



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO REDEVELOPMENT AGENCY
City of Sacramento
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www.CityofSacramento.org

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Consent
June 23, 2009

Honorable Chair and Members of the Redevelopment Agency

Title: Acquisition of 5095, 5101, 5261 and 5303 Stockton Boulevard

Location/Council District: 5095, 5101, 5261 and 5303 Stockton Boulevard, Stockton Boulevard Redevelopment Area; Council District 5

Recommendation: Adopt a **Redevelopment Agency Resolution** a) authorizing the purchase of properties located at 5095, 5101 5261 and 5303 Stockton Blvd. for just compensation, which is fair market value as determined by an independent appraisal; b) amending the 2009 Sacramento Housing and Redevelopment Agency budget to transfer \$4,700,000 from the Stockton Boulevard Bank of America Credit Line to the project; and c) authorizing the Executive Director, or her designee, to take all actions reasonably necessary to voluntarily purchase the property, including payment of maintenance and security expenses, insurance and costs associated with preparing the site for development.

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

Presenters: Chris Pahule, Assistant Director

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The Stockton Boulevard/Lawrence Drive Opportunity Area (Opportunity Area) is a roughly 35-acre site located just north of Fruitridge Road. This area is currently a mix of vacant lots and tired retail centers. Due to the lack of shared development vision for all the properties and the necessary infrastructure for more intense uses, the Redevelopment Agency (Agency) engaged the Urban Land Institute (ULI) to develop a Panel Report (Report). The Report includes a series of recommendations for development, planning, design, and implementation to transform this underutilized area into an impactful, mixed-use community that will spur additional economic development for Stockton Boulevard and surrounding neighborhoods. The Report was crafted by a ten member panel, utilizing input from local business and property owners, brokers, developers, City and County staff, elected officials and local market data. The

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Report was completed and presented to the public on May 22nd and includes short and long term recommendations. One short term recommendation is to obtain site control of key properties, including four vacant properties, which total 11.1 acres, on the east side of Stockton Boulevard. These properties are zoned heavy commercial and previous uses included a mobile home park, motel, and an auto repair/dealership. Three of the four properties are currently for sale.

Policy Considerations: The proposed acquisitions support the Stockton Boulevard Five-Year Implementation Plan, specifically the Obsolete Motel Reuse Reconfiguration Program, and strategy to attract high-quality design and development to key catalyst sites. The Strategy is consistent with the goals of the Stockton/Broadway Urban Design Plan and the Broadway and Stockton Special Planning District.

Environmental Considerations:

California Environmental Quality Act (CEQA): As part of the Agency's due diligence, a Phase I Environmental Assessment was performed. The Agency is conducting additional testing to determine potential contamination associated with the previous uses, including a gas station. 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 and no specific project is currently contemplated. Land acquisition does not limit the choice of alternatives or mitigation measures available to the Agency for future proposed projects. Environmental review of the proposed project will be conducted once the scope of development of the property has been defined. Therefore, the acquisition of the project is exempt from further review pursuant to CEQA Guidelines Section 15004(b)(2)(A).

Sustainability Considerations: The acquisition of properties on Stockton Boulevard has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the City's goal to provide efficient and accessible public transit and transit supportive land uses (*Urban Design, Land Use, Green Building and Transportation*).

Other: The National Environmental Policy Act (NEPA) does not apply.

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Committee/Commission Action: *Stockton Boulevard Redevelopment Advisory Committee (RAC):* At its meeting on May 27, 2009, the RAC adopted a motion recommending approval of the attached resolutions and also recommended staff return to the RAC with short term solutions to reduce negative visual impacts of the vacant properties. The votes were as follows:

AYES: Abelaye, Alvarez, Bradley, Cranshaw, Hodges, Lathrop, Thompson, Williams

NOES: None

ABSENT: Angelone

Sacramento Housing and Redevelopment Commission: At its meeting of June 3, 2009, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYE: Burruss, Chan, Fowler, Gore, Morgan, Otto, Shah, Stivers

NOES: None

ABSENT: Dean

Rationale for Recommendation: Stockton Boulevard is a challenging commercial corridor that requires a fresh, innovative approach to facilitate private investment and development, especially in the Opportunity Area. The ULI Panel Report provided this direction and a specific implementation approach for the Opportunity Area. The ULI Report included a development strategy, planning and design concepts, phasing, analysis of market potential and implementation recommendations. One short term implementation recommendation included acquisition and assembly of key properties in the study area for future redevelopment efforts. Acquisition of these parcels will increase the likelihood of a successful redevelopment project. It is cost effective to purchase this site now as three of the parcels, 5101, 5261 and 5303 Stockton Boulevard, are being actively marketed by a motivated seller. Staff will develop an implementation approach for the all of the ULI short and long term recommendations.

Financial Considerations: This report recommends appropriation of \$4,700,000 of the Stockton Boulevard Bank of America Credit Line to purchase properties at 5095, 5101, 5261 and 5303 Stockton Boulevard, including closing costs, site maintenance, security costs, site remediation, insurance, and site planning expenses. The Credit Line will be paid back with future Stockton Boulevard Tax Increment funds.

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

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Recommendation Approved:


for RAY KERRIDGE
City Manager

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Background Information

ULI Panel

Stockton Boulevard is a challenging commercial corridor that requires a fresh, innovative approach to facilitate private investment and development, especially in the Opportunity Area. The Agency proposed to sponsor an Urban Land Institute (ULI) Advisory Panel (Panel) to provide direction and a specific implementation approach for the Opportunity Area.

This process capitalized on a diverse team of ten National ULI members - primarily land planners, market analysts, former public officials and developers. This exceptional opportunity brought high level, national viewpoints to Sacramento. In five days, the panelists toured the opportunity area, conducted extensive interviews with stakeholders, and prepared and presented the final product. The ULI Panel prepared a development strategy which included, planning and design concepts, analysis of market potential, and implementation recommendations. These recommendations will be used to advance a major and comprehensive strategy for the area.

Below is a brief overview of some of their conclusions and recommendations:

ULI does not believe there is a market-driven solution for the Stockton Corridor (Corridor).

The Corridor must position itself for redevelopment by aggressively and proactively addressing the myriad of existing barriers to private investment by:

- Addressing visual blight through the enactment of design guidelines and code enforcement.
- Improving public safety through better jurisdictional cooperation.
- Streamlining the development entitlement and permit process.
- Providing land assemblage assistance.

The specific long-term recommendations were in the following major categories:

- Intervention and Advocacy
- Positioning For the Future
- Reducing Risk
- Development Planning Strategies
- Design Recommendations Stockton Boulevard Commons
- Develop the Vision
- Establish a Community Development Corporation

Conclusion: Start with the Corridor's Central Node

- Explore Options
- Reduce Risk to Raise Return
- Take Actions Now
- Find Champions

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RESOLUTION NO. 2009 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

AUTHORIZING ACQUISITION OF PROPERTY AT 5095, 5101, 5261 and 5303 STOCKTON BOULEVARD FOR JUST COMPENSATION; AMENDMENT OF 2009 AGENCY BUDGET

BACKGROUND

- A. 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.
- 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 and no specific project is currently contemplated. Land acquisition does not limit the choice of alternatives or mitigation measures available to the Agency for future proposed projects. Environmental review of the proposed project will be conducted once the scope of development of the property has been defined. Therefore, the project is exempt from further review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15004(b)(2)(A). National Environmental Policy Act (NEPA) does not apply.
- C. The Stockton Boulevard Redevelopment Advisory Committee recommended allocation of \$4,700,000 from Bank of America Credit Line to the budget for acquisition of 5095, 5101, 5261 and 5303 Stockton Boulevard Project.

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

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

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

5095 Stockton Boulevard	023-0111-029
5101 Stockton Boulevard	023-0111-030
5261 Stockton Boulevard	023-0111-031
5303 Stockton Boulevard	023-0211-001

Section 3. The Executive Director, or designee, is authorized to amend the Agency Budget to transfer \$4,700,000 from Stockton Boulevard Bank of America Credit Line to the Acquisition of 5095, 5101, 5261 and 5303 Stockton Boulevard Project, which includes related expenses such as maintenance and security, property management, site remediation, insurance and site planning expenses.

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

