



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

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

Consent
December 5, 2006

Honorable Chair and Members of the Board

Title: Exclusive Right to Negotiate with Richards Blvd. Joint Venture

Location/Council District: Southwest corner of Richards Boulevard and North 7th Street – Council District 1

Recommendation: Adopt a resolution authorizing the execution of Agreement for Exclusive Right to Negotiate with Richards Blvd. Joint Venture for the purchase and redevelopment of the State of California Printing Plant located at 344 North 7th Street

Contact: Rachel Hazlewood, Sr. Economic Development Project Manager, 808-8645
Dave Harzoff, Economic Development Manager, 808-5385

Presenters: None

Department: Economic Development

Division: Downtown Development/Richards Boulevard

Organization No: 4451

Description/Analysis

Issue: The State of California (“State”) Printing Plant, located at 344 North 7th Street, occupies a 17 acre parcel on the southwest corner of Richards Boulevard and North 7th Street in the Richards Boulevard Redevelopment Project Area. The Agreement for the Exclusive Right to Negotiate (“ERN”) will enable the Richards Blvd. Joint Venture to negotiate for the acquisition of the State Printing Plant on the Redevelopment Agency’s behalf and to undertake the site’s development, which will expedite redevelopment of this strategic corner.

Policy Considerations: Permitting the Richard Blvd. Joint Venture to negotiate on behalf of the Redevelopment Agency is consistent with the Redevelopment Plan for Richards Boulevard. Redeveloping the affected parcels supports the Redevelopment Plan goals of eliminating blight, increasing private investment and reusing parcels that are stagnant or improperly utilized.


Environmental Considerations: The proposed action to approve the ERN, which authorizes staff to commence negotiations with the developer to define the

scope of the proposed development project and to complete the environmental review process for the project, is exempt from environmental review under CEQA Guidelines Section 15262.

Rationale for Recommendation: By executing this ERN, the Agency will be able to accelerate the time table for acquisition and reuse of this property. Furthermore, through the future execution of a Disposition and Development Agreement or an Owner Participation Agreement, the Agency will be able to ensure the development of the site in a manner consistent with the Redevelopment Plan.

Financial Considerations: None at this time.

Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this action.

Respectfully Submitted by: 
Dave Harzoff
Economic Development Manager
on behalf of the Redevelopment Agency
of the City of Sacramento

Recommendation Approved:

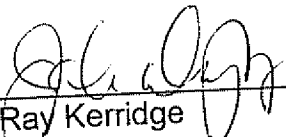

Ray Kerridge
City Manager

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Background

Exclusive Right to Negotiate for State Printing Plant

The State of California ("State") Printing Plant, located at 344 North 7th Street, occupies a 17 acre parcel on the southwest corner of Richards Boulevard and North 7th Street in the Richards Boulevard Redevelopment Project Area. The State has expressed interest in moving from this location due to the age and condition of the existing facility. Richards Blvd. Joint Venture is interested in relocating the State Printing Plant and redeveloping the parcel along with adjacent properties.

Relocating the State Printing Plant and redeveloping this strategic corridor of the Richards Boulevard Project Area would support the Redevelopment Plan goals of increasing commercial activities, tax revenues and private investment in the area. North 7th Street, as the downtown connector street, is planned to be a mixed use, commercial corridor which will serve as a hub for the redevelopment of the district.

The Richards Blvd. Joint Venture is a partnership of neighborhood business and property owners with development and construction expertise from the Richards Boulevard area who have joined forces to develop this and the surrounding properties. This supports Section B of the Redevelopment Plan, which states that property owners with the experience and the ability shall be provided reasonable opportunities to participate in the redevelopment of the area.

As another government entity, the State is able to enter into a sole source agreement with the Redevelopment Agency of the City of Sacramento without having to publicly bid the property's disposition. The Agreement for the Exclusive Right to Negotiate ("ERN") will enable the Joint Venture to negotiate the transaction on the Agency's behalf and undertake the site's redevelopment, which will expedite redevelopment of this corner. The ERN will have a one year term, which may be extended by the City Manager if substantial progress is made on the acquisition and development of the property by the Joint Venture partners.

RESOLUTION NO.

Adopted by the Redevelopment Agency of the City of Sacramento

APPROVAL OF AGREEMENT FOR EXCLUSIVE RIGHT TO NEGOTIATE WITH RICHARDS BLVD. JOINT VENTURE FOR THE ACQUISITION AND DEVELOPMENT OF THE STATE PRINTING PLANT LOCATED AT 344 NORTH 7TH STREET

BACKGROUND

- A. The State of California Printing Plant is located at 344 North 7th Street in the Richards Boulevard Redevelopment Project Area in a 50 year old facility on a 17-acre parcel and the State has expressed the desire to relocate to a state of the art printing facility.
- B. The Richards Boulevard Redevelopment Plan identifies increasing the level of private investment in the Project Area, reusing parcels that are stagnant or improperly utilized, and the remediation of contaminated parcels as strategies to eliminate blight.
- C. The Richards Boulevard Redevelopment Plan provides for the reasonable participation of property owners with the experience and ability to undertake redevelopment projects.
- D. The Richards Blvd. Joint Venture is comprised of a group of Richards Boulevard business and property owners with construction and development expertise who wish to relocate the State Printing Plant and redevelop the site and adjacent properties.

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 foregoing recitals and the environmental findings regarding this action, as stated in this resolution and the staff report, are approved.
- Section 2. The City Manager, as designated representative, is authorized to enter into an Agreement for Exclusive Right to Negotiate with Richards Blvd. Joint Venture for the acquisition and redevelopment of the State Printing Plant at 344 North 7th Street and adjacent properties.

