

**Meeting Date:** 2/24/2015

**Report Type:** Staff/Discussion

**Report ID:** 2015-00111

**Title:** Update on Natomas Arena Site Reuse Efforts (Oral Report)

**Location:** One Sports Parkway, District 1

**Recommendation:** Receive and file.

**Contact:** Desmond Parrington, AICP, ESC Project Manager, Office of the City Manager, (916) 808-5044

**Presenter:** Kunal Merchant, Vice President of Strategic Initiatives, (916) 913-9030, Sacramento Kings

**Department:** City Manager

**Division:** Executive Office

**Dept ID:** 02001011

**Attachments:**

1-Description/Analysis

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**City Attorney Review**

Approved as to Form

Matthew Ruyak

2/18/2015 5:38:32 PM

**Approvals/Acknowledgements**

Department Director or Designee: John Dangberg - 2/18/2015 12:04:24 PM

## Description/Analysis

**Issue Detail:** The new Downtown Entertainment and Sports Center (ESC) is scheduled for completion in October 2016 at which time all events at the current Sleep Train Arena in Natomas will relocate to the new facility. The activities at Sleep Train Arena provide economic benefits to the Natomas community. The redevelopment of the Natomas site holds great economic potential for the Natomas community and the City even without the arena use. It is therefore important that an economic reuse plan be implemented at the Natomas site.

Sacramento Basketball Holdings LLC (SBH) and City Planning staff have been in ongoing discussions regarding the economic reuse of the site. SBH and City Planning staff remain committed to the process set out in the action plan presented to Council on May 7, 2013 for the reuse of the property. SBH is in the initial phase of the reuse plan process, which involves discussions with the City regarding potential land use and zoning changes.

Over the past year, given the tight timeframe, much of SBH's focus has been on the many complexities for the finance and construction of the ESC and new mixed-use hotel project at the Downtown Plaza. For that reason and others, on December 16, 2014, SBH requested, and Council approved, an extension to the transfer date for the City-owned 100-acre Natomas site and the other seven sites that were part of the agreement for the ESC until no later than October 1, 2016. SBH may take title to the Natomas property any time before then with 60 days advance notice to the City.

Representatives of SBH will orally present their next steps and schedule for preparing the economic reuse plan.

**Policy Considerations:** Given the development of the new downtown arena, redevelopment of the arena site in North Natomas is important to the economic health of Sacramento and the Natomas community in particular. Redevelopment of the site is consistent with the City's vision for this area as expressed in the General Plan.

**Economic Impacts:** Economic benefits of the development proposal will be considered as part of the Natomas reuse plan process.

**Environmental Considerations:** This report provides an update on the status of the reuse of the Natomas arena site. The actions in this report would not have any potential for significant effect on the environment and are exempt under CEQA Guidelines section 15061(b)(3).

**Sustainability:** Redevelopment of the Natomas site is expected to create new jobs and improve the jobs/housing balance in the area. An improved jobs/housing ratio will reduce vehicle miles traveled and the greenhouse gases associated with that.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** This is an oral presentation requiring no action to be taken by the City Council.

**Financial Considerations:** None at this time.

**Local Business Enterprise (LBE):** Not applicable.