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## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

March 1, 1982

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

CITY MANAGER'S OFFICE  
**RECEIVED**  
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Honorable Members in Session:

SUBJECT: Status Report - Oak Park Shopping Center  
Sacramento Boulevard, Broadway, Seventh Avenue  
and LaSolidad Way

**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

MAR 9 1982

### SUMMARY

This report regards: 1) concurrence of the Agency relative to the solicitation of proposals for the development of the Oak Park Shopping Center; and 2) authorization to use \$51,115 in previously approved Oak Park Tax Increment and Community Development Block Grant funds for this project.

### BACKGROUND

The Redevelopment Plan for the Oak Park Project Area adopted in 1972 identified Broadway and Sacramento Boulevard as the major commercial node within the project boundary. In addition, the Redevelopment Plan conceptually identified the remainder of Broadway as medium to high density residential; thus, in effect, recommended the elimination of Broadway as a commercial strip.

A May 1979 consultant study completed by Real Estate Research Corporation, comparing the subject site to the area bounded by 34th Street, 36th Street, Broadway and 3rd Avenue, concluded the Sacramento Boulevard/Broadway site was relatively superior and suitable for the new shopping area in the Oak Park neighborhood.

On January 20, 1981 the Redevelopment Agency of the City of Sacramento adopted Resolution No. 81-001 which authorized the use of \$460,000 in Oak Park Tax Increment funds for this project. Resolution No. 81-034, adopted on May 26, 1981 by the Redevelopment Agency, authorized the use of an additional \$220,000 in 1981-82 Community Development Block Grant funds, for a total

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current funding authorization of \$680,000. In addition, Agency and City Planning staffs have recommended the utilization of \$232,550 in FY 1982-83 CDBG funds for this project. In combination, these funds represent \$912,550 of the \$2,305,790 estimated for the site acquisition, relocation and clearance component of the project (see Attachment I). It is estimated that the Agency could obtain all necessary funding (Tax Increment and CDBG as sources) by late 1984. To date, no estimates have been prepared on additional subsidies which may be required to stimulate the development of this project due to uncertainties as to timing, availability of funds and future market conditions.

The concept of a two-phase project is being proposed whereby the Agency would, upon receipt of funding authorization for Phase I, option as many Phase I and Phase II properties as possible, obtain an appraisal of Phase II properties, request proposals from shopping center developers, and upon receipt of favorable proposals, complete the acquisition process for Phase I (see Attachment II, Phasing Map). The Agency may acquire certain properties if a hardship to the existing owner can be documented. It is estimated that this phase could optimistically be complete by the end of 1982 (see Attachment III, Phase I Schedule).

Requests for Proposal (RFP) will include the Real Estate Research Corporation market study, the Redevelopment Plan, and project description, including phasing, proposed uses, design standards, etc. The RFP will also require that the proposed developer submit: 1) letters of commitment from the Center's major tenants to document economic feasibility; 2) proposed schedules based on the two-phased approach; 3) schematic design, again based on a two-phase project; and 4) a determination of the project's economic feasibility utilizing the fixed sale price, a purchase price may be submitted for a lesser amount (justification for a land write-down must be included in the narrative along with supporting data in the budget and financing plan).

If the Agency does not receive an acceptable proposal, a re-evaluation of the Shopping Center will be a major element of the market study to be prepared for the Oak Park Redevelopment Plan update. This market study would include an analysis of the overall commercial needs of the Oak Park Project Area and would recommend a strategy to meet those needs.

## FINANCIAL DATA

As detailed in Attachment I, Phase I of the Shopping Center acquisition program is estimated at \$1,109,750. To date,

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\$680,000 has been appropriated. The utilization of \$123,555 in 1981 Oak Park Tax Increments, \$73,645 in 1982 Oak Park Tax Increments, and \$232,550 in 1982-83 CDBG funds will be required to complete Phase I of the project.

The attached resolution appropriates the aforementioned additional funds and authorizes the Agency to expend \$51,115 in order to obtain options and solicit developer proposals. This portion of the Phase I budget is as follows:

1. Options, Phase I at 1% of appraised value	\$ 8,214
2. Options, Phase II at 1% of estimated value	8,200
3. Phase II appraisal	7,145
4. Advertising	7,500
5. Printing	1,500
6. Postage	750
7. Associate Land Agent - 3 months (including Administration and Overhead at 85%)	13,486
8. Associate Planner - 1 month (including Administration and Overhead at 85%)	4,320
9. TOTAL	<u>\$51,115</u>

If this project is continued, in addition to those funds previously discussed, all the Tax Increment revenues will be utilized from the Oak Park project through 1982 as well as approximately 25% of those generated in 1983.

## VOTE AND RECOMMENDATION OF THE OAK PARK PAC

At the regular meeting of February 3, 1982, the Oak Park PAC recommended approval of the attached resolution.

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## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of March 1, 1982, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Fisher, Knepprath, A. Miller, Teramoto, Walton

NOES: None

VACANCY: One

ABSENT: Coleman, Luevano, B. Miller

## RECOMMENDATION

The staff recommends: 1) concurrence of the Agency relative to the solicitation of proposals for the development of the Oak Park Shopping Center; and 2) utilization of \$35,770 in previously approved Oak Park Tax Increment and CDBG funds for the subject project.

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
Interim Executive Director

TRANSMITTAL TO COUNCIL:

*Walter J. Slupe*

WALTER J. SLUPE  
City Manager

Contact Person: Bruce Pope

# RESOLUTION NO. 82-016

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

March 9, 1982

AUTHORIZATION FOR SOLICITATION OF PROPOSALS  
FOR DEVELOPMENT OF OAK PARK SHOPPING CENTER  
AND APPROPRIATION OF FUNDS THEREFOR

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY  
OF SACRAMENTO:

Section 1. The Executive Director is authorized to solicit proposals for development of a commercial shopping center at the corner of Broadway and Sacramento Boulevard within the Oak Park Redevelopment Project.

Section 2. In addition to sums previously appropriated to this project by Resolutions 81-001 and 81-034, the Agency hereby appropriates One Hundred Twenty-Three Thousand Five Hundred Fifty-Five Dollars (\$123,555.00) in 1980-81 Oak Park Project Area Tax Increment payments, and Seventy-Three Thousand Six Hundred Forty-Five Dollars (\$73,645.00) in 1981-82 Oak Park Project Area Tax Increment payments, and, upon approval of the 1982-83 CDBG application and the subsequent release of funds to the City, Two Hundred Thirty-Two Thousand Five Hundred Fifty Dollars (\$232,550.00) in 1982-83 CDBG funds as they may be directed by the City to the Agency.

Section 3. The Executive Director is authorized to expend up to Fifty-One Thousand One Hundred Fifteen Dollars (\$51,115.00) of funds previously appropriated for the purpose of obtaining options and soliciting developer proposals.

\_\_\_\_\_  
CHAIRMAN

ATTEST:

APPROVED  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

\_\_\_\_\_  
SECRETARY

MAR 9 1982

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FUNDING AND COST ANALYSIS  
OAK PARK SHOPPING CENTER

I. Phase I Costs

A. Property Acquisition

1. Private Property

Subtotal. . . . . \$ 769,500\*

Inflation @ 0.75%/mo. x 9 mos. or 6.75%      51,940

Subtotal. . . . . \$ 821,440

2. Public Property

Assessor's  
Parcel No.

Owner

14-172-23	City of Sacramento	\$	75
14-172-24	City of Sacramento		75
14-171-17	City of Sacramento		<u>7,685</u>

\$ 7,835

TOTAL ACQUISITION.....\$ 829,275

B. Relocation

Subtotal. . . . . \$ 124,500

Contingency at 10%. . . . . 12,450

TOTAL RELOCATION.....\$ 136,950

C. Demolition

Subtotal. . . . . \$ 37,460

Contingency at 10%. . . . . 3,750

TOTAL DEMOLITION.....\$ 41,210

\* - Based on an appraisal prepared by Blaesi & Company, Inc.

D. Staff, Administration and Overhead

1. Associate Land Agent @ \$2,430/mo. - 6 mos.	\$ 14,580
2. Community Services Supervisor (relocation) @ \$2,430/mo. - 5.5 mos.	13,365
3. Senior Planner @ \$2,851/mo. - 1 mo.	2,851
4. Associate Planner @ \$2,335/mo. - 3 mos.	7,005
5. Technical Services Supervisor @ \$2,645/mo. - 1 mo.	2,645

Subtotal. . . . . \$ 40,446

Administration & Overhead @ 85%. . . . . 34,379

TOTAL STAFF.....\$ 74,825

E. Additional Costs

1. Advertising	\$ 7,500
2. Printing	1,500
3. Title Insurance (Alta)	3,490
4. Appraisal	11,500
5. Postage	1,000

Subtotal. . . . . \$ 24,990

Contingency at 10%. . . . . 2,500

TOTAL ADDITIONAL COSTS.....\$ 27,490

TOTAL PHASE I COSTS.....\$1,109,750

II. Phase I Funding

A. Funding approved by Resolution No. 81-034 on May 26, 1981  
and Resolution No. 81-001 on January 20, 1981

1. Oak Park Tax Increments	\$460,000
2. Community Development Block Grant FY 1981- 82	220,000



B. Proposed Funding

1. Oak Park Tax Increments (1981)	\$ 123,555
2. Community Development Block Grant FY 1982- 83	232,550
3. Oak Park Tax Increments (1982)	73,645

TOTAL PHASE I FUNDING..... \$1,109,750

III. Phase II Costs

A. Property Acquisition

Subtotal. . . . .	\$ 695,000*
Inflation @ 0.75%/mo. x 24 mos. or 18%	125,100

TOTAL ACQUISITION.....\$ 820,100

B. Relocation

Subtotal. . . . .	\$ 232,500
Contingency at 10%. . . . .	23,250

TOTAL RELOCATION.....\$ 255,750

C. Demolition

Subtotal. . . . .	\$ 21,475
Contingency @ 10%. . . . .	2,150

TOTAL DEMOLITION.....\$ 23,625

D. Staff, Administration and Overhead

1. Associate Land Agent @ \$2,430/mo. -- 5.5 mos.	\$ 13,365
2. Community Services Supervisor (relocation) @ \$2,430/mo. - 5 mos.	12,150
3. Senior Planner @ \$2,851/mo. - .75 mo.	2,140

\*-Based on an acquisition estimate prepared by the County of Sacramento, Real Estate Division

4. Associate Planner @ \$2,335/mo - 2.75 mos.	\$ 6,420
5. Technical Services Supervisor @ \$2,645/mo. - 1.5 mos.	3,970

Subtotal. . . . . \$ 38,045

Administration & Overhead @ 85%. . . . . 32,340

TOTAL STAFF.....\$ 70,385

E. Additional Costs

1. Advertising	\$ 7,145
2. Printing	1,430
3. Title Insurance	3,325
4. Appraisal	10,950
5. Postage	950

Subtotal. . . . . \$ 23,800

Contingency @ 10%. . . . . 2,380

TOTAL ADDITIONAL COSTS.....\$ 26,180

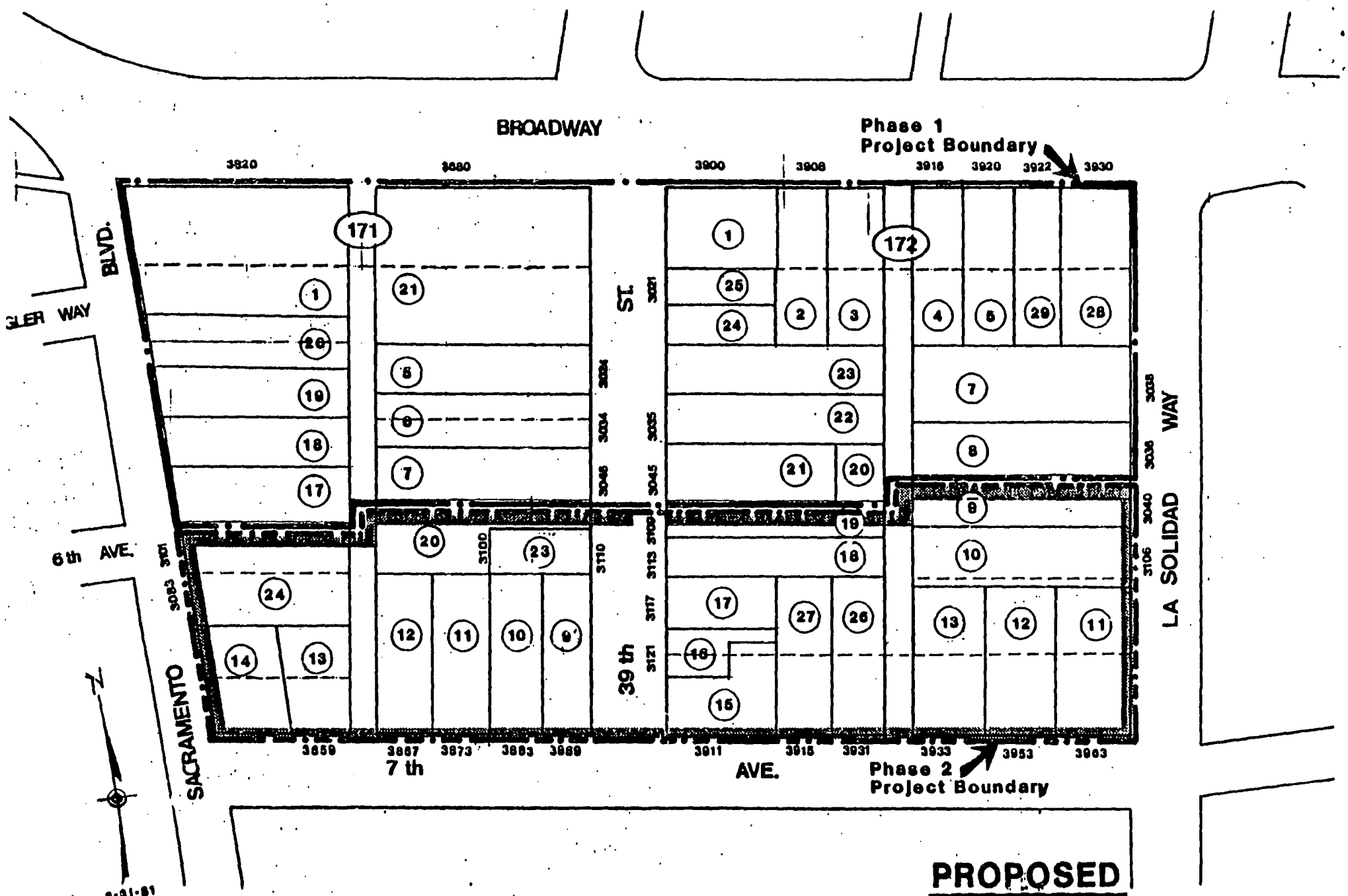
TOTAL PHASE II COSTS.....\$1,196,040

IV. Phase II Funding

A. Proposed Funding

1. Community Development Block Grant FY 1983- 84	\$250,000
2. Oak Park Tax Increments (1982)	594,043
3. Community Development Block Grant FY 1984- 85	250,000
4. Oak Park Tax Increments (1983)	101,997

TOTAL PHASE II FUNDING.....\$1,196,040



SITE PLAN

SCALE: 1" = 100'

**OAK PARK SHOPPING CENTER**

**PROPOSED**

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
RESEARCH AND DEVELOPMENT DIVISION  
WORK ASSIGNMENT/PROGRAM REPORT**

Department Redevelopment  
 Project Oak Park Shopping Center  
 Responsible staff Mike Motestine  
 Supervisor Bruce Pope  
 Updated 7 Day 1 Month 82 Year

Legislative Approvals and Dates:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Project Type

- City  Redevelopment  
 County  Housing  
 Grant  
 Technical

Legend

- \* Critical milestone (identify)
- △ Date project updated
- ▲ Current progress of project

Project Budget \$ \_\_\_\_\_ Construction Bid Amount \$ \_\_\_\_\_ Expenditures to date \$ \_\_\_\_\_ Funding Source \$ \_\_\_\_\_

Major Steps	Year		1981												1982												1983				
	Month		O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S					
1. Develop draft RFP and disposition policy PAC review of draft RFP and disposition policy									■	■	■	■																			
2. Adopt disposition policy											■	■	■																		
3. Advertise RFP (3 months)													■	■	■																
4. Review proposals																	■	■													
5. Tentative selection of developer																		■	■												
6. Initiation of acquisition																															

