of the April 22, 2008 joint public hearing to the California State Department of Finance and Department of Housing and Community Development on March 7, 2008, and to all affected taxing agencies on March 21, 2008. The Agency will again offer to consult with the affected taxing agencies.

APPENDIX A

Railyards Area Five Year Implementation Plan

SACRAMENTO
REVITALIZATION

RAILYARDS

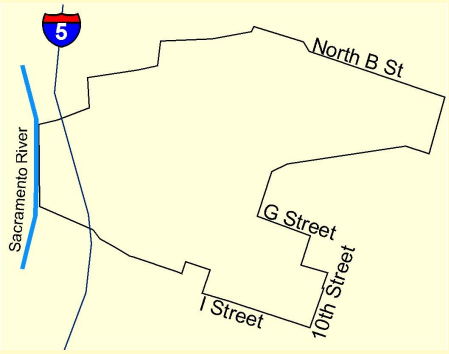
SACRAMENTO'S DESTINATION STOP

SACRAMENTO'S DESTINATION STOP

Designed as a regional destination and modern urban transit hub, the Railyards Plan builds on its historic heritage as the western terminus of the 1860s Transcontinental Railroad. The Sacramento Railyards will connect and complement Downtown and the neighboring River District as a vibrant mixed-use community and offering entertainment, retail, housing, office space, theaters, parks, hotels and museums.

RAILYARDS

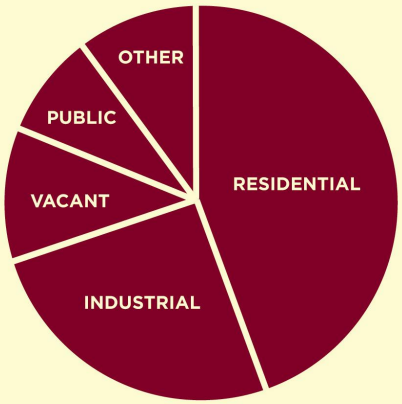
ABOUT RAILYARDS



The Railyards Project Area is located just north of Downtown and south of the River District. It once served as the western terminus of the 1860s Transcontinental Railroad. Today, the Railyards continues to house a major transportation hub and will soon be home to a dynamic mixed-use, transit-oriented development.

The integration of the Railyards area with existing Downtown is a priority of redevelopment. The Railyards Specific Plan (RSP) describes a new vision for a 240-acre portion of the Railyards site, including up to 2.4 million square feet of office uses, 12,000 residential units, 1.9 million square feet of retail, hotel, and other commercial uses, and 29 acres of parks and open space. The RSP would be supported by a $750 million package of infrastructure and public facility improvements, funded by a combination of private development sources, Federal and State sources, development impact fees, and redevelopment tax increment.

Originally part of the former Richards Boulevard Redevelopment Project Area, the Railyards Project Area was established by the City Council as a separate Redevelopment Project Area in 2008 in order to better facilitate the completion of redevelopment of both the Railyards area and the remaining portions of Richards Boulevard (renamed the River District Project Area in 2008).

Notable Timeframes		**What Will be There?**
Redevelopment Plan	Adopted 2008 Expires 2038	298 Acres PLANNED LAND USE 
Implementation Plan	**2008-2012**	
Housing Compliance Plan (for affordable housing program planning)	**2008-2017**	

POSITIONING FOR THE FUTURE

In the last five years, the Redevelopment Agency and City of Sacramento have championed many successful projects and programs in the Railyards area when it was part of the Richards Boulevard Redevelopment Project Area:

- **Thomas Enterprises Project:** Negotiated a memorandum of understanding, a development agreement and other business terms and entitlements with developer Thomas Enterprises to guide a joint public/private planning & development process to revitalize the Railyards site.

- **Sacramento Intermodal Transportation Facility:** Prepared a concept plan and acquired the Historic Rail Depot for expansion of the regional transportation hub in the Railyards serving all transit modes, including passenger rail, light rail, and regional and local bus services.

- **Historic Rail Depot**: Completed a structural and seismic study of the Historic Southern Pacific Depot The Agency and City funded a $1 million roof replacement and seismic retrofit of the Historic Southern Pacific Rail Depot.

- **REA Building:** Completed a structural and seismic study of the Railway Express Agency (REA) Building with a recommended preservation strategy. Provided assistance to the developers of the Historic REA Building, resulting in its renovation and adaptive re-use into a mix of retail and office uses.

- **Infrastructure Projects:** Created critical access to Downtown with the opening of 7th Street Extension Project in 2004. There were also multiple street reconstruction projects (2000-2004).

- **Sacramento Riverfront Master Plan:** Participated in the master planning process for the Sacramento Riverfront.

REDEVELOPMENT PLAN GOALS

The Railyards Redevelopment Plan was adopted in 2008 to reverse blight and improve economic and environmental conditions in the area. The Plan's goals are identified as:

CLEAN

Remediate and Improve: Eliminate blighting influences and correct environmental deficiencies in the Project Area, including, among others, buildings in which it is unsafe or unhealthy for persons to live or work, conditions that substantially hinder the viable use and capacity of buildings and lots, impaired investments, and high business vacancies, including the implementation of environmental remediation and management programs.

INVEST

Stimulate Economic Growth: Strengthen the economic and employment base of the Project Area and the community by removing impediments to and encouraging new residential and commercial development and other private investment.

GROW

Guide Development: Implement design and use standards to assure high aesthetic and environmental quality and provide unity and integrity to developments within the Project Area, preserving historic resources where feasible and promoting public transit access and use.

HELP

Work Together: Encourage the cooperation and participation of private development partners, residents, businesses, public agencies and community organizations in the redevelopment and revitalization of the Railyards Area.

ACCESS

Eliminate Infrastructural Deficiencies: Improve public facilities and infrastructure, including providing adequate utility capacity and access to the site and infrastructure that meets modern health and safety standards, provide adequate land for parks and open spaces, provide other public facilities, and promote an overall environment for social and economic growth.

LIVE

Provide Housing for All Families: Increase the community's supply of housing available to extremely low, very low, low and moderate income persons and families and housing for all income levels in proximity to the Downtown employment center.

REDEVELOPMENT STRATEGY

The Railyards Redevelopment Project Area redevelopment strategy utilizes several tools to guide the creation of a cohesive business, entertainment, retail and residential center. Major elements include commercial and residential development with an emphasis on transit and pedestrian-oriented development, stronger infrastructure, beautification, historic preservation and greater engagement with the Sacramento River.

- **Economic Development:** Work cooperatively with private and public property owners, businesses and residents to support and manage programs which improve the safety, cleanliness and image of the area, advocate and plan for redevelopment area improvements; and encourage increased investment in the area.

- **Housing Program Strategy:** Take advantage of the area's proximity to Downtown by providing housing for all income levels and encourage a vibrant live-work environment.

- **Transportation and Infrastructure Enhancements:** Facilitate the construction of a number of crucial infrastructure projects, including construction of the Sacramento Intermodal Transportation Facility regional hub, adequate utilities to serve new development, and development and implementation of infrastructure systems, including providing stronger roadway and pedestrian links with Downtown and with the neighboring River District.

- **Beautification and Remediation:** Take active steps to improve the image of the area by cleaning and rehabilitating blighted properties, providing additional streetscape, open space and landscape improvements, and installing appropriate signage throughout the district.

- **Re-use and Interpretation of Historic Elements:** Preserve the unique historical properties that give the area its character, such as the Historic Southern Pacific Central Shop buildings and the historic Rail Depot.

- **Connect to the River and Foster Open Space Opportunities:** The Agency and City will work with other public agencies and private development interests to create linkages and access to the Sacramento River and improve and provide public open space, landscaping, and parks and recreational facilities.

PROPOSED REDEVELOPMENT PROGRAM – 2008 THROUGH 2012[1]

Over the next five years, the Agency will implement the Railyards redevelopment strategy by undertaking the following projects and programs:

Project/Description	Estimated Redevelopment Investment	Goals Achieved
First Phase Infrastructure Investment Construct major roadways and pedestrian walkways, including grade-separated crossings of the realigned rail tracks; wet utilities including domestic water and sanitary sewer improvements to support flows into the historic combined sewer system in the Downtown Sacramento area; dry utilities, including electricity, gas and telecommunications improvements; and separate storm drainage facilities. The majority of the Railyards project area has inadequate or no infrastructure available to support the land uses proposed for the project area. The improvements listed above to be developed in partnership with the private sector are necessary to remove a major barrier that impairs private investment for the economically feasible re-use of the first phases of the redevelopment project area. *Anticipated Completion of 1st phase of infrastructure 2012*	$20,000,000	INVEST GROW ACCESS

[1] Public funding for projects will consist of an assortment of redevelopment funds (in addition to tax increment funds), Federal and State grants, and area-wide impact fees, to complement private developer direct investments.

Project/Description	Estimated Redevelopment Investment	Goals Achieved
Public Parking Facilities Construct public parking facilities, both surface and structured, to support the dense mix of private and public land uses planned for the first phases of the project area. This will also include the necessary pedestrian and vehicle access facilities and possibly some integrated private or public land uses, such as retail, in addition to the parking facilities. Development of the 5th and 6th Street Public Parking Garage, just north of the relocated rail tracks, is a major goal in the first phases of the project. Assistance with pre-development project analysis and possible matching funds for other sources are anticipated for this garage. The development of public parking facilities will help stimulate private investment and support other public investments within the first phases of development in the redevelopment project area *Anticipated completion of 1st phase of facilities 2012*	Total cost of Agency participation has not yet been determined; the City has committed to annual debt service of no less than $2,000,000 from the Citywide parking fund	INVEST GROW ACCESS
Restoration and Adaptive Re-use of Historic Buildings A number of privately owned and publicly-owned historic buildings need extensive renovation, including seismic strengthening and structural reinforcement of unreinforced masonry structures, replaced or repaired roof systems, window and door replacement, modern mechanical systems and utilities, interior and exterior improvements and repairs and tenant improvements to be preserved and adapted for new uses. These historic buildings are part of the unique historic character of the Railyards Project Area and after restoration and renovation are anticipated to draw tenants and visitors to the area and serve the travelling public. In addition the unique character of the district is anticipated to stimulate other private investment in proximity to the historic buildings that will further contribute to the economic re-use of properties in the project area. Agency participation will be required to make re-use of these important buildings safe and financially feasible. *Estimated completion of 1st Phase Development/Re-use.....2012*	Level of public investment yet to be determined	CLEAN INVEST GROW

Project/Description	Estimated Redevelopment Investment	Goals Achieved
Public Open Space Areas and Pathways The project area is envisioned as a dense, pedestrian-oriented urban environment that will require attractive public open spaces to provide relief from the built environment. In addition the mix of uses and multiple districts and facilities planned for the area will require attractive, safe and well-lit pedestrian improvements and walkways to link them. Access across the relocated rail tracks, access to the waterfront district and proposed parks and other planned amenities, the expanded Intermodal Transportation Facility and the new transit stations and access to public parking facilities are all priorities to catalyze the redevelopment of the district. These amenities and facilities will attract private investment on adjacent properties, and address factors hindering economically viable use. *Estimated completion of 1st Phase.....2012*	The City will invest at least $600,000; Agency investment is estimated at $2,000,000	CLEAN INVEST GROW ACCESS
Financial and Marketing Assistance for Private Development The proposed density and mix of development to achieve the mixed-use transit-oriented redevelopment of the project area adds substantial additional construction costs, in some cases beyond what market values will support. In addition, toxic site remediation and site preparation costs including the necessity to place clean fill on development sites, or to cap the site or remove former improvements and improve infrastructure adds additional development costs. It is anticipated that private developers will seek Agency financial participation to help offset these additional costs to make individual development projects financially feasible. In addition Agency staff will partner with the private sector to attract desirable uses to the project area. *Estimated completion 1st phase of private development 2012*	$5,000,000	HELP CLEAN INVEST

Project/Description	Estimated Redevelopment Investment	Goals Achieved
Sacramento Intermodal Transportation Facility Assist in pre-development and business attraction activities for this important facility that will serve as a major destination, transportation hub, and anchor to the southern portion of the project area. This facility is one of the cornerstones of the transit-oriented land uses envisioned for the project area. The project is anticipated to serve as a major catalyst for surrounding private development and attraction of employers, as well as generating substantial employment at full build-out in its own right. This will contribute to the economically viable re-use of this portion of the project area. *Estimated Completion of Pre-development work.....2012*	$50,000	ACCESS INVEST GROW HELP
Railyards Housing Development Assist with the development of market rate and affordable housing in the first phases of the Railyards development project. Residential uses are proposed on the upper stories of mixed-use buildings contributing to housing for a range of income levels in the project area. *Anticipated completion of early phase housing 2012*	The level of public participation in individual projects has not yet been determined but will include the use of 20 % set aside funds and possibly City housing trust funds	LIVE INVEST
Small Business Assistance Assist with capital costs of small businesses looking to locate in the Project area. Assistance could include building renovations, tenant improvements and other capital costs. This assistance can help eliminate factors that hinder the economically viable use of project area properties. *First phase business assistance completion.....2012*	Investment in individual projects has not yet been determined	HELP INVEST

Project/Description	Estimated Redevelopment Investment	Goals Achieved
Planning and Pre-development Studies Various land use, pre-development, and project feasibility studies will be carried out to support public and private development projects in the project area. While the general land uses and infrastructure for the project area have been identified more area and project-specific analysis will be required to support the implementation of specific projects or adjustments in the overall proposed land use or infrastructure configuration. These studies will help analyze and/or recommend modifications to projects or programs to increase the economic viability or appropriateness of the proposed project or program. *First phase analytic studies completion 2012*	$400,000	GROW INVEST HELP
Total Estimated Redevelopment Investment	**To be determined; $27,450,000 pledged**	

PROPOSED AFFORDABLE HOUSING PROGRAM – 2008 THROUGH 2012

Over the next five years, the Agency will implement the residential component of the Railyards redevelopment strategy by undertaking the following projects and programs:

Project/Description	Estimated Redevelopment Investment	Goals Achieved
Railyards Affordable Housing Development The Agency has negotiated with Thomas Enterprises to make 15% of new housing units affordable to very low and low income families, or approximately 109 units by 2013 and 1,524 by the expiration of the redevelopment plan. *Anticipated Completion of Phase I Housing..... 2012*	Public investment has not been determined, but will include use of 20 percent set-aside funds and likely City Housing Trust Funds and State and Federal Resources will be also be sought.	LIVE INVEST
Total Estimated Redevelopment Investment	**To be determined**	

HOUSING PROGRAM COMPLIANCE OBJECTIVES

This section of the implementation plan addresses specific requirements in state law with respect to prior affordable housing activities and the anticipated housing program in the future.

Redevelopment agencies use implementation plans to establish 10-year objectives to achieve compliance with state law in its affordable housing programs. These housing goals generally fall into three categories:

- Housing Production – Based on the number of housing units either constructed or substantially rehabilitated over a 10-year period, a redevelopment agency is required to ensure that a percentage of these units are affordable to low- and moderate-income households.

- Replacement Housing – Redevelopment agencies are legally obliged to cause the replacement of any housing units destroyed or removed as a result of an Agency redevelopment project within four years. No housing units are proposed to be destroyed or removed as a result of an Agency redevelopment project within the next four years.

- Targeting Household Types – Agencies are held to specific requirements on the amount of housing set-aside funds an individual agency must spend over a 10-year period on affordable housing for very low-income households, low-income households, and housing for residents under the age of 65.

The housing program goals applicable to this Project Area are described below.

Housing Production

To estimate the number of housing units that need to be affordable to low- and moderate-income households, the Agency estimated the total number units to be constructed or substantially rehabilitated in the Project Area and applied formulas established in State law.

The chart below summarizes the production goals over various time periods as required by Redevelopment Law. The number of affordable units required is based on statutory thresholds, and the Agency is responsible for ensuring that the appropriate number of affordable units is created during a 10-year period.

Actual and Projected Housing Production Needs by Time Period			
Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area	Required Affordable Units /1	
		Total	Very Low
10 Year Forecast	**3,484**	**523**	**209**
2008 to 2012	***726***	109	44
2013 to 2017	***2,758***	414	165
Redevelopment Plan Duration *(2008 to 2038)*	10,160	1,524	610

Notes:
1/ Based on 15 percent of actual/assumed units developed by entities other than Agency. (No units developed by Agency.) All figures rounded up.

As shown in the above table, the Agency anticipates a need for 523 affordable units (including 209 very low income units) to fulfill its production goals for the 10-year period, and 1,524 affordable units (including 610 very low income units) over the duration of the Redevelopment Plan. Fulfillment of these production goals is shown on the following table.

Fulfillment of Affordable Housing Production Requirements by Time Period								
Time Period	Units Required (see previous table)		Units Produced		**Additional Units Required**		**Net Surplus Units Produced**	
	Total	VL	Total	VL	**Total**	**VL**	**Total**	**VL**
10 Year Forecast	**523**	**209**	**0**	**0**	**523**	**209**	**0**	**0**
Redevelopment Plan Duration *(2008 to 2038)*	1,524	610	0	0	**1,524**	**610**	**0**	**0**

As shown in the above table, the Project Area has a 523-unit affordable housing production need for the next 10 years. It is planned that 15% of all units built will be affordable to very low and low income families.

Replacement Housing

During the implementation plan period, the Agency does not anticipate that any Agency-assisted projects will result in the displacement or removal of housing units. Consequently, the Agency does not anticipate that any housing will need to be replaced at this time.

Expenditures by Household Types

The Agency anticipates that the low- and moderate-income housing fund will have a balance of $0 available on July 1, 2008. Over the five-year period ending on December 31, 2012, staff estimates that the Project Area will generate approximately $500,000 in 20 percent housing set-aside revenue.

Upon adoption of this implementation plan, the Agency will have the authority to expend Project Area housing set-aside funds either inside or outside the Project Area and aggregate its housing production activities among all of its project areas, in order to more effectively meet housing program objectives for the Agency and this Project Area in particular.

Redevelopment Law requires the Agency to expend its Low and Moderate Income Housing Fund ("LMIHF") in proportion to the community's need for very low and low income housing,

as well as the proportion of the low income population under the age of 65. New legal requirements took effect in 2007 that modified the previous limitation of spending LMIHF monies on households under the age of 65. Section 33334.4(b) of Redevelopment Law used to require that an Agency spend its LIMIHF monies "in at least the same proportion as the low-income population under age 65 bears to the total low-income population of the community as reflected in the most recent census." The new language provides a higher level of specificity to spend "in at least the same proportion as the number of low-income households with a member under age 65 years bears to the total number of low-income households of the community as reported in the most recent census". The potential impact of the change is difficult to assess in that the U.S. Census Bureau does not provide a data set that reflects the new requirement, leaving the burden on local jurisdictions to determine. As a practical matter, the prior language may continue to be used since the available data set for seniors age 65 and over could arguably reflect only households comprised of such seniors.

Based on statistics from the Regional Housing Needs Assessment, used by local government to meet state requirement for affordable housing by category, and 2000 Census statistics, the following minimum thresholds for housing program expenditures would be required over the term of the Implementation Plan.

Household Type	Minimum Percentage of Housing Set-Aside Expenditures over Implementation Plan
Very Low Income Households	9%
Low Income Households	34%
Households Under Age 65	89%

Notes:
Percentage of very low- and low-income household expenditures based upon City of Sacramento Regional Housing Needs Assessment in which 772 (nine percent) of the 8,277 affordable units in the City's housing needs are applicable for very low income households and 2,791 units (34 percent) are applicable for low income households.

Percentage of expenditures for housing to households under the age of 65 based on 2000 Census population for the City[2], wherein 360,575 residents (89 percent) of the total population of 407,018 are under the age of 65. No more than 11 percent of Project Area housing set-aside funds may be expended on housing for households age 65 and older.

[2] In 2006, state law changed the formula for computing the percentage of housing funds that may be expended on housing available to all families, regardless of age, to be based on the number of households with a member under the age of 65. This data is not specifically available from the Census Bureau, so until such time as this data becomes available, the Agency will use the prior metric for this housing policy.

APPENDIX B

River District Area Five Year Implementation Plan

SACRAMENTO
REVITALIZATION

RIVER DISTRICT

CREATING SACRAMENTO'S NEXT GREAT RIVERFRONT COMMUNITY

CREATING SACRAMENTO'S NEXT GREAT RIVERFRONT COMMUNITY

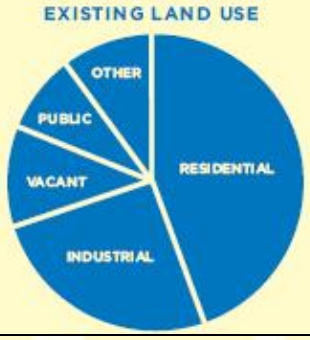
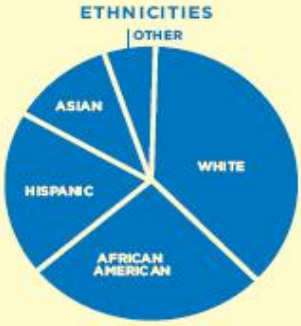
The River District provides a dynamic and unique mix of urban uses while embracing the natural environments of the American and Sacramento rivers. The District's energetic atmosphere supports a robust economic and employment base that builds on the area's traditional uses and includes office, neighborhood serving retail, service commercial industries, hotels and restaurants.

RIVER DISTRICT

ABOUT THE RIVER DISTRICT

The River District Redevelopment Project Area (formerly the Richards Boulevard Redevelopment Project Area) mixes office, commercial, residential and retail uses with hotels and restaurants, low density industrial, warehouse commercial, parks, utilities, transportation, and service sector uses. Both new and traditional businesses are attracted by the area's close proximity to Downtown, its natural setting at the confluence of two major rivers, and its mixture of small building stock with large floor-plate offices and warehouses. Residents, visitors and employees enjoy convenient access to transportation systems, including Interstate 5, State Route 160 and the Capitol City Freeway.

The Project Area falls under the Richards Boulevard Area Plan (RBAP), which is currently being updated, envisions a mixed-use plan with six million square feet of office focused around light rail stations, 4,000 residential units located near the American River, and retention of critical downtown service businesses

Notable Timeframes	**What is There?**	**Who is There?**
Redevelopment Plan Adopted 1990 Original Area Expires 2026 Added Area Expires 2027	1,068 Acres  	7,500 daytime employees 400-500 Residents 
Implementation Plan 2005-2009		
Housing Compliance Plan 2005-2014 (for affordable housing program planning)		

POSITIONING FOR THE FUTURE

In the last five years, the Redevelopment Agency has championed many successful projects and programs in the River District:

- **Discovery Centre Office Project:** Provided a loan to the developer, enabling construction of a 150,000 square-foot office building as phase one of a four-phase complex.

- **Business Retention:** Continued to work with General Produce on a land exchange to serve the proposed expansion of the firm's food distribution facility. Completed outstanding provisions of the 1996 Blue Diamond Growers Owner Participation Agreement.

- **Infrastructure Projects:** Completed the Richards Boulevard widening (Phase II) in 2001. Created critical access to Downtown with the opening of 7th Street Extension Project in 2004. Other completed projects include the Sacramento River Water Treatment Plant expansion (2004), City Water Intake Structure construction (2004), American River Levee reinforcement project (2002), and multiple street reconstruction projects (2000-2004).

- **Phoenix Park Housing (Franklin Villa):** The Agency contributed $1.3 million of the area's 20 percent housing set-aside to the Phoenix Park project, which is located outside of the redevelopment area. Thirty-six of the low- and very low-income units developed are directly attributable to the Richards inclusionary housing goals.

The River District PBID

The Agency supported the creation of a Property and Business Improvement District (PBID), working with private and public property owners to create new programs that strengthen the economic and cultural well-being of the area. Originally called the Capitol Station District, it was established in 1999 and is managed by a non-profit business association called The River District. The PBID was renewed in 2004 for an additional ten years to provide enhanced safety, maintenance, image enhancement, planning and advocacy programs beyond what is provided by local government. Activities include Community Service Initiatives that provide daily security patrol, Economic Development and Outreach activities, and Transportation/ Public Projects/Infrastructure Advocacy and Planning.

- **Two Rivers Trail Concept Plan:** Created a Concept Plan for constructing a recreation trail along the south bank of the American River, from the confluence to Sutter Landing Park.

- **Sacramento Riverfront Master Plan:** Participated in the master planning process for the Sacramento Riverfront.

REDEVELOPMENT PLAN GOALS

The Richards Boulevard Redevelopment Plan, which applies to the River District Redevelopment Project, was adopted in 1990 to reverse blight and improve economic and environmental conditions in the area. The Plan's goals are identified as:

CLEAN

Remediate and Beautify: Eliminate and prevent the spread of blight and deterioration, conserve and rehabilitate the Project Area in accordance with applicable general and specific plans, local codes and ordinances. Redesign and redevelop stagnant and under-utilized sites. Beautify with upgraded streetscapes, facades, landscaping and other improvements. Encourage high-quality architectural, landscape, urban design, and land use principles to achieve Redevelopment Plan objectives.

INVEST

Stimulate Economic Growth: Attract new and continued private sector investment within the Project Area to prevent the loss of and facilitate the capture of commercial sales activities. Promote State of California and other Class A office uses, new mixed-use residential and neighborhood retail investment, while maintaining historic business-to-business services. Encourage investment that provides increased sales tax, business licenses, and other fees, taxes and revenues to the County and City of Sacramento. Reduce the City's and County's annual cost for local services to and within the Project Area.

GROW

Enhance Community Facilities: Support schools, community centers, parks, and recreational facilities consistent with the General Plan and appropriately integrated into the residential and commercial neighborhoods of the District. Continue to improve and beautify historic community facilities. Consolidate current social service facilities within the Project Area, and discourage over-concentration and proliferation of additional social service programs and facilities to promote compatibility with commercial development and to more effectively serve the population.

WORK

Create Jobs for the Neighborhood: Develop new local job opportunities and preserve the area's existing employment base. Recruit new employers and assist current employers through redevelopment and rehabilitation activities.

ACCESS

Eliminate Infrastructural Deficiencies: Eliminate or ameliorate infrastructural deficiencies, such as substandard vehicular circulation systems, inadequate water, sewer and storm drainage systems, and insufficient off-street parking.

LIVE

Provide Housing for Families: Support new market-rate residential infill projects in the District, both for sale and for rental. Increase the community's supply of inclusionary housing (both inside and outside of the Project Area) for low- and moderate-income households. Enhance historic residential neighborhoods through infill and beautification projects.

REDEVELOPMENT STRATEGY

Working in close partnership with the River District, a private, nonprofit association charged with managing and promoting economic and cultural programs in the area, the Agency intends to facilitate redevelopment of the Project Area by undertaking the following redevelopment strategy:

- **Stimulate Economic Growth:** This strategy involves maximizing employment opportunities, redeveloping the Jibboom Street Power Station site, and encouraging mixed use projects at North 7th Street by the private sector.

- **Develop Residential Projects:** The Agency seeks the development of new market rate and affordable housing within the Project Area, and is taking steps to ensure that the existing housing stock is decent, safe and sanitary.

- **Provide Enhanced Community Facilities and Amenities:** The Agency will work with the River District and property owners to promote the development of destination attractions.

- **Engage the Rivers and Foster Open Space Opportunities:** The Agency and City will work to improve and expand the Two Rivers Trail along the American River, explore design concepts to engage the Rivers, and improve and expand landscape, parks and recreational attractions. Also, the Agency will work with County and City departments to improve public access and promote neighborhood connectivity to the Sacramento and American Rivers.

- **Provide a Safe, Clean, and Attractive Environment:** Elements to this goal include development of Phase II of the Social Services complex, mitigating the impact of social services in the area, and address abatement and public safety issues in the area.

- **Improve Circulation and Transportation:** The Agency will work on improvements to local streets, major interchanges and intersections serving the Project Area, and work closely with the Railyards improvements to ensure there is seamless connectivity. The Agency will also work with Regional Transit to help bring light rail services to the area.

- **Strengthen Infrastructure to Support Development:** This activity includes reinforcement of the levees to address flood risk, development of an infrastructure plan with the Railyards area, implementation of the Gateway Master Plan, and completion of the Combined Sewer Mitigation Project.

- **Build Image and Identity:** Work with the Property Based Improvement District (PBID) to promote a positive image and build upon the Project Area's relationship with the Rivers.

PROPOSED REDEVELOPMENT PROGRAM – 2008 THROUGH 2013[1]

Over the next five years, the Agency will implement the River District redevelopment strategy by undertaking the following projects and programs. Several programs proposed when the Richards Boulevard Implementation Plan was original adopted have already been completed and are noted below.

Project/Description	Estimated Redevelopment Investment	Goals Achieved
1400 North "A" St. Redevelopment Complete acquisition and solicitation of redevelopment of former Egg Warehouse Building site at 1400 North A Street. Completion of this project would improve unsafe and unhealthy buildings and eliminate factors hindering economically viable use of project area properties. A land swap is anticipated to occur pending the resolution of the General Produce land sale/exchange. *Anticipated Completion ..... 2008 Thru 2010*	Land exchange with no net cost.	CLEAN INVEST
General Produce Land Sale Disposition of 5-acre Agency-owned site to General Produce to facilitate business expansion. Completion of this project would eliminate factors hindering economically viable use of project area properties. This project will take place once environmental clearance issues have been resolved. *Completion 2009*	Land exchange with no net cost	CLEAN INVEST SHOP WORK

[1] Public funding for projects will consist of an assortment redevelopment funds (in addition to tax increment funds), Federal/State grants, and area-wide impact fees.

Project/Description	Estimated Redevelopment Investment	Goals Achieved
Commercial Corridor Revitalization Program Implement commercial loan and façade grant program for key sites on Richards Boulevard, and North 12th and North 16th streets. Completion of this project would eliminate factors hindering economically viable use of project area properties. *Anticipated Completion 2011*	$3,000,000	CLEAN GROW
Brownfields Program Develop an ongoing program for characterizing existing and former industrial properties to determine extent of toxic contamination, and provide assistance to property owners in completing necessary cleanup activities. Completion of this project would promote development of an otherwise impaired investment and eliminate factors hindering economically viable use of project area properties. *Anticipated commencement of program 2008*	Total cost of program has not yet been estimated	CLEAN
Gateway District Housing Acquire key and remnant sites in Gateway District for development as an urban rental housing project(s) with possible mixed-use retail or live/work spaces. Target 100 units. Completion of this project would eliminate factors hindering economically viable use of project area properties. This project is currently on hold due to the downturn in the residential market. Housing in the Gateway District will progress when the market improves. *Anticipated commencement of program 2009*	Public investment has not been determined, but will include use of 20 percent set-aside funds	CLEAN INVEST

Project/Description	Estimated Redevelopment Investment	Goals Achieved
Riverfront Residential Assist development of catalyst mixed income housing along American River. Development targets are for construction of approximately 500 units within the 2008 – 2012 period. Completion of this project would eliminate factors hindering economically viable use of project area properties. Township 9 proposes 2,700 housing units. Construction is scheduled to commence in 2009. *Anticipated Completion 2012*	Public investment has not been determined, but will include use of 20 percent set-aside funds	CLEAN INVEST GROW
Incinerator Site Development (721 N. B Street) Assist property owner with redevelopment of City Incinerator site, including environmental site assessment, remediation, demolition or stabilization of structure, entitlements, and off-site improvements. Completion of this project would improve inadequate public improvements and eliminate factors hindering economically viable use of project area properties. The site is under a master lease. A purchase option will become available in 2013. Phase II environmental assessment has been completed by the Tenant. Concept planning will occur later in 2008. *Anticipated Completion 2009*	Sale of City property may result in net income to City	CLEAN INVEST GROW

Project/Description	Estimated Redevelopment Investment	Goals Achieved
"Four Points" (North 7th/Richards) Transit Village Prepare a market-based development strategy for the "Four Points" area located at the North 7th Street and Richards Boulevard intersection and for the proposed Downtown-Natomas-Airport line light rail station. River District property owners have developed a "massing study" of the four corners. An Exclusive Right to Negotiate for North 7th Street properties located south of Richards Blvd has been executed. Completion of this project will eliminate factors hindering economically viable use of project area properties. *Anticipated Completion of Strategy.....2009*	$75,000	CLEAN INVEST
PG&E Building Adaptive Reuse An Exclusive Right to Negotiate has been executed with the Discovery Museum for the Powerstation Space and Science Center on the site. Fundraising from private sources and site investigation is underway. The Parks Department has already completed a new riverfront park, the Jibboom Street Park. Completion of this project would eliminate factors hindering economically viable use of project area properties. The project is currently in progress. Once fundraising targets have been met, a lease for the site will be executed. *Anticipated Completion Concept Planning.....2009*	No funding commitment has been made other than below market rent ($1 per year)	CLEAN INVEST
River District Specific Plan Project Complete transportation and other studies and prepare Nexus Study to update the Richards Boulevard Area Plan Completion of this project would develop a plan for improved circulation, public improvements and eliminate factors hindering economically viable use of project area properties. *Anticipated Completion of Studies 2008*	$200,000	INVEST

Project/Description	Estimated Redevelopment Investment	Goals Achieved
Combined Sewer Mitigation Project Complete engineering studies and prepare Nexus Study in order to implement the proposed combined sewer improvements necessary to serve new development in the River District area. Completion of this project would improve inadequate public improvements and eliminate factors hindering economically viable use of project area properties. A preliminary engineering study is underway, which will assist in identifying the best alternative to address the River District and Railyards combined sewer system shortcomings. *Anticipated Completion of Studies 2011*	$50,000	INVEST
Gateway District Streetscape Improvements Construct sidewalks, curbs and gutters; install lighting, streetscape elements, landscaping and underground utilities; and improve access and parking options. Completion of this project would improve inadequate public improvements and eliminate factors hindering economically viable use of project area properties. Plans were adopted in 2006. The Richards Blvd 12th and 16th street intersections were completed in 2007. Additional improvements are still pending implementation. *Phase II Improvements 2010*	$500,000	CLEAN INVEST GROW
Two Rivers Trail Construct improved land-side access to Two Rivers Trail, including ADA accessible switchback ramps and landscaping. This project was completed in 2006. It enhanced public improvements and eliminated factors hindering economically viable use of project area properties. *Completed.....2006*	No cost to the Project Area.	CLEAN INVEST GROW

Project/Description	Estimated Redevelopment Investment	Goals Achieved
Managed Parking District Pursuant to the Central City Parking Study, the project will identify solutions to provide improved parking in District, including amendment of the zoning ordinance and utilizing Agency-owned surface lots. Completion of this project will enhance public improvements and eliminated factors hindering economically viable use of project area properties. The Central City Parking Master Plan was adopted by City Council on September 19, 2006. *Completed.....2011*	To be determined.	CLEAN INVEST
Total Estimated Redevelopment Investment	**$3,825,000**	

PROPOSED AFFORDABLE HOUSING PROGRAM – 2005 THROUGH 2009

Over the next five years, the Agency will implement the residential component of the River District redevelopment strategy by undertaking the following projects and programs:

Project/Description	Estimated Redevelopment Investment	Goals Achieved
Gateway Housing Project Acquire site(s) for inclusionary infill housing project and solicit residential development proposals. It is estimated that 100 units will be developed by 2011, a portion of which will meet the Agency's inclusionary housing requirements. Project is on hold due to the downturn in the residential market, interest in residential projects has cooled. The project will progress once interest in the market resumes. *Anticipated Completion..... 2011*	Public investment has not been determined, but will include use of 20 percent set-aside funds	LIVE
Riverfront Housing Assist to secure affordable element as part of private development proposals within the American River District. It is estimated that 500 units will be developed by 2012, a portion of which will meet the Agency's inclusionary housing requirements. Township 9 proposes 2,700 housing. Construction has not been scheduled. *Anticipated Completion..... 2012*	Public investment has not been determined, but will include use of 20 percent set-aside funds	LIVE
Total Estimated Redevelopment Investment	**To be determined**	

HOUSING PROGRAM COMPLIANCE OBJECTIVES

This section of the implementation plan addresses specific requirements in state law with respect to prior affordable housing activities and the anticipated housing program in the future.

Redevelopment agencies use implementation plans to establish 10-year objectives to achieve compliance with state law in its affordable housing programs. These housing goals generally fall into three categories:

- Housing Production – Based on the number of housing units either constructed or substantially rehabilitated over a 10-year period, a redevelopment agency is required to ensure that a percentage of these units are affordable to low- and moderate-income households.

- Replacement Housing – Redevelopment agencies are legally obliged to cause the replacement of any housing units destroyed or removed as a result of an Agency redevelopment project within four years. No housing units are proposed to be destroyed or removed as a result of an Agency redevelopment project within the next four years.

- Targeting Household Types – Agencies are held to specific requirements on the amount of housing set-aside funds an individual agency must spend over a 10-year period on affordable housing for very low-income households, low-income households, and housing for residents under the age of 65.

The housing program goals applicable to this Project Area are described below.

Housing Production

To estimate the number of housing units that need to be affordable to low- and moderate-income households, the Agency estimated the total number units to be constructed or substantially rehabilitated in the Project Area and applied formulas established in State law.

The chart below summarizes the production goals over various time periods as required by Redevelopment Law. The number of affordable units required is based on statutory thresholds, and the Agency is responsible for ensuring that the appropriate number of affordable units is created during a 10-year period.

Actual and Projected Housing Production Needs by Time Period			
Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area	Required Affordable Units /1	
		Total	Very Low
Prior to 2005	178 /2	28	12
10 Year Forecast	**2,800**	**420**	**168**
2008 to 2011	***600***	90	14
2011 to 2014	***2,200***	330	50
Redevelopment Plan Duration *(1990 to 2026)*	8,000	1,200	400

Notes:

1/ Based on 15 percent of actual/assumed units developed by entities other than Agency. (No units developed by Agency.) All figures rounded up.

2/ Source: Methodology for Calculating Inclusionary Housing Obligations and Crediting Units Against Inclusionary Housing Obligations, Sacramento Housing and Redevelopment Agency, October 1, 2004

As shown in the above table, the Agency anticipates a need for 420 affordable units (including 168 very low income units) to fulfill its production goals for the 10-year period, and 1,200 affordable units (including 400 very low income units) over the duration of the Redevelopment Plan. Fulfillment of these production goals is shown on the following table.

Fulfillment of Affordable Housing Production Requirements by Time Period								
Time Period	Units Required (see previous table)		Units Produced		**Additional Units Required**		**Net Surplus Units Produced**	
	Total	VL	Total	VL	**Total**	**VL**	**Total**	**VL**
Prior to 2005 *In Project Area* *Outside Project Area /1*	28	12	96 *60* *36*	80 *60* *20*	**0**	**0**	**68**	**68**
10 Year Forecast /2	**420**	**168**	**68**	**68**	**352**	**100**	**0**	**0**
Redevelopment Plan Duration *(1990 to 2026)*	1,200	400	96-	80	**1,104**	**320**	**0**	**0**

Notes:

1/ In exchange for funding a portion of the Phoenix Park affordable housing project, the Project Area received fulfillment credit for an equivalent number of production units in other housing projects, including Countrywood (17 units), Casa Natomas (14 units), and Woodbridge (6 units). Units produced outside Project Area credited on a 2-for-1 basis. Beginning in 2005, the Agency will have the authority to aggregate its production needs among project areas in its jurisdiction and credit units produced in other project areas on a 1-for-1 unit basis.

2/ Units produced for 10 year period include any surplus units produced prior to 2005.

As shown in the above table, the Project Area has a 352-unit affordable housing production need for the next 10 years, 100 of which must be very low income units. As described earlier in this Implementation Plan the Agency anticipates development of several affordable housing projects in the Project Area over the next 10 years.

Replacement Housing

During the implementation plan period, the Agency does not anticipate that any Agency-assisted projects will result in the displacement or removal of housing units. Consequently, the Agency does not anticipate that any housing will need to be replaced at this time.

Expenditures by Household Types

The Agency's low- and moderate-income housing fund had a balance of $17,637,514 available at the end of fiscal year 2003-04[2]. Over the five-year period ending on December 31, 2009, staff estimates that the Project Area will generate $1,293,000 or more in 20 percent housing set-aside revenue.

Upon adoption of this implementation plan, the Agency will have the authority to expend Project Area housing set-aside funds either inside or outside the Project Area and aggregate its housing production activities among all of its project areas, in order to more effectively meet housing program objectives for the Agency and this Project Area in particular.

Redevelopment Law requires the Agency to expend its Low and Moderate Income Housing Fund ("LMIHF") in proportion to the community's need for very low and low income housing, as well as the proportion of the low income population under the age of 65. New legal requirements took effect in 2007 that modified the previous limitation of spending LMIHF monies on households under the age of 65. Section 33334.4(b) of Redevelopment Law used to require that an Agency spend its LIMIHF monies "in at least the same proportion as the low-income population under age 65 bears to the total low-income population of the community as reflected in the most recent census." The new language provides a higher level of specificity to spend "in at least the same proportion as the number of low-income households with a member under age 65 years bears to the total number of low-income households of the community as reported in the most recent census". The potential impact of the change is difficult to assess in that the U.S. Census Bureau does not provide a data set that reflects the new requirement, leaving the burden on local jurisdictions to determine. As a practical matter, the prior language may continue to be used since the available data set for seniors age 65 and over could arguably reflect only households comprised of such seniors.

Based on statistics from the Regional Housing Needs Assessment, used by local government to meet state requirement for affordable housing by category, and 2000 Census statistics, the following minimum thresholds for housing program expenditures would be required over the term of the Implementation Plan.

[2] Source: 2003-04 HCD Annual Report Exhibit C-2. Balance for all Agency project areas. Includes balance from housing loans receivable and residual receipt loans receivable.

Household Type	Minimum Percentage of Housing Set-Aside Expenditures over Implementation Plan
Very Low Income Households	9%
Low Income Households	34%
Households Under Age 65	89%

Notes:
Percentage of very low- and low-income household expenditures based upon City of Sacramento Regional Housing Needs Assessment in which 772 (nine percent) of the 8,277 affordable units in the City's housing needs are applicable for very low income households and 2,791 units (34 percent) are applicable for low income households.

Percentage of expenditures for housing to households under the age of 65 based on 2000 Census population for the City[3], wherein 360,575 residents (89 percent) of the total population of 407,018 are under the age of 65. No more than 11 percent of Project Area housing set-aside funds may be expended on housing for households age 65 and older.

[3] In 2006, state law changed the formula for computing the percentage of housing funds that may be expended on housing available to all families, regardless of age, to be based on the number of households with a member under the age of 65. This data is not specifically available from the Census Bureau, so until such time as this data becomes available, the Agency will use the prior metric for this housing policy.

- **Housing Set-Aside Expenditures Since January 2002.** These proportionality requirements affect expenditures over a 10-year period, although the law permits the compliance initially for a period beginning in January 2002 and ending in December 2014. The chart below documents the amount of low- and moderate-income housing fund revenue used from 2002 to 2004 for these income categories:

Housing Expenditures and Proportionality Since 2002				
Income Category	**2002**	**2003**	**2004**	**Period to 2004**
Very Low Income	$0	$704,167	$0	$704,167 (54%)
Low Income	$0	$595,833	$0	$595,833 (46%)
Moderate Income	$0	$0	$0	$0 (0%)
Total Expenditures	$0	$1,300,000	$0	$1,300,000 (100%)
Notes: 2004 estimates based on preliminary projections as of August 2004 and subject to change.				

- **Family Units Assisted by Housing Set-Aside Fund.** State law also requires a recap of the number of the projects assisted by the housing set-aside fund over the past Implementation Plan period divided by family projects (open to all age groups) and senior projects (restricted to residents age 65 and older). The chart below summarizes these statistics by project from January 2002 (when proportionality requirements took effect) through December 2004.

Project/Location	**Housing Set-Aside Expenditures**	**Units Assisted by Housing Set-Aside Fund (January 2002 – December 2004)**				
		Ext. Low	**Very Low**	**Low**	**Mod.**	**Tot.**
Family Projects	$1,300,000 (100%)	0	39	33	0	72
Phoenix Park	$1,300,000	0	39	33	0	72
Senior Projects	$0 (0%)	0	0	0	0	0
Totals	**$1,300,000 (100%)**	**0**	**39**	**33**	**0**	**72**
Notes: 2004 estimates based on preliminary projections as of August 2004 and subject to change.						

- **Housing Units Constructed During Prior Implementation Plan Without Housing Set-Aside Funds.** Since January 2000, no other funding source was used by the Agency to construct affordable units featuring long-term covenant restricted units (affordable units with covenants of at least 45 years for ownership housing or 55 years for rental housing).

APPENDIX C

Railyards Area Base Year Reports

Internal Services Agency

Department of Finance

Auditor-Controller Division
Julie Valverde,
Assistant Auditor-Controller

County of Sacramento

Terry Schutten, County Executive
Mark Norris, Agency Administrator
Dave Irish, CPA, Department Director

December 10, 2007

Rachel Hazlewood
Senior Project Manager
Redevelopment Agency of the City of Sacramento
1030 15th Street, 2nd Floor
Sacramento, CA 95814

Subject: **FISCAL OFFICER'S REPORT FOR THE PROPOSED RAILYARDS REDEVELOPMENT PROJECT**

Dear Ms. Hazlewood:

This report on the proposed Railyards Redevelopment Project is made pursuant to Health and Safety Code Section 33328, using the 2007-2008 roll as the Base Year Assessment Roll. Based on data from the State Board of Equalization, the County Assessor's Office, and our records, we have determined the following:

1. The total assessed valuation of all taxable property within the project area for 2007-2008 is $54,805,723 as detailed in Attachment A. This value is net of veterans and welfare exemptions in the amount of $4,523,659.

2. The taxing agencies that are levying taxes in the project area are:

TAXING AGENCY	Managed By (if different)
Los Rios Community College District	
Sacramento City Unified School District	
County-Wide Equalization	County Superintendent of Schools
County Library	
County General	Sacramento County
Juvenile Hall	County Superintendent of Schools
Regional Occupation Center	County Superintendent of Schools
Infant Development-Physically Handicapped	County Superintendent of Schools
Infant Development-Mentally Handicapped	County Superintendent of Schools
Children's Institutions	County Superintendent of Schools
County Superintendent-Administration	County Superintendent of Schools
Developmental Center – Handicapped	County Superintendent of Schools
Sacramento-Yolo Mosquito Abatement Dist.	
City of Sacramento	

3. Attachment B to this report details the amount of tax revenues derived by each taxing agency from the 2007-2008 assessment rolls including state subventions. This attachment displays each taxing

agency's revenues derived from the project area and the total tax revenues. Please note this attachment also reflects a portion of each taxing agency's permanent property tax shift to the Educational Revenue Augmentation Fund (ERAF) from its share of property tax revenues in the project area. The attachment also reflects the allocation of the ERAF amount to the County Superintendent of Schools, K-12 school districts, and the community college district in the project area based on the ERAF distribution factors.

4. Consistent with your request received in my office on September 11, 2007, the State Board of Equalization and the County Assessor have determined the 2007-2008 valuations within the proposed project area. This report presents only 2007-2008 valuations.

The revenues in this report exclude revenues generated by unitary and operating non-unitary properties. Those revenues are billed and apportioned as prescribed by Revenue and Taxation Code Section 98.9. Since this analysis targets base values and revenues, supplemental revenues have also been excluded. It is my understanding that the valuations of state-assessed property located in the project area have been sent directly to your office by the State Board of Equalization. I have included with this correspondence a report of the valuations of secured and unsecured local-assessed parcels located in the project area based on the Assessor's valuation information provided electronically to my office (see Attachment C). I hope that these reports are useful to both you and the taxing agencies affected by the project area. If you have any questions regarding these reports, please contact Kim Le at 874-6277.

Sincerely,

Dave Irish
Director of Finance

Enclosures

cc: Los Rios Community College District (w/o parcel listings)
Sacramento City Unified School District (w/o parcel listings)
County Library (w/o parcel listings)
County Superintendent of Schools (w/o parcel listings)
Chief Financial Officer, Sacramento County (w/o parcel listings)
County Budget Officer, Sacramento County (w/o parcel listings)
Sacramento-Yolo Mosquito Abatement District (w/o parcel listings)
County Assessor, Sacramento County (w/o parcel listings)
Department of Finance, Auditor-Controller, Sacramento County

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER DIVISION
RAILYARDS REDEVELOPMENT PROJECT AREA
BASE VALUES
Base Year 2007-2008

TRA	03-006	03-304	03-307	03-308	TOTAL
STATE BOARD ROLL					
Land	5,850			657,567	663,417
Improvements			432		432
Personal Property			247		247
	5,850	-	679	657,567	664,096
LOCAL SECURED					
Land	423,879	-	9,542,984	632,394	10,599,257
Improvements	155,866	-	36,322,770	2,917,117	39,395,753
Fixtures	-	-	82,064	-	82,064
Personal Property	-	-	416,906	-	416,906
Exemption			-	-	-
	579,745	-	46,364,724	3,549,511	50,493,980
UNSECURED					
Land	-	-	2,464,401	-	2,464,401
Improvements	-	-	2,039,884	-	2,039,884
Fixtures	1,093,950	-	1,604,821	23,738	2,722,509
Personal Property	923,479	-	21,033	-	944,512
Exemption	-		(4,523,659)		(4,523,659)
	2,017,429	-	1,606,480	23,738	3,647,647
TOTAL VALUES	2,603,024	-	47,971,883	4,230,816	54,805,723

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER DIVISION
RAILYARDS REDEVELOPMENT PROJECT AREA
BASE REVENUES
Base Year 2007-2008

TRA	03-006	03-304	03-307	03-308	ERAF	PROJECT	DISTRICT
BASE VALUES	2,603,024	-	47,971,883	4,230,816	<CONTR.> / DISTR.	AREA REVENUES	TOTAL REVENUES
BASE REVENUES	26,030	-	479,719	42,308		548,057	
Los Rios Community College	776	0	14,297	1,261	18,219	34,553	68,329
Sacto City Unified	6,699	0	123,467	10,889	126,212	267,267	527,835
County Wide Equal	28	0	513	45	305	892	1,756
County General	9,345	0	172,221	15,189	(103,210)	93,546	177,746
Juvenile Hall	12	0	217	19	129	377	365
Regional Occup Center	20	0	377	33	224	654	634
Infant Dev-Phys Handicapp	1	0	23	2	14	40	38
Infant Dev-Mentally Handicapped	1	0	23	2	14	40	38
Children's Institutions	95	0	1,757	155	1,044	3,052	2,957
County Supt-Administration	55	0	1,016	90	604	1,764	1,709
Sact-Yolo Mosquito	184	0	3,400	300		3,885	3,700
City of Sacramento	8,782	0	161,838	14,273	(43,894)	140,999	273,217
Dev Center Handicapped	31	0	570	50	339	991	960
	26,030	0	479,719	42,308	(0)	548,057	1,059,284

PRE-ERAF AB 8 FACTORS (GAHR0401)

TRA	03-006	03-304	03-307	03-308
Los Rios Community College	0.0298021	0.0298021	0.0298021	0.0298021
Sacto City Unified	0.2573732	0.2573732	0.2573732	0.2573732
County Wide Equal	0.0010703	0.0010703	0.0010703	0.0010703
County General	0.3590050	0.3590049	0.3590050	0.3590050
Juvenile Hall	0.0004519	0.0004519	0.0004519	0.0004519
Regional Occup Center	0.0007849	0.0007849	0.0007849	0.0007849
Infant Dev-Phys Handicapp	0.0000475	0.0000476	0.0000475	0.0000475
Infant Dev-Mentally Handicapped	0.0000475	0.0000476	0.0000475	0.0000475
Children's Institutions	0.0036629	0.0036628	0.0036629	0.0036629
County Supt-Administration	0.0021169	0.0021168	0.0021169	0.0021169
Sact-Yolo Mosquito	0.0070878	0.0070878	0.0070878	0.0070878
City of Sacramento	0.3373608	0.3373609	0.3373608	0.3373608
Dev Center Handicapped	0.0011892	0.0011892	0.0011892	0.0011892
	1.00000000	1.00000000	1.00000000	1.00000000

TAX SHIFTS FROM DISTRICTS WITHN THE REDEVELOPMENT AREA

2007-2008	GROSS REVENUE (1)	ACCUM. TAX SHIFT (1)	ADJUSTED REVENUE	DISTRICT ERAF %	PROJECT REVENUE BEF ERAF	PROJECT ERAF	ERAF ALLOCATED TO SCHOOL
	(A)	(B)	(C)	(D)	(E)	(F) = C X D	(G)
COUNTY OF SACRAMENTO	460,331,414	(241,470,813)	218,860,601	52.456%	196,755	(103,210)	
CITY OF SACRAMENTO	123,283,460	(29,267,568)	94,015,892	23.740%	184,893	(43,894)	
LOS RIOS COMMUNITY COLLEGE		26,012,849	26,012,849	12.385%			18,219
ERAF - K - 12 & SCOE	-	206,916,585	206,916,585	87.615%			128,884
	583,614,874		545,805,926		381,648	(147,103)	147,103

(1) From District Apportionment Worksheet

ERAF - K - 12 & SCOE - ALLOCATION	DISTRICT TOTAL GROSS REVENUE	ERAF % PER SCOE	DISTRICT TOTAL ERAF REVENUE	DISTRICT ADJUSTED REVENUE	PROJECT ERAF SHARE	PROJECT ERAF REVENUE	PROJECT REVENUE BEF ERAF	PROJECT SCOE - ERAF ALLOCATION
	(A)	(B)	(C) = A x B	(D) = A + C	(E) = C / Total C	(F) = E x project ERAF shift	(G)	(H) = F - SCEO x (G / total G)
COUNTY WIDE EQUALIZATION	1,479,503		14,385	1,493,887			587	305
JUVENILE HALL	626,870		6,095	632,965			248	129
REGIONAL OCCUP CENTER	1,089,428		10,592	1,100,020			430	224
INFANT DEV-PHYS HANDICAP	63,818		620	64,438			26	14
INFANT DEV-MENTAL HANDICAP	63,878		621	64,499			26	14
CHILDRENS INSTITUTION	5,086,817		49,457	5,136,275			2,007	1,044
COUNTY SUP ADMINISTRATION	2,898,464		28,181	2,926,645			1,160	604
DEV CENTER HANDICAPPED	1,266,004		12,309	1,278,313			652	339
SCOE	12,574,782	0.0047000	122,260	12,697,042	2.073%	2,672	5,136	2,672
SACRAMENTO CITY UNIFIED	57,387,443	0.2220000	5,774,852	63,162,295	97.927%	126,212		
ERAF - K - 12 & SCOE	26,012,849							
TOTAL	95,975,073	0.2267000	5,897,113		1	128,884		

NOTE:

(A) - From District Revenue Apportionment Factors Worksheet

(B) - From ERAF apportionment factor letter

ATTACHMENT C

DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER DIVISION
RAILYARDS REDEVELOPMENT PROJECT AREA
PARCELS VALUES
Base Year 2007-2008

Sources: Sacramento County Assessor

MAPB	PG	PCL	PSUB	CTMTRA	LAND	STRUC	PPROP	FIXT	HEX	EXEMP	ULAND	USTRUC	UPPROP	UFIXT	UHEX	UEXEMP	CODEA
002	0031	001	0000	03006	59,095	8,676	-	-	-	-	-	-	-	-	-	-	00000
002	0031	002	0000	03006	364,784	147,190	-	-	-	-	-	-	1,093,950	923,479	-	-	03006
				03006 To	423,879	155,866	-	-	-	-	-	-	1,093,950	923,479	-	-	
002	0010	021	0000	03304	-	-	-	-	-	-	-	-	-	-	-	-	00000
				03304 To	-	-	-	-	-	-	-	-	-	-	-	-	
002	0010	023	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0141	001	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0141	002	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0141	003	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	03307
002	0141	004	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0141	006	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0141	007	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0141	008	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0142	009	0000	03307	-	-	-	-	-	-	-	-	10,856	-	-	-	03307
002	0142	010	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	03307
002	0142	013	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	03307
002	0142	014	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	03307
002	0143	017	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0144	001	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0145	026	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0152	001	0000	03307	60,829	365,079	-	7,831	-	-	-	-	11,367	7,108	-	-	03307
002	0152	002	0000	03307	155,000	380,500	-	-	-	-	-	-	-	-	-	-	03307
002	0152	003	0000	03307	52,139	-	-	-	-	-	-	-	-	-	-	-	00000
002	0152	004	0000	03307	65,864	115,274	-	-	-	-	-	-	7,674	-	-	-	03307
002	0152	012	0000	03307	399,513	796,946	-	-	-	-	-	-	84,149	1,063	-	-	03307
002	0152	019	0000	03307	368,588	271,466	-	-	-	-	-	-	-	-	-	-	03307
002	0152	020	0000	03307	352,206	535,779	82,064	12,268	-	-	-	-	14,921	-	-	-	03307
002	0152	024	0000	03307	470,304	1,562,838	-	-	-	-	-	-	173,640	116	-	-	03307
002	0152	025	0000	03307	2,164,032	12,089,448	-	14,167	-	-	-	-	139,489	12,746	-	-	03307
002	0152	026	0000	03307	-	-	-	-	-	-	2,464,401	2,039,884	13,405	-	-	4,517,690	03307
002	0152	027	0000	03307	887,400	1,688,100	-	-	-	-	-	-	-	-	-	-	03307
006	0031	002	0000	03307	-	-	-	-	-	-	-	-	76,734	-	-	-	03307
006	0031	004	0000	03307	-	-	-	-	-	-	-	-	-	-	-	-	00000
006	0031	005	0000	03307	2,000,000	12,250,000	-	-	-	-	-	-	430,113	-	-	-	03307
006	0033	013	0000	03307	-	-	-	-	-	-	-	-	14,674	-	-	-	03307
006	0033	016	0000	03307	-	-	-	-	-	-	-	-	388,783	-	-	-	03307
006	0035	001	0000	03307	98,681	203,583	-	-	-	-	-	-	10,050	-	-	-	03307
006	0035	005	0000	03307	502,288	672,066	-	-	-	-	-	-	25,377	-	-	-	03307
006	0035	009	0000	03307	336,304	-	-	-	-	-	-	-	-	-	-	-	00000
006	0035	010	0000	03307	-	-	-	-	-	-	-	-	11,215	-	-	5,969	03307
006	0035	011	0000	03307	1,176,000	2,224,000	-	-	-	-	-	-	186,416	-	-	-	03307
006	0035	012	0000	03307	453,836	3,167,691	-	382,640	-	-	-	-	-	-	-	-	03307
006	0041	013	0000	03307	-	-	-	-	-	-	-	-	5,958	-	-	-	03307
				03307 To	9,542,984	36,322,770	82,064	416,906	-	-	2,464,401	2,039,884	1,604,821	21,033	-	4,523,659	
002	0010	024	0000	03308	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0010	027	0000	03308	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0010	028	0000	03308	-	-	-	-	-	-	-	-	-	-	-	-	00000
002	0010	042	0000	03308	632,394	2,917,117	-	-	-	-	-	-	-	-	-	-	00000
002	0010	044	0000	03308	-	-	-	-	-	-	-	-	23,738	-	-	-	03308
				03308 To	632,394	2,917,117	-	-	-	-	-	-	23,738	-	-	-	
				Grand To	10,599,257	39,395,753	82,064	416,906	-	-	2,464,401	2,039,884	2,722,509	944,512	-	4,523,659	

CTMTRA	LAND	STRUC	PPROP	FIXT	HEX	EXEMP	ULAND	USTRUC	UPPROP	UFIXT	UHEX	UEXEMP
03006	423,879	155,866	-	-	-	-	-	-	1,093,950	923,479	-	-
03304	-	-	-	-	-	-	-	-	-	-	-	-
03307	9,542,984	36,322,770	82,064	416,906	-	-	2,464,401	2,039,884	1,604,821	21,033	-	4,523,659
03308	632,394	2,917,117	-	-	-	-	-	-	23,738	-	-	-
	10,599,257	39,395,753	82,064	416,906	-	-	2,464,401	2,039,884	2,722,509	944,512	-	4,523,659