



**REPORT TO
REDEVELOPMENT AGENCY
City of Sacramento**

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

CONSENT
February 28, 2006

Honorable Mayor
and Council Members

Subject: ALLOCATION OF \$200,000 FOR COMMERCIAL EXTERIOR REBATE PROGRAM EXPANSION, ARMY DEPOT REDEVELOPMENT AREA

Location/Council District: Portions of Fruitridge Road and Elder Creek Road/District 6

Recommendation: Staff recommends adoption of the attached resolution on page 5 which authorizes the Executive Director or her designee to appropriate \$200,000 in Army Depot tax increment funds to expand the Redevelopment Agency's Commercial Exterior Rebate Program to commercial areas of Fruitridge Road and Elder Creek Road.

Contact: Lisa Bates, Community Development Director, 440-1316
Chris Pahule, Redevelopment Manager, 440-1399 x1442
Jim Hare, Development Services Manager-Commercial, 440-1313

Presenter: Not applicable

Department: Sacramento Housing and Redevelopment Agency

Summary: This report recommends expanding the eligible areas to participate in the Redevelopment Agency's Commercial Exterior Rebate Program to include the south side of Fruitridge Road between Power Inn Road and 65th Street, include the commercial parcel at 7025 Elder Creek Road, and appropriate \$200,000 in Army Depot tax increment funds.

RAC Action: At its meeting on October 19, 2005, the Army Depot Redevelopment Advisory Committee adopted a motion recommending approval of the attached resolution. The vote was as follows:

AYES: Chacon, Colquitt, Healey, Hensler, Hubbard, Lien, Medley, Ortiz, Vierra, Vourakis, Ward

NOES: None

ABSENT: Lenau

Committee/Commission Action: At its meeting on February 15, 2006 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The vote was as follows:

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

NOES: None.

ABSENT: Burruss, Gale.

Background Information: Since 1985, the Redevelopment Agency's Commercial Exterior Rebate Program (Program) has provided matching funds for hundreds of commercial exterior improvement projects in designated target and redevelopment areas. The Program is funded primarily with tax increment revenues, and provides each project with up to \$50,000 in matching funds for exterior improvements and code corrections. The Program has been effective in stimulating the redevelopment and reuse of vacant and underutilized commercial buildings, as well as in updating the facades of existing businesses.

Prior to the expansion of the Army Depot Redevelopment Project Area (Project Area) boundaries, Fruitridge Road between Power Inn Road and 65th Street was included in the Program as a pilot area for a two-year period and funded with Community Development Block Grant (CDBG) funds. A couple of projects were successfully completed. However, due to a lack of interest the Program was not offered after the two-year period.

With the expansion of the Project Area boundaries in 2004 to include Fruitridge Road and neighborhoods to the south, staff believes that there is enough interest by commercial property owners in making improvements to their properties that the Program will be successful.

Based on staff research and contact with commercial property owners, the greatest need for commercial revitalization in the Project Area is the south side of Fruitridge Road between Power Inn Road and 65th Street. Fruitridge Road is a primary transportation route from the west into the Power Inn Road industrial area, leading to Depot Park. In addition, a commercial parcel located at 7025 Elder Creek Road has need for revitalization in order to not detract from abutting, otherwise stable single family residential areas. Other areas within the Project Area have been surveyed and have comparatively less need. The areas recommended for participation in the Program are shown in the location map, Attachment 1.

Financial Considerations: Staff recommends allocating \$200,000 from the Army Depot Redevelopment Area Tax Increment Development Assistance fund for the expansion of the Exterior Rebate Program to portions of Fruitridge Road and Elder Creek Road. With the maximum rebate of \$50,000, staff expects that the initial funding can leverage approximately six projects, and if fully subscribed would leverage at least \$200,000 in private investment.

Environmental Considerations: The proposed action does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b)(4), which exempts government financing mechanisms that do not involve a commitment to any specific project from environmental review. In addition, the exterior rebate projects that could be funded under the Program would be exempt from environmental review as rehabilitation of existing structures under CEQA Guidelines Section 15301 (d) and (e). NEPA does not apply.

Policy Considerations: The expansion of the Commercial Revitalization Program is consistent with the community development goals in the Army Depot Redevelopment Implementation Plan for 2005 - 2009.

This project is consistent with the City's Strategic Plan goal to promote and support economic vitality. The proposed action supports the Guiding Principle of that goal which states that City programs should support the development and success of new and existing targeted businesses of all sizes within the City.

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:

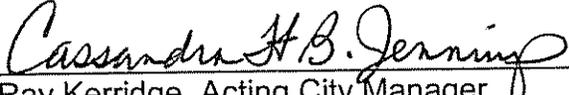
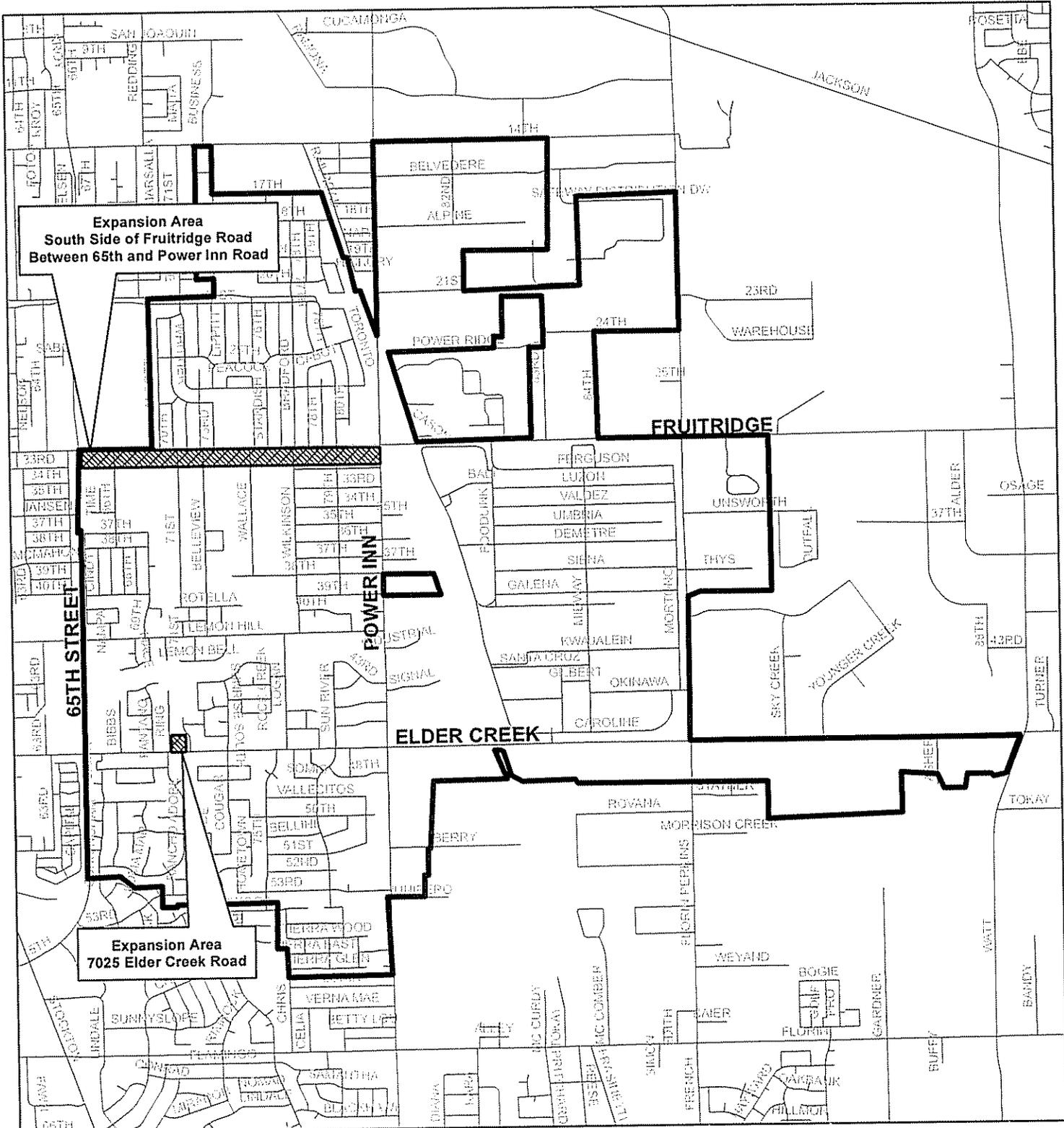

for Ray Kerridge, Acting City Manager

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ATTACHMENT I



**Expansion Area
South Side of Fruitridge Road
Between 65th and Power Inn Road**

**Expansion Area
7025 Elder Creek Road**

FRUITRIDGE

ELDER CREEK

POWER INN

65TH STREET

Project Location Map

Commercial Revitalization Program (CRP) Expansion
Army Depot RDA

Legend

-  Army Depot RDA
-  CRP Expansion Areas



RESOLUTION NO. 2006 -

Adopted by the Redevelopment Agency of the City of Sacramento

ON DATE OF

ALLOCATION OF \$200,000 FOR COMMERCIAL EXTERIOR REBATE PROGRAM IN ARMY DEPOT REDEVELOPMENT PROJECT AREA

BACKGROUND

- A. The Commercial Exterior Rebate Program (Program) offered by the Redevelopment Agency of the City of Sacramento (Agency) would benefit the commercial corridors within the Army Depot Redevelopment Project Area by providing funding for rehabilitation and improvement of existing buildings.
- B. The Program is consistent with the Army Depot Redevelopment Plan and the 2005-2009 Implementation Plan.
- C. The Army Depot tax increment funding for expansion of the Program would be targeted for commercial properties located on the south side of Fruitridge Road between Power Inn Road and 65th Street and that portion of Elder Creek Road within the Project Area.

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

- Section 1. After due consideration of the facts presented, the findings, including the environmental findings regarding this action, as stated in the staff report, are approved.
- Section 2. The Executive Director or her designee is authorized to amend the Agency Budget to transfer \$200,000 of Army Depot Project Area tax increment funds to the Commercial Exterior Rebate Program.
- Section 3. The Executive Director or her designee is authorized to expand the Commercial Exterior Rebate Program to include the Army Depot Redevelopment Project Area in order to offer exterior rebates to owners of commercial properties located on the south side of Fruitridge Road between Power Inn Road and 65th Street and along Elder Creek Road.