



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



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April 2, 1991

Transportation/Community Development  
and Budget & Finance Committee  
Sacramento, CA

Honorable Members in Session:

SUBJECT: Establishing Just Compensation and Authorizing  
Negotiations with the Owner for Acquisition of the  
Woodruff Hotel and Guild Theatre Located at the Southwest  
Corner of Broadway and 35th Street and a Vacant Lot  
Located at the Northwest Corner of Broadway and 35th  
Street

SUMMARY

The attached report is submitted to you for review and  
recommendation prior to consideration by the Redevelopment Agency  
of the City of Sacramento.

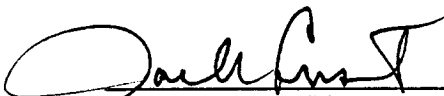
RECOMMENDATION

The staff recommends approval of the attached resolution approving  
the just compensation and authorizing negotiations.

Respectfully submitted,

  
JOHN E. MOLLOY  
Deputy Executive Director

TRANSMITTAL TO COMMITTEE:

  
JACK R. CRIST  
Deputy City Manager

Attachment



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



April 16, 1991

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Establishing Just Compensation and Authorizing Negotiations with the Owner for Acquisition of the Woodruff Hotel and Guild Theater Located at the Southwest Corner of Broadway and 35th Street and a Vacant Lot Located at the Northwest Corner of Broadway and 35th Street

## SUMMARY

This report recommends the establishment of just compensation and authorization to proceed with negotiations for the purchase of the Woodruff Hotel, Guild Theater and a vacant parcel at the northwest corner of 35th Street and Broadway.

The subject structures and parcel are located within the Oak Park Redevelopment Project Area as depicted on the attached map. The acquisition and redevelopment of the structures for commercial and cultural uses and development of the vacant parcel for a parking lot will assist in meeting the goals of the Oak Park Redevelopment Plan. The redevelopment of this property is recognized by the staff and the community as a key to the future economic development along the Broadway Commercial Corridor.

## BACKGROUND

The Woodruff Hotel and Guild Theater are located in the heart of Oak Park's commercial corridor. Built in 1924, the Woodruff Hotel currently contains six storefronts, one of which is occupied. The second floor contains residential units (three suites, six studios, twenty eight rooms and a manager's apartment) all of which are occupied. The Guild Theater, formerly an eighty-five seat theater, remains empty except for occasional musical/theatrical performances. Both structures suffer from considerable deferred maintenance and most of the ground floor commercial space needs substantial renovation in order to get it into a rentable condition.

(1)

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The Implementation Strategy for the Redevelopment Plan (approved March 27, 1985) and the Broadway Commercial Revitalization Plan (approved December 7, 1987) designated the Woodruff Hotel and the Guild Theater for commercial development assistance. The new Five Year Implementation Strategy (1991-1995) also includes the Woodruff Hotel and Guild Theater as a priority development. In an attempt to implement that strategy, Agency staff has discussed the use of developer assistance funds with the previous owners and the current owner of the property since May 1988. Although the current owner has discussed redevelopment options with the community and the Agency, he has not come forth with a significant implementation plan nor made any substantial improvements to the structures. Meanwhile the existing deteriorating condition of these structures inhibits investments and economic development in the Oak Park area.

The staff feels that if any substantial change is expected along the Broadway commercial strip, this project must step beyond the planning stages. Staff is willing to consider entering into an Owner Participation Agreement with the current owner in order to accomplish this goal. However, if this cannot be accomplished by September 6, 1991, the staff recommends that the Agency actively participate in the development of this key site by initiating Agency acquisition. To that end a resolution of Just Compensation is attached.

In anticipation of Agency acquisition, staff recommends that a Request for Proposal (RFP) be issued to solicit a development proposal for the site. Prior to issuance of the RFP, however, the current owner of the property will be given a one hundred and eighty day period in which to submit a detailed development proposal and implementation plan. The Agency will require that the development proposal and implementation plan will include the following elements:

- o Partnership Agreement with all investors in concurrence;
- o Identification of development entity/team and its experience;
- o A specific site plan/design of the proposal with site plan and elevations;
- o General business terms, including financial capability of development team and project economics; and

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- o Detailed schedule of performance.

At the end of this 180 day period a draft RFP as well as documentation of any negotiations with the current owner will be presented prior to any further action.

The second floor of the Woodruff Hotel is currently occupied by 38 tenants. The continued status of the housing will be determined by the development proposal approved by the Agency and the City Council. If the approval plan includes uses other than residential, the current tenants will be relocated in compliance with Agency policy.

## FINANCIAL DATA

Funds to support acquisitions are available from the Oak Park Tax Increment Developer Assistance Program. Estimated costs for the acquisition, relocation, title insurance, and escrow fees equal approximately \$726,000. The Agency has obtained two appraisals for the property and both are on file with the Agency Clerk.

## ENVIRONMENTAL REVIEW

The proposed action authorizes acquisition of the subject properties. The intent of the ultimate project is to rehabilitate the existing structures, an activity which is generally exempt from environmental review as plans available.

NEPA: Not applicable - No federal funding involved.

## MBE/WBE

Not applicable

## POLICY IMPLICATIONS

The actions proposed in the staff report are consistent with previously approved policy and there are no policy changes being recommended.

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## VOTE AND RECOMMENDATION OF PROJECT AREA COMMITTEE (PAC)

At its regular meeting of September 5, 1990 the Oak Park Redevelopment Project Area Committee (PAC) recommended providing the owner of the Woodruff Hotel/Guild Theater 180 days from the date of the City Council's passage of this report to submit a detailed development proposal and implementation plan. The PAC did not recommend that after the 180 day period, the Agency take action towards acquisition of the properties.

The votes were recorded as follows:

AYES: Anderson, Crump, Dansby, DeForest, Healy, Lucero  
Lydon, Millar, Robinson

NOES: None

ABSENT: Bozeman, Moore, Roberts, White

## VOTE AND RECOMMENDATION OF THE COMMISSION

At its regular meeting of March 27, 1991 the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The Commission further recommended that the existing units be retained on the site. The votes were as follows:

AYES: Amundson, Cespedes, Diepenbrock, Moose, Simon, Yew, Strong

NOES: None

NOT PRESENT TO VOTE: Pernell, Simpson, Wooley

ABSENT: Williams

## STAFF RECOMMENDATION

Staff recommends adoption of the attached resolution that: 1) establishes just compensation for the Woodruff Hotel, Guild Theater and subject vacant parcel; 2) authorizes the Executive Director to negotiate with the owner for the purchase of the subject property; 3) directs the Executive Director to return with a Request for Proposal after 180 days of the date of this approval; 4) should negotiations fail with the owner the Executive Director is authorized to proceed with acquisition through eminent domain proceeding; and

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5) authorizes the Executive Director to amend the budget by decreasing Oak Park Developers Assistance, and establishing the Woodruff Hotel Project for the amount of \$726,000.

Respectfully submitted,

  
JOHN E. MOLLOY  
Acting Executive Director

TRANSMITTAL TO COUNCIL

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WALTER J. SLIPE  
City Manager

Contact Person: Leslie Fritzsche

F:\JR\DAVID\DRWOODRUFF

# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF \_\_\_\_\_

## JUST COMPENSATION DETERMINATION OAK PARK REDEVELOPMENT PROJECT AREA 35TH STREET AND BROADWAY PROJECT

WHEREAS, the Agency and the City Council approved the amended Oak Park Redevelopment Plan on March 27, 1985, by City Ordinance No. 85-022; and

WHEREAS, the Implementation Strategy for the amended Oak Park Redevelopment Plan identified the Developer Assistance Target Funding Areas; and

WHEREAS the Implementation Strategy for the amended Oak Park Redevelopment Plan identified Commercial Development Assistance Areas; and

WHEREAS, David E. Lane, Inc. has prepared an appraisal report which establishes the market value of APN 010-0377-006 within an Oak Park Developer Assistance Target Funding Area; and

WHEREAS, R.E. Stover Company, has prepared an appraisal report which establishes the market value of APN 010-0375-008 within an Oak Park Commercial Development Assistance Area; now, therefore,

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

Section 1: The just compensation for each parcel to be acquired is the amount specified for each property in the appraisal report of David E. Lane Inc., for APN: 010-0377-006 (January 1990) and the appraisal report of R.E. Stover for APN 010-0375-008 (January 1989).

Section 2: The Executive Director is authorized to negotiate the purchase of the properties identified in Section 1 of this resolution.

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**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

Section 3: The Executive Director is directed to negotiate with the current owner for development of the properties and if Agency and owner are unable to come to agreement within 180 days after the date of this resolution the Executive Director is authorized to submit a Request for Proposals for development of the properties.

Section 4: The Executive Director is authorized to amend the budget by decreasing the Oak Park Developers Assistance and establishing the Woodruff Hotel Project for the amount of \$726,000.

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CHAIR

ATTEST:

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SECRETARY

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

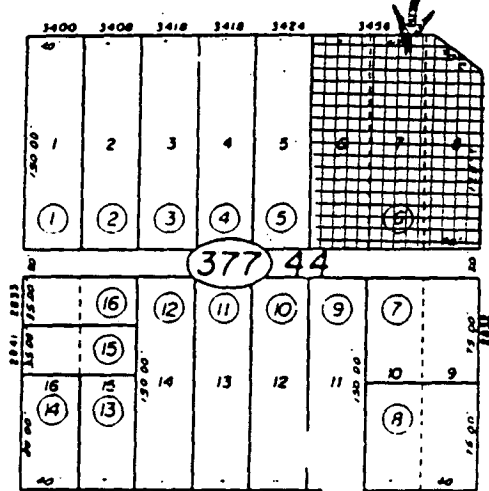
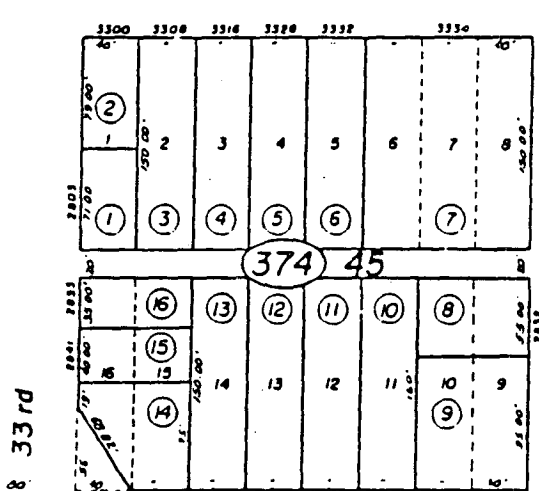
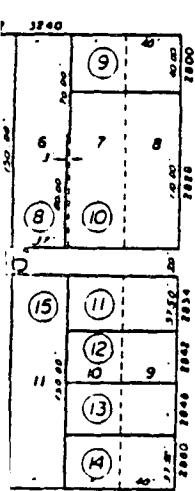
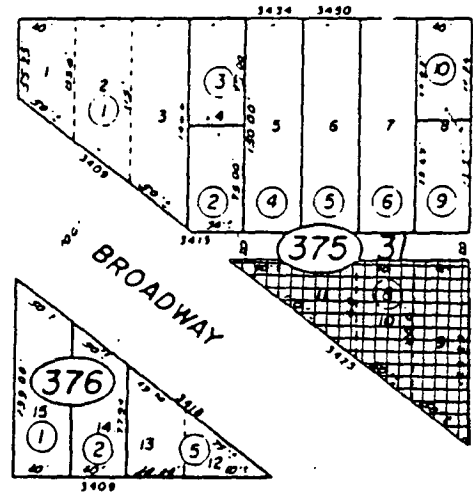
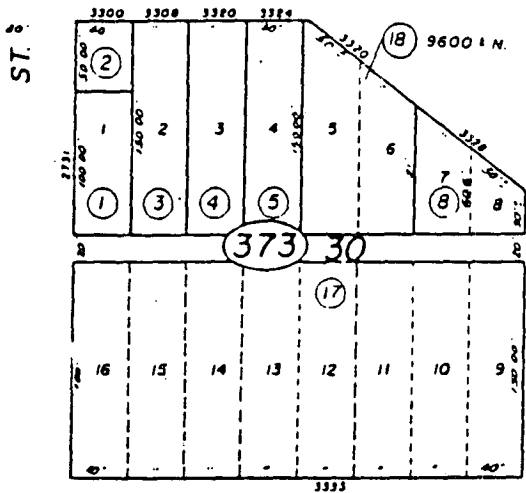
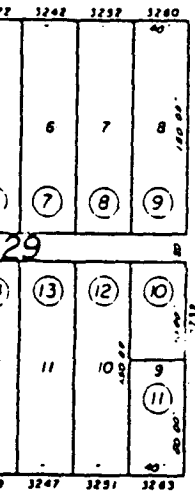




POR. OAK PARK & SOUTH SACRAMENTO

Tax Area Code

10-3



Bk. 13

NOTE-Assessor's Block Numbers Shown in Ellipses.

CITY OF SACRAMENTO  
Assessor's Map Bk. 10 -Pg.37  
County of Sacramento, Calif.

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