# "To Be Delivered" Material

For

## City of Sacramento

City Council
Housing Authority
Redevelopment Agency
Economic Development Commission
Sacramento City Financing Authority

## Agenda Packet

**Submitted:** October 13, 2006

## For the Meeting of: October 17, 2006 (afternoon)

The attached materials were not available at the time the Agenda Packet was prepared.

**Subject:** Orleans Hotel Project and Disposition and Development Agreement

Approved By: Sheryl A. Taylor

**Contact Information:**

Sheryl A. Taylor, Sr. Project Manager – 808-7204

Please include this "To Be Delivered" material in your agenda packet. This material will also be published to the City=s Intranet. For additional information, contact the City Clerk Department at Interim City Hall, 730 I Street, Suite 211, Sacramento, CA 95814-2671 (916) 808-7200.

Sacramento Housing & Redevelopment Agency

# REPORT TO THE REDEVELOPMENT AGENCY AND CITY COUNCIL of the City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Public Hearing
**October 17, 2006**

**Honorable Mayor and Members of the City Council**
**Honorable Chair and Members of the Board**

**Title:** Orleans Hotel Project and Disposition and Development Agreement

**Location/Council District:** 1022 Second Street, Old Sacramento Historic District, Council District 1

**Recommendation:**

**For City Council:** Adopt a Resolution: 1) adopting the statements and findings of the Health and Safety Code 33433 Report regarding the sale of Redevelopment Agency Property at 1022 Second Street; 2) finding the consideration given for the Property is not less than its fair reuse value; 3) approving the sale of the Property and authorizing the Redevelopment Agency to execute a Disposition and Development Agreement with Old Sacramento Properties, LLC (Developer).

**For the Redevelopment Agency**: Adopt a Resolution: 1) authorizing the execution of a Disposition and Development Agreement and related loans totaling $6 million with Old Sac Properties, LLC (Developer) for a mixed-use infill construction project for the reconstruction of the Orleans Hotel's 1853 Second Street façade; 2) allocating $6 million from the 2005 Merged Downtown Tax Allocation Bond to the Orleans Hotel Project; and 3) approving a Mitigated Negative Declaration and directing the Executive Director to file a Notice of Determination related to the Project.

**Contact:** Sheryl A. Taylor, Senior Project Manager, Economic Development Department, 808-7204; Leslie Fritzsche, Downtown Development Manager, Economic Development Department, 808-5450

**Presenters:** Sheryl A. Taylor, Senior Project Manager

**Department:** Economic Development Department

**Division:** Downtown Development Group

**Organization No:** 4451

**Description/Analysis**

**Issue:** On February 1, 2005, the Redevelopment Agency of the City of Sacramento (Agency), entered into an Exclusive Right to Negotiate (ERN) with the Developer to reconstruct the Orleans Hotel located at 1022 Second Street in Old Sacramento. Per the terms of the ERN, the Developer finalized the design, construction costs and a project pro forma.

The mixed-use infill construction project, which reconstructs the Orleans Hotel's 1853 Second Street façade, will be a 44,000 square foot, mixed-use project on an 11,400 square foot parcel of land located at 1022 Second Street. The project will consist of 24 rental residential units, ground floor restaurant with patio and approximately 30 secured, off-street parking spaces. The project is subject to Old Sacramento Design Review Committee in regard to the façade design.

The street level use is consistent with the Old Sacramento pedestrian environment. The Developer anticipates contracting with a local restaurant operator that has a record of success for the ground floor retail portion of the project. The Agency will have a regulatory agreement to approve the restaurateur.

The project pro forma identifies the need for a subsidy to assist the Developer in realizing a market-rate return. The subsidy will be in the form of two loans, one will be fully repaid to the Agency and one will be forgiven at project completion.

For more background information, please see Attachment 1 to this Staff Report.

**Policy Considerations:**

**City of Sacramento:** The recommended actions are consistent with prior City Council direction related to the 2005 Downtown Sacramento Redevelopment Strategy and the 2005-2008 City of Sacramento Strategic Plan and Guiding Principles.

**The Redevelopment Agency of the City of Sacramento**: The recommended actions are consistent with the Amended Merged Downtown Redevelopment Plan, and the 2005-2009 Merged Downtown Implementation Plan. The reconstruction of the Orleans Hotel will eliminate blight by 1) the elimination of environmental deficiencies in the Merged Project Area, including, among others inadequate or deteriorated public improvements, and uneconomic land uses; and 2) the strengthening of retail and other commercial functions in the downtown

area by the installation of needed site improvements to stimulate new commercial expansion, employment and economic growth.

Developer compliance with regulatory agreements and the property's physical condition will be monitored by the Agency on a regular basis.

**Health and Safety Code Section 33433:** When tax increment funds have been used to acquire a property, state law requires that the Agency make certain findings before approving the disposition of the property. The findings are documented in a 33433 Report, attached to this Staff Report. The Orleans Hotel 33433 Report and public hearing were noticed on September 13, 2006 and September 20, 2006 (Notice). In addition to the Notice, the Report has been on-file with the City Clerk's Office since September 22, 2006.

**Environmental Considerations:** The Orleans Hotel project has been analyzed in accordance with the California Environmental Quality Act (CEQA). An Initial Study/Mitigated Negative Declaration (MND), attached to this Staff Report, was prepared and a Notice of Intent to approve a MND was published and circulated for review and comments from September 13, 2006 to October 13, 2006. The MND determined that although the proposed project could potentially have a significant impact on the environment, the revisions in the project have been made by or agreed to by the project proponent and mitigation measures will reduce the impacts to less than significant.

**Rationale for Recommendation:** The project brings significant benefits to Old Sacramento including:

- Assists with the elimination of blight by developing one of the last remaining vacant sites in Old Sacramento;
- Provides for the first luxury rental residential product in Old Sacramento;
- Increases Old Sacramento's 24-hour population;
- Creates an additional restaurant venue reinforcing Old Sacramento's position as a dining destination; and
- Brings new private investment to Old Sacramento.

The current project drawings have been approved by the Old Sacramento Design Review Committee. Any additional modifications to the drawings to further define the design and materials is subject to the review and approval of the Old Sacramento Design Review Committee.

The Design Review and Preservation Board approved the recommendation for the project on October 4, 2006.

The project requires financial assistance because the cash flow that will be generated by the project is insufficient to fully cover the development costs.

These costs are significantly impacted by the requirement to reconstruct the historic façade of the 1953 Orleans Hotel, including which will include cast iron columns, balconies and period elements. Additional costs will be incurred because of the construction challenges inherent in working in a constrained infill site.

**Financial Considerations:** The total project cost is estimated to be $11.7 million. The Developer is providing a minimum of $1.35 million in equity as well as securing a $4 million private loan. The $6 million in funding from the Agency will come from the 2005 Merged Downtown Tax Allocation Bond. The proposed $6 million assistance from the Agency is required to address the gap between project costs and market feasibility. The Developer will fund the remaining portion of project costs.

The Agency participation is split into two loans. The first Agency loan terms include:

- Loan amount of $4 million is funded from taxable bond funds;
- Loan funds shall be used for construction only;
- The term of the loan is 30 years.
- The interest rate is 0%;
- Loan repayments begin once the project reaches a Return on Equity (ROE) over 12%.
    - Return on Equity is calculated as: Annual Net Cash Flow/Developer Equity.
    - Borrower shall pay the Agency an annual payment of 50% of the amount of Annual Net Cash flow in excess of the 12% ROE threshold for that year.
    - The Developer is to provide annual audited financial statements to calculate the ROE and to have an independent auditor's verification of the ROE.
- At the end of the 30 years, the remaining principal balance is due to the Agency.

In addition to the loan repayment requirements described above, two events will accelerate loan repayments:

- Refinancing. If Borrower chooses to refinance the Primary Loan during the term of this loan and such refinancing of the Primary Loan results in proceeds in excess of payoff amount. Payment shall equal 50% of the amount in excess of payoff amount.; and/or
- Sale of Property. If the Developer sells the property, the entire loan balance will be repaid.

The second Agency loan terms include:

- Loan amount of $2 million is funded from tax-exempt bond funds;
- Loan funds shall be used for construction only;
- The interest rate is 0%; and
- The loan is forgiven upon project completion and issuance of a Certificate of Occupancy.

Both loans will be subordinate to a private loan in an amount not to exceed approximately $4 million.

**Emerging Small Business Development (ESBD):** None

**M/WBE Considerations**: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Respectfully Submitted by: _____
Leslie Fritzsche
Downtown Development Manager
on behalf of the Redevelopment Agency
of the City of Sacramento

Recommendation Approved:

_____
Ray Kerridge
City Manager

**Attachments**

| | | | |
|---|---|---|---|
| **1** | Pg | 6 | Background Information |
| **2** | Pg | 8 | Financial Definitions |
| **3** | Pg | 9 | 33433 Report |
| **4** | Pg | 11 | Initial Study/Mitigated Negative Declaration |
| **5** | Pg | 92 | City Council Resolution |
| **6** | Pg | 94 | Redevelopment Agency Resolution |
| | | | Exhibit A - Disposition and Development Agreement on File with the City Clerk and Agency Clerk |

## Attachment 1

**Background Information:**

RFQ & ERN Processes

Old Sacramento currently has a number of vacant sites that contribute to blighted conditions and below-market lease rates in the historic district. In an effort to address these blighted conditions, the Agency issued a Request for Qualifications (RFQ) for four vacant properties in Old Sacramento, three of which the Agency owns, one of which is the Orleans Hotel site consisting of an 11,400 square foot parcel.

The Developer, Old Sac Properties, LLC, approached the Agency for an Exclusive Right to Negotiate (ERN) on the Orleans Hotel site in late 2004. In February 2005, the Agency approved the ERN for the development of the Orleans Hotel with Harvego Real Estate, LLC. During the ERN term, the Developer finalized design issues, construction costs and a project pro forma.

Project

The mixed-use infill construction project, which reconstructs the Orleans Hotel's 1853 Second Street façade, will be a 44,000 square foot, mixed-use project on an 11,400 square foot parcel located at 1022 Second Street. The project will consist of 24 luxury rental residential units, ground floor restaurant with patio and approximately 30 secured, off-street parking spaces.

Development Team

The Developer, Old Sac Properties, LLC, and its partners, Lloyd Harvego and Terry Harvgo are also partners of Harvego Real Estate, LLC. Old Sac Properties, LLC was incorporated to undertake the Orleans Hotel project.

Harvego Real Estate, LLC was established in 1998 as a vehicle for investments by Lloyd Harvego and family in real estate ventures in Sacramento and the surrounding area. Harvego Real Estate, LLC owns the Firehouse Restaurant in Old Sacramento. Lloyd Harvego is a past board member of the Historic Old Sacramento Foundation and the Old Sacramento Business Association.

The Developer has assembled a local development team including J.R. Roberts Corporation as the general contractor and Monighan & Associates Inc. as the architect.

Downtown Sacramento Partnership

On July 13, 2006, the Downtown Sacramento Partnership's Strategic Development Task Force reviewed and approved the Project.

Construction Schedule

Spring 2007 Commence Construction
Spring 2008 Complete Construction

Rendering of 1853 Facade

# Attachment 2

**Financial Definitions:**

- **Annual Net Cash Flow** shall be defined as the Project's Annual Net Operating Income less principal and interest on the primary loan.

- **Annual Net Operating Income** shall be defined as the Project's actual Gross Income less Operating Expense.

- **Operating Expense** shall be defined as:

    - Management fee expense not to exceed 5% of gross effective income,
    - Utility expenses paid by the Developer,
    - Maintenance expenses no higher than would be paid to non-related third parties,
    - Security costs,
    - Leasing and marketing expenses,
    - Property taxes and insurance paid by the Developer,
    - Capital reserve account contribution not to exceed 2% of gross effective revenue,
    - Other customary recurring expenses identified as a part of an audit upon completion of the first operating year and approved by the Agency.

# Attachment 3

## Report Regarding the Disposition of Property Acquired Directly or Indirectly with Tax Increment Funds (Health & Safety Code Section 33433)

### I. Agreement

A copy of the Purchase and Sale or Lease Agreement ("Agreement") disposing of an interest in Agency real property is on file with the City Clerk and Agency Clerk.

### II. Summary of Terms of Disposition

| AGENCY'S COST OF ACQUIRING THE LAND | |
|---|---|
| Purchase Price (or Lease Payments Payable During Agreement) | N/A |
| Commissions | N/A |
| Closing Costs | N/A |
| Relocation Costs | $0 |
| Land Clearance Costs | $0 |
| Financing Costs | $0 |
| Improvement Costs (e.g. utilities or foundations added) | $0 |
| Other Costs | $0 |
| TOTAL | $0 |

| ESTIMATED VALUE OF INTEREST CONVEYED | |
|---|---|
| Value of the property determined at its highest and best use under the redevelopment plan (@ $70 per square foot) | $798,000 |

| ESTIMATED REUSE VALUE OF INTEREST CONVEYED | |
|---|---|
| Value of property determined with consideration of the restrictions and development costs imposed by the Agreement | $(6,353,000) |

| VALUE RECEIVED ON DISPOSITION | |
|---|---|
| The purchase price or the total of the lease payments due to the Agency under the Agreement | $1 |

## III. Explanation of Disposition for Less than Full Value

Disposition of this property for less than full value is due to the restrictions on use and significant expenditures to accommodate building design enhancements required for this project, as well as the requirement to replicate the historic facade previously approved for the Old Sacramento Historic District.

The cost to complete construction of the project less any cost incurred by the Agency is estimated at $11,743,000. The resale value upon completion based upon the capitalized income approach is estimated at $5,390,000, which returns a negative resale value of $6,353,000.

In establishing the reuse or resale value of the subject site, a pro-forma analysis was completed on the proposed project. Assuming the development specifications as contained in the Development and Disposition Agreement, and assuming development in the near-term, the re-use value at completion of construction is estimated at a negative $(7,106,975). This amount includes 1) the cost of sale; 2) potential developer profit; and 3) any Agency costs, estimated at a total of $754,661.

## IV. Elimination of Blight

The proposed mixed-use residential and commercial project as contained in the Agreement is essential to stimulate additional residential and commercial activity and tourism in Old Sacramento. The proposed project will generate additional tax revenues for the City, attract new investment, and provide much needed services that will benefit the City of Sacramento. The project is listed in the adopted Merged Downtown Sacramento Implementation Plan and furthers redevelopment of the Project Area, as well as the goals of the Implementation Plan in the following respects:

- The elimination of environmental deficiencies in the Merged Project Area, including, among others, mixed and shifting uses, small and irregular lots, obsolete, aged and deteriorated building types, inadequate or deteriorated public improvements, and incompatible and uneconomic land uses;

- The strengthening of retail and other commercial functions in the downtown area;

- The strengthening of the economic base of the Merged Project Area and the community by the installation of needed site improvements either inside or outside the Merged Project Area to stimulate new commercial/light industrial expansion, employment and economic growth;

- The establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements, which provide unity and integrity to the entire Merged Project; and

- The preservation and/or restoration, where feasible, of historically or architecturally significant structures.

# ORLEANS HOTEL INFILL REDEVELOPMENT PROJECT

## MITIGATED NEGATIVE DECLARATION / INITIAL STUDY

## *REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO*

Downtown Development Group

*Prepared for:*

*City of Sacramento*
*Downtown Economic Development and Regional Enterprise Agency*
*Downtown Development group*
*1030 15th Street, Suite 250*
*Sacramento, California 95814*
*Contact: Sheryl A. Taylor, Senior Project Manager, 916-808-7204*

*Prepared By:*

*GAIL ERVIN CONSULTING*

*September 13, 2006*

## PUBLIC NOTICE

## INTENT TO CERTIFY A MITIGATED NEGATIVE DECLARATION AND ADOPT DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE ORLEANS HOTEL INFILL REDEVELOPMENT PROJECT

**NOTICE** is hereby given that a Mitigated Negative Declaration has been prepared by the Redevelopment Agency of the City of Sacramento (Agency) and the City of Sacramento (City) as joint lead agencies, and is available for public review pursuant to California Environmental Quality Act Guidelines of the State of California. A Disposition and Development Agreement (DDA) has also been prepared for transfer of the property for the project and is available for public review and will be considered at the public hearing.

**TITLE:** **ORLEANS HOTEL INFILL REDEVELOPMENT PROJECT**

**LOCATION:** 1022 2nd Street (APN: 006-0071-053) located in the Old Sacramento Historic District along the Sacramento River, north of the Tower Bridge between First (Front) and Second Streets, and I Street and Capitol Mall; and located in the Merged Downtown Redevelopment Project Area in the City of Sacramento.

**GENERAL DESCRIPTION:** The proposed project consists of infill construction of a mixed-use residential building on the now demolished Orleans Hotel site. The project would reconstruct the Orleans Hotel's 1853 Second Street façade on its original site located in the mid-block between J and K Street at 1022 Second Street, in the Old Sacramento Historic District. The 44,000 gross square foot (sf) building would be constructed on the 11,400 sf infill parcel, and would include 24 rental residential units of mixed sizes and pricing ranges, a ground floor restaurant with a patio, and 30 secured, off-street parking spaces. The Second Street façade will be reconstructed to the year 1853 in accord with the interpretive time period of the Historic District.

**MITIGATION:** Impacts mitigated to a less-than-significant level through adoption of mitigation measures include the potential impact on the Old Sacramento Historic National Landmark District, and potential impacts on archaeological or paleontological resources.

**REVIEW:** The Initial Study/Mitigated Negative Declaration and Disposition and Development Agreement may be reviewed on or before the public hearing at the following locations:

City of Sacramento, City Clerk's Office, 915 I Street, Sacramento, California 95814

City of Sacramento, Downtown Development Group, 1030 15th Street, Suite 250, Sacramento, California 95814

Questions or comments regarding the proposed project and Mitigated Negative Declaration and Disposition and Development Agreement should be directed to Sheryl Taylor, Sr. Project Manager, at the above address, or by phone at (916) 808-7204. Comments must be received **no later than 5:00 P.M., October 13, 2006.**

There will be a hearing by the City Council and the Redevelopment Agency of the City of Sacramento on this project on **October 17, 2006 at 2:00 p.m.** at City Hall, City Council Chambers, 915 I Street, Sacramento, California 95814. Any persons or organization desiring to be heard on the proposed land disposition will be afforded an opportunity to speak at said hearing.

# ORLEANS HOTEL INFILL REDEVELOPMENT PROJECT

## INITIAL STUDY

## *REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO*

Downtown Development Group

*Prepared for:*

*City of Sacramento*
*Downtown Economic Development and Regional Enterprise Agency*
*Downtown Development group*
*1030 15th Street, Suite 250*
*Sacramento, California 95814*
*Contact: Sheryl A. Taylor, (916) 808-7204*

*Prepared By:*

*GAIL ERVIN CONSULTING*
*8561 ALMOND BLUFF COURT*
*ORANGEVALE, CA 95662*
*INFO@ERVINCONSULTING.COM*
*PH: 916-989-0269 FAX: 916-987-0792*

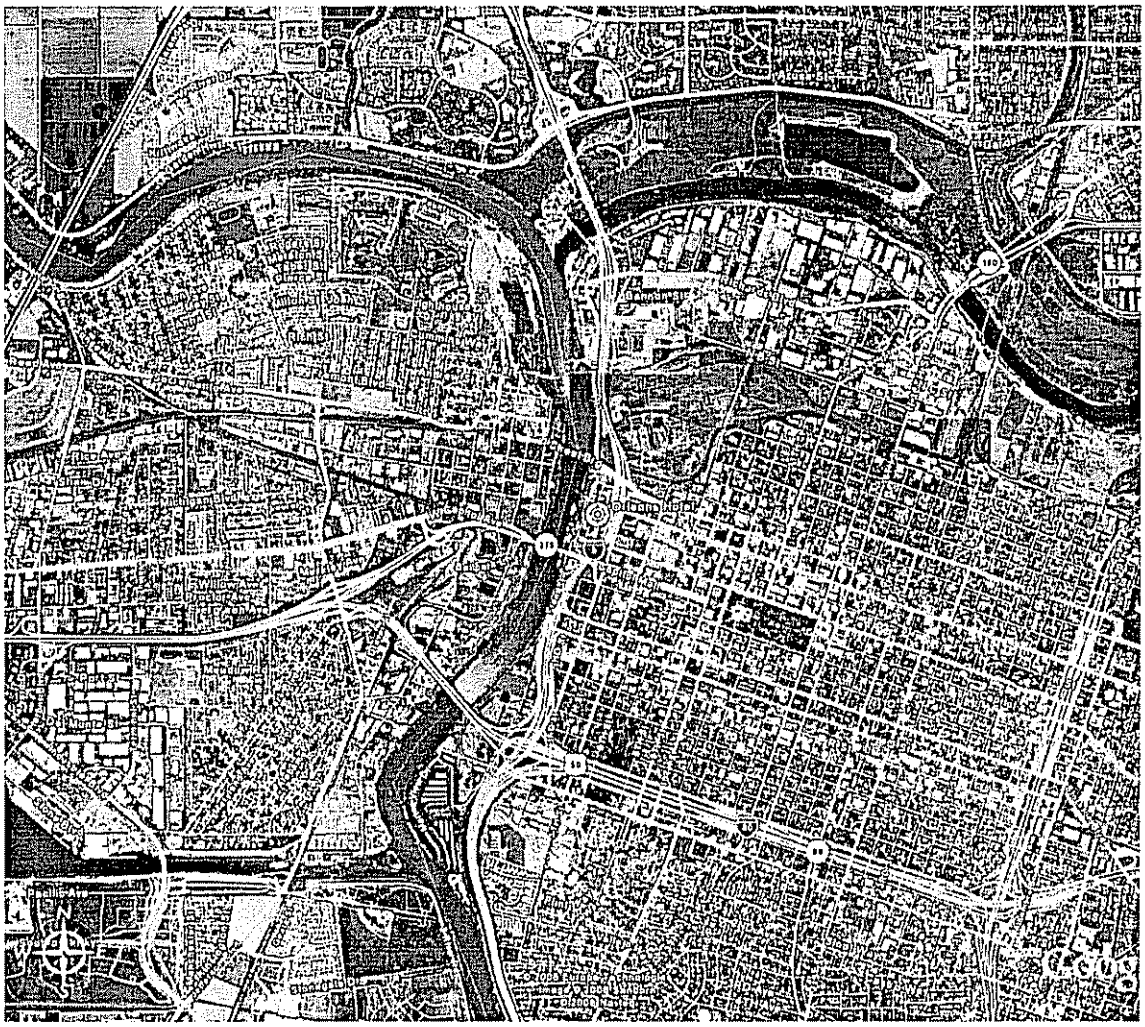
*September 13, 2006*

# INITIAL STUDY

**NAME:** Orleans Hotel Infill Redevelopment Project

**LOCATION:** 1022 Second Street, in the Old Sacramento Historic District located along the Sacramento River, north of the Tower Bridge between First (Front) and Second Streets, and I Street and Capitol Mall in the City of Sacramento (see Figure 1).

**LEAD AGENCY:** City of Sacramento
Downtown Economic Development and Regional Enterprise Agency
1030 15th Street, Suite 250, Sacramento, California 95814
**Contact Person: Sheryl A. Taylor (916) 808-7204**



SOURCE: Sacramento Housing & Redevelopment Agency

**FIGURE 1**
**PROJECT LOCATION**

# DESCRIPTION OF THE PROPOSED PROJECT

## BACKGROUND

The most recent building on the Orleans Hotel site was demolished in 1970, and the site has been vacant since that time. In 2002, the Redevelopment Agency of the City of Sacramento (Agency) issued a Request for Proposals (RFP) to redevelop up to four sites in Old Sacramento. The four sites included:

- Ebner's/Empire Site
- Orleans Hotel Site
- Lords/Magnolia Site
- Firehouse Parking Lot Site

Proposals were reviewed by an evaluation committee. The committee originally decided to move forward on two of the Agency owned sites: the reconstruction of the Ebner's/Empire Hotel Buildings located at 116 and 118 K Street and the reconstruction of the Lords Restaurant/Magnolia Saloon Buildings located at 119-125 J Street. No development has occurred on those sites to date.

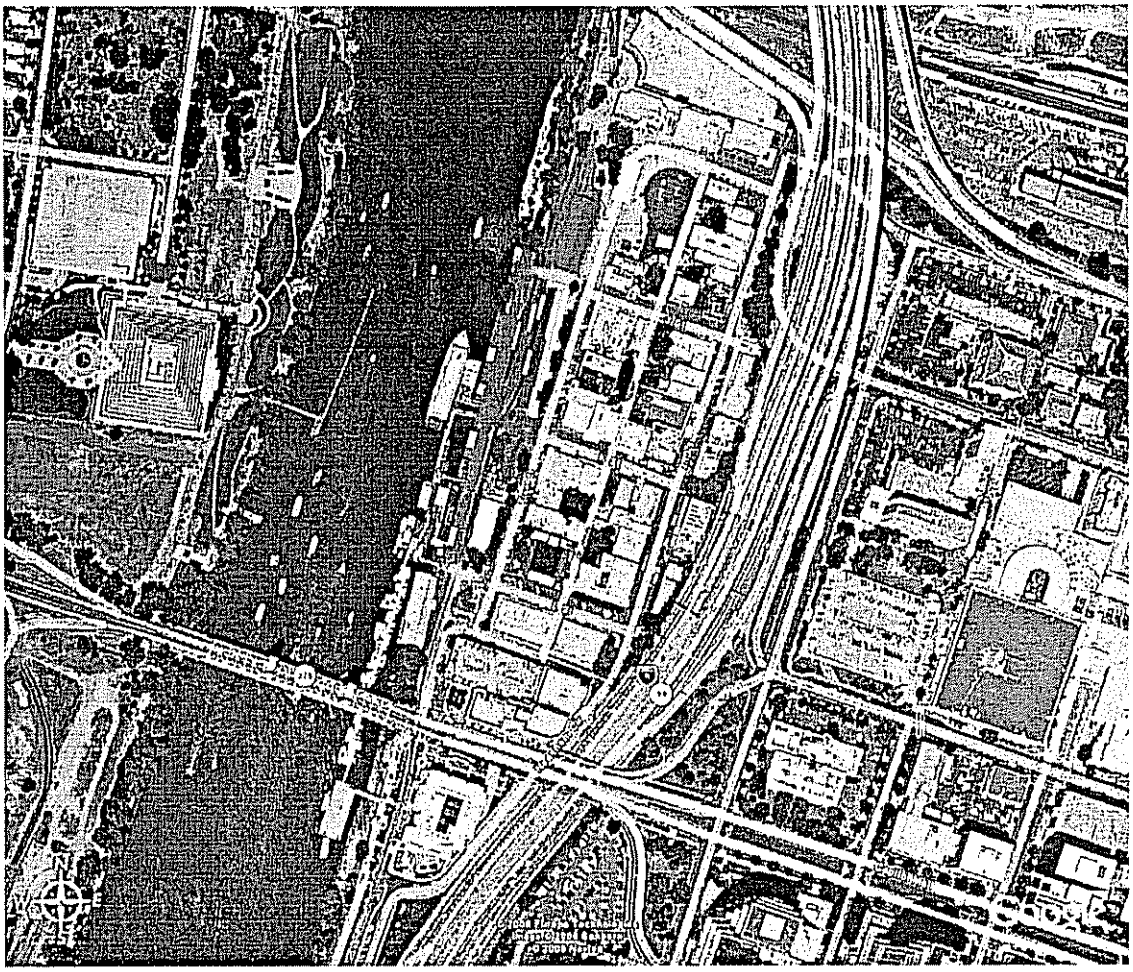
The Orleans Hotel is now moving forward as an infill new construction project with reconstruction of the 1853 Second Street façade. The street façade and floor plates for the site are based on historical research of photographs, drawings and written accounts and have been accepted by the Old Sacramento Design Review Committee.

## ENVIRONMENTAL SETTING

### *Old Sacramento Historic District*

The proposed project is located in the Old Sacramento Historic District (OSHD). The OSHD is a designated National Historic Landmark (NHL) that comprises approximately 27 acres of riverfront property along the Sacramento River at the west end of K Street (**Figure 2**). It is located near Downtown Sacramento, and is connected to the downtown area by a pedestrian underpass under Interstate 5 (I-5). The OSHD was established by the Redevelopment Agency of the City of Sacramento (RACS), the City of Sacramento, the State of California, and the federal government on October 15, 1966; Old Sacramento was established as a Redevelopment Project Area the same year. The idea behind the OSHD was to interpret and preserve the 1849-1870 period during the founding of the City of Sacramento. It is the largest historic reconstruction west of the Mississippi River and is highly marketed by the Sacramento convention and group sales industry.

The National Historic Landmark program is administered exclusively by the National Parks Service (NPS), with its own separate staff, criteria and program. NHL is the highest designation given to historic resources that maintain the highest level of integrity in representing the history of the United States. The NHL program is the oldest national program to designate and protect historic resources, pre-dating the National Register of Historic Places (NRHP or National Register).



SOURCE: Sacramento Housing & Redevelopment Agency

FIGURE 2
PROJECT LOCATION

Under the NHL program, the NPS is required to report directly to Congress on the status of NHLs and inform Congress of undertakings that would threaten or endanger the historic integrity of the NHL.

Old Sacramento is characterized by Gold Rush and post-Gold Rush era western-style structures, with wooden plank covered sidewalks, cobbled streets, and other parts of the streetscape as major distinguishing historic features. It is an integral part of the Sacramento Riverfront area, which is characterized by a blend of industrial, commercial, and waterfront recreational uses. The OSHD is an historic 19th century district that contains 127 buildings with shops, restaurants, museums, a pedestrian promenade, and boat docks. Eighty percent of all visitors to Sacramento visit the OSHD, which attracts approximately 5.2 million visitors annually to its international festivals, special events, mixture of historic attractions, and commercial and retail establishments.

The City of Sacramento Zoning Ordinance designates the Old Sacramento area as C-3, Central Business District Zone-Special Planning District. This designation allows for development of retail, residential, commercial, and office development. The City of Sacramento General Plan designates Old Sacramento as Community/Neighborhood Commercial and Offices. The

original Old Sacramento redevelopment project area is now a part of the Merged Downtown Redevelopment Plan project area.

The OSHD was designated a NHL in 1966, before the adoption of the *Secretary of the Interior's Standards for the Treatment of Historic Properties, following Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings (Standards)*. At that time, specific Old Sacramento Design Guidelines (Guidelines) were adopted by the Housing and Urban Development (HUD), the Agency and the City to guide rehabilitation and infill reconstruction of buildings to preserve the 1849-1870 period of significance. Elements of these Guidelines were incorporated into the Capitol Mall Riverfront Project Redevelopment Plan, Project No. 4, Old Sacramento Historic District, which are now a part of the Merged Downtown Redevelopment Plan. These Guidelines are informed by, but not governed by today's *Standards*. "Reconstructed" buildings use predefined façade reconstructions based on historic research of the period of significance and follow the Guidelines rather than the *Standards* for construction of the remainder of the buildings.

Goals and policies (Merged Downtown Redevelopment Plan, Project No. 4) for Old Sacramento redevelopment note that "(a)uthenticity should be the watchword both in the restoration and reconstruction of buildings... the plan aims at not only the re-creation of the physical appearance of the structures as they were during the heyday of Old Sacramento but to re-create the activity and tempo of the early street scene as well."

Façade reconstruction as well as renovation and restoration have been the focus in the OSHD. The *Old Sacramento Historic Area and Riverfront Park, Technical Report (1964)* notes the following:

> "From 1857 on, Old Sacramento has been characterized by intensive development, buildings solidly lining busy streets on both sides. Were the spaces between the existing historical buildings left vacant, the character and spirit of the area during its heyday would be lost and the hustle and bustle of activity in the area lessened as well. The primary value of reconstructed buildings is as a frame for the property setting of existing historical buildings and for re-creating the overall street scene. Sensitively reconstructed buildings, even those based upon prototypes, may have considerable educational value in this respect often equal to the original. The reconstructed 1849 scene, for example will have a cultural and educational value independent of considerations of "intrinsic" value."

Uses immediately surrounding the project site are commercial and include hotels, tourist shops, restaurants, nightclubs, unique gift and specialty shops, antique shops, and limited office space. The Adams Express Building and the Union Hotel building are three-story buildings that abut the site to the north and south.

### *Location*

The site is located at 1016-1022 Second Street in Old Sacramento, between the Adams Express Building and the Union Hotel. The site is currently used for valet parking for the Delta King and Old Sacramento Management parking, and is owned by the Redevelopment Agency of the City of Sacramento (Agency).

### *Zoning and Development Standards*

The project site is zoned C-3, which allows for the flexible implementation of commercial and/or residential uses. Any redevelopment of this site is required to replicate the street façade of the original building located on the site during the 1849-1870 period of significance, as defined by the Old Sacramento Design Review Committee. However, there is no requirement to replicate the remainder of the building. The final project design will require review and approval by the Old Sacramento Historic Design Review Committee.

The OSHD has met the criteria for designation as a National Historic Landmark. Any modifications to contributing buildings or sites within the District should meet the Guidelines and the intent of the *Standards*. Currently, the vacant site is boarded and does not contribute to the District.

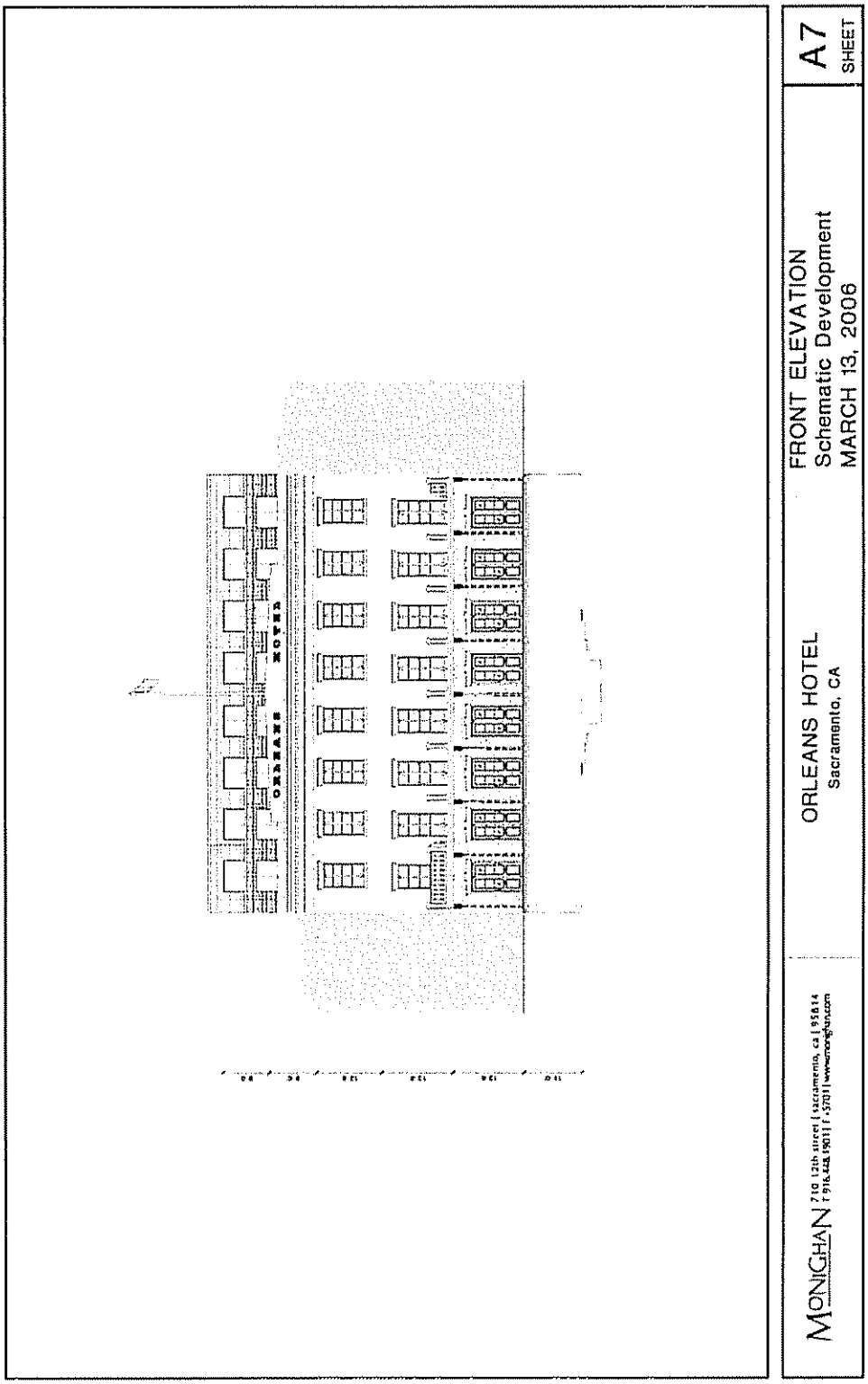
## PROPOSED PROJECT

The proposed project consists of infill construction of a mixed-use residential building on the now demolished Orleans Hotel site. The project would reconstruct the Orleans Hotel's 1853 Second Street façade on its original site located in the mid-block between J and K Street at 1022 Second Street, in accord with the interpretive time period of the OSHD. The 44,000 gross square foot (sf) building would be constructed on the 11,400 sf infill parcel, and would include 24 rental residential units of mixed sizes and pricing ranges, a ground floor restaurant with a patio, and 30 secured, off-street parking spaces.

The design for the Second Street façade was pre-determined as a part of the OSHD. This three-story façade includes an architectural parapet, a second level balcony and a flag pole. The proposed fourth and fifth levels will be successively set back from the street façade of the building such that they are not visible from Second Street (**Figure 3, Front Elevation and Figure 4, Alley Elevation**). Levels two through five would also be set back from the alley, which is one level below the grade of Second Street (**Figure 5** and **Figure 6, Side Elevations**), behind a single (street) level patio deck over plaza level parking (**Figure 7, Plaza Level**), and a street level kitchen area that appears as two stories from the alley (**Figure 8, Street Level** and **Figure 9, Section Drawing**). The plaza level parking abuts the alley right-of-way with a garage entrance, but the kitchen is further set back from the alley due to a utility easement on that corner of the property. The upper four floors would be developed as 24 residential units with balconies and terraces (**Figure 10** through **Figure 13**). The total project gross development yield is approximately 41,000 sf.

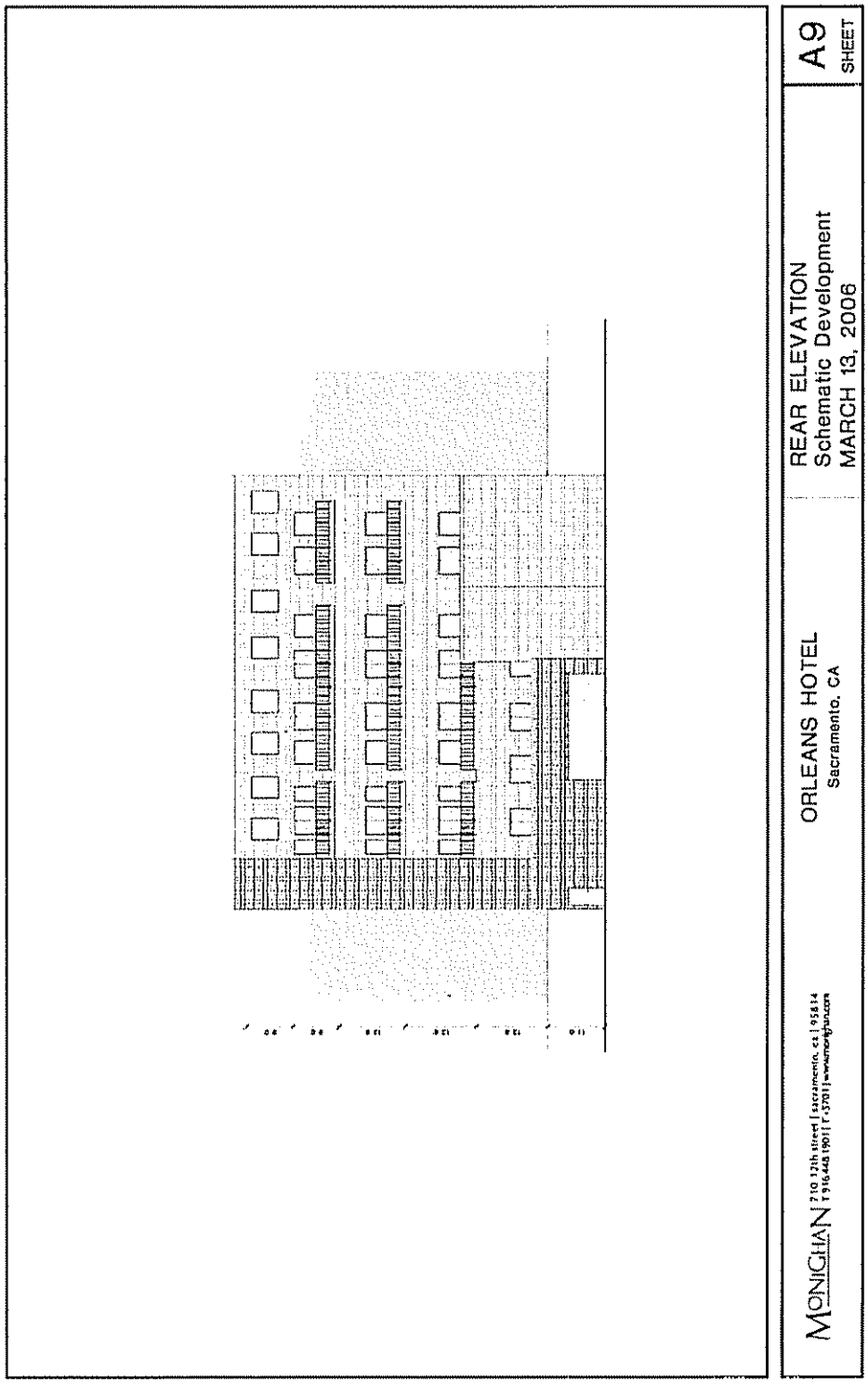
This project is one of the last empty sites in the OSHD. The original mandate for the Old Sacramento Development Agreement is that street façade s reflect, as closely as possible based on available research materials, the time period selected for a specific building. This is done to preserve the "sense of character" of the area thereby allowing visitors of Old Sacramento to experience a unique period in the development of Sacramento and the cultural and technological influences of the opening of the West.

Walls concealed by adjacent buildings are allowed exposed modern materials. Walls exposed on the sides, and on the alley, are to be interpreted in materials and detailing typical of the historic period of significance. This is understood to mean the use of unpainted brick, minimal projecting of flush window headers, simple brick window sills, simple cornice details, wood windows and doors, wood stairs if exposed, wrought iron metal, and the possibility of metal fire shutters. These details are conceptually identified on the project drawings.



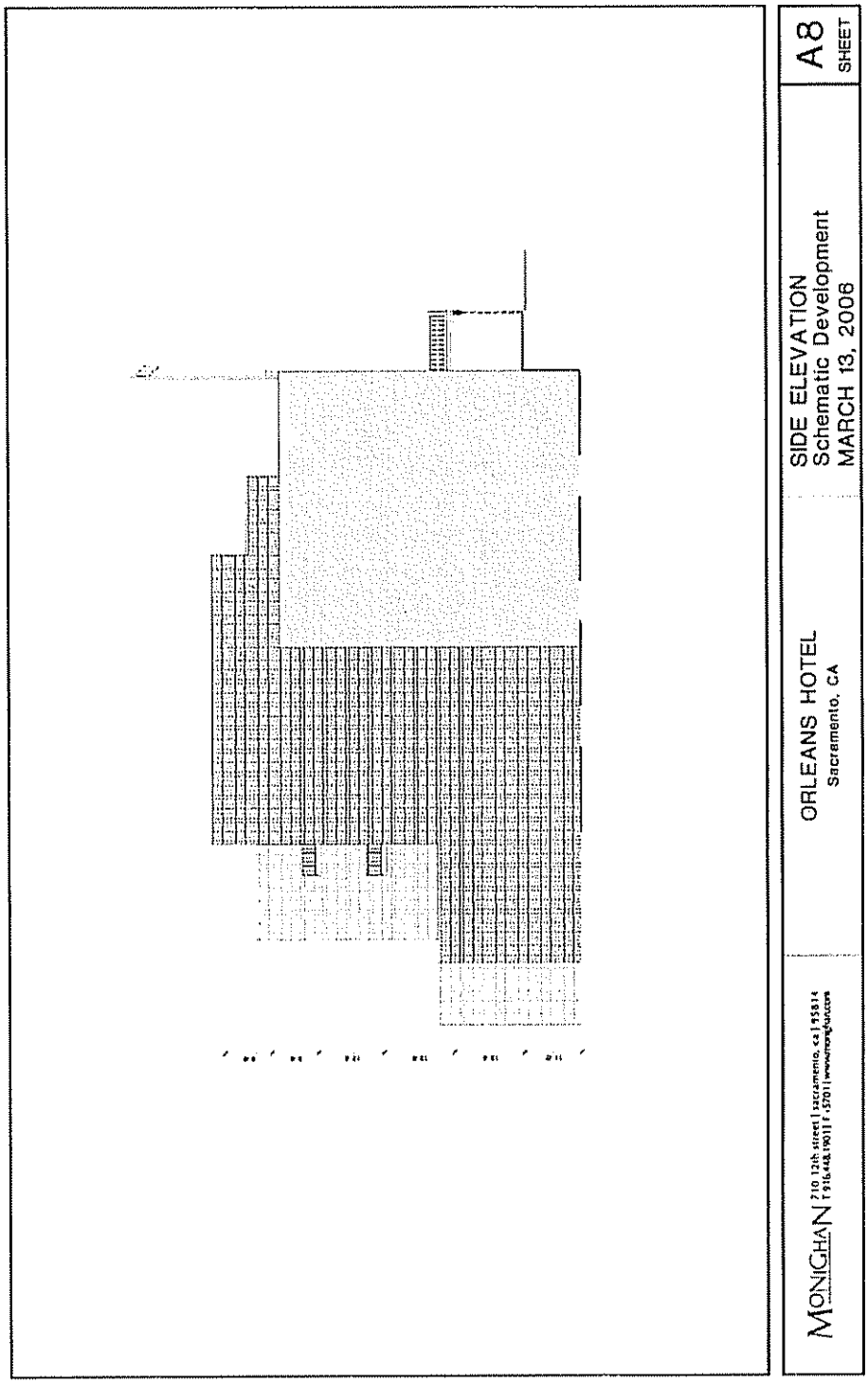

SOURCE: Monighan, 2006

**FIGURE 3**
**SECOND STREET ELEVATION**



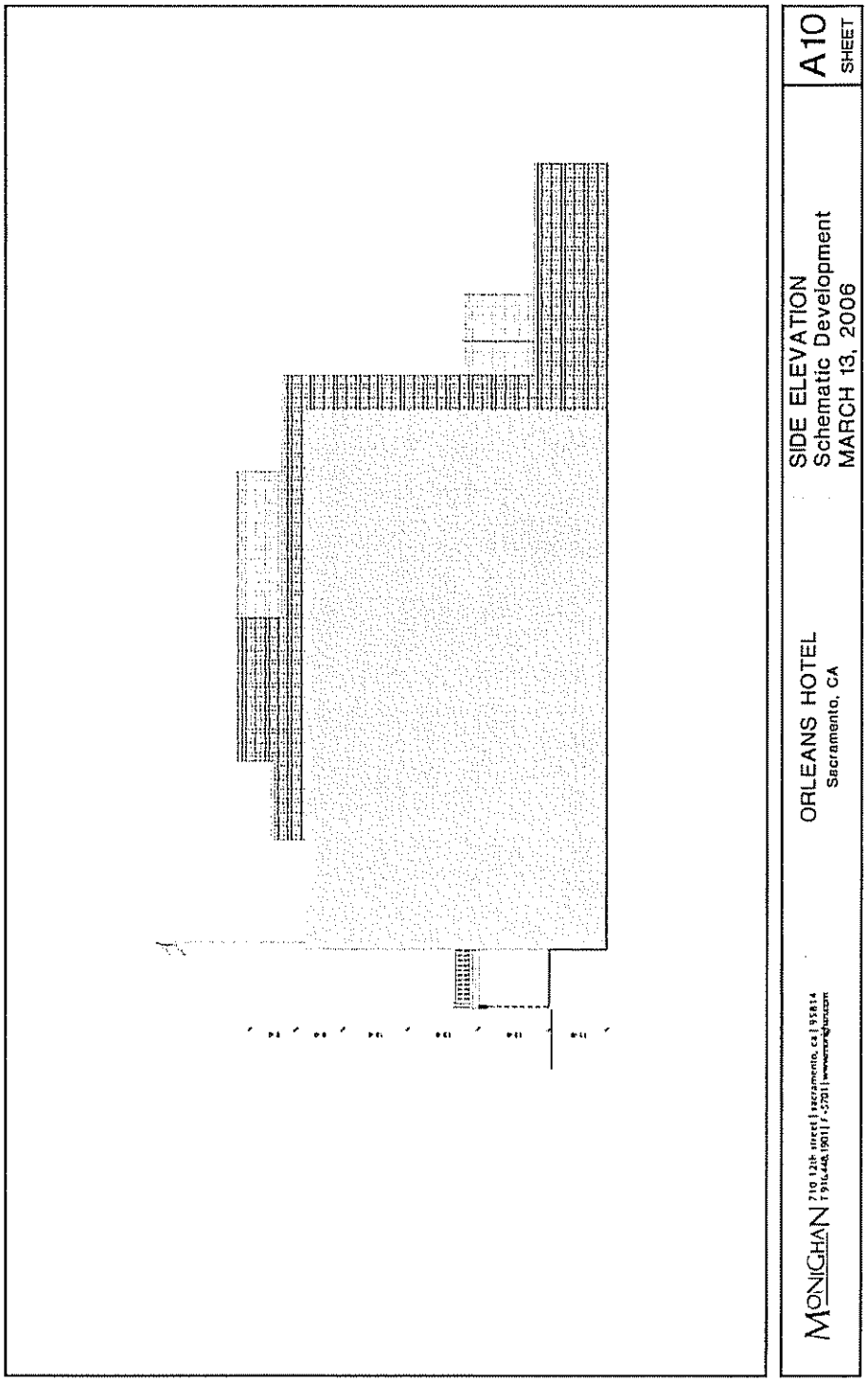

SOURCE: Monighan, 2006

**FIGURE 4**
**ALLEY ELEVATION**



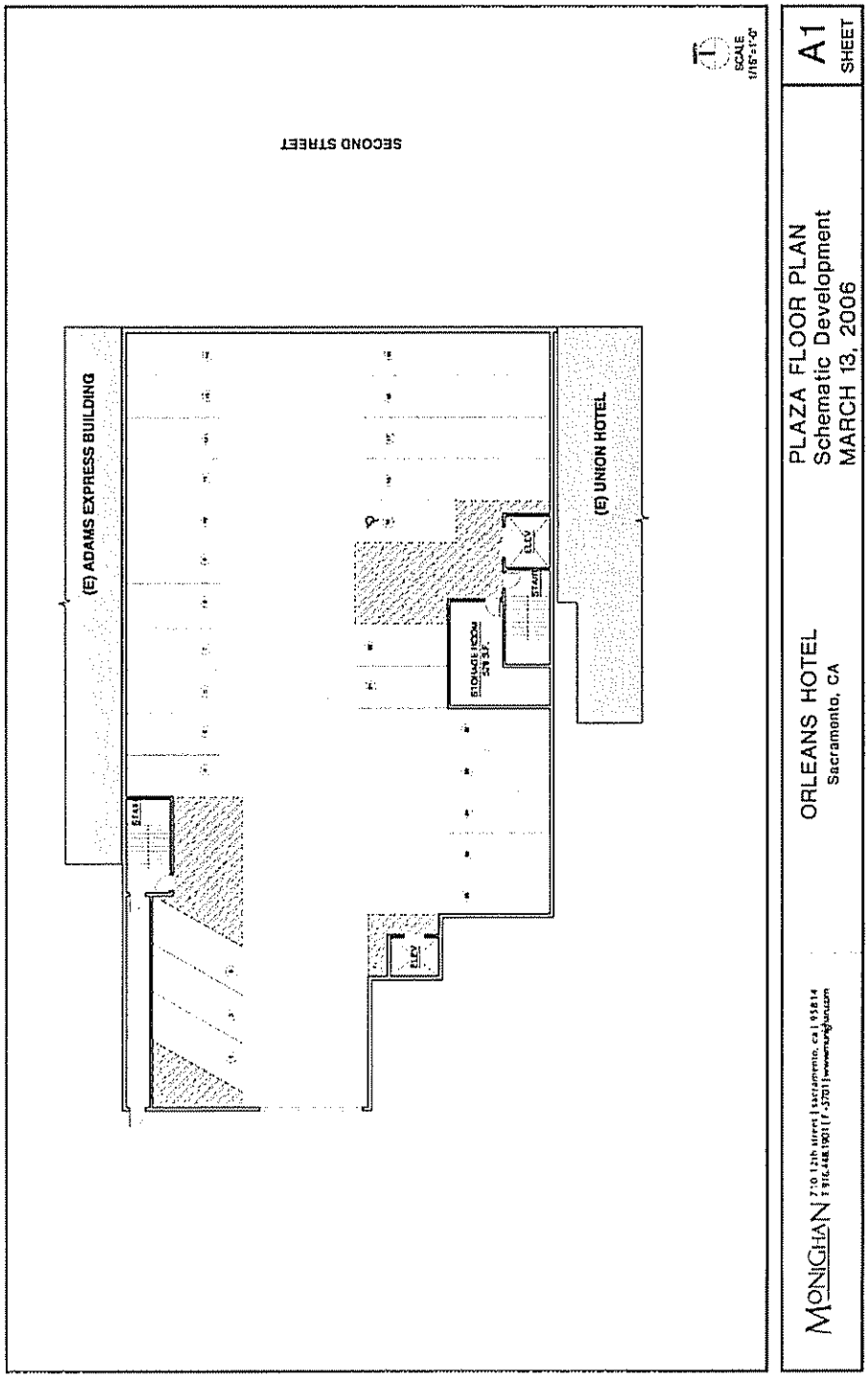

SOURCE: Monighan, 2006

**FIGURE 5**
**NORTH BOUND SIDE ELEVATION**



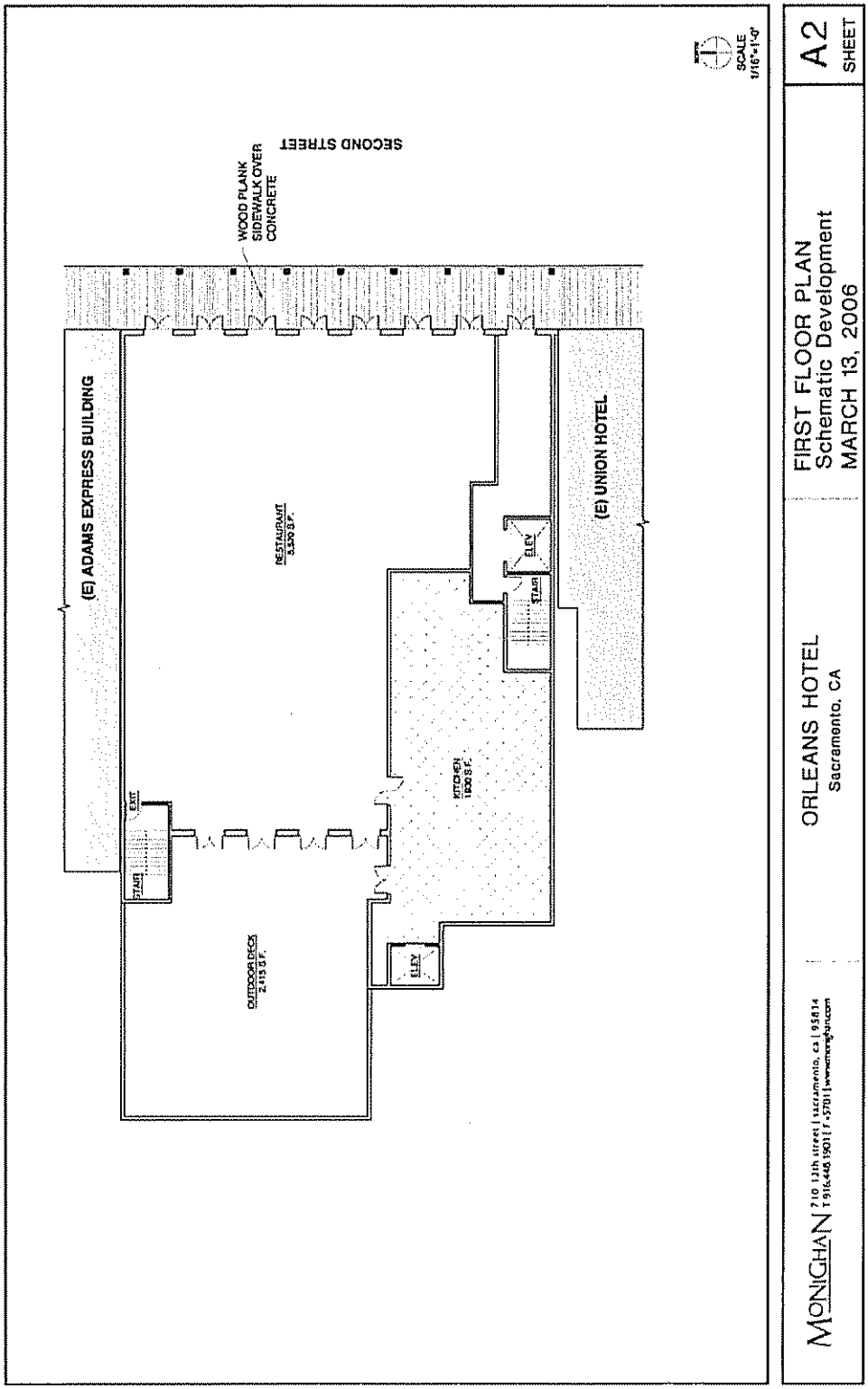

SOURCE: Monighan. 2006

**FIGURE 6**
**SOUTH BOUND SIDE ELEVATION**



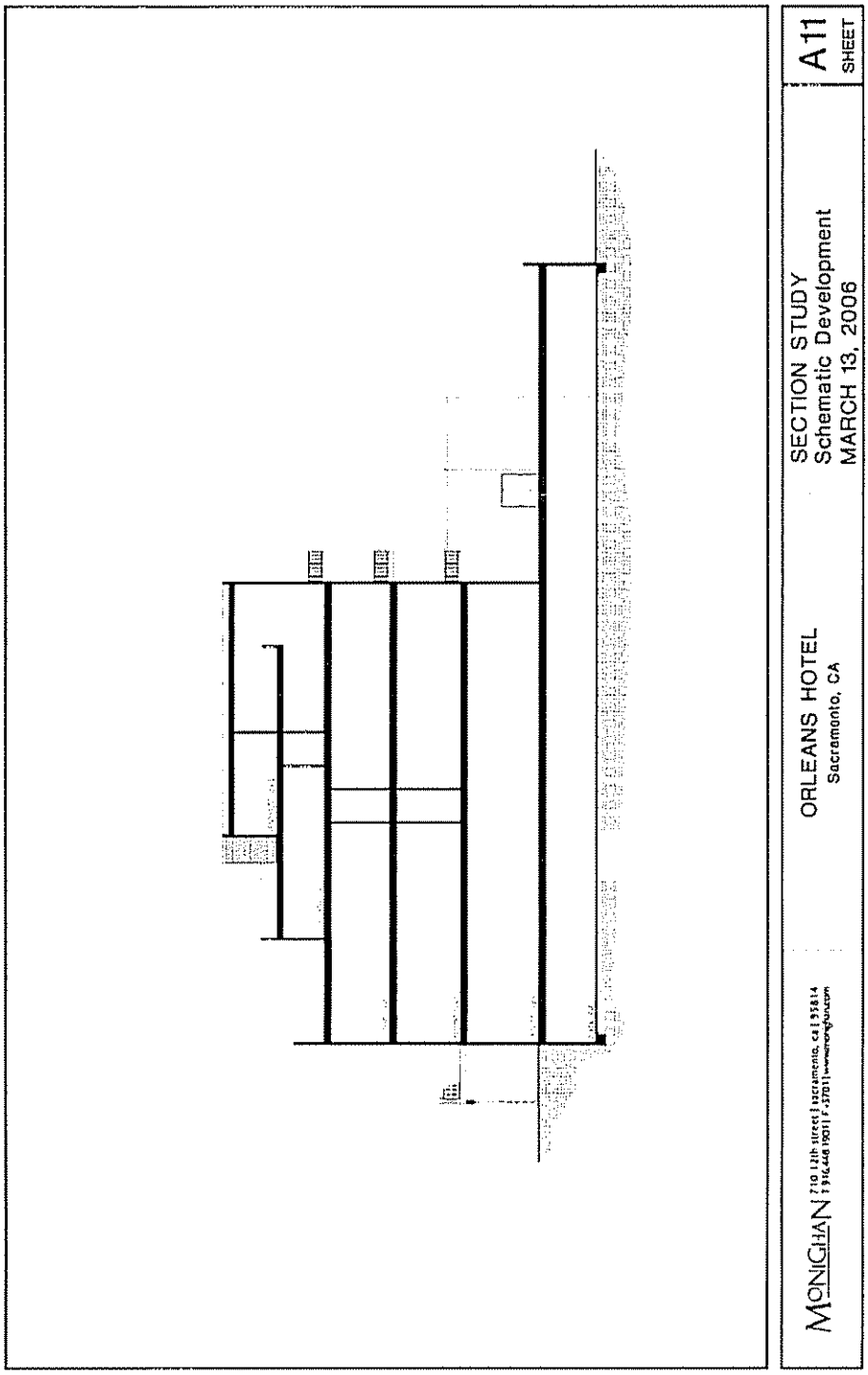

SOURCE: Monighan. 2006

**FIGURE 7**
**PLAZA LEVEL**



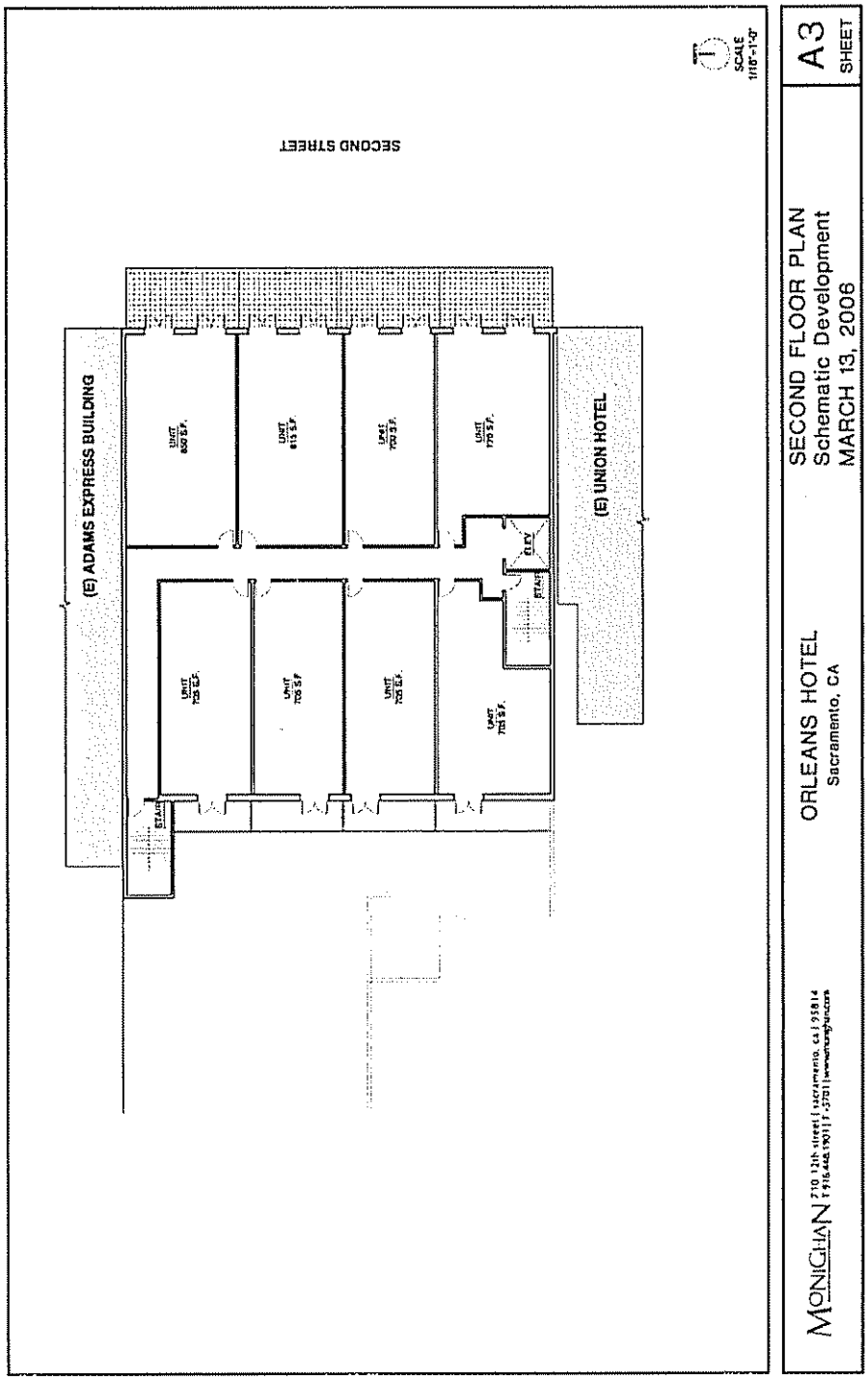

SOURCE: Monighan, 2006

**FIGURE 8**
**STREET LEVEL**



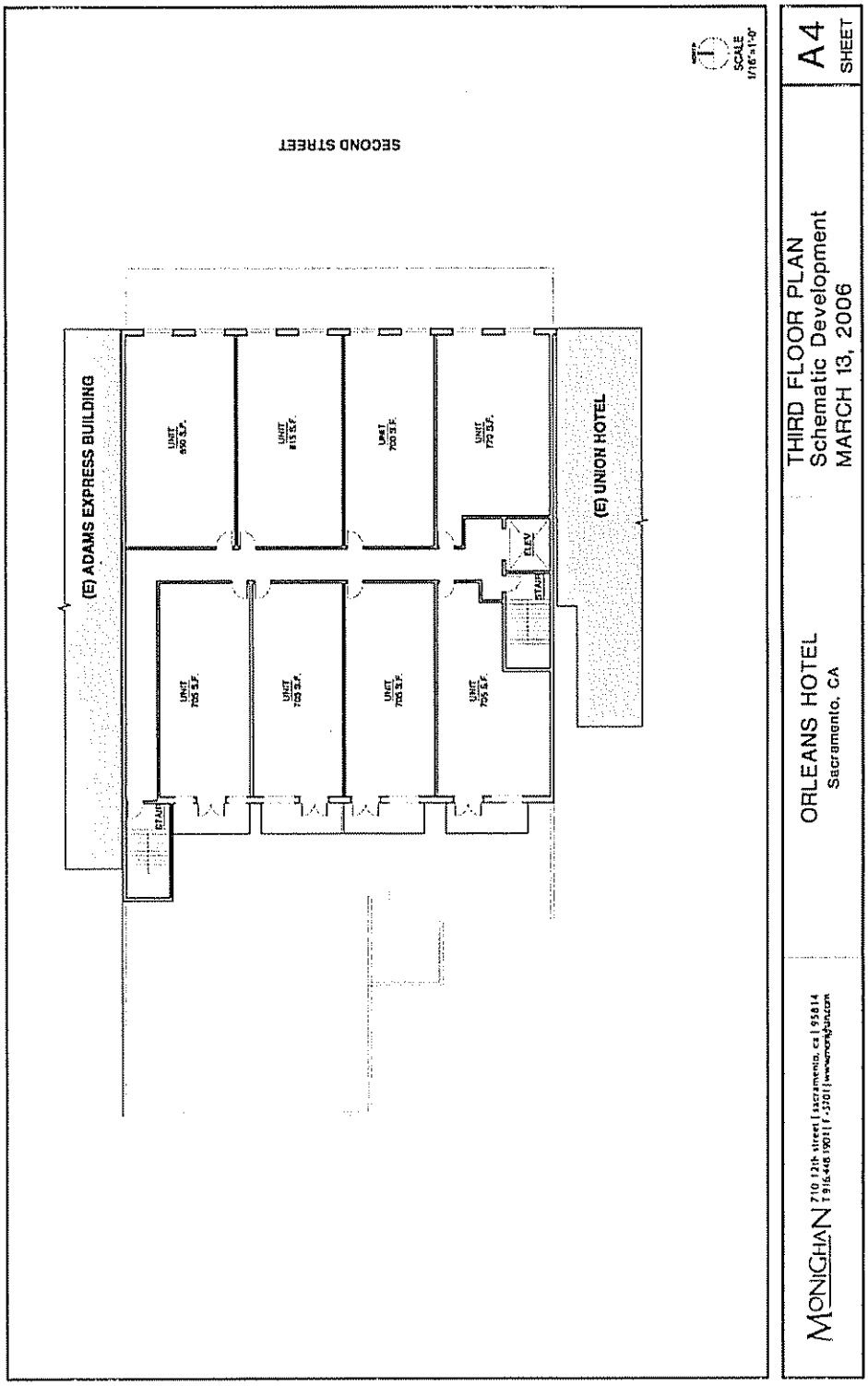

SOURCE: Monighan, 2006

**FIGURE 9**
**BUILDING SECTION**



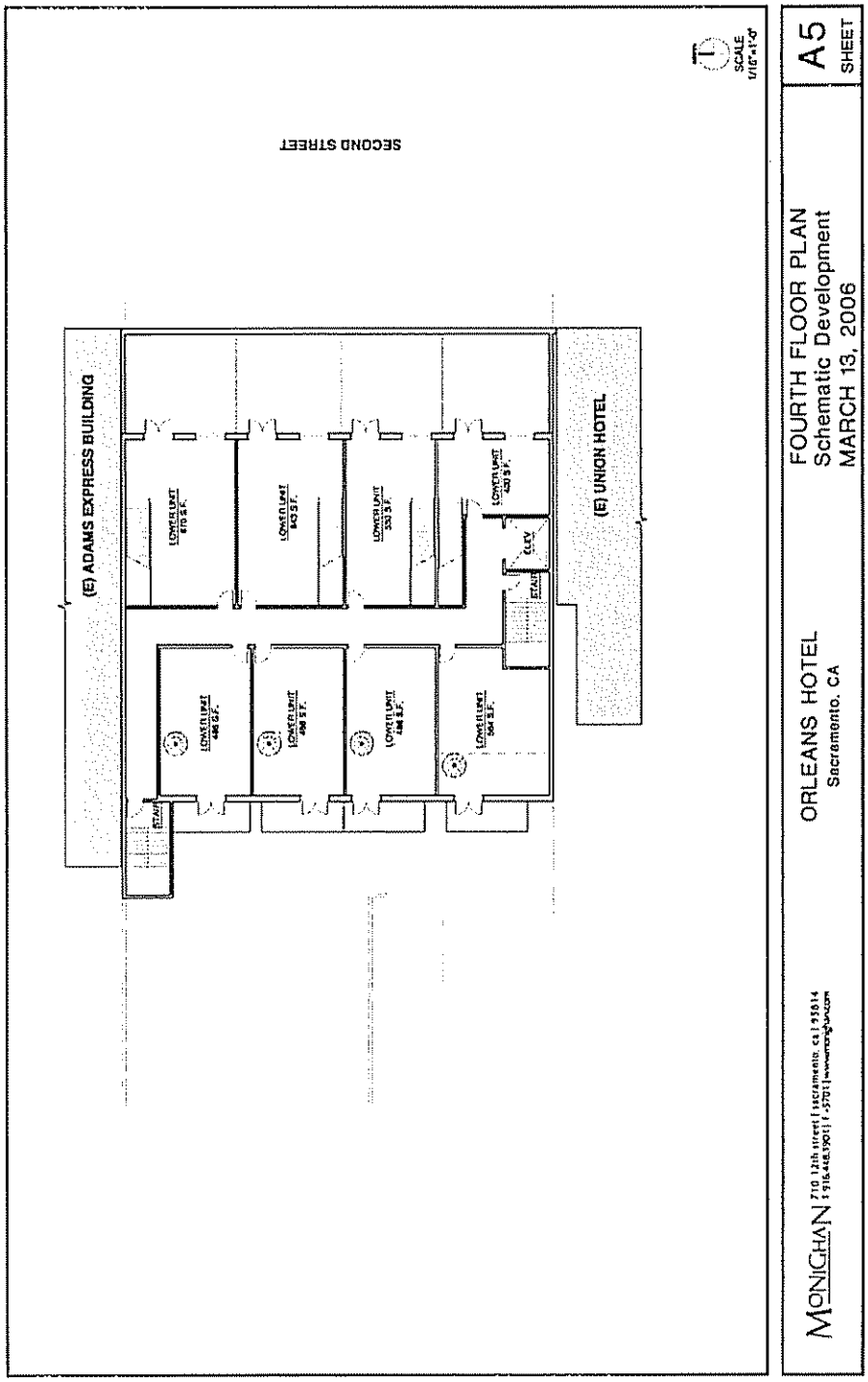

SOURCE: Monighan, 2006

**FIGURE 10**
**SECOND LEVEL RESIDENTIAL**



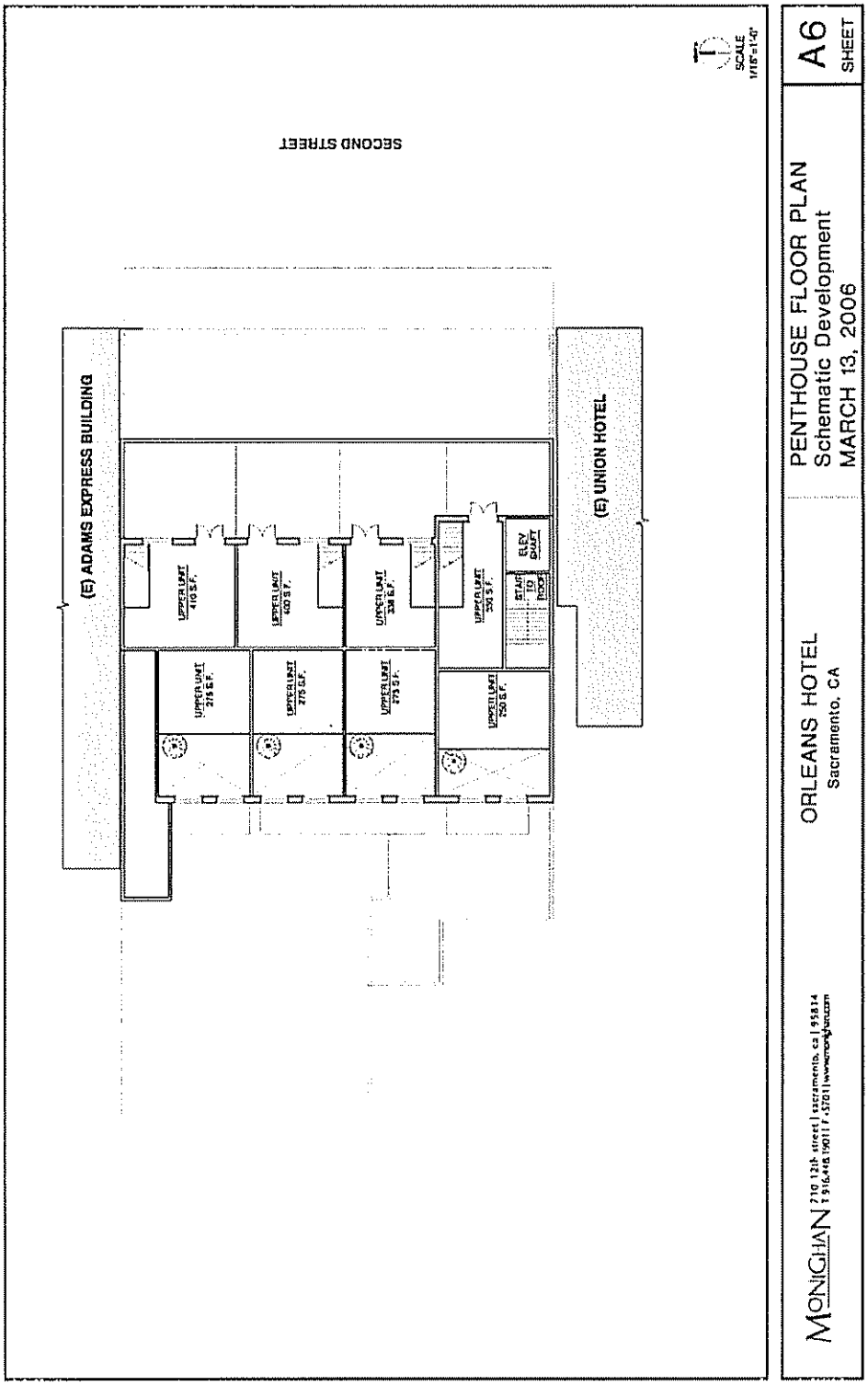

SOURCE: Monighan, 2006

**FIGURE 11**
**THIRD LEVEL RESIDENTIAL**




SOURCE: Monighan, 2006

**FIGURE 12**
**FOURTH LEVEL RESIDENTIAL**




SOURCE: Monighan, 2006

**FIGURE 13**
**PENTHOUSE RESIDENTIAL**

The Second Street façade elevation proposed and shown was researched and approved in the mid-1970s in two previous project proposals. Additional research will be conducted in consultation with the Sacramento History and Science Division, which provides City oversight of the OSHD, and the Old Sacramento Design Review Committee to establish final project materials and detailing that reflect the original façade and details representative of the area and building technologies of the time period. The trim, corbels, dentals, window headers, doors, windows, balcony details and balusters, and cast iron columns will be define in greater detail in the future Design Development drawings and Construction Document drawings. All designs and drawings will be subject to review and approval at a minimum of two stages by the Old Sacramento Design Review Committee. Detailing of elevations not specific to the original façade will be reviewed for compatibility with other buildings in the vicinity.

### REQUESTED ENTITLEMENTS

- Approval of a Disposition and Development Agreement between the developer and the Redevelopment Agency of the City of Sacramento
- Design Review by the Old Sacramento Design Review Committee
- Plan Review by the City of Sacramento Zoning Administrator for residential units

### DOCUMENTS INCORPORATED BY REFERENCE

This Initial Study has been compiled from a variety of sources, including published and unpublished studies, applicable maps, photographs, and independent field investigations. The State of California Environmental Quality Act (CEQA) Guidelines recommend that previously completed environmental documents, public plans, and reports directly relevant to a proposed project be used as background information to the greatest extent possible and, where this information is relevant to findings and conclusions, that it be incorporated by reference in the environmental document. The following documents are incorporated herein by reference:

- *City of Sacramento General Plan,* City of Sacramento, January 19, 1988.
- *Draft and Final Environmental Impact Report, City of Sacramento General Plan,* City of Sacramento, Draft EIR is dated March 2, 1987 and Final EIR is dated September 30, 1987.
- *Draft and Final Environmental Impact Report, Ebner's Hotel Demolition Project,* Redevelopment Agency of the City of Sacramento, Draft EIR is dated November 5, 2002 and Final EIR is dated March 12, 2003.
- *City of Sacramento Zoning Ordinance,* City of Sacramento.
- *Environmental Impact Report for the Merged Downtown Redevelopment Plan,* Sacramento Housing and Redevelopment Agency, August 1985.
- *Draft Initial Study and Proposed Mitigated Negative Declaration Old Sacramento Restaurant Site A,* City of Sacramento, June 15, 1998
- *Redevelopment Plan – Capitol Mall Riverfront Project, Project No. 4, Old Sacramento Historic District,* Redevelopment Agency of the City of Sacramento, Amended October 6, 1980 (subsequently merged into the Merged Downtown Redevelopment Plan).

- *Sacramento Register City of Sacramento, California, Official Listing of Historic Resources,* City of Sacramento, March 2005.
- *Riverfront Master Plan Master Environmental Assessment,* Sacramento Housing and Redevelopment Agency, February 1995.
- *Old Sacramento Historic Area and Riverfront Park, Technical Report,* prepared for the Redevelopment Agency of the City of Sacramento, 1964.

The documents incorporated by reference are available for review at the City of Sacramento, Downtown Development Group, 1030 15th Street, Suite 250, Sacramento.

# II. ENVIRONMENTAL ANALYSIS

## ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" or "Potentially Significant Unless Mitigated," as indicated by the checklist on the following pages.

| | | | |
|---|---|---|---|
| ___ | Aesthetics | ___ | Land Use and Planning |
| ___ | Agricultural Resources | ___ | Mineral Resources |
| ___ | Air Quality | ___ | Noise |
| ___ | Biological Resources | ___ | Population and Housing |
| ✓ | Cultural Resources | ___ | Public Services |
| ___ | Geology and Soils | ___ | Recreation |
| ___ | Hazards and Hazardous Materials | ___ | Transportation/Traffic |
| ___ | Hydrology and Water Quality | ___ | Utilities and Service Systems |
| ___ | Mandatory Findings of Significance | | |

## CEQA DETERMINATION

On the basis of the initial evaluation:

- _ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ✓ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- _ I find the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- _ I find that the proposed project MAY have a potentially significant impact or a potentially significant impact unless mitigated impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- _ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR OR NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Judith. Ervin for

Sheryl Patterson, Environmental Coordinator
Sacramento Housing & Redevelopment Agency

September 12, 2006
Date

# A. INITIAL STUDY CHECKLIST

The initial study checklist recommended by the CEQA Guidelines is used to determine potential impacts of the proposed project on the physical environment. The checklist provides a list of questions concerning a comprehensive array of environmental issue areas potentially affected by the project. Explanations to answers are provided in a discussion for each section of questions, as follows:

1. A brief explanation is required for all answers except No Impact answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A No Impact answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g. the project falls outside a fault rupture zone). A No Impact answer should be explained where it is based on project-specific factors as well as general standards (e.g. the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project level, indirect as well as direct, and construction as well as operational impacts.
3. Potentially Significant Impact is appropriate if there is substantial evidence that an effect is significant. If there are one or more Potentially Significant Impact entries when the determination is made, an EIR is required.
4. Potentially Significant Unless Mitigation Incorporated applies where the incorporation of mitigation measures has reduced an effect from Potentially Significant Impact to a Less than Significant Impact. The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less-than-significant level.
5. Less Than Significant Impact applies where the impact does not require mitigation or result in a substantial or potentially substantial change of any of the physical conditions within the area affected by the project.
6. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D).
7. Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

## B. DISCUSSION

### SECTION I: AESTHETICS

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Have a substantial adverse effect on a scenic vista? | | | X | |
| b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? | | | X | |
| c) Substantially degrade the existing visual character or quality of the site and its surroundings? | | | | X |
| d) Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area? | | | X | |

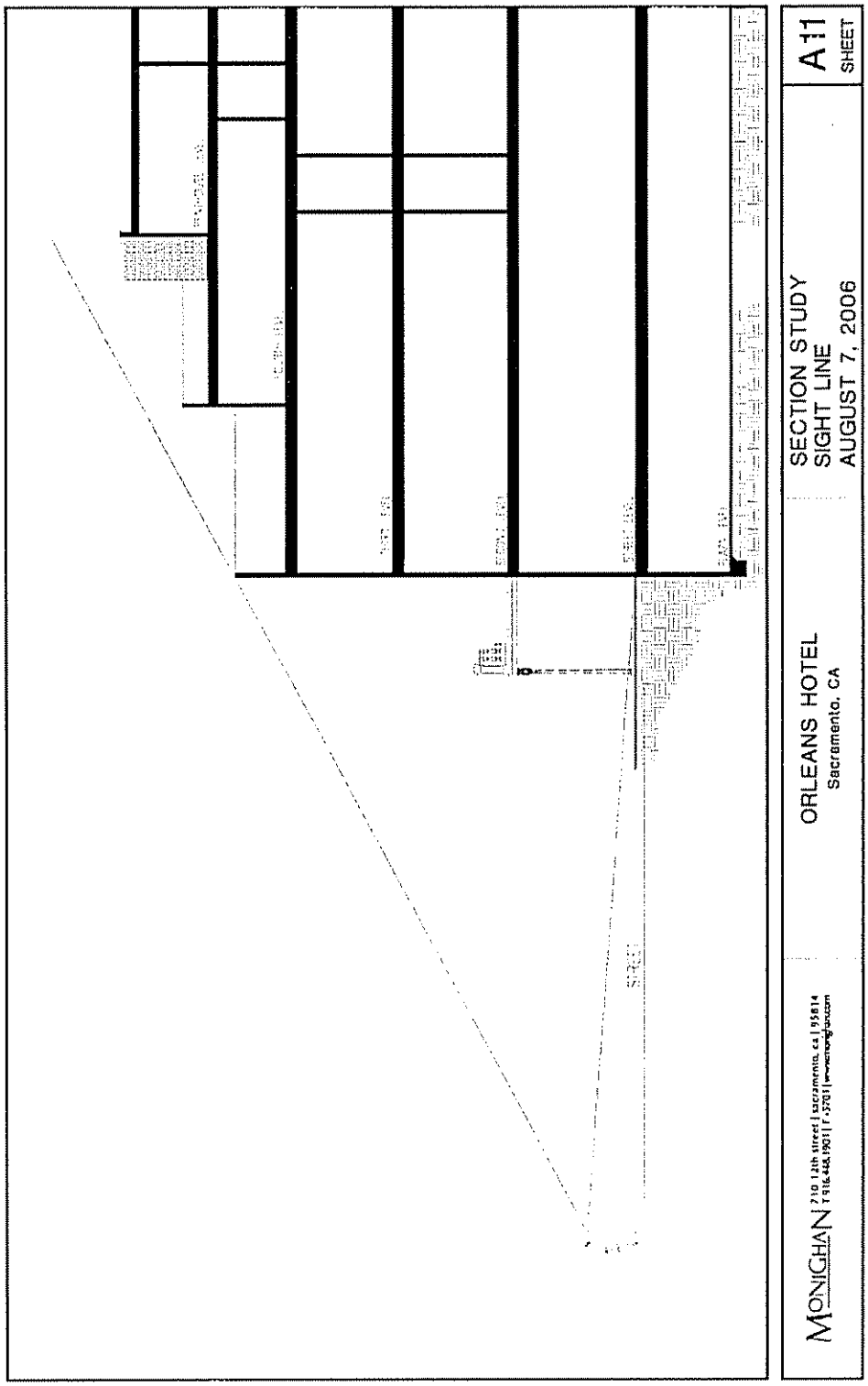
***Discussion of Checklist Answers:***

a-b) There are no designated scenic vistas or scenic highways located within the vicinity that could be affected by the proposed project. However, the site is located within Old Sacramento, which has high scenic value and attracts large numbers of people. In addition, the Sacramento River offers scenic corridors of Old Sacramento.

The current condition of the site is vacant with a construction fence on Second Street, and the site is being used as surface parking off the alley. Removing the existing construction fencing and filling in the streetscape with a building street façade that is consistent with the 1800s historic setting would have a beneficial impact on aesthetics in Old Sacramento. Impacts on the scenic character of the Historic District are further discussed under Cultural Resources, below.

The building's fourth and fifth levels are proposed to be set back from the Second Street and alley property lines. A fourth level was possibly included on one historic wing of the hotel between 1877 and 1920, however a fifth level was never constructed on the site. **Figure 14** shows the line of sight from across Second Street to the top of the proposed building. Because of the street widths and existing development, including the adjacent three-story buildings on each side of the proposed project, the fourth and fifth floors would not be visible from Second Street. The proposed project would have a *less-than-significant visual impact* on the OSHD.

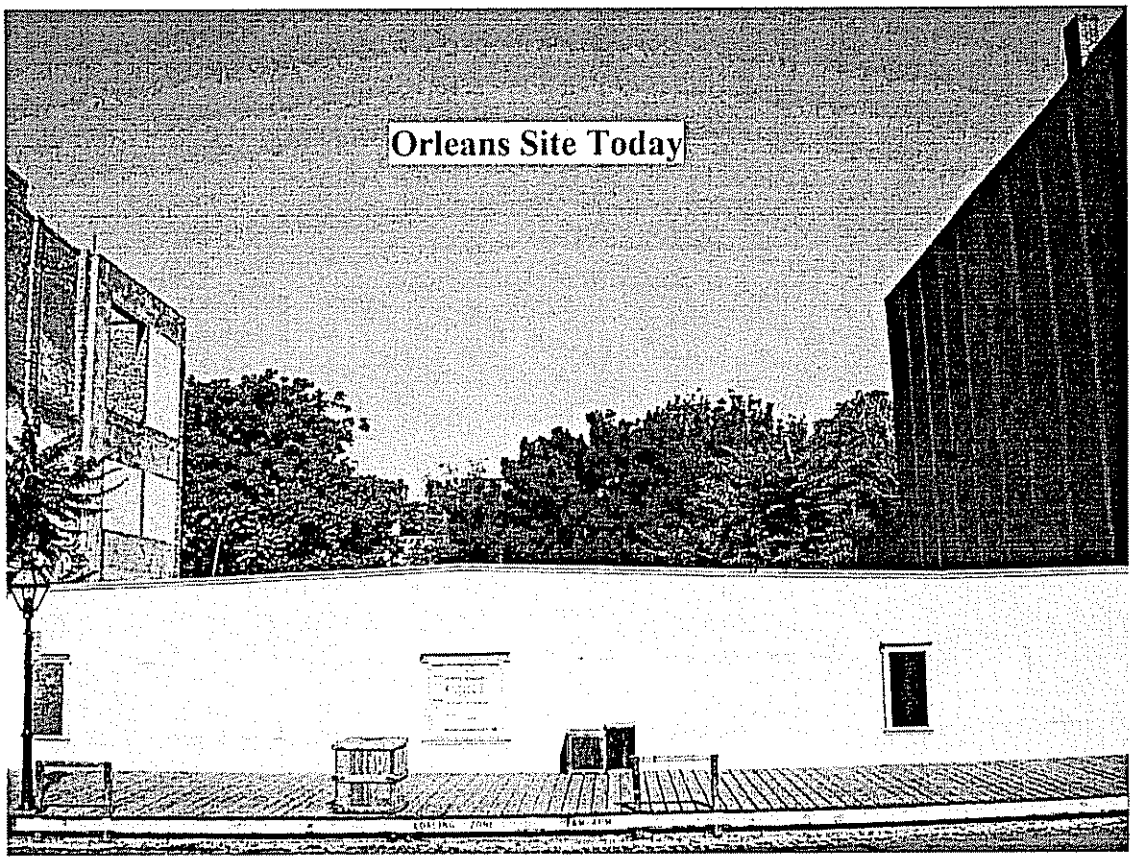
c) Old Sacramento is characterized by Gold Rush and post-Gold Rush era western-style structures, with plank sidewalks and some cobbled streets. The Sacramento Riverfront area is characterized by a blend of industrial, commercial, and waterfront recreational uses.




SOURCE: Monighan, 2006

**FIGURE 14**
**LINE OF SIGHT DRAWING FROM SECOND STREET**

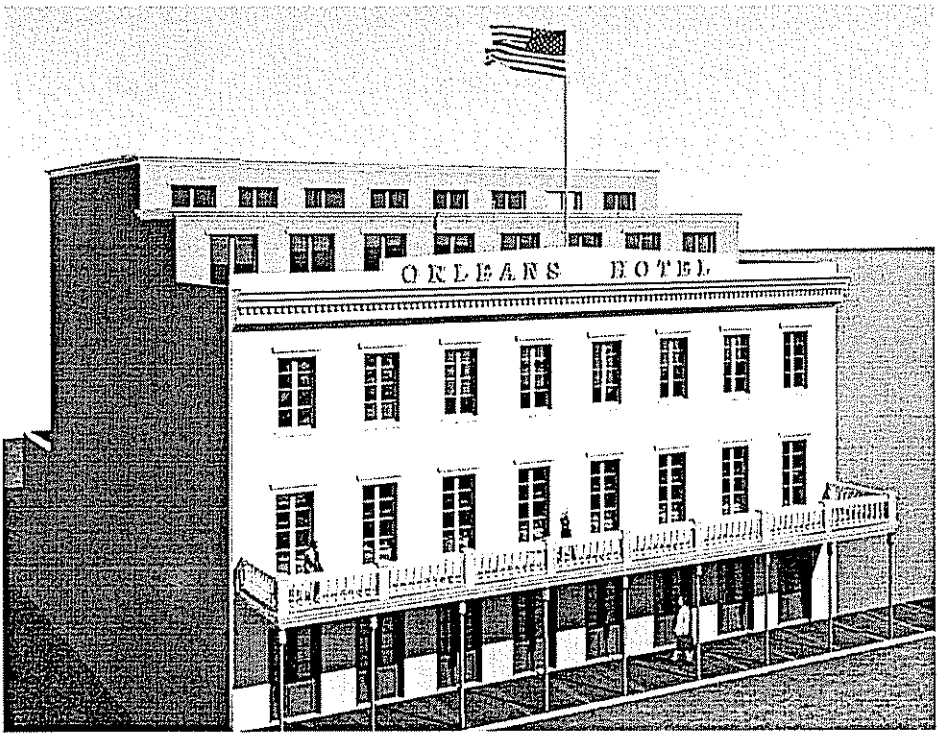
The project site is currently vacant, and there is a construction fence located along Second Street (**Figure 15**). The proposed project would reconstruct an historic building's street façade on a new building, filling in a currently vacant lot in Old Sacramento in a manor consistent with the Gold Rush and post-Gold Rush era (**Figure 16** and **Figure 17**). If the reconstruction of the façade is carefully and accurately executed, its image would contribute generally to the existing Old Sacramento streetscape and have no adverse effect existing visual character or quality of the site and its surroundings. Impacts on the integrity and character of the National Historic Landmark District are discussed under Cultural Resources, below.




SOURCE: Monighan, 2006

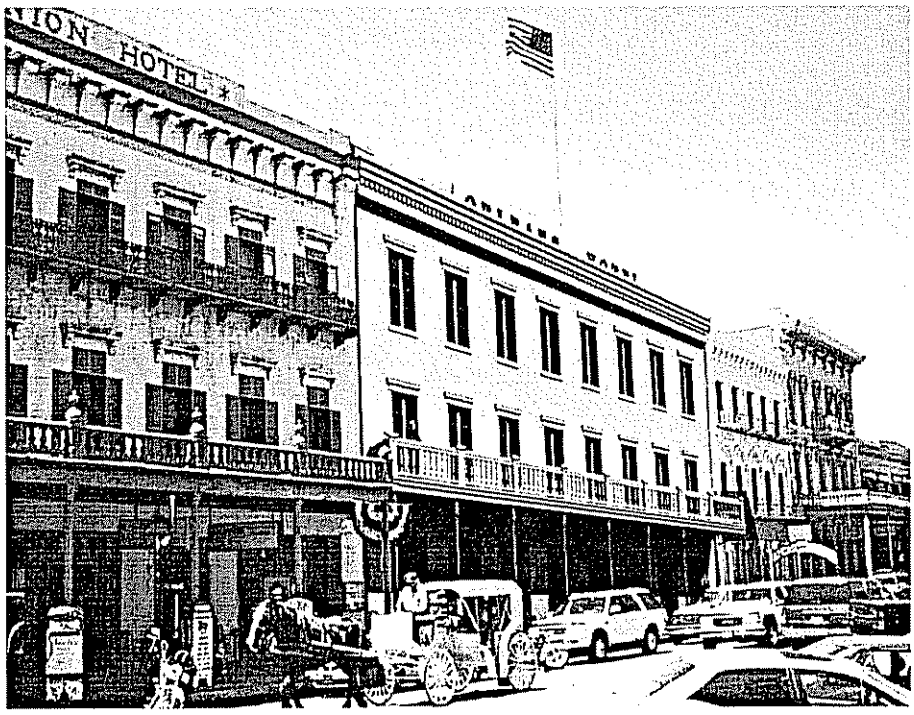
**FIGURE 15**
**EXISTING VIEW FROM SECOND STREET**

d) The proposed project would fill in a vacant parcel in an urbanized area with a five-story structure. All development must install lighting in compliance with the City's Comprehensive Zoning Ordinance (Section 17.68.030) standards, as appropriate to the OSHD. These standards ensure that all new lighting reduces light and glare in the project vicinity and that all exterior lighting would be properly shielded to eliminate glare on existing land uses and roadways. Light and glare impacts would be *less than significant* with adherence to City requirements.




SOURCE: Monighan, 2006

**FIGURE 16**
**SECOND STREET MODEL SIMULATION**




SOURCE: Monighan, 2006

**FIGURE 17**
**SECOND STREET VISUAL SIMULATION**

## SECTION II: AGRICULTURE RESOURCES

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? | | | | X |
| b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? | | | | X |
| c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use? | | | | X |

***Discussion of Checklist Answers:***

a-c) Agricultural resources are not located within or adjacent to the Old Sacramento Historic District, thus the proposed project would have no impact on agricultural resources or operations.

## SECTION III: AIR QUALITY

Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Conflict with or obstruct implementation of the applicable air quality plan? | | | X | |
| b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation? | | | X | |
| c) Result in a cumulatively considerable net increase of any criteria for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing | | | X | |

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| emissions which exceed quantitative thresholds for ozone precursors)? | | | | |
| d) Expose sensitive receptors to substantial pollutant concentrations? | | | X | |
| e) Create objectionable odors affecting a substantial number of people? | | | | X |

***Discussion of Checklist Answers:***

a-d) The proposed project is located within the Sacramento metropolitan area which is considered a non-attainment area for selected pollutants. The 1986-2006 SGPU DEIR identified urban emission sources as the primary source for existing air quality problems (SGPU DEIR, Z-6). The federal air quality standards for ozone ($O_3$) and particulate matter ($PM_{10}$) are being exceeded several times per year in Sacramento City and County.

$O_3$ is a secondary pollutant produced over time by a complicated series of chemical reactions involving nitric oxide ($NO_x$), nitrogen dioxide ($NO_2$), various organic compounds, ultraviolet (UV) light, and normal components of the atmosphere. $O_3$ problems have been identified as the cumulative result of regional development patterns, rather than the result of a few incremental significant emissions sources (SGPU DEIR, Z-9).

The proposed project would involve some increase in construction traffic; construction activities would result in temporary increases in dust and equipment emissions. Long-term operation of the businesses and trips from the residences would result in a small number of vehicle trips from each site in both the AM and PM peak hour, and are anticipated to be low due to the site location in Old Sacramento and the close proximity to regional transit.

Air pollutants would be emitted by construction equipment; fugitive dust would be generated during interior grading and site preparation. Construction activities are regulated by the City and County, as well as the Sacramento Metropolitan Air Quality Management District (SMAQMD).

Impacts to air quality are considered significant if a project would exceed the SMAQMD adopted thresholds of significance adopted in 2002, as follows:

- ***Ozone ($O_3$) and Particulate Matter (PM10)***

An increase of $NO_X$ above 85 pounds per day for short-term effects (construction) would result in a significant impact. An increase of $O_3$ precursors, $NO_X$, or reactive organic gases (ROG) above 65 pounds per day for long-term effects (operation) would result in a significant impact (as revised by SMAQMD, March 2002). The threshold of significance for $PM_{10}$ is a concentration based threshold equivalent to the California Ambient Air Quality Standards (CAAQS). For $PM_{10}$, a project would have a significant impact if it would emit pollutants at a level equal to or greater than five percent of the CAAQS (50 micrograms/cubic meter for 24 hours) if there were an existing or projected violation; however, if a project is below the ROG and $NO_X$ thresholds, it can be assumed that the project is below the $PM_{10}$ threshold as well (SMAQMD, 2004).

- ***Carbon Monoxide (CO)***

The pollutant of concern for sensitive receptors is CO. Motor vehicle emissions are the dominant source of CO in Sacramento County (SMAQMD, 2004). For purposes of environmental analysis, sensitive receptor locations generally include parks, sidewalks, transit stops, hospitals, rest homes, schools, playgrounds, and residences. Commercial buildings are generally not considered sensitive receptors. CO concentrations are considered significant if they exceed the one-hour state ambient air quality standard of 20.0 parts per million (ppm) or the eight-hour state ambient standard of 9.0 ppm (the CAAQS is more stringent than its federal counterpart).

- ***Cumulative Air Quality Impacts***

Development projects are considered by SMAQMD to be cumulatively significant if the project requires a change in the existing land use designation (i.e., general plan amendment, rezone) and projected emissions (ROG, $NO_X$) of the proposed project are greater than the emissions anticipated for the site if developed under the existing land use designation.

The SMAQMD significance criteria that became effective in March 2002 have no quantitative emissions threshold for $PM_{10}$. The previous criteria included a $PM_{10}$ emissions threshold of 275 pounds per day. The current criteria state that a project would have a significant impact if it would emit pollutants at a level equal to or greater than five percent of the CAAQS if there were an existing or projected violation. The City is in a state nonattainment area for $PM_{10}$. SMAQMD has not published guidance for relating project $PM_{10}$ emissions to the CAAQS; therefore, evaluation of potential redevelopment-related $PM_{10}$ emissions for significance relative to the CAAQS was not done.

Preliminary modeling information obtained by SMAQMD indicates that construction projects that meet the following criteria are not expected to exceed the CAAQS for $PM_{10}$:

- Project is less than 10 acres in size
- Project employs standard dust control measures contained in SMAQMD Fugitive Dust Rule 403
- Project employs standard SMAQMD recommended mitigation for reducing emissions from heavy-duty construction vehicles.

Due to the small size of the development site – 11,400 sf – the impact of site grading on $PM_{10}$ will be *less than significant*.

Construction emissions are primarily associated with construction employee commute vehicles, asphalt paving operations, mobile construction equipment (i.e., bull dozers, fork lifts, etc.), stationary construction equipment, and architectural coatings. Phase II construction emissions will principally be generated from diesel-powered mobile construction equipment, as well as architectural coatings. Construction paving materials and coatings are required to conform to the rules outlined in SMAQMD's Rule 453 and Rule 442 governing the manufacture and use of asphalt and architectural coatings.

Resident, employee, customer, and/or delivery vehicle trips associated with the project would generate operational $NO_x$ and ROG emissions, contributing to regional ambient $O_3$ concentrations, and would generate vehicular dust emissions that would contribute to regional ambient $PM_{10}$ concentrations. Additionally, the combustion of natural gas for space heating will contribute $NO_x$ and ROG emissions.

regional ambient $PM_{10}$ concentrations. Additionally, the combustion of natural gas for space heating will contribute $NO_x$ and ROG emissions.

SMAQMD provides a list of development types that typically trigger their significance criteria. These include single family developments of 340 or more units, apartment complexes of 500 or more units, industrial parks of 465,000 sf or more, or shopping centers of 30,000 sf or more. The proposed project is significantly smaller than these representative projects and is an infill parcel anticipated for development in the Air Quality Attainment Plan, and thus would result in a *less-than-significant* impact on air quality.

e) The proposed residential and restaurant uses would not generate objectionable odors affecting a substantial number of people.

## SECTION IV: BIOLOGICAL RESOURCES

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | | | | X |
| b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies or regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | | | | X |
| c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? | | | | X |
| d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? | | | | X |
| e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | | | | X |

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? | | | | X |

***Discussion of Checklist Answers:***

a-f) The proposed project is in Urban Land Habitat (SGPU U-14), and consists of a small infill parcel with no vegetation. The reconstruction of the building on this site will have ***no effect*** on land or riverine biological resources.

## SECTION V: CULTURAL RESOURCES

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Cause a substantial adverse change in the significance of a historic resource as defined in Section 15064.5? | | X | | |
| b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5? | | X | | |
| c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? | | X | | |
| d) Disturb any human remains, including those interred outside of formal cemeteries? | | X | | |

***Discussion of Checklist Answers:***

a) Old Sacramento has been designated by the National Park Service (NPS) as a National Historic Landmark (NHL), the nation's highest designation for significant historic properties. Old Sacramento is also listed on the National Register of Historic Places (NRHP or National Register). The following is an overview of the history and significance of the OSHD and the potential impact of the reconstruction of the proposed project on the OSHD. A complete site history and analysis was prepared by Historic Environment Consultants, which is attached as Appendix A.

***Old Sacramento History***

Old Sacramento was the site of early development in Sacramento. John Sutter established Sutter's Fort in 1839, and his *Sacramento,* the first steamship on the

Sacramento River, was traveling up and down the river by 1847. With the discovery of gold in 1848, travel to the California gold fields through Sacramento exploded. The river embarcadero, initiated by Sam Brannan, at the foot of I and J streets became the key regional transfer point to the gold fields. Buildings grew up along Front Street and evolved eastward, especially along J and K streets. The first permanent building was a two-story store at the southeast corner of Front and I streets. Next, Sam Brannan built a store at the southeast corner of Front and J streets (Fat City restaurant is now located there). There were 30 buildings by May 1849, which grew to 100 buildings by July 1849. Buildings were constructed of canvas, wood, and brick.[1]

A series of disasters destroyed large portions of early Sacramento, including flood and fire in 1850 and fire in 1852. The 1852 fire destroyed almost everything south of J Street and west of Second Street - except the Lady Adams Building at 113-115 K Street, which has been restored and now contains retail uses. After the 1852 fire, rapid rebuilding occurred, with 761 buildings being constructed within the month. Floods struck again in 1861 and 1862, prompting the raising of whole portions of the city in 1862. First streets were raised then individual structures were rebuilt or raised to the new street level. In some cases, a three-story building would simply become a two-story building.[2]

After the construction of the Central Pacific (CP) railyards in Sacramento and the subsequent completion of the first transcontinental railroad in the 1860s, rail became the dominant means of transporting goods. Rail lines and related facilities, including the I Street Bridge, freight sheds and the train Depot were built. The CP Railyards expanded, while shipping facilities for steamers began to disappear. Old Sacramento remained an important commercial area into the 1900s, but a gradual decline began in the area west of 3rd Street. While some substantial business remained, the area saw an increase in warehouses, rooming houses, second-hand stores, and saloons. Many buildings were demolished or allowed to deteriorate. Ornamental details were removed and many buildings were remodeled.

Like the rest of Old Sacramento, the waterfront area went through many changes. Initially, the landing for Sacramento was simply a sand beach. In the 1870s, cut-down ship hulks were used as steamboat landings. Between the 1870s and the early 1900s, a system of docks, wharves, warehouses, and some CP railroad facilities were developed along the waterfront. Elements of both steamship and railroad facilities remained until the 1960s.

By the 1950s, many of the buildings from the 1800s had been removed or were in various states of disrepair. The Redevelopment Agency of the City of Sacramento adopted a plan to redevelop the area as a historic resource. Buildings that could be restored to their original appearance were identified, along with those that could be relocated (particularly from the blocks that were to be removed for the construction of I-5). In addition, potential sites for the reconstruction of buildings were identified.[3]

---

[1] Candeub, Fleissig & Associates, Old Sacramento Historic Area and Riverfront Park, prepared for the Redevelopment Agency of the City of Sacramento, 1964.
[2] Candeub, Fleissig & Associates, Old Sacramento Historic Area and Riverfront Park, prepared for the Redevelopment Agency of the City of Sacramento, 1964.
[3] Candeub, Fleissig & Associates, Old Sacramento Historic Area and Riverfront Park, prepared for the Redevelopment Agency of the City of Sacramento, 1964.

***Redevelopment of Old Sacramento***

In general, the restoration of Old Sacramento through the Sacramento Housing and Redevelopment Agency (SHRA) was intended to restore and reconstruct buildings from the period between 1849 and the 1870s. As discussed above, a succession of natural disasters, combined with rapid growth, led to building and rebuilding in the area. From 1849 to 1880, almost every site in Old Sacramento was occupied by a succession of buildings. Consequently, a critical problem for the redevelopment of Old Sacramento was identifying which historic building should be reconstructed on any given site.[4] As stated in *Old Sacramento Historic Area and Riverfront Park* (1964):

> A city is not a static thing, but exists in time continually changing and evolving. The significant phases of development tend to overlap and merge just as buildings surviving the 1852 fire became part of the 1852-1862 scene and buildings from that period were carried over in part or whole into the post street-raising scene. The functional role of the city changed too, beginning as a debarking point for would-be gold miners, becoming an important river port, then a rail-river interchange. Each of these phases is an important and vital part of the history of Old Sacramento. To restrict the reconstruction to any one phase would necessarily require omitting much of significance that came before or after. Viewed in time, Old Sacramento was dynamically ever-changing. It is desirable that this sense of evolution and change be expressed in the reconstruction.

The 1960s brought redevelopment plans that were part of President Johnson's *Great Society* concept. Further impetus to preservation and redevelopment was the announcement of a new highway, now known as I-5, to be built right through the old commercial core. The debate and compromise that followed created what is now known as Old Sacramento. The Sacramento Redevelopment Agency began buying properties in the area and commissioned an initial plan by Candeub, Fleissing and Associates of San Francisco in 1964. The plan stated:

> The framework for reconstruction is established by the 53 existing historical structures. By good fortune two whole blockfronts along Front Street are open, permitting the reconstruction of the 1849-52 scene between "I" and "J" streets. In the remainder of the project we have substantially the scene of the 1880s, much of which is still existing.

This was the beginning concept for what is now Old Sacramento today. What has developed in practice is a focus on individual buildings, rather than whole streetscapes or particular time periods. The current configuration of Old Sacramento is not identical to any one snapshot in time; even where several adjacent buildings have been restored and/or reconstructed in their original locations, they may be from different periods, and may not have been next to each other originally. In some cases, buildings from after the 1870s were still viable structures when redevelopment was undertaken. Rather than remove these buildings, they were given façade s that were consistent with the target period. There are also buildings and other features that are from outside of the target era entirely, including the Delta King (1920s) and the Railroad Museum (1980s). In addition, some

[4] Candeub, Fleissig & Associates, Old Sacramento Historic Area and Riverfront Park, prepared for the Redevelopment Agency of the City of Sacramento, 1964

buildings, such as the reconstructed schoolhouse on Front Street, were never located in Old Sacramento. The plan for Old Sacramento recognized that multiple eras would be represented. And the conclusion was that this approach was appropriate, given the history of the area and the resources available for restoration and reconstruction.[5]

### REGULATORY BACKGROUND

National, state, and local laws and regulations govern the treatment of cultural resources. There are specific criteria for determining whether prehistoric and historic sites or objects are significant and/or protected by law. Federal and state significance criteria are concerned with the resource's integrity and uniqueness, its relationship to similar resources, and its potential to contribute important information to scholarly research. Local laws tend to focus on a resource's relationship to local history.

Under Section 106 of the National Historic Preservation Act, the National Register of Historic Places (NRHP or National Register) is the United States' official list of cultural resources that are worthy of preservation. The National Register includes districts, sites, buildings, structures and objects with local, regional, state, or national significance. The definition of historic property includes "any prehistoric or historic district, site, building, structure, or object included in, or eligible for inclusion in, the National Register." This definition also applies to artifacts, records and remains.

The State Historic Preservation Office (SHPO) also maintains the California State Register of Historic Resources (CRHR or California Register). Properties that are listed on the NRHP are automatically listed on the CRHR, along with State Landmarks and Points of Interest. The CRHR can also include properties designated under local ordinances or identified through local historical resource surveys.

#### *National Historic Landmark Program*

The OSHD has been designated by the National Park Service (NPS) as a National Historic Landmark (NHL), the nation's highest designation for significant historic properties that includes such nationally significant resources as the Civil War's Gettysburg battle site. This is a higher, more unique designation of significance than the standard listings on the National Register. The Old Sacramento NHL district was designated on October 15, 1966.

A United States Department of the Interior bulletin states... "In 1935, the U.S. Congress charged the Department of the Interior with the responsibility for designating nationally significant historic sites, buildings, and objects and promoting their preservation for the inspiration and benefit of the people of the United States. The National Historic Landmarks program was established to identify and protect places possessing exceptional value in illustrating the nation's heritage. Such landmarks possess exceptional value or quality in illustrating and interpreting the heritage of the United States. Their preservation is an irreplaceable legacy to us and future generations."

The NHL is a program administered by the NPS; the NPS is charged with providing technical assistance to NHL owners and stewards. NHL is the designation given to

[5] Draft Initial Study and Proposed Mitigated Negative Declaration, Old Sacramento Restaurant Site A, prepared for the City of Sacramento, June 15, 1998.

historic resources that maintain the highest level of integrity in representing the history of the United States. The NHL program is the oldest national program to designate and protect historic resources, pre-dating the National Register. Under the NHL program, the NPS is required to report directly to Congress on the status of NHLs and inform Congress of undertakings that would threaten or endanger the historic integrity of the NHL.

The OSHD was adopted prior to the 1976 publication of the *Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings,* developed by the NPS. The *Standards* have been used by State Historic Preservation Officers and the NPS to ensure that projects receiving Federal grant money or tax benefits were reviewed in a consistent manner nationwide. The *Standards* provide a consistent philosophical framework for treatment, and the *Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings* provide a model process to follow in the work, assisting in the application of the Standards to historic properties. However, the *Standards* and *Guidelines* do not directly address infill development in an historic district such as Old Sacramento, which is specifically intended to recreate a period in history. Thus the intent of the *Standards* and *Guidelines* are used to inform the OSHD development design, review, and approval process for infill development, but does not regulate it.

The *Rehabilitation Standards* acknowledge the need to alter or add to a historic building to meet continuing or new uses while retaining the building's historic character. *Restoration Standards* allow for the depiction of a building at a particular time by preserving materials from that era and removing materials from other periods. *Reconstruction Standards* establish a framework for re-creating a non-surviving building with new materials, primarily for interpretive purposes. *Preservation Standards* require the retention of the building's historic fabric, form, features, and detailing as they have evolved over time.

The *Standards* identify the following guidance for reconstruction, which is applicable to the proposed Second Street façade reconstruction:

1. Reconstruction will be used to depict vanished or non-surviving portions of a property when documentary and physical evidence is available to permit accurate reconstruction with minimal conjecture, and such reconstruction is essential to the public understanding of the property.
2. Reconstruction of a landscape, building, structure, or object in its historic location will be needed by a thorough archeological investigation to identify and evaluate those features and artifacts which are essential to an accurate reconstruction. If such resources must be disturbed, mitigation measures will be undertaken.
3. Reconstruction will include measures to preserve any remaining historic materials, features, and spatial relationships.
4. Reconstruction will be based on the accurate duplication of historic features and elements substantiated by documentary or physical evidence rather than on conjectural designs or the availability of different features from other historic properties. A reconstructed property will re-create the appearance of the non-surviving historic property in materials, design, color, and texture.
5. A reconstruction will be clearly identified as a contemporary re-creation.
6. Designs that were never executed historically will not be constructed.

## HISTORY OF THE ORLEANS HOTEL SITE (STATE HISTORICAL LANDMARK NO. 608)

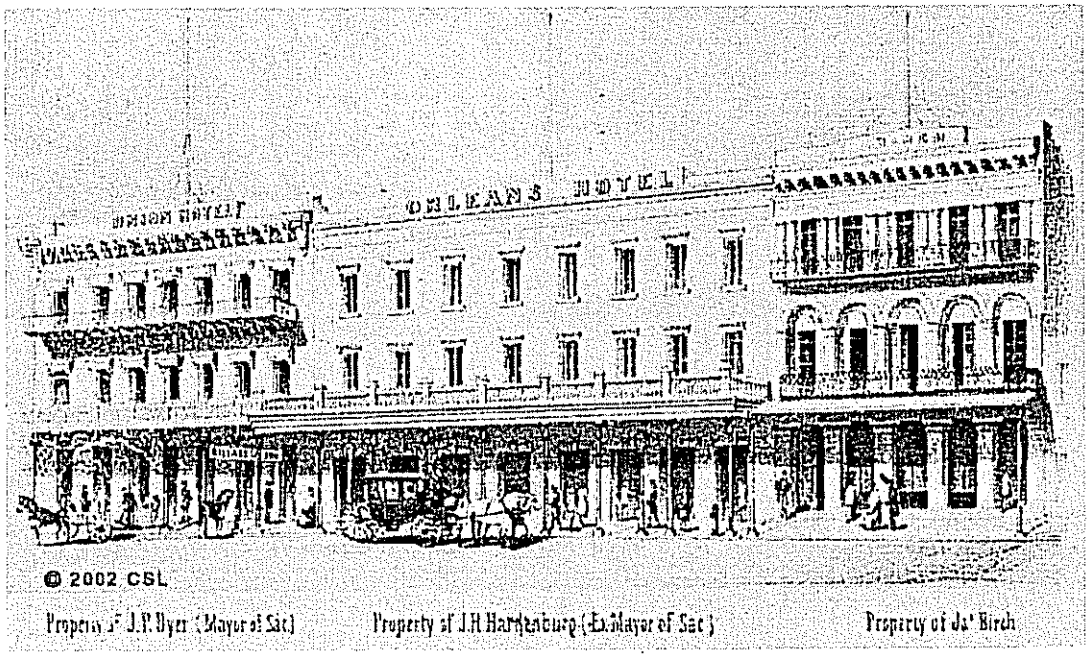
The site, located at 1016-1022 Second Street, held one of the most noted buildings of Old Sacramento. The original Orleans Hotel was constructed entirely of wood, and was brought around the Cape Horn by a company of men from New Orleans. It was all pre-cut and numbered lumber so the hotel was quickly assembled and was opened on the 6th of September 1850 by Coates, Raymond, Simmons, Hassam and Gerrard. It was three stories high with two-story wings projecting 50 feet to the rear of the main building.

This building was destroyed by fire in 1852, and was replaced by a three-story brick hotel shortly thereafter. However, a major flood the day after this hotel opened in Sacramento impacted operations. The hotel was then purchased by an investment group and operated by Hardenbergh & Corse, giving the site its historically significant relationship to James Hardenbergh (see Appendix A). By 1854, two wings had been added to the rear of the main building and other alterations and additions had been made. The main building was 85 by 59 feet, with two wings running back from the main building about 50 feet in length. One was three stories and the other four. At the front of the building, on the first floor, was the office of the California Stage Company and an elegantly furnished reading room. Behind those rooms was the north wing containing the bar and billiards parlor. The south wing housed the dinning room and kitchen with a rear stairway so that female guests did not have to pass through the main hotel to dine. A continuously running fountain was located in a flower garden courtyard between the two wings. The hotel was gas lighted with 179 rooms and was capable of accommodating 300 guests (**Figure 15**).

The Orleans Hotel then went through an unsettled period where ownership and management began to change hands. By 1859, the proprietor was Joseph Virgo; by 1865, W.R. Waters was operating the hotel. By the mid 1870s F.W. Fratt was the owner and proprietor. In early 1877, Fratt made extensive improvements to the hotel that included a make-over of the façade, giving it a look similar to the Union Hotel next door.

In the late 1870s, the Orleans Hotel was purchased by the Whittier, Fuller & Company. They converted half of the ground floor into a store where they sold paints, oils, glass, doors, windows, and blinds. The other half of the ground floor they leased to James Felter & Company who provided on-site and wholesale liquors and wines. Mrs. H.W. Ogg was the proprietor of the hotel. Headquartered in San Francisco, the Whittier & Fuller Company was on its way to becoming the W.P. Fuller Paint Company, which would grow to become one of the largest paint producers and sellers in the world.

By 1904 an article appeared in the Sacramento Union [6/29/1904, p. 10:1] that indicated that the W.P. Fuller Company was considering demolishing the Orleans building. Their business had grown to the point that they had occupied the entire building but still needed more space. Evidently they decided to remodel the building extensively. Instead of the three story building shown in all earlier illustrations up through 1884, the 1915 Sanborn depicts a two story building. The central courtyard has disappeared and the building extends almost all the way to the alley. The first floor is a paint store and office and the second floor is a sash and door warehouse.




Source: Historic Environment Consultants

**Figure 15**
**Orleans Hotel, Circa 1853**

In August 1922, Frank P. Williams was the owner of the Orleans Building and he took out a building permit to remodel the building into a store and rooming house. This is likely the building footprint that is shown in the 1952 Sanborn Fire Insurance map. The building is still brick and has the same footprint as the 1915 version. The first floor contains a restaurant, hotel office, and probably some hotel rooms. However, three light wells penetrate the second floor. Over the ensuing years the rooming house was known as the Chicago Hotel.

In 1962 when V. Aubrey Neasham published his survey, *Old Sacramento Inventory of Historical Buildings*, the Orleans was so altered that he did not include it as a historic building dating back to the 19th century. In November of 1969, a demolition permit was issued and in April of 1970 a city building inspector cleared the permit.

### *Proposed Project*

The proposed project would construct a five-story mixed-use building on the original Orleans Hotel site, reconstructing the street façade to match its 1853 appearance as specified by the Old Sacramento Design Guidelines and consistent with the *Reconstruction Standards*. The fourth and fifth additional stories would have smaller floor-to-ceiling heights and would be successively set back from the street façade. The street façade will be reconstructed to the year 1853 in accord with the interpretive time period of the Historic District, and the additional stories will be stepped back from Second Street to avoid being seen from street level. Drawings and photographs of the 1853 building will be utilized to assure the historic accuracy of the appearance of the new building.

The building, other than the façade, would be constructed with walls, heights, materials, and massing as conceptually outlined in the project description and drawings, above. The one story parking podium, two story kitchen facility, patio, and residential floors would be successively set back from the alley to be consistent with the irregular historic alley façades, to preserve its original public image without mimicking the original building design.

### IMPACTS AND MITIGATION MEASURES

The proposed project includes construction of a mixed-use building with a reconstruction of an historic building façade within the boundaries of the OSHD. The implementation of the proposed project must minimize any impact on the NHL resource, the OSHD, as much as possible in order to retain the maximum degree of the District's integrity. There already have been a number of contemporary intrusions threatening the integrity and character of the District, including shop, directional, and entertainment signage and parking meters. Any additions or changes to the District at this point are now considered highly critical and should be carefully examined in order to avoid further impacts to its integrity and adverse effects to the image and character of the District.

CEQA defines a substantial adverse change in the significance of an historical resource as "physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of an historical resource would be materially impaired." (CEQA Guidelines Section 15064.5(b)(1)) The significance of an historical resource is materially impaired when a project "materially alters in an adverse manner those physical characteristics of an historical resource that convey its historical significance that justify its inclusion in, or eligibility for, inclusion in the California Register of Historic Resources or...a local register of historical resources."

As identified in the project description, above, reconstruction standards will be used for the proposed project's Second Street façade that identify a reconstruction date of 1853 for the Orleans Hotel; reconstruction elevations for the project site were previously approved by the Old Sacramento Design Review Committee. The project's plans and elevations must be consistent with the approved elevations, and all plans and elevations must be approved by the Old Sacramento Design Review Committee.

- ***Impact V-1: Impact of the Infill/Reconstruction of the Orleans Hotel on the Old Sacramento Historic District NHL***

  The proposed project will be three stories in height at the reconstructed street façade of the building, on a building site flanked by two approximately three story buildings. The street façade would be reconstructed to its 1853 appearance, as specified in the Old Sacramento Design Guidelines and in accordance with the *Standards*.

  The height of the façade of the new building seems appropriate to the approximately three story height of adjacent buildings in this Second Street streetscape. This site is one of few sites in Old Sacramento that is flanked by buildings of a height commensurate to the height of the façade of the proposed reconstruction.

  The proposed new construction portion of the project will have five stories; the fourth and fifth levels will be set back from the three-story street façade so that they are not visible from the street. Although there may have been a fourth story along one wing on the previous building, there has never been a fifth floor on that site. A sight line has been drawn from the street at the angle of the sight line in a drawing by the architect to

assure that the top two stories will not be visible from Second Street (previous figure 14, above), which appears to allow additional uses of the building without negatively affecting the primary visual elevation (street façade) of the building.

The proposed building will fill in a prominent gap in the street-face along Second Street and enhance the visual continuity of the Historic District. The proposed five story structure, with the top two stories stepped back from the street façade, would not adversely affect the character and continuity of the streetscape, and therefore would not adversely affect the District. Therefore, the proposed project would have a *less-than-significant impact* on the Old Sacramento National Historic Landmark and does not require mitigation.

- ***Impact V-2: Potential impact of new construction exteriors on the Old Sacramento Historic District***
  The materials, character, and scale of the structures in Old Sacramento, including the alleys, are part of its charm and its ability to convey the sense of a different time and place. In this District, it has been intended that many visitors and pedestrians use the alleys for circulation, and explore a unique feature of the historic district. The alleys also reflect the city-wide raising of the streets to avoid flooding, an important aspect of early Sacramento history.

  New infill construction must be accomplished with sensitivity and skill in order to retain visual character and interpretive aspects of these features.

  The rear elevation, and potentially some of the north and south elevations, will be visible from the alley; a portion of the building will extend back to the alley right-of-way to enclose parking, but will only be one story tall, with a dining deck on top. Above the first story the building will be setback from the alley at the two-story kitchen facility and at the third through fifth floors. The height of the building would only be fully visible from a position directly behind the building. The corner setback, graduated heights and residential balconies provide some consistency with the irregular alley façade patterns.

  The current drawings are only illustrative of the setbacks, heights and massing of the new construction portions of the building (as compared to the Second Street façade reconstruction); there is no detail available regarding the materials and features proposed for any of these façades. Designs and materials used for new exteriors on all elevations must be accomplished with sensitivity and skill in order to retain visual character and interpretive aspects of these features. Without detailed drawings to confirm consistency with the Old Sacramento Design Guidelines, impacts on the alley and OSHD are ***potentially significant***.

- ***Mitigation Measure V-2:***
  *Prepare detailed designs and materials plans in accordance with the Old Sacramento Design Guidelines for infill construction in the OSHD, to the satisfaction of the Old Sacramento Design Review Committee.*

The Proposed Project to construct the Orleans Hotel infill project in the OSHD, with the above recommendations, appears to meet the intent of the *Standards and Guidelines* for the façade reconstruction and the Old Sacramento Design Guidelines on the new construction, achieving the goal of the OSHD to revere its important streetscape images, enhance the character of the OSHD, and heighten the historic experience of those who visit it. With the above mitigation, the proposed project would have a *less-than-significant impact* on the Old Sacramento Historic District.

b-d) The physical environment of the vicinity has been greatly altered by human modification over the past 150 years. Specifically, the urbanization of the City of Sacramento has greatly altered the pre-1850 environment. On a larger scale, the deposition of deep alluvial soils over the past 10,000 years has buried any early archaeological resources.

In the case of the Orleans Hotel, archeological and/or historical remains may be unlikely, since the original building was both remodeled and demolished and another building constructed on this site was also demolished. The surface of the site has been considerably disturbed. However, at present, it is unknown if any foundations from the earlier buildings still exist.

- ***Impact V-3: Impact on archaeological resources***
  Historical deposits from the last 150 years could be found during any trenching for utilities and foundations. This would be a ***potentially significant impact.***

  The following mitigation measure is required to ensure the project will have a *less-than-significant impact* on cultural resources.

- ***Mitigation Measure V-3:***
  V-3a: The project proponent shall hire a qualified professional to formulate and implement a research design and field strategy with regard to possible sub-surface resources. Testing shall include geophysical mapping of the near-surface, ground-truthing using both the geophysical maps and historic maps, followed by evaluation of discovered resources for CRHR eligibility. All testing shall be conducted prior to initiation of construction for the project. Based on the results of testing, recommendations shall be provided, which may include additional testing, data recovery, future construction monitoring, as well as preparation of an Unanticipated Discovery Plan. All recommendations shall be submitted to the City of Sacramento's Preservation Director for approval.

  V-3b: The project applicant shall hire a professional archaeologist to perform archaeological monitoring during ground-disturbing construction activities for the duration of the project. If resources are discovered during construction, the procedure laid out in the Unanticipated Discovery Plan will be followed.

  V-3c If significant findings are made, historic materials and artifacts shall be incorporated into an interpretive display in the proposed building, or grouped with other projects to produce a larger more comprehensive exhibit or display in coordination with the Manager of the History and Science Division. The interpretive display shall include a history of the site uses including information on the various ethnics groups that dominated the site. Display of all historic materials and artifacts shall follow the standard practices and procedures generally accepted in museum curation, and shall be made available to the Manager of the History and Science Division for review and comment before they are constructed and installed. All collected materials shall be archived at an appropriate curation facility at the project applicant's expense.

  V-3d All activities related to the data recovery of the site shall be recorded and compiled into a report and submitted to both the City and the North Central Information Center. In addition, appropriate public outreach material such as a leaflet, pamphlet, or booklet shall be developed detailing any finds and their historic context. All reports shall be deposited with the city's archive - the Sacramento Archives and Museum Collection Center (SAMCC), and shall include original photographs and negatives or high resolution digital scans in a

TIF format on high quality CD's or DVD's. Reports if produced in a digital format shall be deposited as both a hard copy and a digital copy. A release shall be included that allows SAMCC the right to reproduce all documents and graphics (including photographs) without restriction.

## SECTION VI: GEOLOGY AND SOILS

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: | | | | |
| i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Special Publication 42.) | | | | X |
| ii) Strong seismic ground shaking? | | | X | |
| iii) Seismic-related ground failure, including liquefaction? | | | X | |
| iv) Landslides? | | | | X |
| b) Result in substantial soil erosion or the loss of topsoil? | | | X | |
| c) Be located in a geological unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? | | | X | |
| d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property? | | | X | |
| e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater? | | | | X |

***Discussion of Checklist Answers:***

a) No known faults or Alquist-Priolo special study zones are located within or adjacent to Old Sacramento; Old Sacramento has no significant slopes. During the past 150 years, there has been no documented movement on faults within Sacramento County. However, the

region has experienced numerous instances of ground shaking originating from faults located to the west and east. According to the *Preliminary Map of Maximum Expectable Earthquake Intensity in California,* prepared by the California Department of Mines and Geology, Sacramento is located near the border between the low and moderate severity zones, representing a probable maximum earthquake intensity of VII on the Modified Mercalli Scale. In Sacramento, the greatest intensity earthquake effects would come from the Dunnigan Hills fault, Midland fault, and the Foothill Fault System. The maximum credible earthquake for those faults is estimated at 6.5 on the Richter-scale.

The City of Sacramento has adopted policies as a part of the General Plan Health and Safety Element which consider seismic related hazards, including liquefaction. These policies ensure the use of Uniform Building Code requirements that recognize state and federal earthquake protection standards in construction. This would be a *less-than-significant impact*.

b) The proposed project would result in the excavation, displacement, backfill, and compaction of a minor amount of soil. No significant increases in the volume and rate of water runoff would occur. All grading activities associated with site development within the City of Sacramento are required to follow the Grading Permit requirements defined in the City's Grading, Erosion, and Sediment Control Ordinance 93-068 (GESC) (see Section VIII-a below). Required compliance with the City's Grading, Erosion, and Sediment Control Ordinance will result in a *less-than-significant impact* on soil erosion.

c-e) Soils in the vicinity are categorized as Urban Land and consist of areas covered by up to 70 percent impervious surfaces. Topography is flat, and there are no outstanding topographic or ground surface relief features in Old Sacramento which would be disturbed as a result of the proposed project. The proposed project would *not result in impacts* related to landslides or mudflows, erosion or changes in topography, expansive soils, or unique geologic or physical features.

## SECTION VII: HAZARDS AND HAZARDOUS MATERIALS

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? | | | | X |
| b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? | | | | X |
| c) Emit hazardous emissions or handle hazardous or acutely hazardous | | | | X |

| | | | | |
|---|---|---|---|---|
| materials, substances, or waste within one-quarter mile of an existing or proposed school? | | | | |
| d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962 5 and, as a result, would it create a significant hazard to the public or the environment? | | | | X |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? | | | | X |
| f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing in the project area? | | | | X |
| g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? | | | | X |
| h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? | | | | X |

***Discussion of Checklist Answers:***

a-h) The project site is currently vacant, and there are no prior uses for the site that would indicate the presence of any hazards. Proposed residential and restaurant uses are not anticipated to use, store, or transport hazardous substances. Old Sacramento is not located within safety hazard areas of either private or public airports. The proposed project would not interfere with either an adopted emergency response plan or an emergency evacuation plan, and no routes used for emergency access and response would be adversely affected. The proposed project would not create an increased fire hazard in areas with flammable brush, grass, or trees. The proposed reconstruction project would have *no effect* on hazards or hazardous materials.

## SECTION VIII: HYDROLOGY AND WATER QUALITY

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Violate any water quality standards or waste discharge requirements? | | | X | |

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? | | | | X |
| c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site? | | | | X |
| d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site? | | | | X |
| e) Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted water? | | | X | |
| f) Otherwise substantially degrade water quality? | | | X | |
| g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map? | | | | X |
| h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows? | | | | X |
| i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam? | | | | X |
| j) Inundation by seiche, tsunami, or mudflow? | | | | X |

***Discussion of Checklist Answers:***

a,c-f) There is no vegetation on the site, and thus there will be no increase in impermeable surfaces. Construction of the proposed building would include minor temporary earth disturbing activities. This could result in a minor increase in soil erosion leading to

increased sediment loads in storm runoff, which could have a minor effect on receiving water quality. Construction activities may contribute organic pollutants during the construction of infrastructure and improvements. Additional contamination may occur from increased traffic which could contribute grease, oils, and other materials that may contaminate runoff from streets.

All grading activities associated with site development within the City of Sacramento are required to follow the Grading Permit requirements defined in the City's Grading, Erosion and Sediment Control Ordinance 93-068 (GESC). The City GESC Ordinance defines the requirements for grading plans, erosion and sediment control plans, housekeeping practices - standards for cuts, fills, setbacks, drainage, and terracing and erosion control. The GESC includes grading requirements that control excessive runoff during construction. Developers are required to carry out dust and soil erosion and sediment control measures before, during, and after the construction phase of development. Implementing accepted dust control practices, revegetating or covering exposed soils with straw or other materials, constructing ingress/egress roads and adopting measures to prevent construction vehicles from tracking mud onto adjacent roadways, covering trucks containing loose and dry soil, and providing interim drainage measures during the construction period are measures intended to minimize soil erosion and fugitive dust emissions.

This general permit requires the permittee to employ Best Management Practices (BMPs) before, during, and after construction. The City has a list of BMPs necessary to accomplish the goals of this permit, approved by the City's Department of Utilities before beginning construction. The primary objective of the BMPs is to reduce non-point source pollution into waterways. These practices include structural and source control measures for residential and commercial areas and BMPs for construction sites. Components of the BMPs include:

- Maintenance of structures and roads
- Flood control management
- Comprehensive development plans
- Grading, erosion, and sediment control ordinances
- Inspection and enforcement procedures
- Educational programs for toxic material management
- Reduction of pesticide use
- Specific structural and non-structural control measures

BMP mechanisms minimize erosion and sedimentation and prevent pollutants such as oil and grease from entering the stormwater drains. BMPs are approved by the Department of Utilities before beginning construction (the BMP document is available from the Department of Utilities Engineering Services Division, 5770 Freeport Boulevard, Suite 100, Sacramento, CA). Soil erosion would be limited to the construction period of the project. Any increase in runoff would be minor and would not be expected to significantly change the amount of surface water in any water body. Minor increases in the volume and rate of water runoff would be controlled by standard grading practices and the required BMPs, resulting in a *less-than-significant impact*.

b) The proposed project would not affect the direction or rate of flow of groundwater. Water supplies are provided by the City of Sacramento through a system of pipelines that currently exist within the streets. The project will not require new withdrawals from groundwater sources or affect aquifers by cuts or excavations. As such, the project has *no effect* on groundwater used for public water supplies.

g-i) The proposed project is located outside any designated flood zones, as identified on the City's FIRM Panel Number 060266 0025F (dated July 6, 1998). The project would have *no effect* on flood hazards.

j) The project site is not in a coastal zone and the topography is relatively flat, therefore there is *no effect* on hazards from seiche, tsunami, or mudflow.

## SECTION IX: LAND USE AND PLANNING

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Physically divide an established community? | | | | X |
| b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? | | | X | |
| c) Conflict with any applicable habitat conservation plan or natural community conservation plan? | | | | X |

***Discussion of Checklist Answers:***

The City of Sacramento treats the discussion of land use and planning effects differently from technical environmental issues. Any indirect physical impacts associated with development that may be encouraged by redevelopment activities would be addressed in the appropriate environmental sections of this Initial Study.

a,b) The proposed project site is located in the Old Sacramento Historic District in the City of Sacramento. Old Sacramento is a historic 19th century district along the east bank of the Sacramento River, and contains shops, restaurants, museums, office / residential / hotel uses, a pedestrian promenade, and boat docking facilities. Automobiles and street parking are allowed. Old Sacramento is located near Downtown Sacramento, and is connected to the downtown area by pedestrian and vehicular underpasses beneath I-5.

The City of Sacramento Zoning Ordinance designates the Old Sacramento area as C-3, Central Business District Zone-Special Planning District. This designation allows for development of retail, commercial, residential, and office development. The City of

Sacramento General Plan designates Old Sacramento (including the proposed project site) as Community/Neighborhood Commercial and Offices. The proposed project site also is located in a designated redevelopment district of the Merged Downtown Redevelopment Plan area, the Old Sacramento District, which allows for a mix of retail, restaurant, cultural, specialty hotel, recreation uses, and a limited amount of office space.

The Merged Downtown Redevelopment Plan (as adopted in Project No. 4) identifies specific guidelines for develop within the Old Sacramento Historic District. The design focus is on "architectural authenticity in order to facilitate an accurate re-creation of the historic scene in general and harmonious architectural appearance of the street scenes in particular" in the 1849-1870 period. Residential units above ground floor commercial are allowed, and rear additions and penthouse structures are permitted where they are not visible from the normal height of eye from the street. There are no street front building setbacks required. Floor area ratios (FAR) must not exceed 5:1: the proposed project has a FAR of less than 4:1. Minimum parking requirements are 1 space per residential unit; the proposed 30 parking spaces would meet the residential requirement. There is no onsite parking requirement for retail/restaurant uses in the Central City, but adequate parking is available in the adjacent parking garage under Interstate 5.

The proposed residential and restaurant uses are consistent with the zoning and adopted plans and policies for Old Sacramento and the designs are generally consistent with the Old Sacramento Design Guidelines. The project would have a *less-than-significant effect* on land use and planning.

c) The project site is urban land habitat and no habitat conservation or natural community conservation plans would be affected by development.

## SECTION X: MINERAL RESOURCES

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? | | | | X |
| b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? | | | | X |

***Discussion of Checklist Answers:***

a-b) The proposed project would have no effect on the availability of a known mineral resource or a locally important mineral resource recovery site in Old Sacramento.

## SECTION XI: NOISE

Would the project result in:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? | | | X | |
| b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? | | | X | |
| c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? | | | X | |
| d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? | | | X | |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? | | | | X |
| f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? | | | | X |

***Discussion of Checklist Answers:***

a,c,d) Construction related noise impacts may exceed acceptable levels and will have potentially significant short-term impacts on adjacent uses. Construction noise represents a temporary impact on ambient noise which will terminate upon completion of an individual project. Construction activities, including the erection, excavation, demolition, alteration or repair of any building or structure, are conditionally exempt from the Noise Ordinance. Construction activities are exempt from the noise standard from 7:00 a.m. to 6:00 p.m. Monday through Saturday, and from 9:00 a.m. to 6:00 p.m. on Sunday. Internal combustion engines must be equipped with suitable exhaust and intake silencers in good working order to be exempt.

Increased vehicular traffic resulting from proposed uses at the project may also incrementally increase ambient noise levels on arterial streets and freeways. A change in noise levels of less than three dBA is not discernible to the general population. An increase in average noise levels from three to five dBA is clearly discernible to most people and an increase greater than four dBA is considered subjectively substantial and constitutes a significant noise impact.

Old Sacramento is a pedestrian oriented environment, with a minor amount of street parking attracting vehicles traveling at a very low speed. Residents would park on the site, accessing the garage from the alley, while most patrons, workers, and visitors to the proposed new development would park in one of the parking garages that surround Old Sacramento. The minor increase in vehicle trips would not result in a change in noise levels greater than four dBA in Old Sacramento or the surrounding area.

The proposed residential and restaurant uses are consistent with adjacent uses in Old Sacramento, and are not considered noise generating uses. Therefore, the reconstruction project will have a *less-than-significant impact* on noise.

b) The anticipated construction methods include masonry and wood beam materials that would not result in the exposure of persons to or the excessive generation of groundborne vibrations or noise levels. Therefore, the proposed project would have a *less-than-significant impact* on groundborne vibration levels.

e,f) The proposed project is not within the noise contours or within two miles of any airport or air strip.

## SECTION XII: POPULATION AND HOUSING

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | | | X | |
| b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? | | | | X |
| c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? | | | | X |

Population and housing is considered a socio-economic, rather than a physical impact on the environment. CEQA does not require review of socio-economic impacts, except where a clear chain of cause and effect results in physical impacts. The City has developed policies and plans to provide for long-term population and housing needs, with documents such as the General Plan and the Central City Community Plan.

### *Discussion of Checklist Answers:*

a-c) The proposed project would provide infill residential and new small businesses in an urban infill area, and would not result in changes in population beyond those identified in regional and local population projections, nor induce substantial growth. Socio-economic needs such as low-income housing are addressed by the Merged Downtown

Redevelopment Plan through the use of at least 20% of all increased property taxes (tax increment) generated from this project to provide for affordable housing in the project vicinity. In addition, the commercial portion of the proposed project is required to pay into the Housing Trust Fund, which provides funding for the development of low- and moderate-income housing in the City.

Chapter 17.188 of the City Code, the Sacramento Housing Trust Fund Ordinance, applies to commercial and industrial development in the City. The Redevelopment Agency requires that a project developer pay in-lieu funds for housing as a condition of an Owner Participation Agreement (OPA) or Disposition and Development Agreement (DDA). The funds are paid to the Redevelopment Agency for use as allowed by the Ordinance. The fee structure and amount is negotiated between the Redevelopment Agency and the project proponent during preparation of the OPA or DDA, and is similar to the requirements of Chapter 17.188. Therefore, *no significant impacts* on population or housing would occur as a result of the proposed project.

## SECTION XIII: PUBLIC SERVICES

Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the following public services:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Fire protection? | | | X | |
| b) Police protection? | | | X | |
| c) Schools? | | | X | |
| d) Parks? | | | X | |
| e) Other public facilities? | | | X | |

***Discussion of Checklist Answers:***

a-e) The City's General Fund and other special collections such as Measure G, state school funds, and developer fees provide the financial support to achieve basic safety, school, library, and park services. The City does not recognize the level of provision of these services as physical environmental impacts. The City views fire, police, school, maintenance of public facilities, and library and park services as basic social services to be provided by the City. The level of service is based in part on the economic health of the service provider, in this case, the City of Sacramento.

Police/fire personnel, schools, libraries, and parks provide a wide range of services that are affected by population increases. The proposed project would not result in significant population increases, and there will be no measurable increase in demand for these services or for new facilities. Impacts on public services would be *less than significant*.

## SECTION XIV: RECREATION

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant IMPACT | No Impact |
|---|---|---|---|---|
| a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that physical deterioration of the facility would occur or be accelerated? | | | X | |
| b) Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? | | | X | |

***Discussion of Checklist Answers:***

a,b) The City's General Fund and other special collections provide the financial support to achieve basic park and recreational services. The City does not recognize the level of provision of these services as physical environmental impacts. The City views park and recreation services as basic social services to be provided by the City. The level of service is based in part on the economic health of the service provider, in this case, the City of Sacramento.

Parks provide a wide range of services that are affected by population increases. These services, however, are not impacted by physical environmental effects created by the proposed project. Section 15382 of the CEQA Guidelines defines a significant effect on the environment as a substantial or a potentially substantial adverse change in any flora, fauna, ambient noise, and/or objects of historic or aesthetic significance. An economic or social change is not by itself considered a significant effect on the environment.

The number of new residents, employees, and visitors resulting from project implementation would be minor, and can be accommodated by existing facilities. The proposed project would result in a *less-than-significant impact* on recreational facilities.

## SECTION XV: TRANSPORTATION/TRAFFIC

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial | | | X | |

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| increase in either the number of vehicle trips, the volume-to-capacity ratio on roads, or congestion at intersections)? | | | | |
| b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads and highways? | | | X | |
| c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? | | | | X |
| d) Substantially increase hazards due to design features (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? | | | | X |
| e) Result in inadequate emergency access? | | | | X |
| f) Result in inadequate parking capacity? | | | X | |
| g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)? | | | | X |

***Discussion of Checklist Answers:***

a,b,f,g) The site location is in Old Sacramento and in close proximity to regional transit, which will result in a significant amount of walk-up patronage. Therefore, the number of vehicle trips generated from the proposed project would be less than that expected from a similar project in a different location. As a result of the site location, the number of vehicle trips for restaurants and retail uses would be very low. Residential would cause most of vehicle trips, but these would also be significantly lower based on the downtown location. The number of new trips that would be generated from residential uses would be considered a "reverse commute" that would have a minor effect on area intersections and freeway ramps.

Visitor trips would most likely be oriented toward parking facilities, which would be most likely in the existing parking structures under I-5, the Third Street City parking garage, and the additional four visitor parking spaces in the proposed building. This will result in spreading the project trips. In light of the above factors, the likelihood of this project creating a significant traffic impact is nominal. Therefore, the incremental impact of the proposed project will have a *less-than-significant impact* on area roadways and transit.

c) The proposed project would have *no effect* air traffic patterns.

## SECTION XVI: UTILITIES AND SERVICE SYSTEMS

Would the project:

| Environmental Issue | Potentially Significant Impact | Less Than Significant With Mitigation | Less Than Significant Impact | No Impact |
|---|---|---|---|---|
| a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? | | | X | |
| b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | | | X | |
| c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? | | | X | |
| d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? | | | X | |
| e) Result in a determination by the wastewater treatment provider which serves the project that it has adequate capacity to serve the project's projected demand in addition of the provider's existing commitments? | | | X | |
| f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs? | | | X | |
| g) Comply with federal, state, and local statutes and regulations related to solid waste? | | | X | |

***Discussion of Checklist Answers:***

a,e) Wastewater. Sewage treatment for the City of Sacramento is provided by the Sacramento Regional County Sanitation District (SRCSD). The SRCSD is responsible for the operation of all regional interceptors and wastewater treatment plants, while local collection districts maintain the systems that transport sewage to the regional interceptors. From the collection system and regional interceptors, sewage flows ultimately reach the Sacramento Regional Wastewater Treatment Plant (SRWTP), which is located south of the City of Sacramento east of Freeport Boulevard. The SRWTP has an existing treatment capacity of approximately 181 million gallons per day (mgd) of seasonal dry-weather flow and 392 mgd of peak wet-weather flow (SRWTP Master Plan Draft Update, 1995). This expanded capacity is anticipated to serve a projected year 2005 service area population of approximately 1.6 million people. The proposed project will have a *less-than-significant impact* on the SRWTP's ability to serve the City and the County.

b,c) The proposed project is located in an area served by a separated sanitary sewer and drainage system. The sewer flows are in an area served by Sump 107, which flows into the City's combined sewer system (CSS). The CSS is a wastewater collection system designed to convey domestic sewage, commercial and industrial wastewater, and surface stormwater runoff in a single pipeline. All flows in the system drain to the west to two large pumping stations located on the east side of the Sacramento River. Currently, the City has an agreement with SRWTP to deliver no more than 60 million gallons per day (mgd) peak flow from the City's Sump 2 service area to the regional interceptor sewer. The SRWTP is a secondary treatment facility that provides raw influent and effluent pumping, primary clarification, secondary treatment with the high-purity oxygen activated sludge process, disinfection, solids thickening, and anaerobic solids digestion.

When CSS flows are greater than 60 mgd, CSS flows are diverted to the City's Combined Wastewater Treatment Plant (CWTP), located near South Land Park Drive and 35th Avenue, which only provides primary treatment. Wet weather flows are known to exceed system capacity during heavy storm events. Flows during heavy storm events, which are in excess of the 190 mgd combined capacities of the SRWTP (60 mgd) and CWTP (130 mgd), result in a combined sewer overflow (CSO). During CSO events, the City diverts excess flows to the Pioneer Reservoir for storage, which has a capacity of 28 mgd. When the Pioneer Reservoir reaches capacity, excess flows are directly discharged into the Sacramento River without treatment. When the pipeline system and treatment plant capacities are surpassed, the excess flows flood local streets in the downtown area through manholes and catch basins.

Exposure of people to untreated wastewater creates a health risk. On June 22, 1990, the RWQCB adopted Cease and Desist Order No. 90-179, requiring the City of Sacramento to cease and desist CSS discharges into the Sacramento River in violation of RWQCB Order No. 85-342. The Cease and Desist Order (and amendments 91-199 and 92-217) required the City to undertake operational improvements on the CSS and perform a risk assessment on the known and potential health impacts of CSOs (City of Sacramento, 1996).

In compliance with the Order, the City submitted numerous alternatives to improve the CSS, as well as performed a public health risk assessment from outflows of the CSS. The City concluded that completely separating the sewer and storm water systems and conducting rehabilitation of the CSS would have adverse effects to City streets and would be economically infeasible. Thus the City identified a long-term control plan (CSS Improvement Program), which includes system improvements to reduce CSO events. Rehabilitation of the CWTP and the remaining sewers will occur until about the year 2010.

On March 22, 1996, RWQCB rescinded the Cease and Desist Order and issued a new National Pollutant Discharge Elimination System (NPDES) permit (Order No. 96-090) that includes a schedule for implementing the initial phase of the CSS Improvement Program. Effects on the City's drainage system and CSS would be considered significant if they exceeded the following screening criteria provided by the City of Sacramento Department of Utilities:

- If a proposed project would increase the impervious surface area by greater than 0.25 acre

- If the proposed project would increase the equivalent single family dwelling unit (ESD) sanitary sewer flows by greater than 40 ESDs (1 ESD is equal to 400 gallons per day)

The proposed project site is 0.26 acres, and is covered in impermeable surfaces. All new drainage would be directed to the separated 15" drainage line in Second Street. The Department of Utilities has estimated that the sewage flows would be approximately 20 ESD (Tony Bertrand, August 2006). Neither screening criteria would be exceeded by the proposed project. Therefore, impacts on the CSS would be *less than significant*. (See also Section VIII: Hydrology and Water Quality).

b,d) Water Service. The City of Sacramento provides water service to areas within the City limits from both surface and ground water sources. The City has water rights to 326,800 acre feet of water per year (AFY). Of this, Sacramento Municipal Utility District (SMUD) has rights to 15,000 AFY.

As of 2005 the City is authorized to withdraw 205,500 AFY from the Sacramento and American rivers. In 2004/2005 the City consumed 135,347 AFY (approximately 121 million gallons per day (mgd)), resulting in 70,153 AFY or 22,863 mgd of the City's allocation being unused (1 acre foot = 325,900 gallons). As noted in **Table 1**, the project's water demand would be approximately 8,608 gallons per day, which represents a negligible percentage of the City's daily supply.

**TABLE 1**
**WATER DEMAND**

| Use | Square footage/units | Demand Factor/unit | Daily Water Demand (gpd) |
|---|---|---|---|
| Residential Housing | 24 du | 250 gpd / unit[a] | 6,000 |
| Restaurant | 7,450 sf | 0.35 gpd / sf[c] | 2,608 |
| **TOTAL** | — | — | 8,608 |

a. Nolte Engineering with West Yost & Associates, 1994 *Proposed Water Demand/Wastewater Generation Factors Report* City of Vacaville
b. City of Sacramento, Utilities Department, June 2006
c. Hospital service water demand from Palo Alto Medical Center Draft EIR, 2005

The City's Department of Utilities, Division of Water has a policy of serving all planned developments within the City boundary that are part of the City's General Plan, thereby allowing the City to plan future treatment facilities in advance of the required demand. Eventually, the City's water rights to the Sacramento and American Rivers may be the limiting factor of future development beyond the year 2035; however, treatment capacity is currently the deciding factor in determining a level of significant impact on the City's Water System. The City has adequate water rights to supply anticipated demand within the City at build-out. The proposed project demand is well within existing and planned treated waster supply for the City. The proposed project will have a *less-than-significant impact* on the City's ability to serve the project.

f,g) Solid Waste. The City of Sacramento, Department of Public Works, Solid Waste Division collects the solid waste in the project vicinity and takes it to the Sacramento Recycling and Transfer Station, located at Fruitridge Boulevard and Florin Perkins Road. BLT Enterprises of Sacramento Inc. sorts the waste for recyclables and hauls the remainder to the Lockwood Landfill, in Nevada.

State Assembly Bill 939 (AB 939) required all cities to develop a source reduction and recycling program to achieve a 25 percent reduction of solid waste by 1995 and a 50 percent reduction by the year 2000. To comply with the AB 939 requirements, the City of Sacramento amended its comprehensive Zoning Ordinance to include a Recycling and Solid Waste Disposal Regulations section. Chapter 17.72, Recycling and Solid Waste Disposal Regulations, calls for all commercial, office, industrial, public/quasi-public, and five-unit or more multiple family residential developments to create a recycling program which includes a flow chart depicting the routing of recycled materials and a site plan specifying the designing components and storage locations associated with recycling efforts. All projects within the City are reviewed for compliance with the Zoning Ordinance; therefore, the proposed project would result in a *less-than-significant* solid waste impact.

## SECTION XVII: MANDATORY FINDINGS OF SIGNIFICANCE

Does the project have:

| Environmental Issue | Potentially Significant | Potentially Significant Unless Mitigated | Less Than Significant | No Impact |
|---|---|---|---|---|
| a) The potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory? | | X | | |
| b) Impacts which are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects). | | | X | |
| c) Environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? | | | X | |

***Discussion of Checklist Answers:***

a) The initial study identified two potentially significant impacts associated with the proposed project. For the following potentially significant impacts, mitigation measures have been incorporated into this initial study and agreed to by the developer that will mitigate these impacts to less-than-significant levels:

- ***Impact 2: Potential impact of new construction exteriors on the Old Sacramento Historic District***
  The current drawings are only illustrative of the setbacks, heights and massing of the new construction portions of the building (as compared to the Second Street façade reconstruction); there is no detail available regarding the materials and features proposed for any of these façades. Designs and materials used for new exteriors on all elevations must be accomplished with sensitivity and skill in order to retain visual character and interpretive aspects of these features. Without detailed drawings to confirm consistency with the Old Sacramento Design Guidelines, impacts on the alley and OSHD are ***potentially significant***.

- ***Impact V-3: Impact on archaeological resources***
  Historical deposits from the last 150 years could be found during any trenching for utilities and foundations. This would be a ***significant impact.***

b-c) The Initial Study identified no cumulative impacts, or environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly, as a result of implementation of the proposed project.

# MITIGATION MONITORING AND REPORTING PLAN

## Orleans Hotel Infill Redevelopment Project

## REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

The California Environment Quality Act (CEQA) as amended by Chapter 1232 (California 1988: implementing AB 3180, 1988) provides that a decision making body "shall adopt a reporting or monitoring program for the changes to the project which it has adopted or made a condition of approval in order to mitigate or avoid significant effects on the environment".

The purpose of this mitigation monitoring and reporting plan (MMRP) is to ensure compliance with and effectiveness of the mitigation measures set forth in the adopted Mitigated Negative Declaration for the Orleans Hotel Infill Redevelopment Project. This MMRP identifies the impact as it relates back to the Mitigated Negative Declaration, what the mitigation is, the monitoring or reporting action for the mitigation measure, the responsible party for the action, the timing of the monitoring or reporting action, and how the action will be verified.

The City's Development Services Department will be responsible for maintaining the record of compliance with this program for the Downtown Development Group of the City's Economic Development Department, which serves as staff to the Redevelopment Agency of the City of Sacramento for the Merged Downtown Redevelopment Project Area in which the project is located. Where specified, the Downtown Development Group, working with the developers, shall provide the appropriate documentation necessary to comply with this MMRP.

SECTION V: CULTURAL RESOURCES

- ***Impact V-2: Impact 2: Potential impact of new construction exteriors on the Old Sacramento Historic District***
  The current drawings are only illustrative of the setbacks, heights and massing of the new construction portions of the building (as compared to the Second Street façade reconstruction); there is no detail available regarding the materials and features proposed for any of these façades. Designs and materials used for new exteriors on all elevations must be accomplished with sensitivity and skill in order to retain visual character and interpretive aspects of these features. Without detailed drawings to confirm consistency with the Old Sacramento Design Guidelines, impacts on the alley and OSHD are ***potentially significant***.

- ***Mitigation Measure V-2:***
  Prepare detailed designs and materials plans in accordance with the Old Sacramento Design Guidelines for infill construction in the OSHD, to the satisfaction of the Old Sacramento Design Review Committee.

| MITIGATION / REPORTING PROCEDURE | VERIFICATION PROCEDURE |
|---|---|
| The Developer shall work with the Old Sacramento Design Review Committee to identify the final design of the proposed reconstructions. All plans will be deemed consistent with the *OSHD*. Compliance with all City conditions and mitigation measures will be required in the OPA. | Include copy of approved design plans with Old Sacramento Design Review Committee concurrence in MMRP file. |
| Checked:<br>(initials) _____ (date)<br>comments: | Checked:<br>(initials) _____ (date) |

***Impact V-3: Impact on archaeological resources***

Historical deposits from the last 150 years could be found during any trenching for utilities and foundations. This would be a ***potentially significant impact.***

- ***Mitigation Measure V-3:***

V-3a: The project proponent shall hire a qualified professional to formulate and implement a research design and field strategy with regard to possible sub-surface resources. Testing shall include geophysical mapping of the near-surface, ground-truthing using both the geophysical maps and historic maps, followed by evaluation of discovered resources for CRHR eligibility. All testing shall be conducted prior to initiation of construction for the project. Based on the results of testing, recommendations shall be provided, which may include additional testing, data recovery, future construction monitoring, as well as preparation of an Unanticipated Discovery Plan. All recommendations shall be submitted to the City of Sacramento's Preservation Director for approval.

V-3b: The project applicant shall hire a professional archaeologist to perform archaeological monitoring during ground-disturbing construction activities for the duration of the project. If resources are discovered during construction, the procedure laid out in the Unanticipated Discovery Plan will be followed.

V-3c If significant findings are made, historic materials and artifacts shall be incorporated into an interpretive display in the proposed building, or grouped with other projects to produce a larger more comprehensive exhibit or display in coordination with the Manager of the History and Science Division. The interpretive display shall include a history of the site uses including information on the various ethnics groups that dominated the site. Display of all historic materials and artifacts shall follow the standard practices and procedures generally accepted in museum curation, and shall be made available to the Manager of the History and Science Division for review and comment before they are constructed and installed. All collected materials shall be archived at an appropriate curation facility at the project applicant's expense.

V-3d All activities related to the data recovery of the site shall be recorded and compiled into a report and submitted to both the City and the North Central Information Center. In addition, appropriate public outreach material such as a leaflet, pamphlet, or booklet shall be developed detailing any finds and their historic context. All reports shall be deposited with the city's archive - the Sacramento Archives and Museum Collection Center (SAMCC), and shall include original photographs and negatives or high resolution digital scans in a TIF format on high quality CD's or DVD's. Reports if produced in a digital format shall be deposited as both a hard copy and a digital copy. A release shall be included that allows SAMCC the right to reproduce all documents and graphics (including photographs) without restriction.

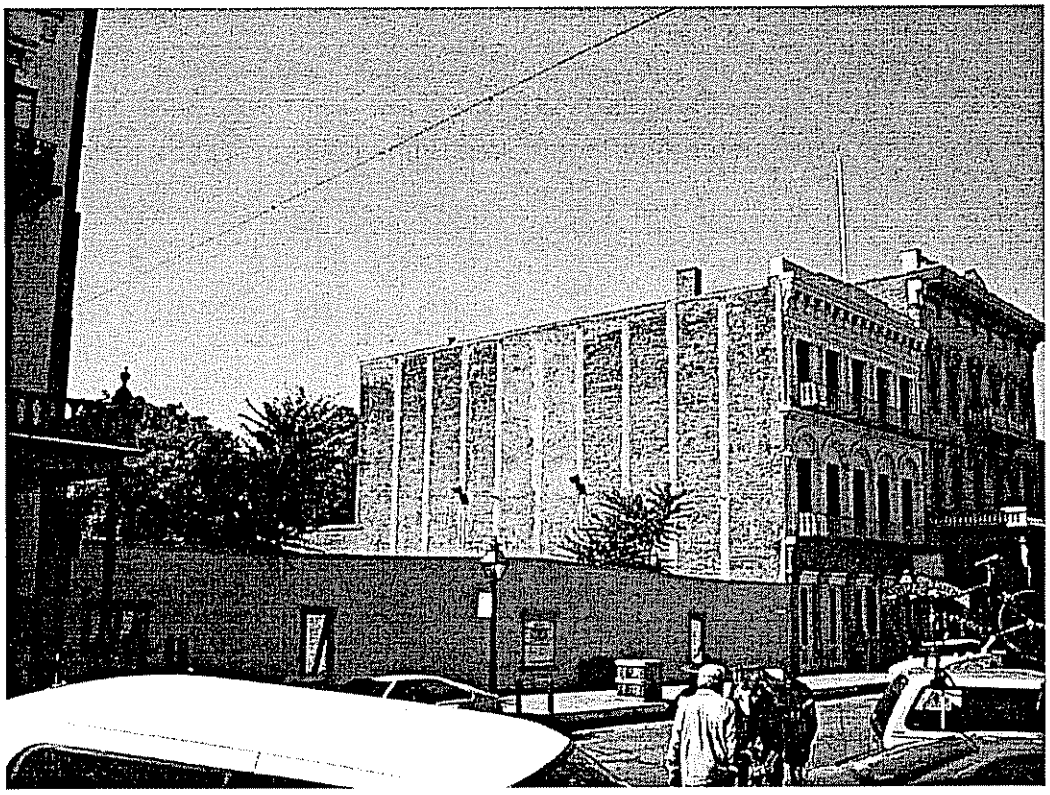
| MITIGATION / REPORTING PROCEDURE | VERIFICATION PROCEDURE |
|---|---|
| The City of Sacramento will include the condition in the project's construction permits. Compliance with all city conditions and mitigation measures will be required in the DDA. Applicant shall submit a copy of the construction conditions to the Downtown Development Department. | Include copy of DDA and construction conditions in MMP file. |
| Checked:<br>(initials) _____ (date)<br>comments: | Checked:<br>(initials) _____ (date) |

# *APPENDIX A*

## *Cultural Resources Report*

# Orleans Hotel: Proposed Infill Project

Old Sacramento Historic District
Sacramento, California



Prepared by
**Historic Environment Consultants**
5420 Home Court, Carmichael
916 488-1680 FX 916 359-8700
historic@surewest.net

September 2006

# ORLEANS HOTEL: Old Sacramento Historic District

A project has been proposed to construct a mixed-use residential building on the now demolished Orleans Hotel site as infill, reconstructing the Orleans Hotel's 1853 Second Street façade on its original site located in the Old Sacramento Historic District , a National Historic Landmark Property. Due to the designation of the District as historic in 1966 before the adoption of the *Secretary of the Interior's Standards for the Treatment of Historic Properties*, "Old Sacramento Design Guidelines" established by the Old Sacramento Committee were adopted for the construction of infill buildings in the District; these Guidelines are informed by, but not governed by today's *Standards*.

## National Historic Landmarks

Old Sacramento Historic District has been federally designated as a National Historic Landmark.

National Historic Landmarks (NHLs) are districts, sites, buildings, structures, and objects found to possess national significance in illustrating or representing the prehistory and history of the United States. NHLs are designated by the Secretary of the Interior, and number less than four percent of the properties listed in the National Register.

### *NHL Criteria*

The quality of national significance is ascribed to districts, sites, buildings, structures, and objects that possess exceptional value or quality in illustrating or interpreting the heritage of the United States in history, architecture, archeology, engineering and culture and that possess a high degree of integrity of location, design, setting, materials, workmanship, feeling, and association, and:

- That are associated with events that have made a significant contribution to, and are identified with, or that outstandingly represent, the broad national patterns of United States history and from which an understanding and appreciation of those patterns may be gained; or

- That are associated importantly with the lives of persons nationally significant in the history of the United States; or

- That represent some great idea or ideal of the American people; or

- That embody the distinguishing characteristics of an architectural type specimen exceptionally valuable for a study of period, style or method of construction, or that represent a significant, distinctive and exceptional entity whose components may lack individual distinction; or

- That are composed of integral parts of the environment not sufficiently significant by reason of historical association or artistic merit to warrant individual recognition but collectively compose an entity of exceptional historical or artistic significance, outstandingly commemorate or illustrate a way of life or culture; or

- That have yielded or may be likely to yield information of major scientific importance by revealing new cultures, or by shedding light upon periods of occupation over large areas of the United States. Such sites are those which have yielded, or which may reasonably be expected to yield, data affecting theories, concepts and ideas to a major degree.

The Old Sacramento Historic District has met the criteria for designation as a National Historic Landmark. Any modifications to contributing buildings or sites within the District should meet the intent of the *Secretary of the Interior's Standards for the Treatment of Historic Properties,* and the Guidelines established by the Old Sacramento governing committee.

The 1853 Orleans Hotel, which serves as the basis for the project's Second Street façade reconstruction, was a historic building formerly located in the Old Sacramento Historic District during the adopted period of significance but which was demolished prior to the establishment of the District. Currently, the vacant site of the former Orleans Hotel is boarded and does not contribute to the District. Because there were no written *Secretary of the Interior's Standards for the Treatment of Historic Properties,* to guide infill construction on vacant sites, the Old Sacramento Design Guidelines, established at about the time the NHL was adopted, governs design activities in the district.

***Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings***

Prepared by the Federal Government for application to significant historic properties, *The Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings (Standards and Guidelines* ) are intended to provide guidance regarding the treatment of historic buildings. By following approaches to work treatments and techniques consistent with the *Standards and Guidelines* noted as "Recommended" and avoiding those which are inconsistent and noted as "Not Recommended", the existing character-defining features and images of the buildings and district will be retained.

The *Rehabilitation Standards* acknowledge the need to alter or add to a historic building to meet continuing or new uses while retaining the building's historic character. *Restoration Standards* allow for the depiction of a building at a particular time by preserving materials from that era and removing materials from other periods.

*Reconstruction Standards* establish a framework for re-creating a non-surviving building with new materials, primarily for interpretive purposes. *Preservation Standards* requires the retention of the building's historic fabric, form, features and detailing as they have evolved over time.

Specific issues regarding rehabilitation activities are determined by the individual building or district's character-defining features.

The project plans to construct an infill building whose street façade adopts the street façade design of the 1853 Orleans Hotel building, as documented in existing photographs and drawings.

Standards for Reconstruction: Secretary of the Interior's Standards for the Treatment of Historic Buildings

1. Reconstruction will be used to depict vanished or non-surviving portions of a property when documentary and physical evidence is available to permit accurate reconstruction with minimal conjecture, and such reconstruction is essential to the public understanding of the property.

2. Reconstruction of a landscape, building, structure, or object in its historic location will be needed by a thorough archeological investigation to identify and evaluate those features and artifacts which are essential to an accurate reconstruction. If such resources must be disturbed, mitigation measures will be undertaken.

3. Reconstruction will include measures to preserve any remaining historic materials, features, and spatial relationships.

4. Reconstruction will be based on the accurate duplication of historic features and elements substantiated by documentary or physical evidence rather than on conjectural designs or the availability of different features from other historic properties. A reconstructed property will re-create the appearance of the non-surviving historic property in materials, design, color, and texture.

5. A reconstruction will be clearly identified as a contemporary re-creation.

6. Designs that were never executed historically will not be constructed.

## History of the Orleans Hotel

The original Orleans Hotel structure on the site was brought around the Cape Horn by a company of men from New Orleans. It was all pre-cut and numbered lumber so the hotel was quickly assembled and opened on the 6th of September 1850 by Coates, Raymond, Simmons, Hassam and Gerrard. It was three stories high with two-story wings projecting

50 feet to the rear of the main building. The building cost $100,000 to build, not including the lot. By 1851 Simmons & Curtis were the proprietors. In late 1851, Curtis sold his 25 shares (out of 38) to Hardenbergh & Henarie. By the February 12, 1852, Hardenbergh & Henarie had purchased all of the shares. Hardenbergh had already served two terms as Mayor of Sacramento and was highly regarded, so the Hotel prospered and soon became *the hotel* of the city. [Democratic State Journal, 1/4/1856, p. 2:4]

However, disaster struck on November 2, 1852 and the hotel burned in a great fire that burned most of the City. In just five days after the fire, the proprietors began construction on a new brick hotel. It was designed by architect Charles Shaw and in just 20 days and six hours from the laying of the first brick the 3-story hotel was completed. The building cost $85,000 and was opened on January 1, 1853. The hotel building was 85 feet wide and 50 feet deep.

The very next day a major flood hit Sacramento and the main part of the city was under water for about two months. The proprietors were forced to sell the hotel to pay back friends who had loaned them the money to rebuild. H.G. Blauckman bought the hotel. However, several of Hardenberg's friends interceded, purchased the hotel, and leased it back to Hardenbergh & Corse. John Kirk was the head of that investment group which included James Birch (stage line proprietor), James Haworth (importers), Capt. W.C. Waters (shipping agent), Charles Justice and Thomas J. Henley (lawyer). In 1855, after Captain Corse returned to the East, Kirk sold the hotel to Hardenbergh for what he had paid for it.

By 1854 two wings had been added to the rear of the main building and other alterations and additions had been made. There were two wings running back from the main building about 50 feet in length. One was three stories and the other four. At the front of the building on the first floor, was the office of the California Stage Company and an elegantly furnished reading room. Behind those rooms was the north wing containing the bar and billiards parlor with *"the entire space at the rear being covered with French mirrors."* [Ibid.] The south wing housed the dining room and kitchen with a rear stairway so that lady guests did not have to pass through main hotel to dine. A continuously running fountain was located in a flower garden courtyard between the two wings. The hotel was gas lighted and descriptions of its furnishings and fixtures effuse with adjectives attesting to their expense and quality. The hotel had 179 rooms and was capable of accommodating 300 guests and by this time had cost $300,000.

**James Hardenbergh**

To understand why so many people stepped forward to finance the reconstruction and re-acquisition of the Orleans Hotel you have to know something about James Hardenbergh. Hardenbergh was a native of New Brunswick, New Jersey. His great grandfather was the first president and founder of Queens' College (now Rutgers University). Both his grandfather and father were lawyers. In 1833 James Hardenbergh graduated with honor from Rutgers and went to work in his father's law office to study the practice of law. He eventually passed the bar and worked in connection with his father's office. In 1833 he married Eliza Brush and they had three sons. Hardenbergh had chronic health problems and, on the advice of his doctor, left the practice of law and went into business. In 1846 he was appointed by President John Tyler as Assistant Collector of the Port of New York. When the news of gold in California reached the east coast, James Hardenbergh joined a company of men from New Brunswick that wanted to go to California. They purchased and supplied the bark Isabel and sailed from the port of New York on the 7th of February, 1849. They sailed around the Horn and arrived in San Francisco on August 13, 1849. After a brief stay, they sailed on to Sacramento. After arriving the company soon broke up and James Hardenberg began a merchant company in Sacramento known as Hardenbergh & Company.

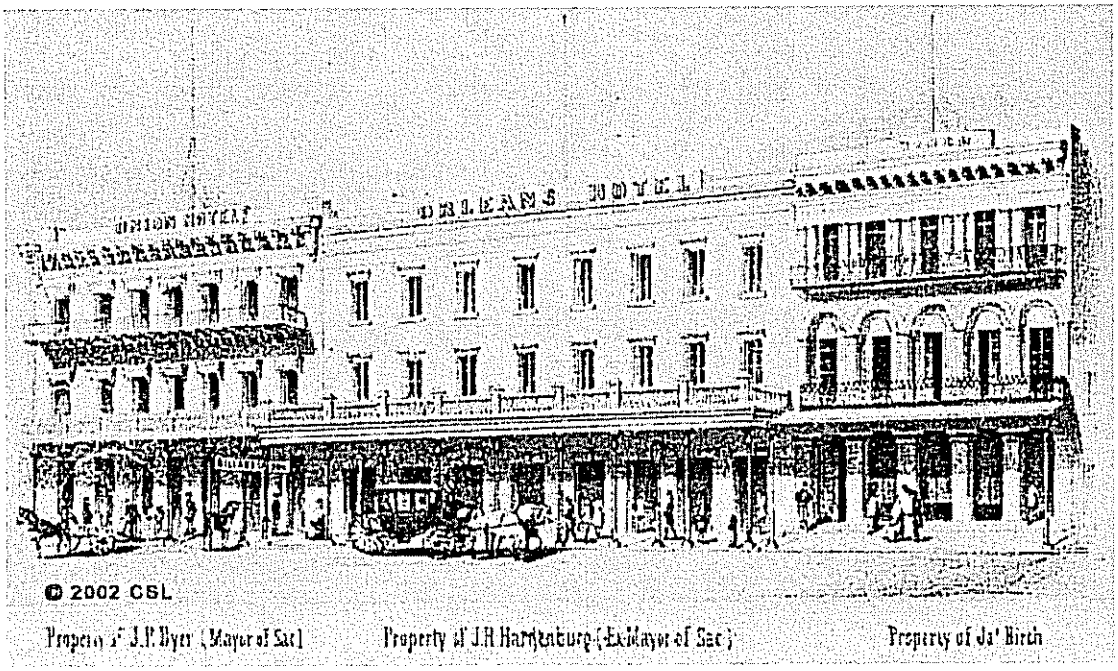
Rutgers University today.

In April 1850 Hardenbergh was elected to the first City Council that followed the adoption of a Charter by the State Legislature. He was elected the President of that Council. The first Council appointed a levee commission and Hardenbergh was selected to be its Chairman. In the months ahead, his energy, management skill and follow-through in building Sacramento's first levee system was recognized and appreciated by the people of Sacramento. Hardenbergh was also recognized for his skill as the head of the City Council. *"He presided over its deliberations, through many stormy debates, with a fairness and impartiality that won for him the respect and esteem of all."* [Sacramento Union, 6/1/1885, p. 3:1] During that first term on the Council, Mayor Bigelow died of wounds he received during the Squatter's Riots, and Hardenbergh was selected to serve out his term.

Beginning in the fall of 1850 Sacramento was attacked by the disease of cholera. Hundreds of residents died in this outbreak. The exact number was never known since some tried to cover up the extent of the disease. At the height of the cholera outbreak it was written that the streets of Sacramento were disserted and the city depopulated. The City Council could no longer obtain a quorum, so it was up to Hardenbergh to manage the City's efforts as best as he could. It was through the efforts of people like James

Hardenbergh and Dr. Voulney Spaulding who worked tirelessly to see to the care of those who could not afford proper medical attention.

In the spring of 1851 Hardenbergh was elected Mayor of Sacramento. He continued the work on the levee system, which was lengthened and strengthened. The main streets were raised, graded and planked. After the State Legislature passed an act creating a State Hospital in Sacramento, Hardenbergh was elected as one of the Trustees of the hospital and they then proceeded to build it. It was in the winter of 1852 that Hardenbergh and D.V.B. Henarie purchased the Orleans Hotel. *"All old Californians remember the Orleans Hotel. It was the great political headquarters of the State at that time, where Governors, United States Senators, and Members of Congress were selected. The name of Hardenbergh and the Orleans Hotel were known all over the state."* [Oakland Tribune, June 1, 1885, p. 2:2] Hardenbergh was re-elected Mayor of Sacramento by a large majority in 1852. It was during this term that the City Waterworks were constructed.

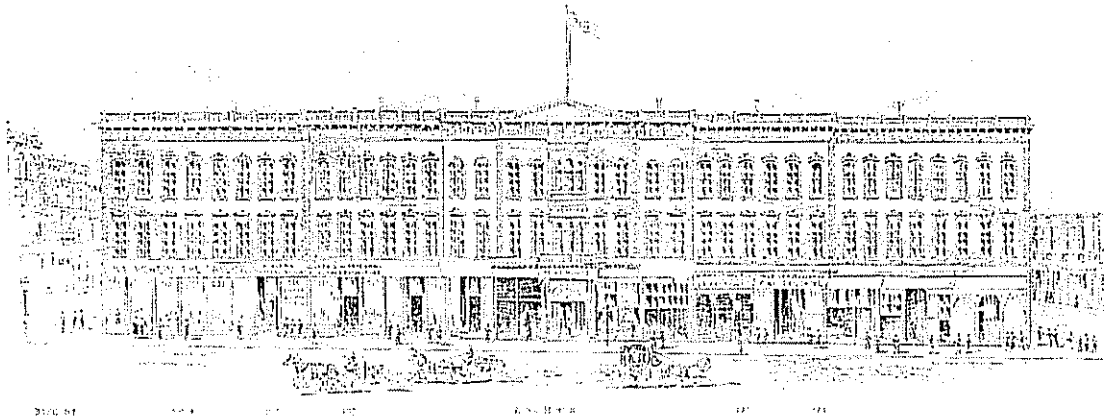



As a politician, James Hardenbergh understood the power of the Press. He organized and published three newspapers: *State Journal*, the *Statesman* and the *Democratic Standard*.

Probably one of the largest services Hardenbergh performed for Sacramento was the movement to bring the State Capitol to Sacramento. *". . when in the spring of 1855 Sacramento made a struggle to regain the State government the services of Mayor Hardenbergh were again demanded by the citizens to assist in obtaining the removal. A warm and bitter contest was waged between Benicia and Sacramento for the capital. The latter city was however successful, and the capital was removed to Sacramento in February, 1855, where it has since remained."* [Oakland Tribune]

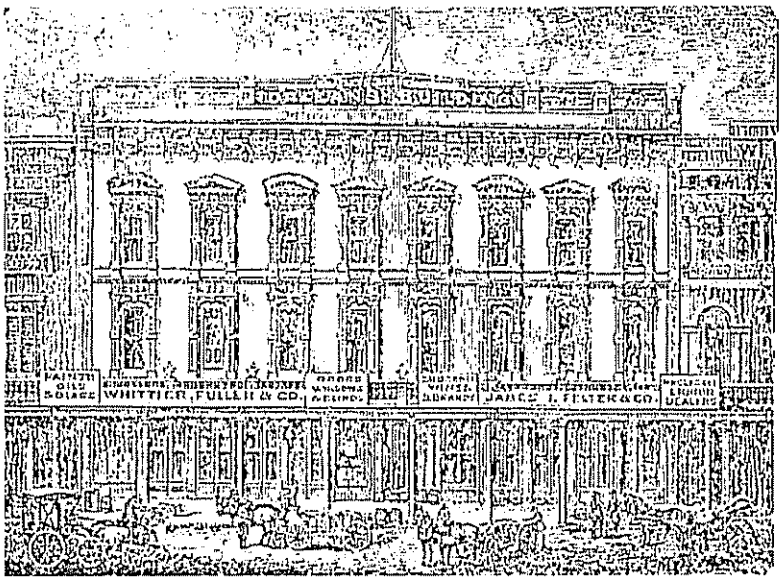
During a meeting at the Orleans in 1856 the California Republican Party was organized. James Hardenbergh was appointed Postmaster of Sacramento by President James Buchanan in 1858. During the 1850s Hardenbergh had also become the proprietor of the St. George Hotel.

In 1858 Hardenbergh sold the Orleans Hotel to J. B. Biddleman and Little & Pease became the proprietors. In 1861 Hardenbergh moved to San Francisco where he partnered with J.P. Dyer (another former Sacramento Mayor who had owned the Union Hotel next door to the Orleans). They leased and furnished the Russ House Hotel, which was one of the major hotels in that city.



The Russ House, San Francisco

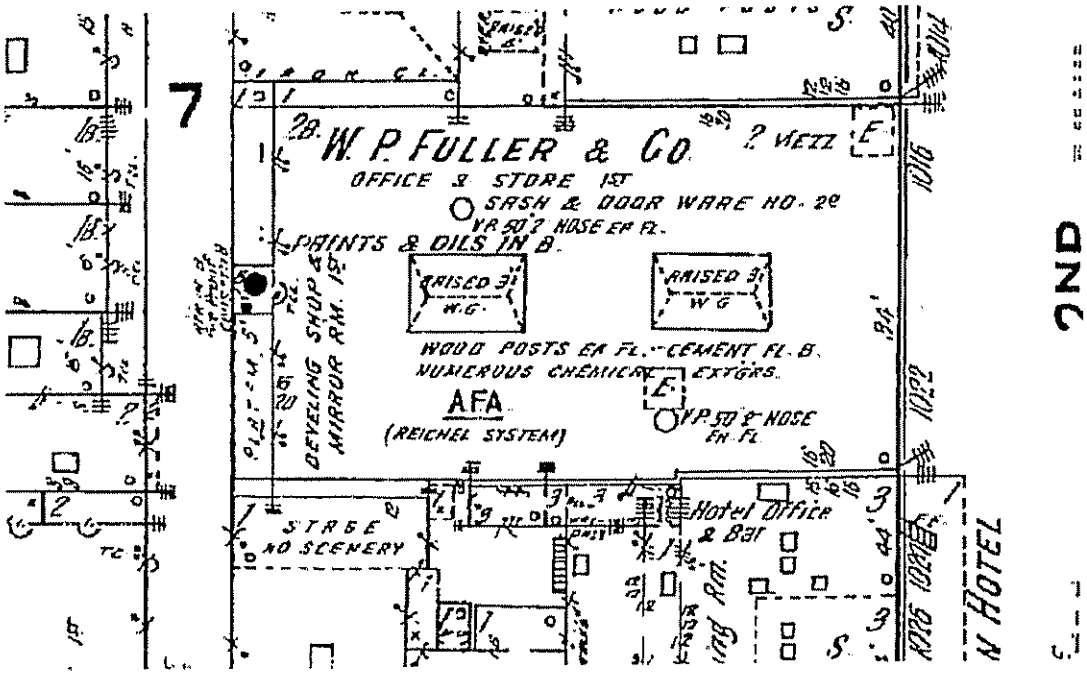
The Orleans Hotel then went through an unsettled period where ownership and management began to change hands. By 1859 the proprietor was Joseph Virgo and by 1865 W.R. Waters was operating the hotel. By the mid 1870s, F.W. Fratt was the owner and proprietor. In early 1877 he made extensive improvements to the hotel which included a make-over of the façade giving it a look similar to the Union Hotel next door.




The Orleans Hotel after the remodel of 1877.

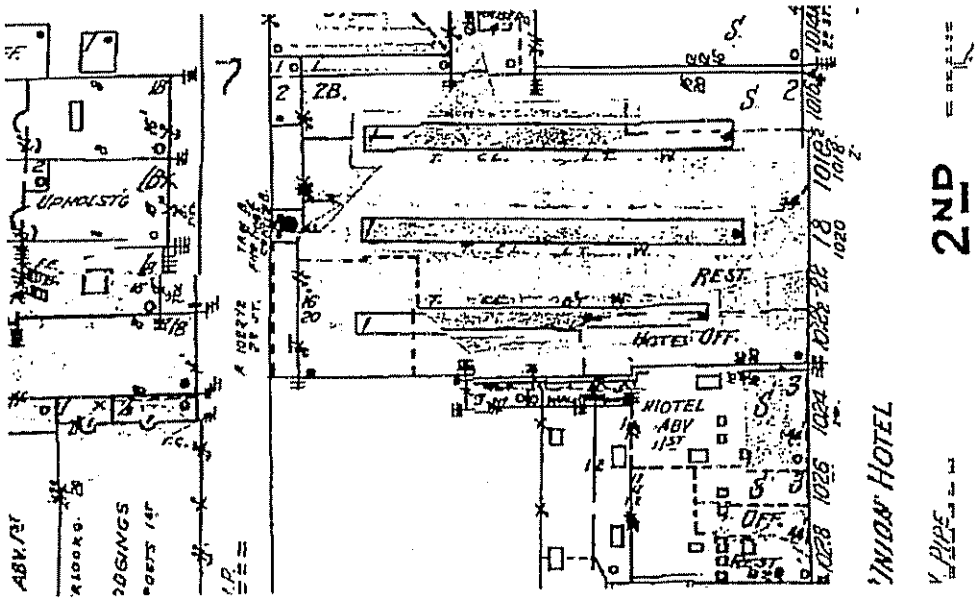
In the late 1870s the Orleans Hotel was purchased by the Whittier, Fuller & Company. They converted half of the ground floor into a store where they sold paints, oils, glass, doors, windows, and blinds. The other half of the ground floor they leased to James Felter & Company who provided on-site and wholesale liquors & wines. Mrs. H.W. Ogg was the proprietor of the hotel. Headquartered in San Francisco, the Whittier & Fuller Company was on its way to becoming the W.P. Fuller Paint Company which would grow to become one of the largest paint producers and sellers in the world.

By 1904 an article appeared in the *Sacramento Union* [6/29/1904, p. 10:1] that indicated that the W.P. Fuller Company was considering demolishing the Orleans building. Their business had grown to the point that they had occupied the entire building but still needed more space. Evidently they decided to remodel the building extensively. Instead of the three story building shown in all earlier illustrations up through 1884, the 1915 Sanborn depicts a two story building. The central courtyard has disappeared and the building extends almost all the way to the alley. The first floor is paint store and office and the second floor is a sash and door warehouse.

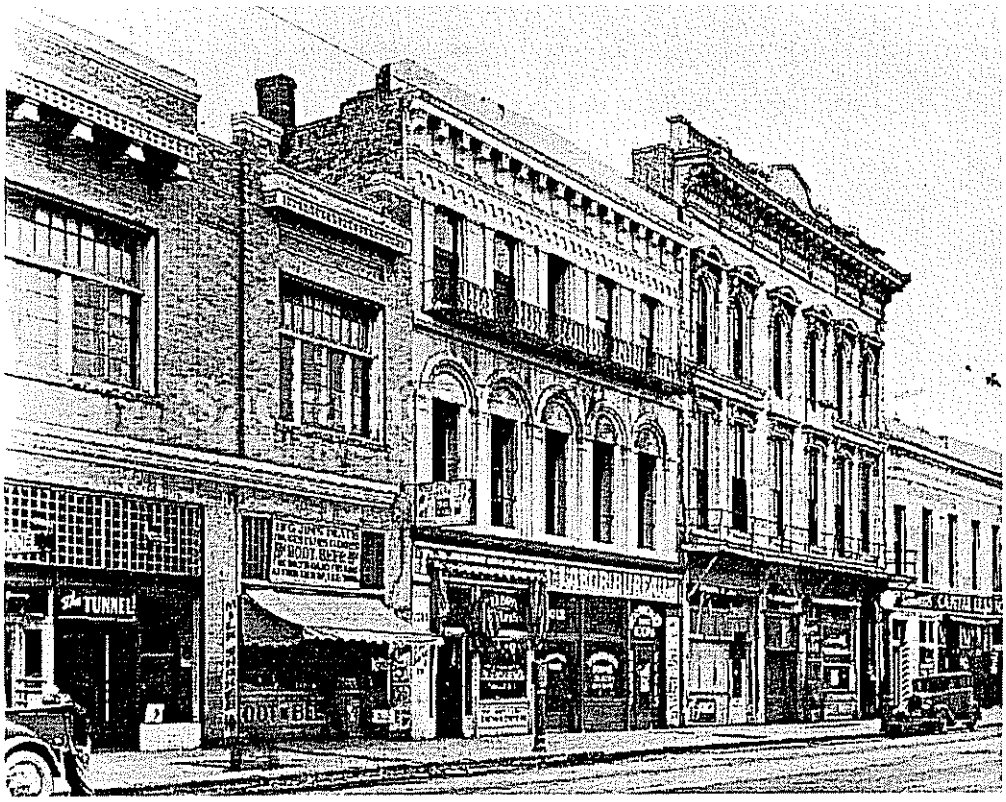



The Fuller Paint building (Orleans) as shown in the 1915 Sanborn Map

In August 1922, Frank P. Williams was the owner of the Orleans Building and he took out a building permit to remodel the building into a store and rooming house for $22,500. This is likely the building footprint that is shown in the 1952 Sanborn Fire Insurance map. The building is still brick and has the same footprint as the 1915 version. The first floor contains a restaurant, hotel office and probably some hotel rooms. However, three light wells penetrate the second floor. Over the ensuing years the rooming house was known as the Chicago Hotel.




The Chicago (Orleans) as shown in the 1952 Sanborn Map




On the left is a partial view of the Orleans Building in 1931. This building is either a highly modified version of the Orleans, or it is a complete replacement, circa the post 1904 Fuller remodel or the 1922 Williams remodel.

In 1962 when V. Aubrey Neasham published his survey, "Old Sacramento Inventory of Historical Buildings", the building then on the site of the Orleans Hotel did not date to the nineteenth century so he did not include it as a historic building In November of 1969, a demolition permit was issued and in April of 1970 a city building inspector cleared the permit for the demolition of that building.

## Proposed Project to Construct the Orleans Hotel as District Infill

There is a current proposal to construct an infill building on the site, now vacant, with the street façade of the Orleans Hotel as it appeared in the year 1853, to concur with the interpretive time period of the Historic District. The design of the remainder of the building will conform to the Old Sacramento Design Guidelines.

The buildings top two stories will be stepped back from the building's street façade in order to avoid being seen from Second Street, thus reconstructing the 1853 image of the building at street grade. At this period in time, the building was "U" shaped, and one of the east/west wings was said to be four stories in height, but not prominently visible from the street. None of the nineteenth century drawings or photographs of the 1853 building appear to show a fourth story.

The design of the rear elevation of the building along the alley is governed by the Old Sacramento Design Guidelines established prior to the National Park Service adoption of the *Secretary of the Interior's Standards and Guidelines for the Treatment of Historic Buildings*.

Drawings and photographs of the 1853 building's street façade will be utilized to assure the historic accuracy of the appearance of the new building's Second Street façade.

The Orleans Hotel will serve as important infill to enhance and support the character and appearance of the Historic District, as well as provide additional interpretive opportunities to contribute to the Historic District experience. The history of the building has been documented in the National Historic Landmark nomination, and further examined in this document.

After the research and documentation phases, guidance is given for the infill construction of the facade itself. *The Secretary of the Interior's Standards and Guidelines for the Treatment of Historic Buildings* will guide the reconstruction of the street façade according to existing documentation. In the absence of extant historic materials, the objective in the replication of the facade is to re-create the appearance of the historic building for interpretive purposes. Thus, while the use of traditional materials and finishes is always preferred, in some instances, substitute materials may be used if they are able to convey the same visual appearance.

Where non-visible features of the building are concerned, such as interior structural systems or mechanical systems, it is expected that contemporary materials and technology will be utilized.

In the case of the Orleans Hotel, archeological and/or historical remains may be unlikely, since the original building was both remodeled and demolished, and another building constructed on its site, prior to its demolition. The surface of the site has already been considerably disturbed.

## Impacts of the Infill/Reconstruction of the Orleans Hotel to the Old Sacramento Historic District NHL

1. The proposed project will be three stories in height on the front street façade of the building, and the proposed building site is flanked by two approximately three story buildings.

   The height of the street façade of the new building seems appropriate to the approximately three story height of adjacent buildings in this Second Street streetscape. This site is one of few sites in Old Sacramento that is flanked by buildings of a height commensurate to the height of the facade of the proposed infill construction.

2. The proposed construction of the building will have two additional stories that will be set back from the three story 1857 street façade so that they are not visible from the street. A sight line has been drawn from the street at the angle of the sight line in a drawing by the architect to assure that the additional stories will not be visible from Second Street.

The proposed building will fill in a prominent gap in the street-face along Second Street and enhance the visual continuity of the Historic District.

**The design provides for the setback of the 4th and 5th floors from the street façade so that they are not visible from Second Street.** Therefore the proposed additional stories will not adversely affect the character and continuity of the streetscape and would not adversely affect the streetscape. The design and materials to be used for the entire new exterior of building, except for the reconstructed Second Street façade, will be reviewed for compliance with the Old Sacramento Design Guidelines.

**Alleys**

The character and scale of the alleys in Old Sacramento are part of its charm and its ability to convey the sense of a different time and place. Further, in this District, it has been intended that many visitors and pedestrians use the alleys for circulation, and explore a unique feature of the historic district. The alleys also reflect the city-wide raising of the streets to avoid flooding, an important aspect of early Sacramento history.

Changes to the alleys must be accomplished with sensitivity and skill in order to retain visual character and interpretive aspects of these features.
The alley view of the taller rear portion of the building will differ from the current alley streetscape image which currently includes no building on this site. The height of the rear of the new building will be somewhat taller than its neighbors, but will not be visible from Second Street. However, the rear elevation will be visible from the alley, but above the first story the rear of the building will be setback from the alley in order to preserve a sense of openness present in other portions of the alleyscape.

**Impact**

All five floors of the building will be visible at the rear of the building from the alley. A portion of the building will extend back to the alley right-of-way to enclose parking, but will only be one story tall, with a dining deck on top. The rest of the building will be stepped back from the alley edge and would only be fully visible from a position directly behind the building.

To assure that the new building is compatible with the general character of the alley, it should utilize materials, textures, surface articulation and design elements that reflect the alley's mid- to late-19th Century image.

## Summary and Recommendations

The proposed Second Street façade reconstruction of the 1853 Orleans Hotel in the National Historic Landmark District of Old Sacramento appears to be compatible to the Historic District, and is in accord with the intent of *The Secretary of the Interior's Standards and Guidelines for the Treatment of Historic Buildings*.

The street façade of the reconstructed Orleans Hotel building will re-create the appearance of the non-surviving historic property in materials, design, color, and texture. This project meets the intent of *The Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings* even though the establishment of the Historic District and Old Sacramento Design Guidelines pre-date the development of the *Standards*. Documentation of the building's street façade appearance in 1853 exists and will be utilized for the façade reconstruction.

The design of the rear of the building is undocumented and will comply with the established Old Sacramento Design Guidelines. The building's fourth and fifth stories, set back from the street façade so as not to be visible from Second Street, appears to allow additional uses of the building, and an economically feasible project, without negatively affecting the primary visual elevation (street façade) of the building that contributes to the Historic District. The building is considered an infill project within a Historic District that complies with these Design Guidelines.

Potential impacts to the visual character of the alley elevation may be diminished by the following recommendations:

1. Articulate the design of the rear of the new building in such a way that the existing scale and surface treatment of the backs of other alley buildings are reflected and compatible with the new elevation, maintaining the character and scale of the alley as much as possible. The one story wall immediately adjacent to the alley to enclose parking should be treated as part of the alley viewscape in terms of scale and design.

2. During the excavation and preparation of foundations, an archeologist should be available or on site in the event that historic or pre-historic artifacts or former foundations should be uncovered. At present, it is unknown if any foundations from the earlier buildings still exist.

## *Conclusion*

**The Proposed Project to construct the infill building, Orleans Hotel, in the National Historic Landmark Old Sacramento Historic District, with the above recommendations, appears to meet the intent of the Secretary of the Interior's Guidelines for the Treatment of Historic Buildings for the reconstructed street facade, and the Old Sacramento Design Guidelines on the remaining exposures, achieving the goal of the Historic District to revere its important streetscape images, enhance the character of the District, and heighten the historic experience of those who visit it.**

# References

California State Department of Parks & Recreation, *Interpretive Plan for Old Sacramento State Historic Park*, January 11, 1971.

Candeub, Fleissig & Associates, *Old Sacramento Historic Area & Park Riverfront*, Redevelopment Agency of Sacramento, 1964.

*Democratic State Journal*, January 4, 1856, p. 2:4, January 4, 1885, p. 2:6 (Advertisement).

Miller, Robert, *Guide to Old Sacramento*, River City Press, Sacramento, 1976, pp. 40-42.

Neasham, V. Aubrey, *Research Notes for Old Sacramento Historic Area*, 1962-72.

*Oakland Daily Evening Tribune*, June 1, 1885, p. 2:2.

Sacramento Archive & Museum Collection Center [SAMCC], Online, #007/2000056015, #85/24/203.

*Sacramento Bee*, August 26, 1881.

Sacramento City Building & Demolition Permits [SAMCC].

*Sacramento City Directories*, 1851-1982.

*Sacramento City Directory 1879-80*, Orleans Hotel Illustration, p. 321.

*Sacramento City Directory 1884-85*, Orleans Hotel Illustration, p. 371

Sacramento History Online, Photo #893 1687

*Sacramento Transcript*, December 18, 1850, p. 3:6

*Sacramento Union*, June 1, 1885, p. 3:1.

Sanborn Fire Insurance Maps, 1895, 1915, 1952.

Western Heritage Inc., *Old Sacramento Inventory of Historical Buildings*, State of California Division of Beaches & Parks, August 1962.

# *APPENDIX B*

## *Letter from Jim Henley*
## *Old Sacramento Design Review Committee*

Via Electronic Mail

From: Jim Henley [jhenley@cityofsacramento.org]
Sent: Wednesday, September 06, 2006 4:42 PM
To: gail@ervinconsulting.com
Cc: Barbara Bonebrake; Ed Astone; William Thomas

Subject: Old Sacramento Historic Design Review Committee

Dear Ms. Ervin:

You have requested some overview about the composition and function of the Old Sacramento Historic Design Review Committee.

Because of the special nature of the Old Sacramento Historic District, the City established an Old Sacramento Historic Design Review Committee (SHDRC) independent and separate from the City's Preservation Board which covers the balance of the City. SHDRC is composed of three members representing the following areas of expertise. One member shall be a historian with significant experience with the Old Sacramento Historic District. One member shall be an architect with historic preservation/reconstruction experience and specific Old Sacramento Historic District experience. One member shall have expertise in governmental management of historic districts.

The SHDRC limits its authority to the Old Sacramento Historic District and reviews for approval all public and private development within the District.

The SHDRC is recognized by the State Office of Historic Preservation as having jurisdiction over the Old Sacramento Historic District.

If I can be of further assistance, please contact me or Ed Astone at the Old Sacramento Project Office.

Sincerely,

James E. Henley,
Manager of the Sacramento History and Science Division Member of the SHDRC

**RESOLUTION NO.**

**Adopted by the Sacramento City Council**

## MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT AREA: FINDINGS REGARDING SALE OF REDEVELOPMENT AGENCY PROPERTY

## BACKGROUND

**A.** The Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Merged Downtown Sacramento Redevelopment Project Area Redevelopment Plan ("Redevelopment Plan") and an "Implementation Plan" for Merged Downtown Sacramento Redevelopment Project Area ("Project Area");

**B.** The Agency owns certain real property ("Property"), in the Project Area. The Property was acquired with Project Area tax increment funds and other sources. The Property is generally described as 1022 Second Street and more particularly described in the legal description, attached as Exhibit 1 to the proposed Disposition and Development Agreement, a copy of which is on file with the City Clerk and Agency Clerk;

**C.** The Agency desires to enter into a Disposition and Development Agreement ("DDA") , a copy of which is on file with the City Clerk and Agency Clerk, which conveys fee interest in the Property, as more specifically described in the DDA, and requires certain improvements on the Property, as further described in the DDA (collectively, "Project"); and

**D.** In accordance with the California Environmental Quality Act and its implementing regulations, an Initial Study has been prepared for the proposed Project as described in the DDA and said Initial Study has disclosed no negative impacts of the proposed Project upon the environment which cannot be mitigated to less than significant; and

**E.** A report under Health and Safety Code 33433 ("33433 Report") has been prepared, filed with the City Clerk and duly made available for public review and, proper notice having been given, a hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433.

## BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1.

After a public hearing, the statements and findings of the 33433 Report are true and correct and are hereby adopted. The Project will assist in the elimination of blight as provided in

the 33433 Report.

Section 2.

The Project is consistent with the goals and objectives of the Redevelopment Plan and the Implementation Plan, as stated in the DDA.

Section 3.

The consideration given for the interest conveyed under the DDA is not less than the fair reuse value at the use and with the covenants, conditions, restrictions, and necessary development costs authorized by the DDA and conveyance documents.

Section 4.

The sale of the Property by the Agency is hereby approved and the Agency is authorized to execute the DDA with the Developer.

**RESOLUTION NO.**

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

## APPROVAL OF A DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE ORLEANS HOTEL PROJECT IN OLD SACRAMENTO

**BACKGROUND**

**A.** The Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Merged Downtown Sacramento Redevelopment Plan ("Redevelopment Plan") and an "Implementation Plan" for the Merged Downtown Redevelopment Project Area ("Project Area");

**B.** The Agency owns certain real property generally described as 1022 Second Street ("Property") in the Project Area, which was acquired with tax increment funds and other sources;

**C.** The Agency desires to enter into a Disposition and Development Agreement ("DDA"), a copy of which is on file with the City Clerk and Agency Clerk, which conveys fee interest in the Property and requires certain improvements on the Property, as further described in the DDA (collectively, "Project");

**D.** In accordance with the California Environmental Quality Act and its implementing regulations, an Initial Study has been prepared for the proposed Project as described in the DDA and said Initial Study has disclosed no negative impacts of the proposed Project upon the environment which cannot be mitigated to less than significant; and

**E.** A report under Health and Safety Code 33433 ("33433 Report") has been prepared, filed with the City Clerk and duly made available for public review, and proper notice having been given, a hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433.

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

Section 1.

The Mitigated Negative Declaration prepared for the Project is hereby approved and the Executive Director is directed to file a Notice of Determination.

Section 2.

The statements and findings of the 33433 Report are true and correct and are hereby adopted. The Project will assist in the elimination of blight as stated in the 33433 Report. The Project is consistent with the goals and objectives of the Redevelopment Plan and the Implementation Plan. Goals of the Redevelopment Plan, as stated in the Implementation Plan, include, the elimination of environmental deficiencies in the Merged Project Area, including, among others, mixed and shifting uses, small and irregular lots, obsolete, aged and deteriorated building types, inadequate or deteriorated public improvements, and incompatible and uneconomic land uses; the strengthening of retail and other commercial functions in the downtown area, the strengthening of the economic base of the Merged Project Area and the community by the installation of needed site improvements either inside or outside the Merged Project Area to stimulate new commercial/light industrial expansion, employment and economic growth; the establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements, which provide unity and integrity to the entire Merged Project; and the preservation and/or restoration, where feasible, of historically or architecturally significant structures. The DDA shall be deemed an implementing document approved in furtherance of the Redevelopment Plan, the Implementation Plan for the Project Area and all applicable land use plan, studies, and strategies.

Section 3.

The consideration given for the interest conveyed under the DDA is not less than the fair reuse value at the use and with the covenants, conditions, restrictions, and necessary development costs authorized by the DDA and conveyance documents.

Section 4.

The DDA in the form that is on file with the City Clerk and Agency Clerk is approved and the Executive Director or her designee is authorized to execute the DDA with the Developer and to take such actions, execute such instruments, and amend the budget as may be necessary to effectuate and implement this resolution and the DDA.

The Construction and Permanent Loan Agreement is approved and the Executive Director or her designee is authorized to execute the agreement with the Developer in an amount not to exceed $4 million. The Agency loan terms include:

- Loan amount of $4 million is funded from taxable bond funds;
- Loan funds shall be used for construction only;
- The term of the loan is 30 years.
- The interest rate is 0%;
- Loan repayments begin once the project reaches a Return on Equity (ROE) over 12%.
    - Return on Equity is calculated as: Annual Net Cash Flow/Developer

Equity.
  - Borrower shall pay Lender an annual payment of 50% of the amount of Annual Net Cash flow in excess of the 12% ROE threshold for that year.
  - The Developer is to provide annual audited financial statements to calculate the ROE and to have an independent auditor's verification of the ROE.
- At the end of the 30 years, the remaining principal balance is due to the Agency.

The Construction and Permanent Forgivable Loan Agreement is approved and the Executive Director or her designee is authorized to execute the agreement with the Developer in an amount not to exceed $2 million. The second Agency loan terms include:

- Loan amount of $2 million is funded from tax-exempt bond funds;
- Loan funds shall be used for construction only;
- The interest rate is 0%; and
- The loan is forgiven upon project completion and issuance of a Certificate of Occupancy.

Section 5.

The Executive Director is authorized and directed to transfer $6 million from the 2005 Merged Downtown Tax Allocation Bond to the Orleans Hotel project.

Section 6.

The Executive Director is authorized to perform such actions necessary to implement funding assistance as authorized herein to ensure proper repayment of Agency funds, including without limitation, subordination, extensions and restructuring of payment as approved by Agency counsel.

Table of Contents

Exhibit A – Disposition and Development Agreement on file with the Agency and City Clerk.