

APPROVED
BY THE CITY COUNCIL

MAR 23 1999

OFFICE OF THE
CITY CLERK



1.7

CITY OF SACRAMENTO
CALIFORNIA

DOWNTOWN AND REGIONAL ENTERPRISE DEPARTMENT
DOWNTOWN DEVELOPMENT

1030 15TH STREET, RM 250
SACRAMENTO, CA 95814

PHONE 916-264-7223
FAX 916-264-8161

RA99-010

March 11, 1999

City Council
Redevelopment Agency of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: SOCIAL SERVICE COMPLEX / GENERAL PRODUCE BUSINESS RETENTION

LOCATION AND COUNCIL DISTRICT:

District One
1330 North B Street, Richards Blvd. Redevelopment Area

RECOMMENDATION:

This report recommends that the City Council ("Council") and the Redevelopment Agency of the City of Sacramento ("Agency") adopt the attached resolution which:

- Requests approval to enter into a Predevelopment Agreement with A Street Partners, LLC, to perform preliminary planning, engineering and architectural work for the construction of the Consolidated Social Service Complex, and to negotiate a Disposition and Development Agreement for the project.

CONTACT PERSON:

Wendy Saunders, Downtown Development Manager, 264-8196
Anastasia Efstathiou, Senior Management Analyst, 264-8646

FOR THE COUNCIL MEETING OF: March 23, 1999

SUMMARY:

The resolution authorizes the Redevelopment Agency of the City of Sacramento to enter into a Predevelopment Agreement with A Street Partners, LLC, to perform preliminary planning, engineering, and architectural work related to the development of the Consolidated Social Service Complex. This report only authorizes the predevelopment agreement with A Street Partners, LLC, and staff's negotiation of a disposition and development agreement for your later consideration.

Staff intends to return to Council and Agency to recommend approval of a Disposition and Development Agreement with A Street Partners, LLC, which fully implements previously adopted policies related to the development of a Consolidated Social Service Complex in the Richards Boulevard Redevelopment Area.

COMMITTEE/COMMISSION ACTION

None

BACKGROUND:

OVERVIEW

August 20, 1998

The Social Service Complex Community Advisory Committee (CAC) unanimously approved the staff recommendations regarding the Consolidated Social Service Complex and the General Produce Business Retention Plan enumerated in the Staff Report dated November 10, 1998.

November 10, 1998

The Council approved Resolution No. 98-559 authorizing negotiations with General Produce and modifying the Social Service Complex Program. The resolution addressed the following:

- Recognized the importance of retaining an industrial business, like General Produce, within the City of Sacramento as a part of the City's overall economic development strategy.
- Modified and/or reaffirmed previously adopted policies related to the development of a consolidated social service complex in the Richards Boulevard Redevelopment Area.

The Agency approved Resolution No. 98-055, authorizing negotiations with General Produce and modifying the Social Service Complex Policies. The resolution authorized:

- The Deputy City Manager of the City Downtown and Regional Enterprise Department to enter into negotiations for the sale of approximately five acres of land previously designated for the Social Service Complex and to purchase approximately one and one-half acres of land from General Produce.

CURRENT STATUS

County Department of Human Assistance (DHA), Agency, and City Staff have been meeting monthly to proactively facilitate the construction of a cost efficient Social Service Complex. Discussion topics have included development phasing and ownership structure.

Development Phasing

It is proposed that the Social Service Complex will be built in three phases in order to advance the General Produce sale and acquisition.

- | | |
|------------|---|
| Phase I: | Predevelopment |
| Phase II: | Construction of the Non Aid in Kind Building (NAIK), and
Construction of the Administration Building |
| Phase III: | Completion of the remaining complex |

Construction of the NAIK and Administration Building will create the replacement beds and office space necessary to relocate the NAIK beds and administration space currently located in the modular buildings on the five-acre parcel General Produce intends to purchase. Completion of Phase III is contingent upon the purchase of General Produce's one and one-half acre parcel. (See Location Map -attachment A)

Ownership Structure

A Street Partners, LLC has proposed to finance and develop a facility to be leased to the County for its Social Service Complex.

City Staff has met with General Produce and entered into sale and acquisition negotiations. However negotiations are complicated due to the fact that the sale and acquisition must be contingent on the completion of Phase II and subsequent Union Pacific clean-up tasks.

Staff recommends that the two projects, Social Service Complex and General Produce Business Retention; proceed with separate time lines.

Social Service Complex

- Staff recommends approval of a Predevelopment Agreement and will return to the Council and the Agency to recommend approval of a Disposition and Development Agreement with A Street Partners, LLC, which will fully implement previously adopted

policies related to the development of the Social Service Complex in the Richards Boulevard Area.

General Produce Business Retention

- Staff will continue sale and acquisition negotiations and will return to the Council and the Agency to recommend approval of a Disposition and Development Agreement requesting the sale and acquisition of land to and from General Produce.

FINANCIAL CONSIDERATIONS:

The Agency shall pay for the actual costs of the predevelopment work to be identified in the Predevelopment Agreement only in the event that Agency and Developer fail to negotiate and execute a Disposition and Development Agreement, and not to exceed \$48,500. Funds exist in the Architectural Services Project, in the event that the Agency would have to pay for the Predevelopment Cost.

ENVIRONMENTAL CONSIDERATIONS:

The proposed actions authorized in this report are in furtherance of the Richards Boulevard Redevelopment Plan, as amended. Per CEQA Guidelines Sections 15180, 15162, and 15163, acquisition and disposition of parcels for consolidation and development, and planning activities for the development of the Social Services Complex were deemed approved at the time of adoption of the redevelopment plan. When the proposed project is designed, the proposed project will be subject to environmental review prior to approval of a DDA or City entitlements. No further CEQA environmental documentation is required at this time. NEPA does not apply.

POLICY CONSIDERATIONS:

The action requested in the attached resolution are consistent with the goals and objectives of the:

- City Council's adopted "Critical Elements of an Economic Development Program for Sacramento",
- Richard's Boulevard Area Plan,
- City's Social Service "Fair Share" Siting Policies,
- City's moratorium on other future expansion or approval of new social service uses in this area.

MBE/WBE:

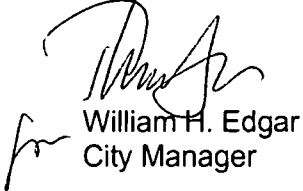
Predevelopment contractors will be encouraged to utilize MBE/WBE's for contracting activities related to the project.

Respectfully submitted,



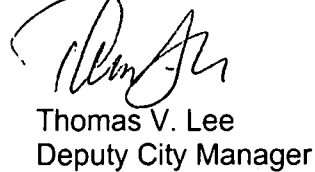
Wendy Saunders
Downtown Development Manager

RECOMMENDATION APPROVED:

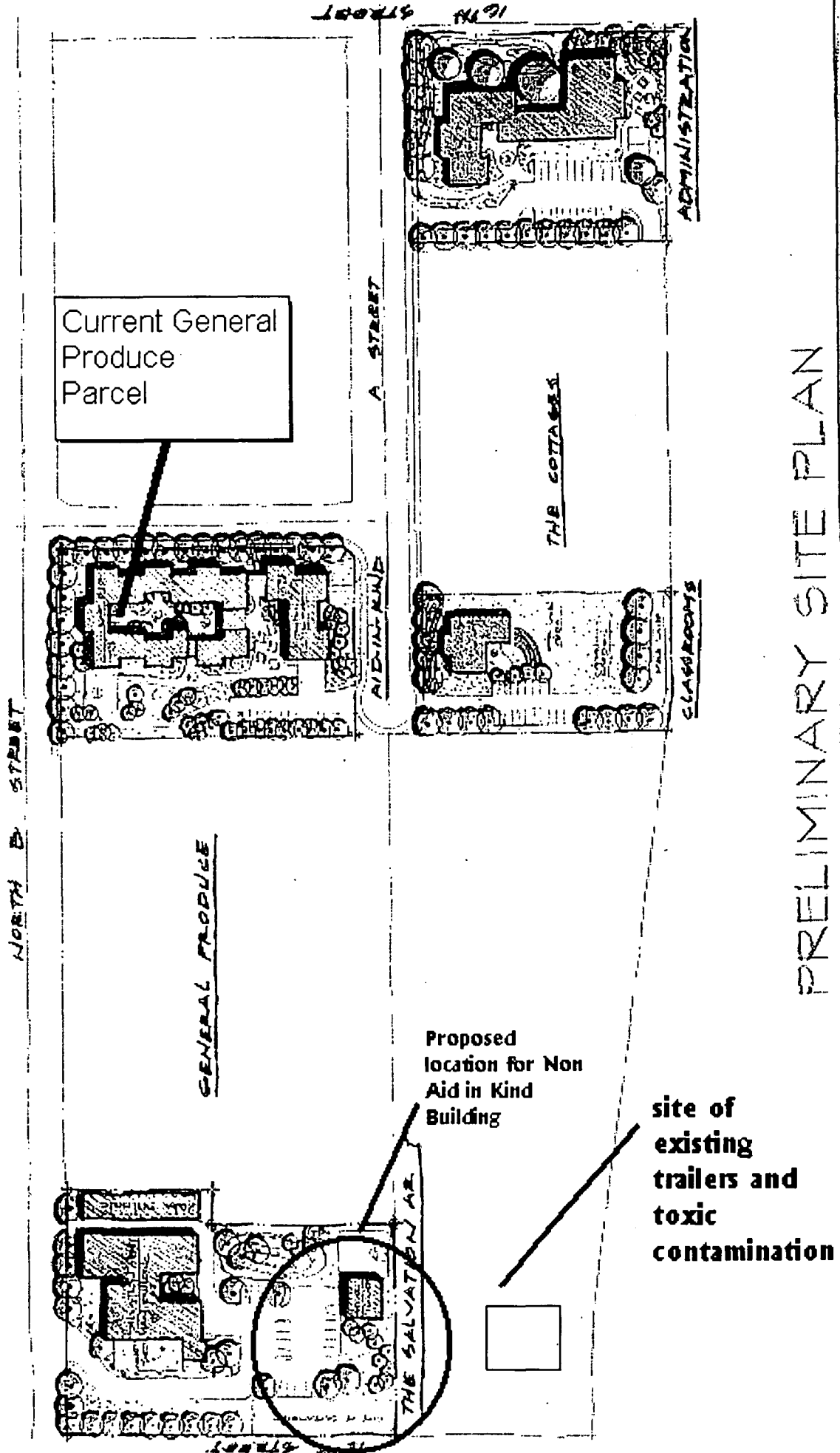


William H. Edgar
City Manager

APPROVED:



Thomas V. Lee
Deputy City Manager

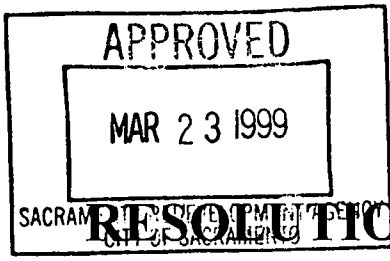


PRELIMINARY SITE PLAN

APPROVED
BY THE CITY COMMISSION

MAR 23 1999

OFFICE OF THE
CITY CLERK



RESOLUTION NO. RA99-010

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY SACRAMENTO

ON DATE OF _____

RESOLUTION AUTHORIZING THE PREDEVELOPMENT AGREEMENT AND NEGOTIATION OF DISPOSITION AND DEVELOPMENT AGREEMENT WITH A STREET PARTNERS, LLC FOR THE CONSOLIDATED SOCIAL SERVICE COMPLEX

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

Section 1. The Deputy City Manager of the City Downtown and Regional Enterprise Department to negotiate with A street Partners, L.L.C. for disposition of Agency-owned real property at [location, description or other identification of the site to be conveyed to the Developer], for the development of facilities for the Consolidated Social service Complex.

Section 2. The Deputy City Manager of the City Downtown and Regional Enterprise Department is authorized to execute a predevelopment agreement in the form on file with the Agency Clerk, subject to modification as approved by Agency Counsel, and which shall provide for funding in an amount not to exceed \$48,500 for certain predevelopment activities.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____