



**Sacramento  
Housing &  
Redevelopment  
Agency**

## **REPORT TO THE REDEVELOPMENT AGENCY of the City of Sacramento**

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

**Staff Report  
May-04, 2006**

Honorable Chair and Members of the Board

**Subject:** Update on Docks Area Redevelopment Project

**Location/Council District:** The Docks Area is located along the Sacramento Riverfront, north of the Marina/Miller Park, west of Interstate 5, south of Capitol Mall and east of the Sacramento River (Council District 4).

**Recommendation:** Receive and file

**Contact:** Laura Sainz, Senior Project Manager, 808-2677  
Leslie Fritzsche, Downtown Development Manager, 808-5450

**Presenters:** Laura Sainz, Senior Project Manager

**Department:** Economic Development

**Division:** Downtown Development

**Organization No:** 4451

### **Summary:**

In October 2005, the City of Sacramento issued a Request for Qualifications (RFQ) to determine developer interest in the Docks Area. On January 5<sup>th</sup> of this year, the Redevelopment Agency of the City of Sacramento (Agency) approved exclusive negotiations between the Agency and KSWM Docks Partners, LLC (KSWM) for the development of the Docks Area. The Exclusive Right to Negotiate (ERN) identified benchmarks for the project, including a report back to the Agency in May on the progress to date.

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

### **Background Information:**

The Sacramento Riverfront Master Plan, accepted by both the City of Sacramento and West Sacramento in July 2003, identified two opportunity sites on the City of Sacramento riverfront. One of those opportunity sites was the Docks Area, which is located north of the Marina/Miller Park, west of Interstate 5, south of Capitol Mall and east of the Sacramento River (Attachment 1). In an effort to develop the Docks Area in a manner consistent with the 2003 Riverfront Master Plan (Master Plan), the City completed an extensive community planning process based on the concept developed for the Docks Area in the



Master Plan. Following three public workshops and two City Council workshops, the Docks Area concept plans were drafted in September 2005. In October 2005, the City issued an RFQ to determine developer interest in the Docks Area. On January 5<sup>th</sup> of this year, an ERN was approved between the Agency and KSWM for the development of the Docks Area. The ERN included a Developer Milestones Table (Attachment 2) that identified benchmarks for the project, including a progress report to the Agency in May 2006. This progress report reviews both Agency and developer activity.

## **Agency Activity**

### Property Acquisition

Staff has been negotiating with the two remaining property owners in the Docks Area, the State of California and the Pacific Gas and Electric Company (PG&E) (Attachment 3). The City is entering into a Memorandum of Understanding (MOU) with the State of California Department of Parks and Recreation in an effort to acquire and/or secure easements on the seven state-owned parcels in the Docks Area. In addition, all of the remaining properties in the Docks Area, including the properties south of Pioneer Bridge needed for the riverfront promenade, are being appraised. These appraisals are expected to be received within a 45-day period. Following completion of the appraisals, staff will negotiate with PG&E for acquisition of its parcels and with the property owners south of Pioneer Bridge for easements related to developing the promenade. Those owners include PG&E, ChevronTexaco and ConocoPhillips.

### State Lands Commission Boundary Line Agreement (BLA)

Staff has met with the State Lands Commission to move forward with a BLA that will formally define the Commission's interest in the Docks Area, thereby clearing title on the developable parcels. The BLA is necessary in order to achieve the type of high-density residential development identified during the community planning process.

### Pioneer Reservoir

The City of Sacramento owns and operates the Pioneer Reservoir as part of the downtown combined sewer-storm drain system (Attachment 1). The Reservoir will have a significant impact on the future design of the Docks Area. The current facility and surrounding area is approximately five acres, which is a substantial portion of the 20 developable acres north of Pioneer Bridge. The Reservoir is in need of significant structural improvements. Staff is in the process of evaluating options to either repair the existing facility or build a new facility that would provide enhanced design and land use options for the Docks Area.

### The Riverfront Promenade

One of the basic tenets of both the 2003 Riverfront Master Plan and the Docks Area conceptual plans was maintaining public access to the riverfront. This was partially addressed by the construction of a riverfront promenade that connects to the existing promenade at O Street and extends into the City of Sacramento Marina/Miller Park. Staff and the development team have been reviewing the feasibility of starting the promenade this spring/summer in an effort to maintain momentum in the area as well as begin to define the critical public aspects of the project. In addition, the City of West Sacramento is already in the process of designing its "River Walk." Ideally, the promenade will address linkages and connections between the City of Sacramento and West Sacramento that were so prominently identified in the 2003 Riverfront Master Plan.

### Department of Toxic Substances Control (DTSC)

Staff has been meeting with the DTSC to review existing deed restrictions and other Brownfield issues in the Docks Area. This spring, staff will bring forward for approval an Environmental Oversight Agreement between the City of Sacramento and the DTSC.

### **Developer Activity**

#### Market Assessment

KSWM is working on a market assessment for the Docks Area to identify market demand and absorption rates for various types of development. This assessment will provide specific information related to the economic feasibility of community planning goals for a high-density, mixed-use project.

#### Concept Plans/Community Planning Process

KSWM began its due diligence by reviewing the 2003 Riverfront Master Plan and the conceptual plans developed during the 2005 Docks Area community planning process. In addition, the developer reviewed the infrastructure assessment, the Phase I and II Environmental Site Assessment, and the draft facilities plan which were prepared to identify existing constraints in the area.

#### Schedule/Public Input

KSWM has prepared a schedule for moving forward with the final plan for the Docks Area. The schedule incorporates a number of opportunities for public input on the final draft plan in late summer of this year, including:

- A Community Open House;
- Presentation to the City of Sacramento Parks and Recreation Commission;
- Presentation to the City of Sacramento Planning Commission;
- Presentation of the City of Sacramento Design Review Board;
- Presentation to the Waterfront Advisory Committee; and
- Sacramento City Council approval of the final draft plan and preliminary business terms.

Once the schedule for the promenade has been determined, staff envisions significant opportunities for community input on the promenade's design. In addition, it is anticipated the public will participate in development design standards for the Docks Area development.

The next major milestones for the developer include completion of the final draft plan, completion of a preliminary pro forma based upon the final draft plan, and the presentation of the final draft plan to the public. Attachment 4 provides more details of the predevelopment steps completed by the developer.

**Financial Considerations:** None

**Environmental Considerations:** Not applicable.

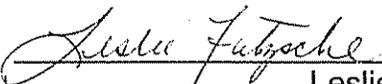
#### **Policy Considerations:**

The Docks Area redevelopment project is consistent with the 2005 Downtown Sacramento Redevelopment Strategy goals including:

1. The elimination of environmental deficiencies in the Merged Project Area, including, 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;
2. 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; and
3. 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.

**M/WBE Considerations:**

Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Approved By:   
Leslie Fritzsche  
Downtown Development Manager  
on behalf of the Redevelopment Agency  
of the City of Sacramento

  
Robert Overstreet, Director  
Department of Parks and Recreation

Approved for Council Information:

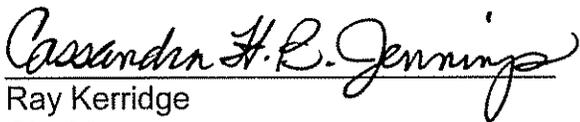
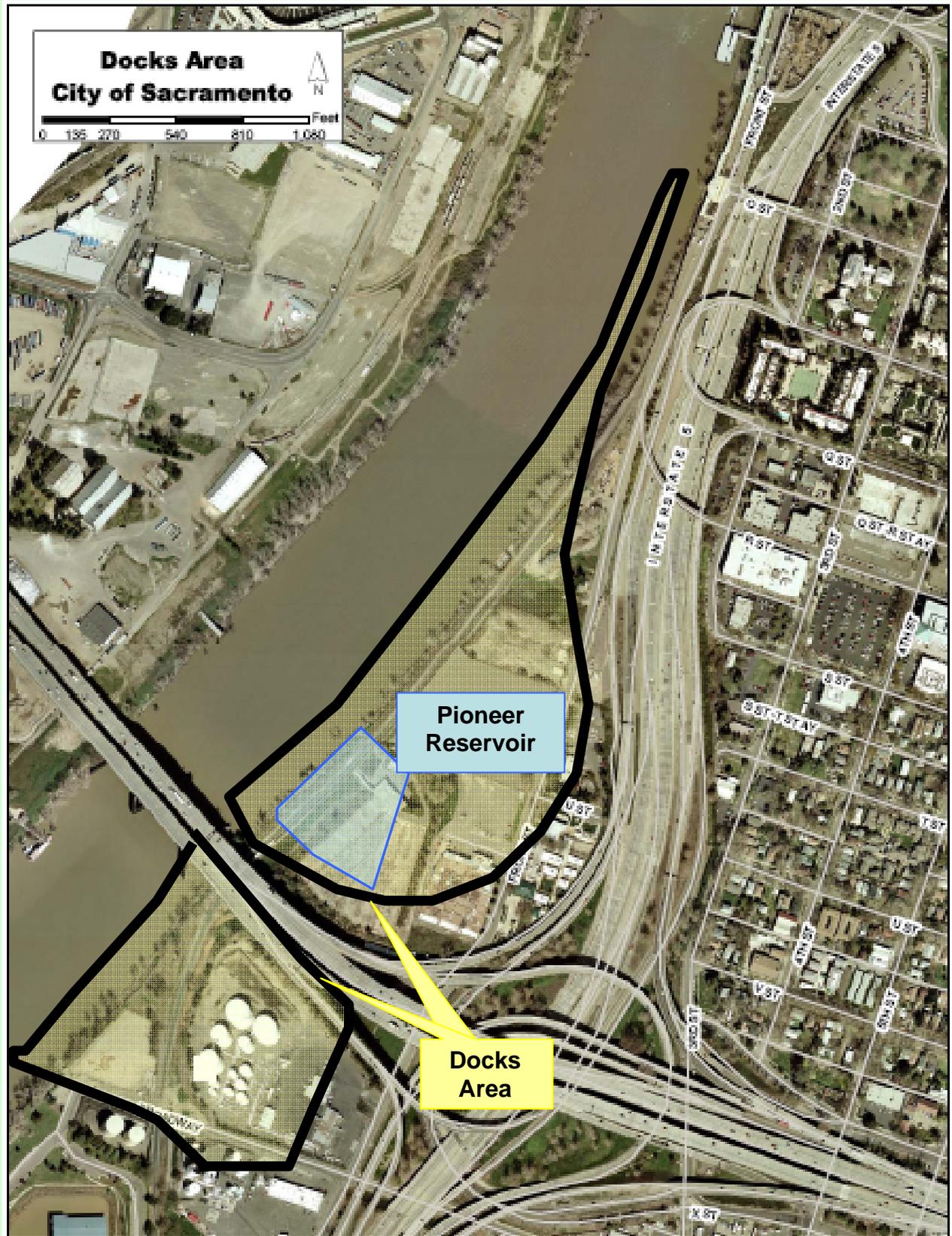
  
Ray Kerridge  
City Manager

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## Attachment 2

**Docks Area  
Major Developer Milestones**

	<b>Activity</b>	<b>Who Pays</b>	<b>Timeline</b>	<b>Reimbursed if DDA not finalized?</b>
1.	Agency shares progress/work completed to date.	N/A	12/21/2005	N/A
2.	Agency and Developer agree on milestones, timeline and finalize Docks Area - Developer Milestones table.	N/A	1/13/2006	No
3.	Developer completes residential and retail market assessment.	Developer	4/21/06	No
4.	Agency provides update to City Council of market analysis and preliminary concept plan.	Developer	5/2/06	No
5.	Developer completes preliminary pro forma.	Developer	6/9/06	No
6.	Agency has property to be acquired under contract.	Agency	7/1/06	N/A
7.	Developer, with Agency input, completes final draft concept plan.	Developer	8/11/06	No
8.	Developer and Agency present final draft concept plan to community for feedback.	Developer	8/31/06	No
9.	Developer and Agency negotiate preliminary business terms.	Developer	10/4/06	No
10.	Developer and Agency present final draft concept plan and preliminary business terms to City Council.	N/A	10/5/06	N/A

Note: Failure to meet this schedule may constitute a default, unless developer has acted diligently and in good faith in performing its obligations under the ERN, pursuant to section 10 of the ERN.



## Attachment 4

**Docks Area  
Progress Report and Timeline  
Predevelopment Activity**

<b>Party</b>	<b>Activity</b>	<b>Timeline</b>	<b>Complete</b>
KSWM & Agency	Execute ERN	January 2006	√
KSWM	\$100,00 Deposit	January 2006	√
KSWM	Docks Area Consultant Team Selection		√
KSWM	Market Analysis		√
KSWM	Site Analysis		
KSWM	Prepare Final Draft Concept Plan for Public Review		
KSWM	Public Input		
Agency	Property Acquisition Negotiations	July 2006	
KSWM & Agency	City Council Approval of Final Draft Concept Plan	October 2006	



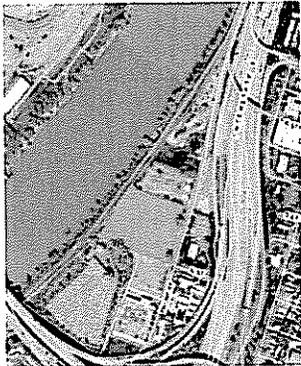
## State Lands Commission

### Boundary Line Agreement

Establish a Boundary Line Agreement (BLA) on all parcels uplands from the river in order to clear title on all parcels in the Docks Area. The BLA must be with all relevant property owners.

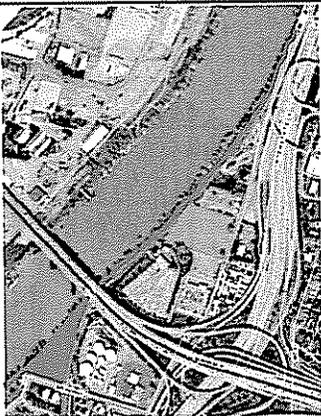
## Pioneer Reservoir

- Repair existing structure to support a park
- or*
- Build a new facility that would provide enhanced design and land use options



## The Riverfront Promenade

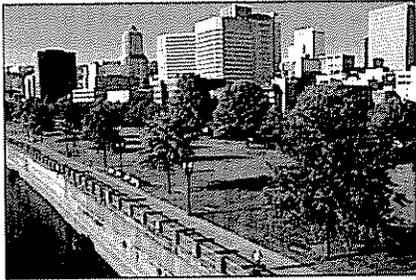
- When to begin design/development of the promenade
- Build/maintain momentum along our waterfront
- Begin defining key public space
- Utilize \$1.2 million SACOG grant



## Promenade Development



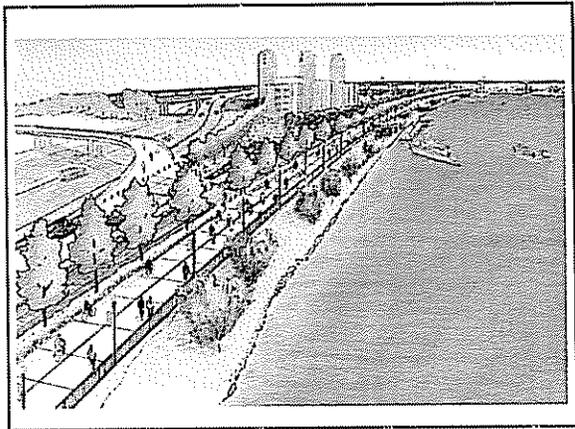
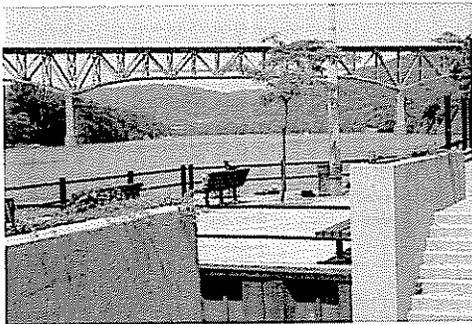
### Promenade Development



### Promenade Development



### Promenade Development



### Dept. of Toxic Substances Control

#### Environmental Oversight Agreement

- Existing deed restrictions on PG&E site
- Proposed deed restrictions on Agency property
- Determining construction methods and land use
- Ongoing operations and maintenance issues

### KSWM Docks Partners

Kenwood Investments  
Wilson Meany Sullivan  
Stockbridge Capital



### KSWM Pre-Development Activities

- Consultant Team Selection
- Market Analysis
- Site Analysis
- Design Concepts
- Public Input

### Consultant Team Selection

- SMWM - Land Planning & Urban Design
- Webcor Builders - Cost & Schedule Estimating
- Nolte Associates - Civil Engineering
- ARUP – Civil & Environmental Engineering
- Erler & Kalinowski - Environmental Engineering
- Gibson Dunn & Crutcher - Land Use & Environmental Law

### Market Analysis

Understanding demand, absorption and product mix

- The Gregory Group - local firm with special insight into the Sacramento market
- The Concord Group - regional firm with experience in fast-growing markets

### Site Analysis

Understanding Site Constraints & Opportunities

- Context Issues - Understanding the Urban Fabric
- Community Issues - Planning to Date
- Regulatory Issues - State Lands, DTCS, etc.
- Site Specific Issues - Pioneer Reservoir, Levees, Highways

### Design Concepts - Guiding Principals

- **Access to the Waterfront** - Reclaim Sacramento's waterfront as a local and regional public asset
- **Linkages** - Create a network of vibrant pathways that reconnect the Docks area into the fabric of Sacramento
- **Pedestrian Orientation** - Develop a transportation network that supports pedestrians and cyclists, both as a form of recreation and transit
- **Animated Riverfront** - Draw the energy and momentum of the downtown experience to the riverfront

### Public Input

- Build on the important goals of the 2003 Riverfront Master Plan
- Build on the important goals of the Docks Area Community Planning Process and Concept Plans
- Continue to seek public input

