



**Sacramento
Housing &
Redevelopment
Agency**

June 21, 2000

1.3



Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: ACQUISITION OF 3721 AND 3711 MARYSVILLE BOULEVARD

LOCATION & COUNCIL DISTRICT - 3721 and 3711 Marysville Boulevard; Council
District 2.

RECOMMENDATION

Staff recommends adoption of the attached resolution which authorizes the Executive Director or her designee to:

- establish just compensation for two commercial zoned parcels located at 3721 and 3711 Marysville Boulevard (APN 251 0122 004 and 251 0122 009, respectively);
- execute an Agreement for Purchase and sale of Real Property with the owners of each property for not substantially more than just compensation, and to take all other actions necessary to acquire the subject properties; and
- amend the Agency budget to transfer \$146,000 from the 1999 Del Paso Heights Town Center Strategy project to the 3721 and 3711 Marysville Boulevard Acquisition project.

CONTACT PERSONS

John Dangberg, Director - Community Development, 440-1357
Greg Rowe - Redevelopment Manager, 440-1399, ext. 1232
Donna Melendez - Senior Redevelopment Planner, 566-6487

FOR COUNCIL MEETING OF June 27, 2000

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency
of the City of Sacramento
June 21, 2000
Page 2

SUMMARY

This report recommends the establishment of just compensation and authorization to purchase two parcels located on the west side of Marysville Boulevard in the Del Paso Heights Redevelopment Project Area, between Grand Avenue and Roanoke Street in the "Town Center" area (Parcel Map, Attachment 1). The first parcel is adjacent to the Greater Sacramento Urban League (GSUL) building, and is bordered by the "North Sac Auto" site on the south. It is occupied by the former "ETP" restaurant, which is no longer in business. The second property, a vacant parcel at 3711 Marysville Blvd., is adjacent to the "Norm's Liquor" building. Acquisition of the two parcels will contribute toward eliminating blight in the Marysville Boulevard commercial corridor and achieving other Agency revitalization goals, plans and policies. The proposed action will also enable the Agency to acquire two strategically located parcels that can subsequently be consolidated with and developed in conjunction with the contiguous "North Sac Auto" site located at 3713 and 3717 Marysville Blvd. Staff recommends that acquisition proceed simultaneously on both parcels. The two parcels have different owners.

REDEVELOPMENT ADVISORY COMMITTEE

Lacking a quorum at its regularly scheduled meeting of June 8, 2000, the Del Paso Heights Redevelopment Advisory Committee conducted an advisory vote recommending the actions described in this staff report. The vote was as follows:

AYES: Ahkiong, Velez-Belay, Block, Kinsey, Mack, Scoggins, Whittaker.

NOES: None

ABSENT: Barnes, Blue, Covington, Langston, Lee, Loree, Vue, Wells.

COMMISSION ACTION

It is anticipated that at its meeting of June 21, 2000, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending approval of the attached resolutions. In the event they fail to do so, you will be advised prior to your June 27, 2000 meeting.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency
of the City of Sacramento
June 21, 2000
Page 3

BACKGROUND

In recent years the Agency has been engaged in numerous comprehensive efforts to revitalize properties near the intersection of Marysville Boulevard and Grand Avenue, traditionally the nucleus of commercial and social life in Del Paso Heights. These actions include:

- Adoption in 1998 of the comprehensive *Marysville Boulevard Urban Design Plan*, which establishes a master plan and design guidelines for all of Marysville Blvd.
- Funding and development assistance in 1999 for the GSUL "Workforce Development Center" at 3725-37 Marysville Blvd.
- Donation in 1999 of Agency owned land at 3707 Balsam Street to GSUL for parking.
- Purchase in late 1999 of a vacant parcel on Balsam Street, directly opposite from the GSUL site.
- Approval and funding in late 1999 and early 2000 of Phases I and II of the Marysville Blvd. "Urban Design Plan" implementation, at a combined cost of almost \$411,000.
- Approval on May 2, 2000 to purchase the "North Sac Auto" site, located at 3713 and 3717 Marysville Boulevard.

"TOWN CENTER" CONCEPT

The *Marysville Boulevard Urban Design Plan* established the concept of a "Town Center" at the intersection of Marysville and Grand, which will provide a catalyst for future development near this key intersection. More recently, on February 29, 2000 the Agency adopted the *2000 - 2004 Redevelopment Implementation Plan*, which further articulates the "Town Center" concept.

One of the primary constraints to redevelopment identified in the *Del Paso Heights Redevelopment Plan* and the above plans is the predominance of small fragmented parcels that are not conducive to reuse or redevelopment. Thus, parcel assembly and consolidation is a critical element for redeveloping this area. In addition, the area is characterized by obsolete, deteriorated and blighting buildings that have little inherent architectural or market value. These buildings are a hindrance to your redevelopment goals for the area. Approval of the actions recommended in this report would be in furtherance of the Agency's land consolidation and blight elimination policies.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency
of the City of Sacramento
June 21, 2000
Page 4

ENVIRONMENTAL EVALUATIONS

In April 1999 an environmental assessment was completed on properties in the Marysville Urban Design Corridor by Harding Lawson Associates (HLA). The *Modified Phase I Environmental Site Assessment* identified 3721 Marysville Blvd. as having potential subsurface (soil and groundwater) impacts because an automotive repair shop was formerly located on the site (in 1963, "McDanial Automotive Service"; also located on the 3717 Marysville Blvd. parcel). The potential for contamination also exists at the 3711 parcel because of its proximity to both "Norm's" and nearby auto related land uses. Therefore, HLA has been asked to prepare a scope of work for a "Limited Phase II Investigation" for each of the two parcels proposed for acquisition: The work on the "ETP" parcel will also include an evaluation of lead and asbestos, which is required for demolition. A preliminary estimate of \$15,000 has been received for each parcel (total of \$30,000). The Agency's goal is to prepare the "ETP" site for future neighborhood-serving development, so demolition costs of approximately \$10,000 would also be incurred.

FINANCIAL CONSIDERATIONS

The source of funds for this action is the Del Paso Heights "Town Center Strategy". On May 9, 2000 the Redevelopment Agency allocated \$1,160,000 to this fund from the proceeds of the Capital Improvement Revenue bond issued in December 1999. Sufficient funds remain to carry out the actions recommended in this report. Appraisals of both sites have been completed to determine fair market value, and estimates for Phase II environmental investigations have been developed. The "ETP" appraisal considered the value of the billboard, and foregone lease income to the property owner for the remainder of the current billboard contract. The contingencies built into the proposed acquisition cost include potential payment to the sign owner for the value of the sign, potential loss of "good will"¹, and possible use of a relocation consultant.

Offers on both properties will be presented following Agency approval of this report. If the offers are accepted, additional escrow, closing, and contingency costs would be incurred. The proposed combined acquisition cost of \$146,000 includes all transaction costs, including:

- the purchase price of each parcel
- appraisals and closing costs
- demolition of the structure on 3721 Marysville Blvd.
- due diligence (including Limited Phase II environmental investigations), and
- an allowance for unanticipated contingencies (such as more extensive environmental studies, additional closing costs, etc.).

¹ Goodwill is defined as "The benefits that accrue to a business as a result of its location, reputation or dependability, skill or quality; and any other circumstances resulting in probable retention of old or acquisition of new patronage."

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency
of the City of Sacramento
June 21, 2000
Page 5

POLICY CONSIDERATIONS

The recommended actions are consistent with policies for redevelopment site assembly, as described in the *Fifth Amendment to the Del Paso Heights Redevelopment Plan*, adopted by the Sacramento City Council in July 1998. These actions are also consistent with the *Marysville Boulevard Urban Design Plan* adopted by the Sacramento City Council in June 1998, the Agency's *2000-20004 Implementation Plan*, and with the California Redevelopment Law.

ENVIRONMENTAL REVIEW

The proposed action to acquire property is in furtherance of the *Del Paso Heights Redevelopment Plan*, as amended. Per California Environmental Quality Act (CEQA) Guidelines Sections 15180, 15162, and 15163, acquisition of parcels for consolidation and development, and actions to encourage redevelopment in a redevelopment area were deemed approved at the time of adoption of the redevelopment plan. The proposed actions do not commit the Agency to a definite course of development action on the properties because they are expressly made contingent upon CEQA compliance prior to approval of a DDA or City entitlement per Agency and City environmental procedures. No further environmental documentation is required at this time. NEPA does not apply.

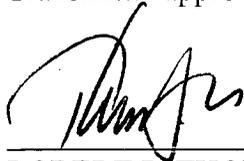
M/WBE CONSIDERATIONS

There are no M/WBE considerations associated with this action.

Respectfully submitted,


ANNE M. MOORE
Executive Director

Transmittal approved,



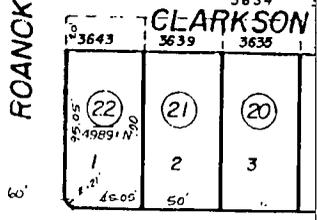
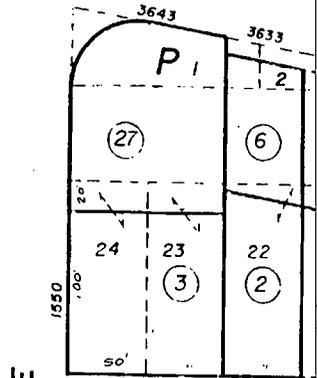
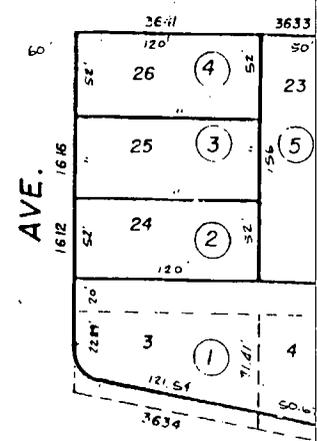
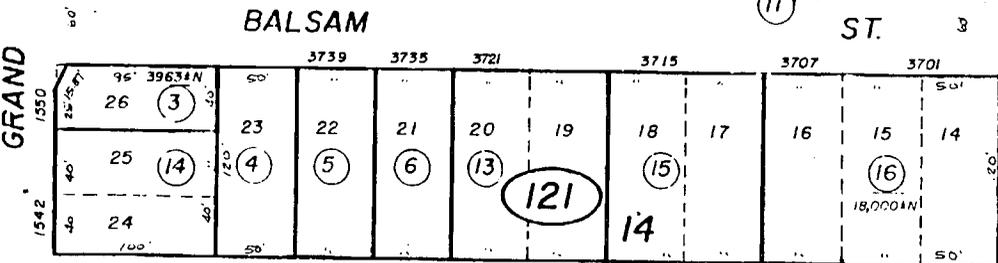
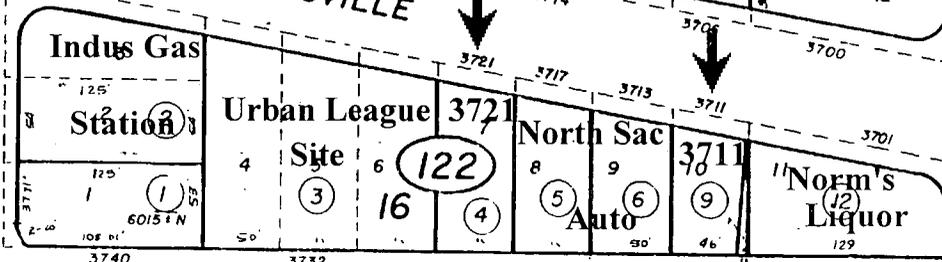
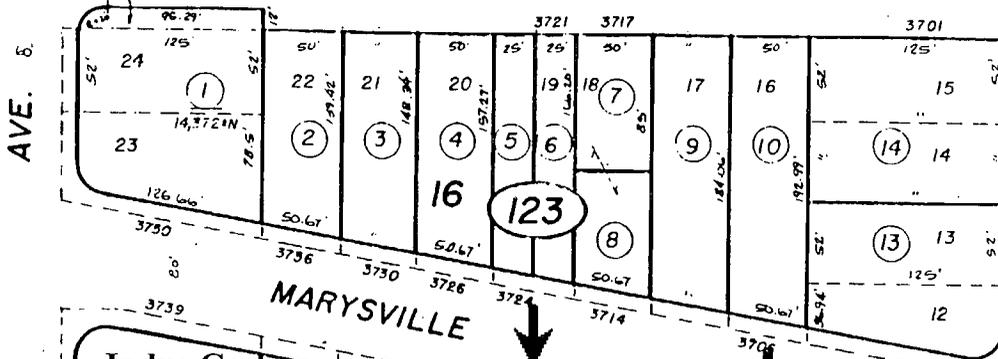
ROBERT P. THOMAS
City Manager

Attachment 1

3721 & 3711 Marysville Blvd.

Bk. 252

ABND. FER. 831108/1111
RES 83-878
R.M. 13-32
WILLOW



08

11

RESOLUTION NO. 2000-045

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF



**ESTABLISHING JUST COMPENSATION FOR TWO PARCELS
LOCATED AT 3721 MARYSVILLE BOULEVARD (APN 251-0122-004),
AND 3711 MARYSVILLE BOULEVARD (APN 251-0122-009)
AND AUTHORIZING THE EXECUTIVE DIRECTOR TO CARRY
OUT ALL NECESSARY ACTIONS RELATED TO ACQUISITION**

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

Section 1. Just compensation for the parcels to be acquired, APN 251-0122-004 and 251-0122-009, is the fair market value determined by independent appraisal.

Section 2. The Executive Director is authorized to take all actions necessary to purchase the properties identified in Section 1 of this resolution for not substantially more than just compensation.

Section 3. The Executive Director is authorized to amend the Agency budget by transferring \$146,000 from the Del Paso Heights Town Center Strategy project to the 3721 and 3711 Marysville Boulevard Acquisition Project to acquire the properties and carry out related actions.

CHAIR

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____ (7)