



**Sacramento
Housing &
Redevelopment
Agency**

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

Consent
June 26, 2007

Honorable Chair and Members of the Board

Title: Agreement: Exclusive Right to Negotiate Broadway and 2nd Avenue

Location/Council District: 3409, 3413 & 3425 Broadway and 3434 & 3436 2nd Avenue, Oak Park Redevelopment Area/Council District 5

Recommendation: Adopt a **Redevelopment Agency Resolution** authorizing the Executive Director or her designee to execute an Exclusive Right to Negotiate Agreement with Broadway and 2nd Avenue Development Partnership for development of the Agency-owned property at Broadway and 2nd Avenue.

Contact: Lisa Bates, Director, Community Development, 440-1316; Christine Weichert, Assistant Director, Community Development, 440-1353

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: In 2004, the Sacramento Housing and Redevelopment Agency (Agency) purchased the vacant, triangular-shaped parcel located at 3425 Broadway. In March 2007, the Agency acquired the four adjacent properties located at 3409 & 3413 Broadway and 3434 & 3436 2nd Avenue, formerly home of a Goodwill store. The five Agency-owned parcels total approximately .53 acres in size.

A Request for Qualifications (RFQ) for development of the five parcels was issued in August 2006 and three responses were received. A five-person selection committee, made up of community members and Agency staff, selected Broadway & 2nd Avenue Development Partnership (Development Team), which is comprised of Vrillakas Architects and R2 Partners. Awarding of the Exclusive Right to Negotiate (ERN) agreement was delayed until the Agency finalized its acquisition of the Goodwill site.

In their response, the Development Team suggested a mixed use project, including retail, office, live work units and neighborhood rowhouses. Design and financial studies are now needed to determine if this concept can be refined to the point of economic feasibility and community endorsement. For the size and circumstances of the site, the Development Team and Agency concur that a nine-month period is sufficient for this purpose.

This report recommends approval of an ERN agreement between the Agency and the Development Team. During the ERN period, the Development Team and the Agency will complete due diligence on a variety of issues and seek community input. Once conceptual and design development planning, and economic feasibility are complete, Agency staff will return to the Redevelopment Agency to approve a Disposition and Development Agreement (DDA) with the Developer.

Policy Considerations: The recommended action is consistent with the following goals of the Oak Park Redevelopment Plan: 1) Create additional employment opportunities for Project Area residents; and 2) Maximize private participation and investment in the redevelopment effort.

Environmental Considerations: The proposed action is exempt from environmental review per California Environmental Quality Act (CEQA) Guidelines Section 15262 as a planning activity for the purpose of defining the project. National Environmental Policy Act (NEPA) does not apply.

Committee/Commission Action: *Oak Park Redevelopment Advisory Committee (RAC):* At its May 9, 2007 meeting, the RAC voted to support staff's recommendation for this item. The votes were as follows:

AYES: Kivel, Curry-Evans, Davis, Johnson, Lackey, Mercado, Taylor

NOES: Hilbert

ABSENT: Lawson, Meng, Redmond, Thomas

Sacramento Housing and Redevelopment Commission: At its meeting on June 6, 2007, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burns, Coriano, Fowler, Gore, Hoag, Piatkowski, Stivers.

NOES: None.

ABSENT: Burruss, Chan, Shah.

Rationale for Recommendation: If the ERN results in a DDA and implementation, the approved project would be designed to achieve goals of the Oak Park Redevelopment Plan. Additional benefits will include a return of the Site to the tax rolls and a commensurate increase in tax increment revenues. The completed project would provide needed retail/commercial outlets and employment opportunities for project residents and for the community.

Financial Considerations: If approved and executed, the proposed ERN would obligate the Developer and the Agency to make good faith efforts to negotiate the terms of the DDA. The Developer will pay a deposit to cover the Agency's costs for third-party consultants needed to complete certain pre-development activities.

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

Respectfully Submitted by: 
ANNE M. MOORE
Executive Director

Recommendation Approved:

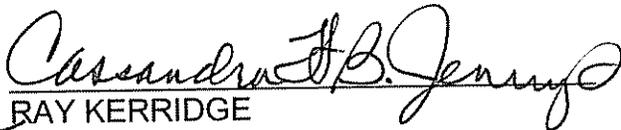
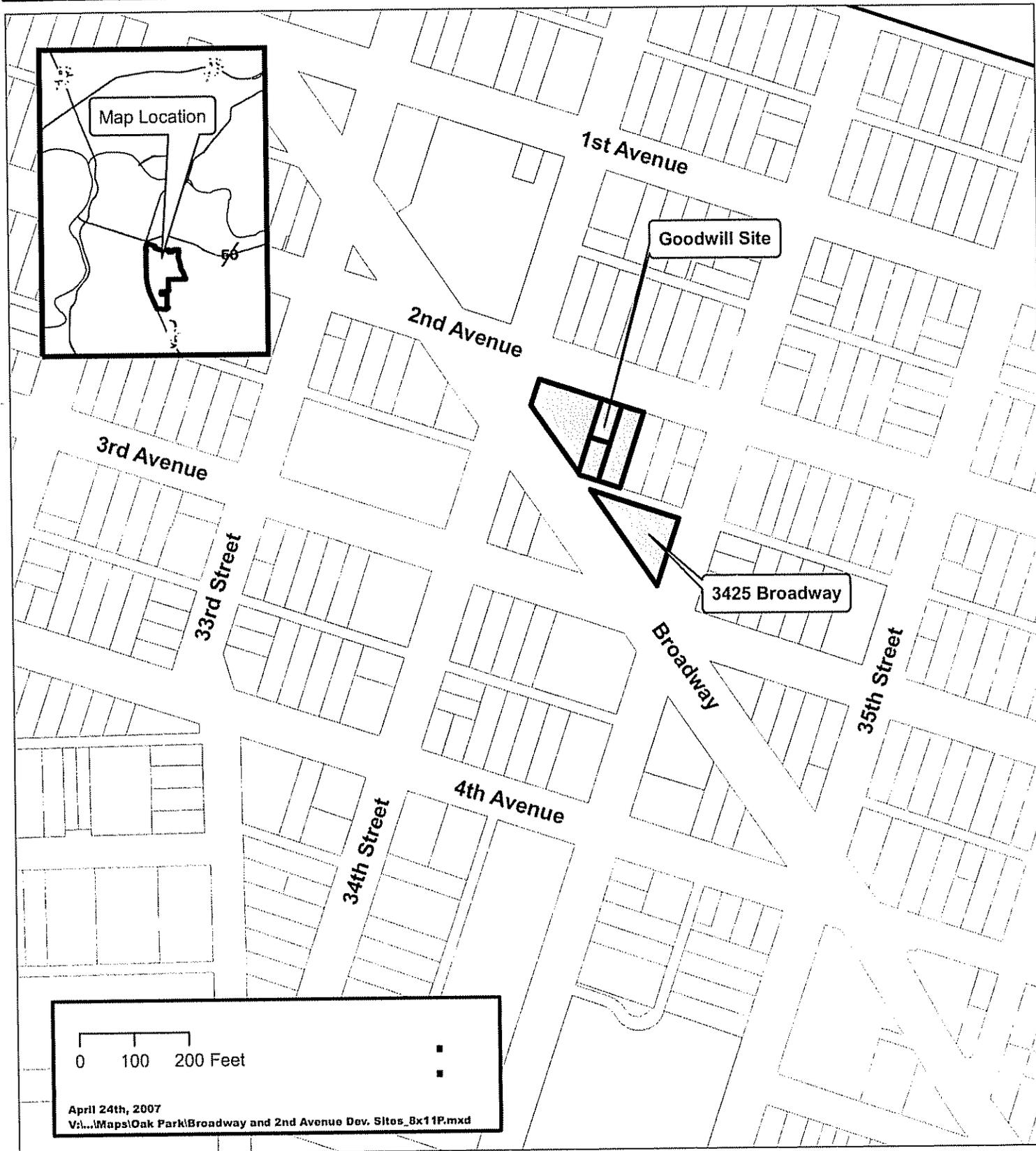

for RAY KERRIDGE
City Manager

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Broadway and 2nd Avenue Development Sites Oak Park Redevelopment Area



RESOLUTION NO. _____

Adopted by the Redevelopment Agency of the City of Sacramento

ON DATE OF

APPROVAL OF EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH BROADWAY AND 2ND AVENUE DEVELOPMENT PARTNERSHIP FOR AGENCY-OWNED PROPERTIES LOCATED AT BROADWAY AND 2ND AVENUE

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Oak Park Redevelopment Plan ("Redevelopment Plan") and the 2005 – 2009 Implementation Plan for the Oak Park Project Area ("Project Area").
- B. The Agency owns certain real property in the Project Area generally described as being located on the east side of Broadway from 2nd Avenue south to 35th Street (APN 010-0375-008, 010-0375-001, 010-0375-002, 010-0375-003 and 010-0375-004) ("Property").
- C. The Property includes five tax parcels that are zoned General Commercial by the City of Sacramento.
- D. The Agency is seeking redevelopment of the Property that would have a mix of retail/commercial and residential uses.
- E. A Selection Committee has evaluated the credentials of three teams that responded to a Request for Qualifications and has recommended Broadway and 2nd Avenue Development Partnership ("Developer") to engage in pre-development activities intended to result in a specific project proposal for the Property and to negotiate terms of a Disposition and Development Agreement.

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

Section 1. The Exclusive Right to Negotiate (ERN) agreement between the Agency and Developer (attached as Exhibit A) is hereby approved and the Executive Director or her designee is authorized to execute the ERN.