

MINUTES

OF THE

SACRAMENTO CITY COUNCIL
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
HOUSING AUTHORITY OF THE CITY OF SACRAMENTO
ECONOMIC DEVELOPMENT COMMISSION
PARKING AUTHORITY OF THE CITY OF SACRAMENTO
SACRAMENTO CITY FINANCING AUTHORITY

REGULAR MEETING

March 5, 1996

CALL TO ORDER

The Regular Meeting of the Sacramento City Council was called to order by Mayor Serna at the hour of 2:07 p.m. on the above date in the City Council Chamber located at 915 I Street.

ROLL CALL

Present: Councilmembers Cohn, Fargo, Kerth, Ortiz, Pannell, Steinberg, Waters, Yee and Mayor Serna

Absent: None

Prior to the vote for the Consent Calendar, Mayor Serna introduced two special guests from New Zealand, Terry Baker, Consul and Richard Collier Sears, Hon. Consul. Mr. Baker said he had enjoyed living in the Southern California area for four years, and indicated an interest in establishing Hamilton, NZ as a sister city to Sacramento.

1.0 CONSENT CALENDAR (Items 1.1 through 1.10, except Item 1.8)

A motion was made by Councilmember Pannell, seconded by Councilmember Fargo, to waive the reading and adopt the Consent Calendar, Items 1.1 through 1.10, except Item 1.8 which was pulled for separate consideration. The motion carried with a 9-0 vote.

Public Review Items - Informational Only

None

Sacramento Housing and Redevelopment

- 1.1 Authority for execution and recordation of Declaration of Trust for the Central Maintenance/Warehouse facility, located at 320 Commerce Circle. (D-2)
-

Adopted Housing Authority Resolution No.96-002.

HOUSING AUTHORITY RESOLUTION NO. 96-002

CENTRAL MAINTENANCE/WAREHOUSE FACILITY:
EXECUTION AND RECORDATION OF U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT DECLARATION OF
TRUST

City Council

- 1.2 Ratify the Richardson Village Park/Detention Basin Negative Declaration, authorize the City Manager to execute a purchase agreement to acquire land necessary for a detention basin and park facility near Sump 159, and increase CIP funding for park improvements, located adjacent to Richardson Village Park on the east side of Fairfield Street, between Sonoma and Acacia Avenues in North Sacramento. (D-2)
-

Adopted Resolution No. 96-097 approving Agreement No. 96-032.

RESOLUTION NO. 96-097

RESOLUTION RATIFYING THE RICHARDSON VILLAGE
PARK/DETENTION BASIN NEGATIVE DECLARATION,
AUTHORIZE THE CITY MANAGER TO EXECUTE A PURCHASE
AGREEMENT TO ACQUIRE LAND NECESSARY FOR
IMPROVEMENTS, AND INCREASE CIP FUNDING FOR PARK
IMPROVEMENTS

- 1.3 Support of Californians For Drug-Free Youth. (D-All)
-

Received and filed.

- 1.4 Ordinance adding Chapter 61.18 to Title 61 of the Sacramento City Code relating to fences. (D-All)
-

Passed for Publication and continued to March 19, 1996, 2:00 p.m.

- 1.5 THIS ITEM MOVED TO STAFF REPORTS AS ITEM 4.3
-

- 1.6 Resolution declaring noxious or dangerous weeds of a seasonal and recurrent nature, and/or rubbish, refuse and dirt to be a public nuisance on certain specified parcels in the City of Sacramento and ordering an abatement hearing for March 28, 1996 at 7:00 p.m. (D-All)
-

Adopted Resolution No. 96-098.

RESOLUTION NO. 96-098

A RESOLUTION DECLARING WEEDS, RUBBISH, REFUSE,
AND DIRT TO BE A PUBLIC NUISANCE AND ORDERING AN
ABATEMENT HEARING

- 1.7 Amendment of 1995/96 Capital Improvement Program and Fund Appropriation of \$170,000 for Five Community Development Block Grant (CDBG) Park Improvement projects. (D-2)
-

Adopted Resolution No. 96-099.

RESOLUTION NO. 96-099

RESOLUTION AMENDING THE 1995/96 CAPITAL
IMPROVEMENT PROGRAM AND APPROPRIATING FUNDS FOR
VARIOUS CDBG PARK IMPROVEMENT PROJECTS

- 1.8 Ordinance amending the districts established by the Comprehensive Zoning Ordinance No. 2550, Fourth Series, as amended, for property located at 2636 Latham Drive [Country Day School] by removing 1.73± acres from the Agricultural (A) Zone and placing the same in the Standard Single Family (R-1) Zone (P94-025), located at 2636 Latham Drive. (D-3)
-

Councilmember Cohn said a meeting had been held on March 4, 1996 but he could not assure agreement would be reached in this matter by March 12, therefore he requested that the continuance date be extended to March 19, 1996.

A motion was made by Councilmember Cohn, seconded by Councilmember Kerth, to pass for publication of title and continue to March 19, 1996. The motion carried by a 9-0 vote.

- 1.9 Donation of surplus street light poles and fixtures to the Home of Peace Cemetery Association Incorporated, located at 6200 Stockton Boulevard at El Paraiso Avenue. (D-6)
-

Adopted Resolution No. 96-100.

RESOLUTION NO. 96-100

RESOLUTION AUTHORIZING THE DONATION OF SURPLUS
STREET LIGHT POLES AND FIXTURES TO THE HOME OF
PEACE CEMETERY ASSOCIATION INC.

- 1.10 Ordinance waiving the requirement to pay prevailing wages for two contracts to construct Sacramento Northern Railroad Bikeway Landscape Enhancements. (D-All)
-

Passed for Publication of Title and continued to March 19, 1996.

* * * * *

2.0 SPECIAL PRESENTATIONS/GENERAL COMMUNICATIONS

- 2.1 Presentation of "1995 Chalk It Up To Sacramento" [Rick Best]
-

Councilmember Yee said he was impressed with the artwork this group is doing.

Sally Westmore, an art teacher in San Juan School District, expressed her appreciation to the City for its support and co-sponsorship for the "Chalk It Up" program, which began in 1991 as a small arts festival. It has now become an annual event, the proceeds of which support childrens' art via grants to teachers for projects. She went on to say that there will be an upcoming exhibit at the Phantom Gallery located in the old St. Vincent DePaul building on Del Paso Boulevard. Fremont Park will be the site of a "Chalk It Up" event from August 31 - September 2, 1996.

Rick Best, President of Chalk It Up expressed his appreciation for City support for the festival, which now has 150 participating artists. He said that from small beginnings, the idea has grown until now the City of Stockton has a similar event. He went on to say that insurance for the program is a problem and asked if he might have any available information as to organizations offering assistance in obtaining it.

Mayor Serna suggested that Mr. Best approach the Downtown Partnership for assistance re: acquiring the necessary insurance.

- 2.2 Resolution recognizing the Arbor Day and Tree Foundation on their 14th Anniversary
-

Mayor Serna presented the Arbor Day Resolution to Ray Trethaway, of the Sacramento Tree Foundation, who said that Sacramento is now nationally known as the City of Trees.

Councilmember Kerth said that on Thursday, March 7, 1996 the largest oak tree ever to be transplanted will be planted at the corner of Grove Avenue and El Camino, and indicated that the tree had come from Councilmember Farqo's district.

3.0 PUBLIC HEARINGS

None

4.0 STAFF REPORTS

4.1 1996 Transportation Programming Guide (JN:3620) - approval of scored and ranked project lists. (D-All)

Ann Olson, Sr. Engineer, referred to the prior approval of Council for the Transportation Programming Guide which was given on January 30, 1996. She indicated that a change had been made to the major streets list in that North Point had an additional 5 points, which then shifted the position of several others.

Ms. Olson brought additional Staff with her to answer Council questions, including Barry Bates, Street Div. Manager, Marty Hanneman of Traffic Engineering, Steve Brown, and David Speakes.

Discussion centered around specific District items for each of the Council members, who were most interested in such issues as how the ranking of priorities was established, what the projected completion dates would be, and how points were assigned to each location.

Councilmember Waters expressed his concern that non-injury accidents normally go unreported, thus distorting the statistics which indicate the need for traffic lights or stop signs in problem areas.

Martin Hanneman replied that Traffic Engineering is currently working with the Police Department to modify that procedure.

Councilmember Pannell questioned priorities and wanted to meet with Ms. Olson and Staff for clarification as to how the economic development factor was rated in the Guide.

Councilmember Cohn inquired as to the criteria for removing parking from a street to allow a new bikeway and when such an item must be brought before Council. Mr. Hanneman responded that any removal of parking more than 200 feet in length must have Council approval.

Councilmember Pannell asked Barry Bates when the last time Meadowview/Amhearst was overlaid, and Mr. Bates responded that there is a 25-30 year cycle on street overlays.

Councilmember Fargo raised the issue of the apparent abandonment of CalTrans as evidenced by the lack of adequate maintenance of plantings along medians, off-ramps and other areas and asked what could be done to fund maintenance.

Ms. Olson indicated she would contact CalTrans on that issue, and Mayor Serna ordered that the freeways be cleaned of debris.

Councilmember Kerth discussed the problem of bridges which are built lower than the levee, and which require sandbagging during flood stages. He pointed out the danger of this situation, saying that the bridges are needed as escape routes in times of emergency, and asked that bridge replacement criteria be clarified.

More discussion followed by several Council members regarding gap closure definition and prioritizing.

Mayor Serna suggested that in future, it may be best to do a mid-year briefing or meet with Council members in advance in lieu of discussing the Transportation Programming Guide in detail during regular Council meetings. Ms. Olson concurred.

A motion was made by Councilmember Kerth, seconded by Councilmember Fargo, to adopt Staff recommendations approving the scored and ranked project lists as defined in the 1996 Transportation Programming Guide, amended by the inclusion of five additional points each for Northgate, Arden Garden, and Silver Eagle. The motion carried by an 8-0 vote, with Councilmember Fargo abstaining on Arden Garden Connector only, and Councilmember Pannell being absent.

4.2 Minority/Women Business Enterprise Program - annual report for July 1, 1994 through June 30, 1995. (D-All)

Charlotte Broussard, Administrative Assistant in the Office of Minority/Women and Small Business, provided an overview which indicated significant program achievements and continued challenges in this reporting period. She cited that there had been excellent increases in the Library, Planning, City Manager, Public Works, and City Attorney's offices. The M/WBE Advisory Committee was established last year, and since has engaged in a lot of activity re: the anti-affirmative action legislation.

Councilmember Steinberg agreed that the statistics indicate a good increase, and questioned if CCRI legislation passes, would the price breaks disappear, and if so, can Minority/Women Small Business advantages be maintained. He suggested that a two-track strategy be adopted: 1) to oppose CCRI initiative and 2) must plan to continue being aggressive re: M/BWE

Aaron Chong, Office of Minority/Women and Small Business Coordinator, responded that programs are currently under scrutiny, but that it is premature at this time to make assessments. Mr. Chong said he is working with the City Attorney's office to enhance the program and is looking at availability numbers to improve the outreach program which the Supreme Court has ruled as legal.

Mayor Serna said he was impressed with the advances, particularly the Library, and asked if the statistics indicated real dollars, and was assured that was the case.

Councilmember Yee inquired as to what were the renewal dates for certifications, and Mr. Chong replied that it is a variable, annual process which runs on a monthly basis. It is now a two-year program with Federal approval.

Councilmember Pannell commended the Library on the significant increase shown, and for the concentrated effort it had made. He called for an achievement level of 20% for all City departments.

A motion was made by Councilmember Pannell, seconded by Councilmember Fargo, to receive and accept the Annual Report and approve recommendations contained therein. The motion carried by an 8-0 vote, with Councilmember Cohn being absent.

THIS ITEM MOVED FROM CONSENT CALENDAR ITEM 1.5

- 4.3 K Street/Interstate 5 Underpass Renovations (PN:TL76), located between 2nd and 4th Streets - approval of Program Supplement No.060 Rev.1; appropriation of funds and contract award to Westcon Construction Corporation in the amount of \$316,428. (D-1)

Greg Hovious, Architecture and Engineering, gave a brief recap of a bidding problem which had emerged concerning the bids on the K Street/Interstate 5 Underpass Renovations project. The bid from John F. Otto Inc. did not contain a unit price for the removal and relocation of a fire hydrant, which Carl Otto of the company said had never appeared on any of the drawings for the project. Mr. Otto opposed the awarding of the contract to Westcon on those grounds, saying there had been some verbal communication which had not been supported by documentation.

Councilmember Yee expressed his understanding of the situation, but felt there were clear instructions to John F. Otto regarding relocation of the hydrant, and the Otto bid must be deemed incomplete per their "no bid" response that appeared on the bid document where the fire hydrant item was listed.

Councilmember Waters established that communication on this subject had been strictly verbal, and Mr. Otto reiterated that there was no mention on the plans, but only on the bid form re: the moving of the hydrant.

Councilmember Kerth asked if there were proposed changes to the bid process, and Councilmember Yee responded that it is customary for addendums to be issued for each bid to modify content.

A motion was made by Councilmember Yee, seconded by Councilmember Cohn, to adopt Staff recommendation to adopt Resolution No. 96-101 approving Agreement No. 96-033 awarding Contract No. 96-012 to Westcon Construction Corporation. The motion carried by an 8-1 vote, with Councilmember Waters voting No.

RESOLUTION NO. 96-101

RESOLUTION APPROVING PROGRAM SUPPLEMENT NO. 060
REV.1 TO LOCAL AGENCY AGREEMENT NO. 03-5002 AND
APPROPRIATION OF FUNDS FOR THE K STREET/I-5
UNDERPASS RENOVATION PROJECT (PN:TL76)

* * * * *

5.0 S.H.R.A.

None

6.0 CITIZENS ADDRESSING COUNCIL (MATTERS NOT ON AGENDA)

(A Three minute time limit is imposed on speakers addressing the Council under this heading)

Harry Hoorazar, a resident of Oak Park, brought a complaint before Council regarding some fees for water in a building he is in the process of rehabilitating. As Mr. Hoorazar is the only resident, he believed the fees to be excessive in that he is being charged for 5 units of water. He stated that he is trying to be an asset to the community and that his plans for rehabilitating the building are currently being considered by Plan Check. He felt he has had to deal with both political and financial abuse in his attempt to rehabilitate this building.

Mayor Serna suggested that Mr. Hoorazar contact SHRA regarding assistance that is available.

Councilmember Ortiz asked that Mr. Hoorazar forward forms and fees in writing to her office, and she would reacquaint him with funding opportunities. She said there are vacant building monitoring fees and fines if a building is not maintained as expected.

Councilmember Farqo said this incidence was an example of the need for Planning and Development Department to be more customer friendly.

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7.0 COUNCIL IDEAS AND QUESTIONS

None

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8.0 RECESSED INTO CLOSED SESSION at the hour of 4:15 p.m.

8.1 Pursuant to Government Code Section 54956.9(b) to discuss matters relating to a significant exposure to litigation; one potential case.

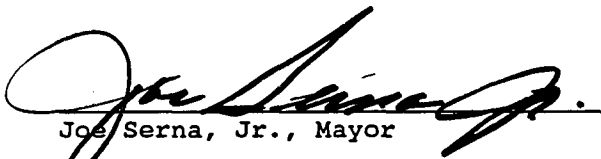
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There being no further business to come before the City Council, the meeting was adjourned at the hour of 4:30 p.m.

Submitted


Valerie A. Burrowes, City Clerk

Approved


Joe Serna, Jr., Mayor

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REGULAR MEETING

MARCH 5, 1996

CALL TO ORDER

The Regular Meeting of the Sacramento City Council was called to order by Mayor Serna at 7:05 p.m. on the above date in the City Council Chamber located at 915 I Street.

ROLL CALL

Present: Councilmembers Cohn, Fargo, Kerth, Ortiz, Pannell, Steinberg, Waters, Yee and Mayor Serna

Absent: None

PLEDGE OF ALLEGIANCE was led by Mayor Serna

9.0 SPECIAL PRESENTATIONS/GENERAL COMMUNICATIONS [Economic Development Issues]

9.1 "Hang In There Award" to Broadway Costume and Theatrical Supply

The resolution was presented by Mayor Serna to Kathryn Flegenhuer who accepted in memory of her parents. She thanked Mayor Serna and the Council for the honor.

9.2 Recognition of the Ninth Annual Human Race on May 11, 1996

The resolution was presented by Mayor Serna.

10.0 PUBLIC HEARINGS

None

11.0 STAFF REPORTS

11.6 Strategy for Tourism Project Development in Sacramento [Bill Farley].
(D-All)

Bill Farley, Economic Development Manager, said staff was seeking Council approval to investigate and define preliminary concepts for a tourism-

related project with Knotts' Berry Farm in Sacramento, and would report back in six to nine months.

Mr. Farley said the impetus for investigating tourism development was based on the following: (1) expanding tourism was one of the elements on the Council's Economic Development agenda; (2) tourism was a clean industry that imported dollars from other regions to the benefit of local businesses; (3) development of a major tourist attraction would boost the local economy by increasing sales and tax revenues and creating jobs; (4) development of a destination attraction would help attract convention business to the newly expanded convention center; (5) added spending power downtown would continue to reinforce the Central Business District as the regional center for economic activity; and (6) Sacramento was poised to be the State's central hub of activity for the three-year celebration of the 150th anniversary of the Gold Rush and Statehood.

Mr. Farley introduced Michelle Nelson, Management Analyst, to discuss the strategy for the tourism project.

Ms. Nelson said one of the primary goals of the project was to provide a magnet to increase the number of overnight tourists in Sacramento. The key to achieving this goal was the location of the project near Old Sacramento, an established retail district and tourist destination. Recent trends in retail development and revitalization showed that projects with an entertainment/retail mix drew a larger and more diversified tourist population that tended to stay longer and spend more money than if either the retail or entertainment were stand-alone projects.

Ms. Nelson called Council's attention to the letter from Knott's Berry Farm on page 12 of the staff report, in which they stated their interest in working with City staff to develop a meaningful theme park in conjunction with Old Sacramento.

According to Ms. Nelson, a private group had proposed a freshwater aquarium as a tourist attraction in 1993. Evaluation of this proposal indicated that an aquarium would require \$30 to \$60 million of public or private subsidy.

As part of her presentation, Ms. Nelson informed the Council about other public-sponsored tourism projects in California. She then related that the City had retained an expert tourism consultant, Harrison Price, to evaluate Sacramento's tourist market and indicate viable visitor attractions. Harrison Price indicated that the City should focus on attractions that would take advantage of existing, rich, historical heritage and existing attendance in Old Sacramento. He recommended attractions such as Gold Rush, rivers and water resources, pioneer life, railroads and telegraph and the multi-cultural evolution of Sacramento/California.

Economically speaking, Ms. Nelson said a major tourist attraction could: boost the local economy by \$150 to \$250 million on an annual basis; increase annual retail sales in Old Sacramento by \$20 to \$60 million; increase annual taxes and fees by \$1.5 to \$25 million; and create 1,000 to 1,500 service jobs.

Ms. Nelson said the next steps involved: (1) assembling a staff technical team representing the City Manager's Office, Public Works, Planning, Utilities; and SHRA to advise Knott's on site-related issues; (2)

assembling an interagency team including State Parks, CalTrans, Army Corps of Engineers, State Reclamation District, State Lands Commission etc. for on site development; (3) brief key stakeholders including: Southern Pacific, State Parks, State Parks 150 Committee, Old Sacramento Management board, Downtown Partnership, City of West Sacramento, Governor's CAL150 Committee, and State Trade and Commerce Agency; (4) have Harrison Price fine-tune the market study and provide feasibility analysis; (5) request Knott's to develop concepts and story boards for an attraction with input from City and State Parks; (6) explore various financing alternatives, financial commitments; (7) evaluate parking issues; and (8) develop letter of intent with the City and Knott's, the City and the State, the City and Southern Pacific, the City and Old Sacramento Management board and the City and the Corps of Engineers.

Councilman Yee asked how this project would be financed.

Bill Farley replied he did not know, but would inquire how other cities had financed their projects.

Council members Cohn and Fargo spoke in favor of the project.

Public Testimony:

Tom Bright inquired what fee was paid to Mr. Price; Mr. Farley replied \$10,000.

Mr. Bright asked how many staff hours were spent on this project; Mr. Farley said approximately 500.

Mr. Bright asked if the City allowed co-ventures to which Sam Jackson, City Attorney, replied the Charter did not preclude them.

Walter Gray, Director of the Railroad Museum, commended staff for looking to increase tourism. He said the gold rush was a critical theme.

Councilman Pannell commended staff for their work on this proposal. He asked if it would impact the City's analysis of hotel space.

Mr. Farley replied that if the project were built, it would require several hundred hotel rooms to support the tourism. However, he said staff would look at that issue only when the project was started.

Mayor Serna recommended that resolutions supporting staff to pursue this project be placed on the March 12, 1996 consent calendar for approval.

This information was received and filed.

11.7 Extension of Letter of Intent with Capital Sports Team Ltd. (an affiliate of Maguire Thomas Partners) (AG95-150). (D-1)

Bill Farley, Economic Development Manager, said that staff recommended that the Letter of Intent with Capital Sports Team, Ltd, an affiliate of Maguire Thomas Partners (MTP), to lease the North Stadium site be extended up to 180 days. The additional time period would allow Capital Sports Team, Ltd. to complete their feasibility analysis on preliminary concepts for the site and to outline a financing plan for development. Staff would return to Council at the end of the 180-day period with a completed lease for Council's consideration.

Mr. Farley added that Capital Sports Team, Ltd. had completed a preliminary assessment of the uses that might be appropriate to the site. The major uses were: (1) stadium/ballpark; (2) outdoor amphitheater; (3) sports/entertainment center; and (4) a family recreation/entertainment facility.

Mayor Serna stated that the City was standing on the edge of a viable opportunity.

Public Testimony:

Jim Thomas, Maguire Thomas Partners, told the Council that this was a "win win" situation.

Councilman Cohn said he was pleased to see plans for an amphitheater on this site, instead of at Cal Expo. He also liked the idea of a minor team on the site.

Mr. Thomas said that his firm wanted to do a ball park immediately. However, the project would have to have a minor team, as a major league team was not currently available.

Councilman Yee asked if Mr. Thomas meant that the complex would be expanded for a major league. Mr. Thomas replied a new, larger stadium would be built on the same site.

Councilman Steinberg asked at what point this proposal would be laid out in detail. Mr. Farley replied in approximately 2-4 months.

Mr. Steinberg asked about traffic mitigation. Mr. Thomas replied that he felt the traffic problems were very solvable.

Councilwoman Fargo stressed that there needed to be a balance between what was developed outside the central city and in the central city. She felt this project was very viable.

Roger Lehutshky, a Natomas resident, spoke in favor of the project.

William Walsh, spoke against the project.

Ken Adams said that he felt the traffic problems could definitely be solved.

Councilman Pannell said the project would give Natomas a positive image.

Mayor Serna stated that the City wanted a solution that brought everyone together.

A motion was made by Councilmember Pannell, seconded by Councilmember Waters, to adopt Resolution 96-102 approving the extension of the letter of intent with Capital Sports Team, Ltd. The motion carried with a 9-0 roll call vote.

RESOLUTION NO. 96-102

RESOLUTION EXTENDING LETTER OF INTENT WITH
CAPITAL SPORTS TEAM, LTD. TO LEASE NORTH NATOMAS
STADIUM SITE FOR UP TO 180 DAYS

11.1 Employment and Industry Trends in the Sacramento Region [David Lyons/EDD]. (D-All)

This item was withdrawn.

11.2 CADA Mid-Year Report [oral report]. (D-All)

Brian Van Camp, Chairman of the Board of Directors of CADA, gave the mid-year report for his organization. He spoke of, and introduced the new executive director, Ronald Alvarado, who had an extensive background in real estate development, property management, and administration in both the private and public sectors.

Mr. Van Camp said that CADA has implemented a new information management system which afforded them computerized accounting. They adopted a personnel and administrative manual; completed a classification and salary study; and completed a performance audit that had been requested by Council. In addition, CADA sent out a tenant survey to approximately 700 tenants, with a 50% return. On March 29, 1996, the board was having a retreat in order to put together a strategic planning process.

Mr. Van Camp said the CADA Board and staff members were actively participating in the Urban Land Institute stakeholder planning process to shape the vision of State land use in the downtown.

According to Mr. Van Camp, CADA had signed a lease to redo the Capitol View Motel; negotiated an agreement with a builder for a garden apartment hotel at the 14th and P Street site; arranged for low income housing at 17th and N Streets; and allowed the Police Department to use, rent free, the property at 16th and N Streets for a Neighborhood Service Center.

In closing, Mr. Van Camp thanked City staff for their assistance with the Merriam apartment site.

Councilman Yee asked Mr. Van Camp about the status of the governor's mansion downtown, and the state building on N Street.

Mr. Van Camp replied the status of the mansion on 15th and N streets was not a priority of Governor Wilson at this time. He said the status of State office buildings on N street was in various stages of development or would be built within 5 years.

Councilman Cohn commended CADA for their donation of the property for the Neighborhood Service Center.

Councilwoman Fargo spoke about the possibility of using CADA's land to construct a residential complex overlooking Capitol Park. Mr. Van Camp said that had been discussed in the past.

This information was received and filed.

11.3 Downtown Partnership Business Plan [Tom Carroll, oral report]. (D-1)

Tom Carroll, Downtown Partnership, stated that his organization had hired the Fransen Company to assess the downtown area and to develop a retail and entertainment strategy. He introduced John Fransen who discussed his

company's research and recommendations.

Mr. Fransen said his study showed that K Street was the key to downtown vitality. However, it needed a complete reorientation in order to develop it into a nighttime retail/entertainment center. He recommended re-introducing cinemas to the downtown in a big way which would serve as a catalyst for attracting restaurants.

Mayor Serna asked what would be the threshold number of theaters. Mr. Fransen replied 30 theaters at multiple sites.

Councilman Steinberg asked if the downtown theaters could cater to a different cinema audience, i.e. old films, foreign films, etc.

Mr. Fransen replied he would contend that the downtown theaters would attract the same audiences as other theaters.

Mayor Serna requested a report back from SHRA Executive, Tom Lee, on the status of the theaters at the Crest.

Councilman Kerth stated that if the City waited to develop the Natomas theaters, the downtown theaters would flourish. Then, when the moratorium was lifted, the theaters outside the central city would happen anyway.

Councilman Cohn said that even though the City interferes with the market all the time when it approves/disapproves of zoning applications, he had a problem with having a moratorium on building cinemas outside the downtown area.

Councilman Pannell said he felt Council should not be interfering with business enterprise.

Councilwoman Fargo stated that the Council needed to decide what was fair for everyone in all locations.

Dave Taylor, Downtown Partnership, said all markets operated with rules. He asked that the rules be the same for everyone. He stressed that by building cinemas in the downtown and Natomas areas would be like having two complexes in one market.

Mr. Kerth asked what percentage of people would go to Natomas instead of downtown. Mr. Taylor replied that was unknown. The Partnership would like a 3 year moratorium for theaters outside of the downtown area.

This information was received and filed.

- 11.4 Sacramento Convention and Visitors Bureau update of Visitor Services [Sam Burns]. (D-1)

This item was continued to April 2, 1996.

- 11.5 Sacramento Convention and Visitors Bureau update [Sam Burns]. (D-1)

This item was continued to April 2, 1996.

12.0 S.H.R.A.

12.1 Status report on Small Business Assistance Programs [Tom Lee/Cassandra Jennings]. (D-All)

Cassandra Jennings, SHRA Economic Development Manager, said that the Agency had been involved in providing assistance to small businesses in the form of financial and/or technical aid in targeted or redevelopment areas throughout the City.

Ms. Jennings said in the past few years, the Agency's Economic Development Program had expanded multi-fold. At the direction of the City Council and Board of Supervisors, the Agency became responsible for coordinating the City/County Economic Development Cabinet to facilitate coordination and cooperation between the individuals involved in the County's regional economic development. The Agency also assumed a key role in the economic development activities at the Mather and Army depot Redevelopment Areas and the initiation of activities in the older commercial corridors.

Ms. Jennings distributed to Council a packet containing a description of the various SHRA programs for small businesses.

Councilman Kerth said that he had heard from constituents that there were too many unexpected hurdles to clear when applying for SHRA small business programs. He recommended streamlining the program.

Ms. Jennings said that staff would continue to work on making the process as user-friendly as possible.

This information was received and filed.

STAFF REPORTS CONTINUED

11.8 Status of the Globe Mill Complex, located at 1127 C Street; suspend competitive bidding due to emergency nature for remediation of dangerous conditions at the property (requires two-thirds vote) (continued from 2/20/96, item 11.2): (D-1)

- A. Approve demolition
 - B. Authorize funding
 - C. Suspend formal competitive bidding due to emergency nature of the project; execute necessary agreements
-

Dianne Guzman, Planning Director, stated staff was recommending that the two structures within the privately owned Globe Mill Complex be demolished and that the site be secured. Council would authorize the City Manager to suspend the formal bidding process and allow the City Building official and/or Housing and Code Enforcement Manager to execute an agreement with a qualified contractor to demolish the five-story structure and the metal warehouse building.

Ms. Guzman said the County Assessor's Office held a tax lien sale for the two parcels on which the Globe Mill complex was located. There was a minimum bid of \$70,000 required to purchase the property; no one bid.

According to Ms. Guzman staff's analysis of Bruce Booher's proposal

showed some unrealistic costs. Also, Mr. Booher's recommendations for site security did not meet the Fire Department's regulations; the rear shed on the property was not mentioned in the proposal; the rehabilitation costs were unrealistically low; there was no written proof that Mr. Booher had site control; and the proposal contained no mention of on-going costs.

Ms. Guzman said stabilization would require considerable additional staff time. In addition, staff felt that even if the buildings were stabilized, the issue to demolish the structures would be back before the Council in six months time.

Councilwoman Fargo asked why the City would demolish the buildings if they had been stabilized. Ms. Guzman replied there could be considerable problems if vandals broke into the buildings.

Councilman Waters asked if the \$29,250 cost of site and building securement on page 4 of the report included brace supports.

Ms. Guzman replied the cost included double fencing, concrete barriers, sealing of all the entry points to the buildings and signage.

Councilwoman Ortiz said she had a problem with Mr. Booher acting as an agent of the City. She asked under what authority would this be done.

Sam Jackson, City Attorney, replied he would be acting as a building inspector.

Ms. Ortiz asked about the City's liability. Mr. Jackson replied his office would take care of the legal aspects.

Councilman Yee said that he appreciated Mr. Booher and his engineer's work on this project. However, he said that he had contacted a contractor and was advised the this project was not feasible. He asked Mr. Sullivan, consultant to the City, what the braces for stabilization would cost.

Tim Sullivan, consultant, replied the cost would be approximately \$24,000.

Councilman Pannell asked if the City was liable if someone was injured on the Globe Mill complex.

Mr. Jackson replied as soon as the City did anything to the property, it was liable.

Mr. Pannell spoke against stabilizing the buildings.

Bruce Booher informed the Council that he did not bid on the property at the lien auction because he had no assurance that the City would allow the buildings on the property to stand. He stressed that he was still convinced that this was a viable project.

Mr. Booher distributed written material to the Council which included a list of contractors who wanted to get involved with the project, and letters from potential tenants when the project was complete. He assured the Council that \$29,000 was the price for which he was willing to do the stabilization. He added that his price was low because he had volunteer labor.

Mr. Booher said the bow in the wall of the building existed as it was built, and was not a failure.

Councilwoman Ortiz asked how long it would be before the building was rehabilitated.

Councilman Waters questioned the discrepancies on stabilization costs.

Kevin O'Dell, SHRA, stated that the costs to secure and stabilize the building and to open C Street were \$75,000. The costs for demolition and security were \$90,000. He admitted that the costs on page 32 of the staff report included contingency costs.

Mr. Waters expressed his displeasure at staff not fully disclosing the costs for stabilization.

Councilman Kerth asked about the \$10,000 cost for PCB's. Mr. O'Dell replied that the consultants had estimated that cost to remove and dispose of old transformers that they assumed were in the metal shed on the property.

Mr. Kerth confirmed that \$60,000 of the demolition costs included remediation of the metal shed. Mr. O'Dell replied that was correct.

A motion was made by Councilman Cohn, seconded by Councilwoman Fargo to authorize the City Manager to suspend formal competitive bidding due to the emergency nature of the project and to execute the necessary agreements with Mr. Booher. He also stipulated that C Street would be opened. AG 96-067

Councilman Waters moved an amendment to the motion, seconded by Councilman Cohn, that City staff would be responsible for overseeing the stabilization of the building.

Mayor Serna said that he would like to see a cap of \$80,000 from the General Fund put on the expenditures.

Ms. Ortiz said that the request was unrealistic, because if there were additional risks, the City would spend additional money to remediate them.

Mr. Serna asked how the City could shift that responsibility. Mr. Jackson replied that a clause would be placed in the agreement holding the City harmless. Therefore money could be recovered and/or the property could be liened.

A substitute motion was made by Councilmember Pannell, seconded by Councilmember Yee to adopt staff's recommendation to demolish the building. The motion failed with a 4-5 roll call vote, with Councilmembers Cohn, Fargo, Kerth, Steinberg and Waters voting no.

The main motion passed with a 6-3 roll call vote, with Council members Ortiz, Pannell, and Yee voting no.

13.0 CITIZENS ADDRESSING COUNCIL AGENCY OR AUTHORITIES BY PERSONAL APPEARANCE OR TELEPHONICALLY ON MATTERS NOT ON THE AGENDA

13.1 John Bustamante spoke in support of changing the name of Franklin Boulevard to Cesar Chavez Boulevard.

13.2 Walter Gray spoke against the recommendation of placing the Globe ship on the sidewalk of Old Sacramento.

13.3 Virginia Diebel called in to express her concern that the Globe Mill complex become a viable project in a timely manner.

13.4 Steve Lamont called to inquire how he could bid on the stabilization process of the Globe Mill. He was instructed to contact Deputy City Manager Martinez.

14.0 COUNCIL IDEAS AND QUESTIONS

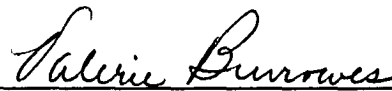
None

15.0 ANNOUNCEMENTS

None

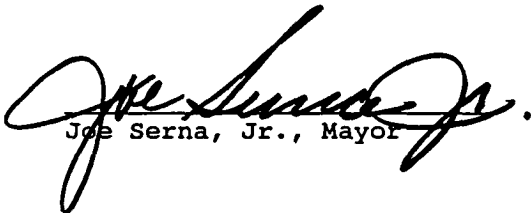
ADJOURNMENT - There being no further business to come before the Council, the meeting was adjourned at 12:05 a.m.

Submitted



Valerie A. Burrowes, City Clerk

Approved



Joe Serna, Jr., Mayor