Sacramento Housing & Redevelopment Agency

REPORT TO REDEVELOPMENT AGENCY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
May 27, 2008

Honorable Chair and
Members of the Redevelopment Agency

Title: Acquisition of 5716 Stockton Boulevard

Location/Council District: 5716 Stockton Boulevard, Stockton Boulevard Redevelopment Project Area; County District 2

Recommendation: 1) Adopt a **Redevelopment Agency Resolution** a) authorizing purchase for just compensation, which is fair market value as determined by an independent appraisal, of 5716 Stockton Boulevard (APN: 026-0073-017-0000); b) amending the 2008 Sacramento Housing and Redevelopment Agency budget to transfer $1,100,000 from Stockton Boulevard Tax Increment Development Assistance funds to the 5716 Stockton Boulevard Acquisition Project to fund all actions necessary to purchase and secure the property; and c) authorizing the Interim Executive Director, or her designee, to take all actions reasonably necessary to voluntarily purchase the property, including payment of maintenance and security expenses.

Contact: Lisa Bates, Deputy Executive Director, 440-1316; Chris Pahule, Assistant Director, Housing and Community Development, 440-1350

Presenters: None

Department: Sacramento Housing and Redevelopment Agency (Agency)

Description/Analysis

Issue: The vacant property located at 5716 Stockton Boulevard in the County of Sacramento (see Attachment 1) is currently offered for sale. This 1.28 acre site is zoned light commercial and residential, and was the location of the Park Villa Victoria Motel which was demolished approximately 3 years ago. It is immediately adjacent to the San Juan Motel and Mobile Home Park which is one of several obsolete motels identified by the Agency for reuse or redevelopment. For the last several years, the Agency has been interested in assembling a development site at this location. At the end of 2007, the property owner of 5716 Stockton Boulevard indicated interest in selling the property to the Agency. The subject site has since been listed for sale.

Policy Considerations: The proposed project supports the Stockton Boulevard Five-Year Implementation Plan, specifically the Obsolete Motel Reuse Reconfiguration Program, and is consistent with the Stockton/ Broadway Urban Design Plan and Broadway/Stockton Special Planning District. The proposed project also furthers the objectives of the County's General Plan Economic Development Element by creating a catalyst site for commercial corridor redevelopment to improve quality of life, balance land uses and increase the tax base.

Environmental Considerations: As part of the Agency's due diligence, a Phase I Environmental Assessment was performed. The Agency is conducting limited additional testing to determine whether groundwater contamination may be present under the property. Acquisition of the property as described herein is in furtherance of the Stockton Boulevard Redevelopment Plan. Acquisition of the property does not commit the Agency to proceed with a development project. California Environmental Quality Act (CEQA) Guidelines Section 15004(b)(2)(A) allows for land acquisition where the Agency will conduct CEQA review once the proposed project has been defined when the acquisition does not limit the choice of alternatives or mitigation measures, and future development of the land is subject to CEQA compliance. Environmental review of the proposed project will be conducted once the scope of development of the property has been defined. Therefore, this action is exempt from environmental review. National Environmental Policy Act (NEPA) does not apply.

Committee/Commission Action: *Stockton Boulevard Redevelopment Advisory Committee (RAC):* At its meeting on March 20, 2008, the RAC considered the staff recommendation for this item. The votes were as follows:

AYES: Alvarez, Bradley, Hodges, Lathrop

NOES: None

ABSENT: Abelaye, Angelone, Cranshaw

Sacramento Housing and Redevelopment Commission Action: At its meeting on May 7, 2008, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Fowler, Gore, Morgan, Stivers

NOES: None

ABSTAIN: Otto

ABSENT: Coriano, Shah

Rationale for Recommendation: The subject parcel is adjacent to an obsolete motel and several vacant and underutilized parcels. Therefore, all have been identified as a development opportunity site. Redevelopment of this opportunity site into an attractive, high-quality project with housing and commercial uses has been a high priority for the past four years. Acquisition of the subject property is the first step in assembling a larger site, and will increase the likelihood of a successful redevelopment project. It is cost-effective to purchase this site now as it is being actively marketed by a motivated seller. Following the assembly of an opportunity site which has optimal development potential, a request for proposals will be released for a mixed-use project.

Financial Considerations: Staff estimates the cost to purchase the property at 5716 Stockton Boulevard, including closing costs, site maintenance and security will be approximately $1,100,000. This report recommends the allocation of Stockton Boulevard Tax Increment Development Assistance funds for the purchase and associated expenses.

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by: LaShelle Dozier
LA SHELLE DOZIER
Interim Executive Director

Recommendation Approved:

Cassandra H.B. Jennings
for RAY KERRIDGE
City Manager

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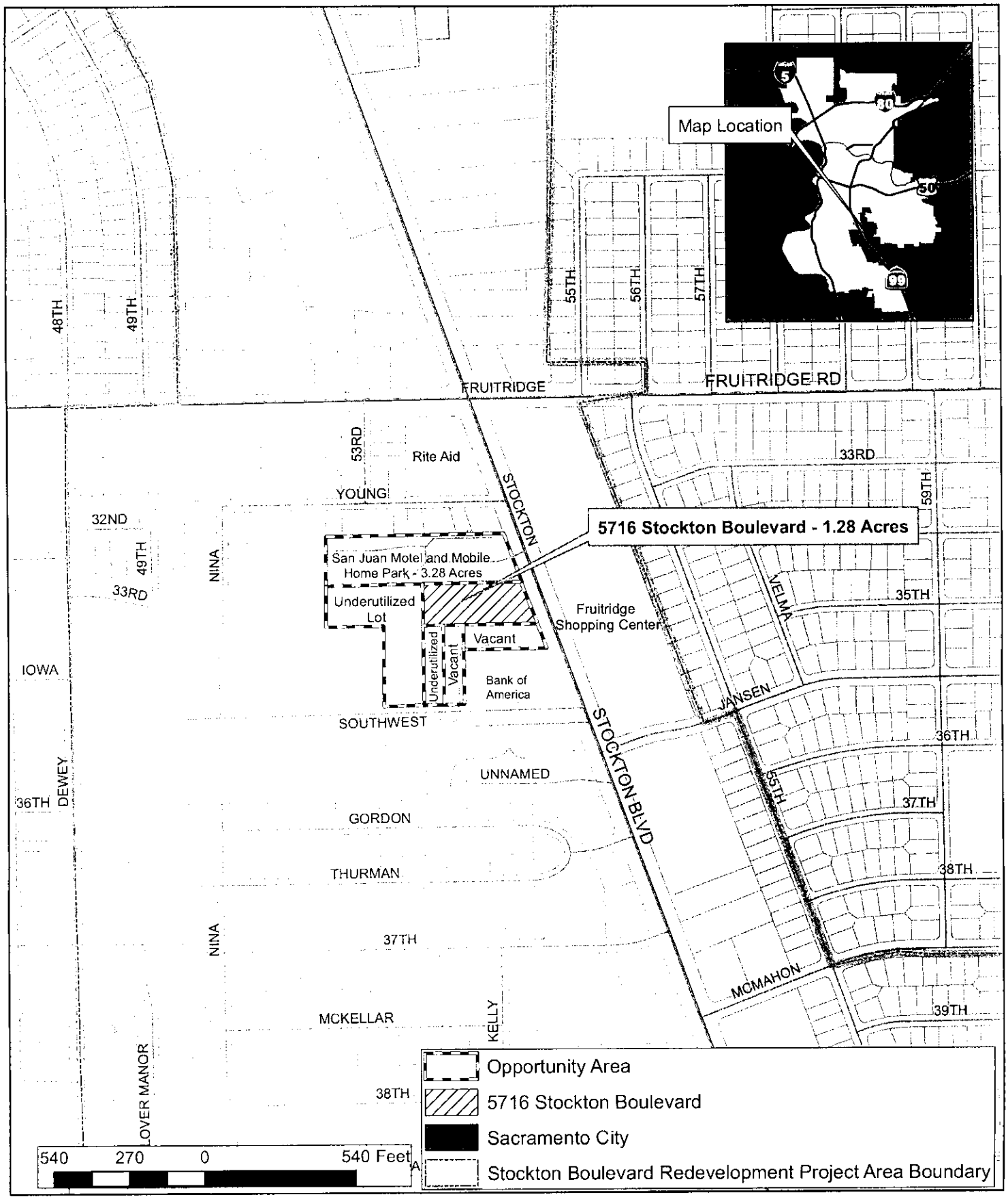
Sacramento Housing & Redevelopment Agency

Acquisition of 5716 Stockton Boulevard
Stockton Boulevard Redevelopment Project Area



RESOLUTION NO. 2008 - _____

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

AUTHORIZING ACQUISITION OF PROPERTY AT 5716 STOCKTON BOULEVARD FOR JUST COMPENSATION; AMENDMENT OF 2008 AGENCY BUDGET

BACKGROUND

A. The proposed project supports the Stockton Boulevard Redevelopment Plan and Five-Year Implementation Plan (2005-2009), specifically the Obsolete Motel Reuse Reconfiguration Program to develop underutilized sites into attractive, high-quality projects with housing and commercial uses. It is also consistent with the Stockton/ Broadway Urban Design Plan.

B. Acquisition of the property as described herein is in furtherance of the Stockton Boulevard Redevelopment Plan. Acquisition of the property does not commit the Agency to proceed with a development project. California Environmental Quality Act (CEQA) Guidelines Section 15004(b)(2)(A) allows for land acquisition where the Agency will conduct CEQA review once the proposed project has been defined when the acquisition does not limit the choice of alternatives or mitigation measures, and future development of the land is subject to CEQA compliance. Environmental review of the proposed project will be conducted once the scope of development of the property has been defined. Therefore, this action is exempt from environmental review. National Environmental Policy Act (NEPA) does not apply.

C. The Stockton Boulevard Redevelopment Advisory Committee recommended allocation of $1,100,000 in Stockton Boulevard Tax Increment funds to the acquisition of 5716 Stockton Boulevard.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action, are approved.

Section 2. The Interim Executive Director, or designee, is authorized to take all actions as may be reasonably necessary to purchase the following parcel ("Property"), for not substantially more than just compensation, as established by an independent appraisal of a duly qualified appraiser:

5716 Stockton Blvd. (APN: 026-0073-017-0000)

Section 3. The Interim Executive Director, or designee, is authorized to amend the Agency Budget to transfer $1,100,000 from Stockton Boulevard Tax Increment Development Assistance funds to the Acquisition of 5716 Stockton Boulevard Project and carry out related actions.

Section 4. The Interim Executive Director, or designee, is authorized to purchase the Property and carry out all actions reasonably necessary to accomplish the purchase of the Property, including payment of maintenance and security expenses.