Sacramento Housing & Redevelopment Agency

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

CONSENT
June 5, 2007

Honorable Chair and Members of the Board

Title: Acquisition of Opportunity Site near the Swanston Light Rail Station

Location/Council District: 1116/1120 Dixieanne Avenue, 2323 Selma Street, and 2330/2334 Lexington Street (APN 277-0083-002, 277-0083-003, 277-0083-004, 277-0083-006 and 277-0083-007), North Sacramento Redevelopment Project Area, Council District 2

Recommendation: Adopt a **Redevelopment Agency Resolution** 1) setting fair market value for the properties located at 1116/1120 Dixieanne Avenue, 2323 Selma Street, and 2330/2334 Lexington Street as determined by an independent appraisal and purchase the properties for not substantially more than just compensation; and 2) amending the 2007 Sacramento Housing and Redevelopment Agency budget to transfer $600,000 of the North Sacramento Tax Increment Fund to the project to fund all actions necessary to purchase these properties; and 3) approve the environmental findings as stated in this report.

Contact: Lisa Bates, Director, Community Development, 440-1322; Chris Pahule, Assistant Community Development Director, 440-1350

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: This report requests authorization for the Redevelopment Agency (Agency) to acquire five vacant and underutilized parcels on the southeast corner of Dixieanne Avenue and Selma Street and in the middle of the block on Lexington Street between Dixieanne Avenue and Calvados Street (Attachment 1). The five parcel site is 1.42 acres, zoned for industrial use, and is approximately 400 feet from the Swanston Light Rail Station. The properties are currently listed for voluntary sale on the market for $549,000.

As the site is in close proximity to the light rail station, it is primed for high density, transit-oriented development; however, the properties are currently zoned for manufacturing uses and are not ready for residential or mixed-use development at this time. The City of Sacramento is in the process of preparing a Transit Village Plan for the Swanston Station and will rezone properties to

residential mixed use with a transit overlay permitting up to 60 units per acre. The Plan and rezoning is scheduled to be adopted in early 2008.

Policy Considerations: The report's recommendations are consistent with the community development goals summarized in the 2005-2009 Five-Year Implementation Plan for the North Sacramento Redevelopment Area. In addition, the City of Sacramento is nearing completion of the Swanston Transit Village Plan, which is focused on intensifying residential and mixed-use development around the Swanston Light Rail Station. The final Swanston Transit Village Plan will call for changes in land use and streetscape amenities. The acquisition and development of this site is also consistent with the recommendations of this forthcoming Transit Village Plan.

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

Committee/Commission Action: The *North Sacramento Redevelopment Advisory Committee (RAC)* recommended approval of the attached resolution to acquire these properties. The votes were as follows:

AYES: Adams, Charland, Clark, Curry, Harland, Hubbs, Lukehard, Mack, Scott, and Veden

NOES: None

ABSENT: Armstrong, Bergstrom, and Mulligan

Sacramento Housing and Redevelopment Commission Action: At its meeting on May 16, 2007, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burns, Burruss, Chan, Fowler, Gore, Hoag, Piatkowski, Shah

NOES: None

ABSENT: Coriano, Stivers

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Acquisition of Opportunity Site near the Swanston Light Rail Station

Rationale for Recommendation: The Agency's acquisition of these underutilized properties presents a unique opportunity to pioneer appropriate transit supportive development within the ¼ mile radius of the Swanston Light Rail Station.

By controlling this site and its future development, the Agency will be able to ensure that any project on the site is consistent with the Five-Year Implementation Plan, the Swanston Transit Village Plan, and the community's goals, as well as complement adjacent developments and take advantage of the nearby light rail station. As one of the Swanston Transit Village Plan's proposed catalytic sites, this property has the potential to help promote more residential and mixed-use development in the surrounding area.

Financial Considerations: Staff estimates that the total cost to purchase the opportunity site including any further environmental site assessments, additional consultants, if any, closing expenses, and holding costs will be approximately $600,000. This report recommends the allocation of North Sacramento Tax Increment Fund for property purchase and associated expenses.

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

Respectfully Submitted by: _____
ANNE M. MOORE
Executive Director

Recommendation Approved:

_____
for RAY KERRIDGE
City Manager

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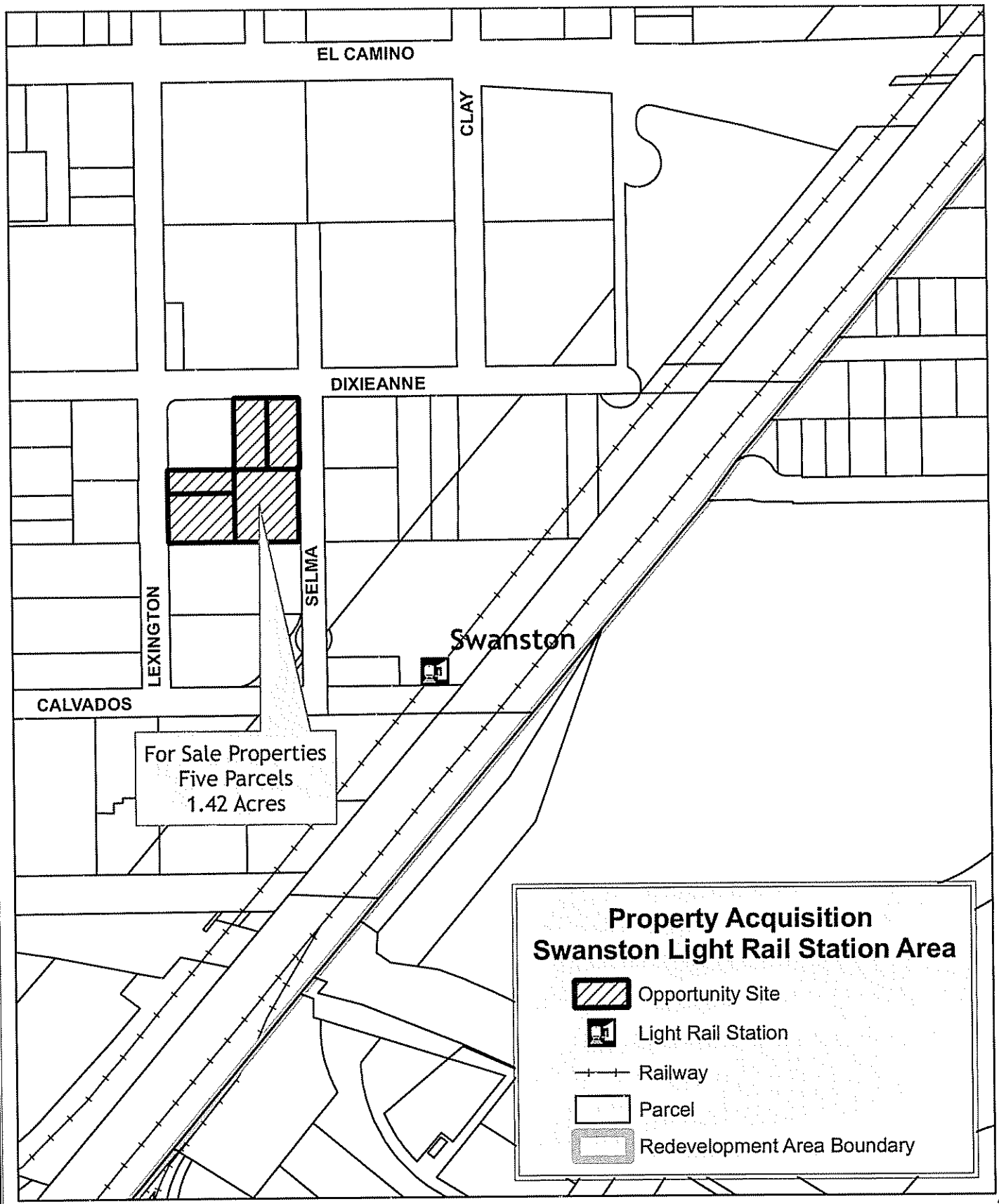
1116/1120 Dixieanne, 2323 Selma and 2330/2334 Lexington
North Sacramento Redevelopment Area



RESOLUTION NO. 2007 –

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

AUTHORIZING ACQUISITION THROUGH VOLUNTARY SALE OF PROPERTY AT 1116/1120 DIXIEANNE AVENUE, 2323 SELMA STREET and 2330/2334 LEXINGTON STREET FOR JUST COMPENSATION AND TO AMEND THE 2007 BUDGET

BACKGROUND

A. The opportunity site consists of five parcels and is located on the southeast corner of Dixieanne Avenue and Selma Street and in the middle of the block on Lexington Street between Dixieanne Avenue and Calvados Street. The 1.42 acre site is approximately 400 feet from the Swanston Light Rail Station.

B. Acquisition of this vacant and underutilized site in the North Sacramento Project Area would eliminate blighting conditions by ensuring future redevelopment on the site, helping to subdue crime in the immediate area and fostering development within the surrounding Project Area.

C. The site is one of the catalytic development sites selected in the City's forthcoming Swanston Transit Village Plan and is positioned for transit-friendly development that would promote the area's future residential and mixed use development.

D. The purchase amount shall be fair and reasonable and not exceed the fair market value for these subject parcels, collectively referred to as "properties".

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

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

Section 1. All of the evidence presented having been duly considered, the findings including the environmental findings, as stated above, are approved.

Section 2. The Executive Director or her designee is authorized to take all actions as may be reasonably necessary to purchase, for not substantially more than just compensation, the following parcels voluntarily from the owners ("Property"):

1116/1120 Dixieanne Avenue, 2323 Selma Street, and 2330/2334 Lexington Street (APN 277-0083-002, 277-0083-003, 277-0083-004, 277-0083-006 and 277-0083-007).

Section 3. The Executive Director or her designee is authorized to transfer $600,000 in North Sacramento Tax Increment Fund for the acquisition of the property and associated costs near the Swanston Light Rail Station in the North Sacramento Redevelopment Area, to amend the budget accordingly, and to purchase the Property and carry out related activities.