

**RULES GOVERNING PARTICIPATION AND PREFERENCES
BY PROPERTY OWNERS AND BUSINESS OCCUPANTS IN THE
RAILYARDS REDEVELOPMENT PROJECT**

**Adopted by the
Redevelopment Agency of the City of Sacramento**

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**RULES GOVERNING PARTICIPATION AND PREFERENCES BY
PROPERTY OWNERS AND BUSINESS OCCUPANTS IN THE
RAILYARDS REDEVELOPMENT PROJECT**

I. [Section 100] PURPOSE AND INTENT

These rules are adopted pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*) in order to implement the provisions of the Redevelopment Plan for the Railyards Redevelopment Project regarding participation by property owners and the extension of reasonable reentry preferences to business occupants within the Project Area. These rules set forth the procedures governing such participation and preferences.

It is the intention of the Agency to encourage and permit participation in the redevelopment of the Project Area by property owners and to extend reasonable reentry preferences to business occupants of real property within the boundaries of the Project Area to the maximum extent feasible consistent with the objectives of the Redevelopment Plan.

II. [Section 200] DEFINITIONS

As used herein, the following definitions apply:

- A. “Agency” means the Redevelopment Agency of the City of Sacramento.
- B. “Business Occupant” means any person, persons, corporation, association, partnership, or other entity engaged in a lawful business within the Project Area on or after the date of adoption of the Redevelopment Plan by the City Council.
- C. “City Council” means the City Council of the City of Sacramento, California.
- D. “Long-Term Lease” means a lease of real property with a term of twenty (20) years or more, with at least five (5) years remaining on such term.
- E. “Owner” means any person, persons, corporation, association, partnership, or other entity holding fee title to or a long-term lease of real property in the Project Area on or after the date of adoption of the Redevelopment Plan by the City Council.
- F. “Participant” means an Owner who has entered into a Participation Agreement with the Agency.
- G. “Participation Agreement” means an agreement entered into by an Owner with the Agency providing for such Owner to participate in redevelopment within the Project Area in accordance with the provisions of the Redevelopment Plan and these rules.
- H. “Project Area” means the area described in the “Legal Description of the Project Area Boundaries” (Attachment No. 1 of the Redevelopment Plan) and shown on the “Project Area Map” (Attachment No. 2 of the Redevelopment Plan).

I. “Redevelopment Plan” means the Redevelopment Plan for the Railyards Redevelopment Project, as adopted by the City Council of the City of Sacramento.

III. [Section 300] OPPORTUNITIES FOR OWNER PARTICIPATION AND PREFERENCES TO BUSINESS OCCUPANTS TO REENTER IN BUSINESS WITHIN THE REDEVELOPED AREA

A. [Section 301] Opportunities for Owner Participation

Owners of real property within the Project Area shall be extended reasonable opportunities to participate in redevelopment within the Project Area in conformity with the Redevelopment Plan and these rules.

B. [Section 302] Reentry Preferences for Persons Engaged in Business in the Project Area

Business Occupants engaged in business in the Project Area shall be extended reasonable preferences to reenter in business within the redeveloped area if they otherwise meet the requirements prescribed by the Redevelopment Plan and these rules.

IV. [Section 400] METHODS OF OWNER PARTICIPATION AND LIMITATIONS THEREON

A. [Section 401] Methods of Owner Participation

Participation methods include remaining in substantially the same location either by retaining all or portions of the Owner’s property, or by retaining all or portions of the Owner’s property and purchasing adjacent property from the Agency, or joining with another person or entity for the rehabilitation or development of the Owner’s property and, if appropriate, other property, or submitting to the Agency for its consideration another method of participation proposal pursuant to these rules. An Owner who participates in the same location may be required to rehabilitate or demolish all or part of his/her existing buildings, or the Agency may acquire the buildings only and then remove or demolish the buildings. Participation methods also include the Agency buying land and improvements at fair market value from Owners and offering other parcels for purchase and rehabilitation or development by such Owners or offering an opportunity for such Owners to rehabilitate or develop other property jointly with other persons or entities.

B. [Section 402] Limitations on Owner Participation Opportunities

Owner participation opportunities shall necessarily be subject to and limited by factors such as the following:

1. The elimination and changing of some land uses;
2. The construction, realignment, abandonment, widening, opening and/or other alteration or elimination of public rights-of-way;

3. The removal, relocation, and/or installation of public utilities and public facilities;
4. The ability of the potential Participant to finance the proposed acquisition, development or rehabilitation in accordance with the Redevelopment Plan;
5. The ability and experience of the potential Participant to undertake and complete the proposed rehabilitation or development;
6. Any reduction in the total number of individual parcels in the Project Area;
7. The construction or expansion of public improvements and facilities, and the necessity to assemble parcels for such projects;
8. Any change in orientation and character of the Project Area;
9. The necessity to assemble parcels for public and/or private development;
10. The requirements of the Redevelopment Plan and applicable rules, regulations, and ordinances of the City of Sacramento;
11. Any design guide adopted by the Agency pursuant to the Redevelopment Plan;
12. The feasibility of the potential Participant's proposal;
13. The scope of the potential Participant's proposal; and
14. The superiority of a competing proposal with regard to implementation of the goals and objectives of the Redevelopment Plan.

C. [Section 403] Conflicts Between Potential Participants

If conflicts develop between the desires of potential Participants for particular sites or land uses, the Agency is authorized to establish reasonable priorities and preferences among the potential Participants and to determine a solution by consideration of the criteria set out in Section 402 and factors such as:

1. Length of time in the neighborhood;
2. The needs and desires of the neighborhood;
3. Accommodation of as many potential Participants as possible;
4. Ability to perform;
5. Similar land use to similar land use; and

6. Conformity with intent and purpose of the Redevelopment Plan and these rules.

To the extent feasible, two or more persons, firms or institutions may join together in partnerships, corporations, or other joint entities for the purpose of participation.

V. [Section 500] METHODS FOR EXTENDING REENTRY PREFERENCES AND LIMITATIONS THEREON

A. [Section 501] Methods for Extending Reentry Preferences

Whenever a Business Occupant will be displaced by Agency action from the Project Area, the Agency will, prior to such displacement, determine: (1) whether such Business Occupant desires to relocate directly to another location within the Project Area; or (2) if suitable relocation accommodations within the Project Area are not available prior to displacement, whether such Business Occupant would desire to reenter in business within the Project Area at a later date should suitable accommodations become available. For those Business Occupants who desire to relocate directly to another Project Area location, the Agency will make reasonable efforts to assist such Business Occupants to find accommodations at locations and rents suitable to their needs. A record of the Business Occupants who cannot be or do not want to be directly relocated within the Project Area, but who have stated that they desire to reenter into business in the Project Area whenever suitable locations and rents are available, will be maintained by the Agency for a period of five (5) years. The Agency will make reasonable efforts to assist such Business Occupants to find reentry accommodations at locations and rents suitable to their needs. In any event, the Agency shall not be obligated to provide financial assistance to any displaced Business Occupant in excess of that required by law.

In order to implement the operation of this Section 501, the Agency will provide in Participation Agreements, or disposition and development agreements, as applicable, that in the renting or leasing of premises rehabilitated or developed pursuant to such agreements the Participant or developer will give reasonable preferences (over other potential tenants or lessees) to Business Occupants who will be or who have been displaced from their places of business to lease or rent premises within the newly rehabilitated or developed facilities.

B. [Section 502] Limitations on the Extension of Reentry Preferences

Reentry preferences shall necessarily be subject to and limited by factors such as the following:

1. The extent to which suitable relocation or reentry accommodations exist or are rehabilitated or developed within the Project Area;
2. The extent to which suitable relocation or reentry accommodations are available to displaced Business Occupants within an acceptable time period or at rents and other terms that are acceptable to such displaced Business Occupants, and within their financial means;

3. The extent to which the Agency has control over the proposed reentry accommodations;
4. The compatibility of the displaced Business Occupant with available reentry accommodations; and
5. The requirements of the Redevelopment Plan, these rules and any design guide adopted by the Agency pursuant to the Redevelopment Plan.

C. [Section 503] Conflicts Between Business Occupants Seeking Similar Preference

If conflicts develop between Business Occupants who seek similar preference (e.g., two or more occupants who desire to relocate directly or to reenter in business at the same premises), in addition to the criteria set out in Section 502, above, the Agency is authorized to establish reasonable priorities among such occupants and to determine a solution by consideration of factors such as:

1. Length of time in the neighborhood;
2. Accommodation of as many Business Occupants as possible;
3. Appropriateness of the type of business within the proposed premises and/or at the proposed location;
4. The needs and desires of the neighborhood;
5. The feasibility of business success; and
6. Conformity with the intent and purpose of the Redevelopment Plan and these rules, and any design guide adopted by the Agency pursuant to the Redevelopment Plan.

VI. [Section 600] PARTICIPATION PROCEDURES

A. [Section 601] Notice and Statement of Interest

Before entering into Participation Agreements, disposition and development agreements, exclusive negotiation agreements, or taking other actions that may involve the acquisition of real property in the Project Area, the Agency shall first notify Owners of property that may be acquired and call upon them to submit Statements of Interest in Participation in the proposed development or in otherwise participating in the redevelopment of the Project Area. The solicitation for Statements of Interests may be in the form of a request for proposals for a development project.

Those desiring to submit Statements of Interest in Participation must complete and submit such statements to the Agency within thirty (30) days of receipt. Such statements shall include information requested by the Agency and shall be in the form requested by the Agency.

Any Owner may also submit such a statement at any time before such notification.

The Agency shall consider such statements as are submitted on time and shall seek to develop reasonable participation for those submitting such statements whether to stay in place or to move to another location. The Agency may, in its sole discretion, determine that a participation proposal is not feasible or in the best interest of the Redevelopment Project or the community, or is otherwise limited by one or more of the criteria set forth herein.

B. [Section 602] Participation Agreements

1. [Section 603] General

Public and private Owners wishing to develop or improve their properties within the Project Area may be required, as a condition to the Agency's approval of such development, to enter into a binding, written Participation Agreement with the Agency, if the Agency determines it is necessary to impose upon such property any of the standards, restrictions and controls of the Redevelopment Plan or any design guide adopted by the Agency pursuant to the Redevelopment Plan.

2. [Section 604] Contents

A Participation Agreement shall obligate the Owner, and the Owner's heirs, successors and assignees to rehabilitate, develop and use the property, as may be applicable, in conformance with the Redevelopment Plan and/or to be subject to such other provisions and conditions of the Redevelopment Plan the Agency may require for the period of time that the Redevelopment Plan is in force and effect, excepting those provisions related to non-discrimination and non-segregation which shall run in perpetuity.

Each Participation Agreement will contain such terms and conditions and will require the Participant to join in the recordation of such documents as the Agency may require in order to insure that the property will be rehabilitated, developed and used in accordance with the Redevelopment Plan and the agreement. The rights of any Owner Participant under an approved Participation Agreement may or may not, at the Agency's option, be transferable upon sale or other disposition of the property. Participation Agreements are subject to the approval of the Agency's governing board.

VII. [Section 700] CONFORMING PROPERTIES

The Agency may, in its sole and absolute discretion, determine that certain real property within the Project Area presently meets the requirements of the Redevelopment Plan, and such property will be permitted to remain as conforming property, provided the Owner thereof

continues to operate, use, and maintain such property within the requirements of the Redevelopment Plan.

In the event that an Owner of conforming property desires to construct any improvements or substantially alter or modify existing structures on such property, the Owner may be required by the Agency to enter into a Participation Agreement with the Agency to insure that such improvement or alteration is consistent with the Redevelopment Plan.

VIII. [Section 800] LIMITATIONS ON ACQUISITION OF PROPERTY BY THE AGENCY

The Agency shall not acquire real property to be retained and developed by an Owner pursuant to a Participation Agreement if the Owner fully performs under the agreement.

The Agency shall not acquire real property on which an existing building is to be continued on its present site and in its present form and use without the consent of the Owner, unless:

A. Such building requires structural alteration, improvement, modernization, or rehabilitation;

B. The site or lot on which the building is situated requires modification in size, shape, or use; or

C. It is necessary to impose upon such property any of the controls, limitations, restrictions, and requirements of the Redevelopment Plan, and the Owner fails or refuses to participate in redevelopment by executing a Participation Agreement in accordance with the provisions of the Redevelopment Plan.

IX. [Section 900] ENFORCEMENT

In the event a property is not rehabilitated, developed or used in conformance with the Redevelopment Plan, then the Agency is authorized to (1) purchase the property, (2) purchase any interest in the property sufficient to obtain conformance, or (3) take any other appropriate action sufficient to obtain such conformance.

X. [Section 1000] AMENDMENT OF RULES

These rules may be modified or amended from time to time by the Agency at any regular or duly called special meeting, provided, however, that no such amendment shall retroactively impair the rights of Owners who have executed Participation Agreements with the Agency in reliance upon these rules as presently constituted.

STATEMENT OF INTEREST IN PARTICIPATION

I hereby express my interest in participating in the Railyards Redevelopment Project and submit the following information:

1. Name: _____ Daytime Telephone: _____

2. Home Address: _____

3. My present involvement in the Project Area is (check a or b):

a. I now own property in the Project Area

b. I now lease property in the Project Area

Explain (use additional sheets if necessary): _____

4. Address of Business: _____

5. Name of Business(es) located on my property, if any: _____

6. I own do not own business(es) located on my property (check one)

7. If you do not own the business(es) located on your property, please list the name(s), address(es) and telephone number(s) of the owner(s) on a separate sheet.

8. If I participate (check a, b or c):

a. I would like to continue at the same location

b. I would like to acquire real property for expansion

c. I would like to sell my property and acquire other property in the Project Area

Explain (use additional sheets if necessary) _____

I understand that submission of this Statement of Interest in Participation form does not obligate me to participate in the Railyards Redevelopment Project.

Signature _____

Date _____

