



May 3, 2005

Redevelopment Agency of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: BUDGET AMENDMENT FOR 10TH AND K LAND ACQUISITION

LOCATION & COUNCIL DISTRICT Council District 1
Southeast corner of 10th and K Streets

RECOMMENDATION:

Staff recommends adoption of the attached resolution, which authorizes the Executive Director to transfer \$695,000 from 2002 Master Lease Downtown Bond Funds (630-360-3071) to the 10th and K Project (630-360-4392) for additional costs associated with land acquisition and related professional services for the parcel located at 1016, 1020, and 1022 K Street (APN: 006-0104-004).

CONTACT PERSONS: Traci Michel, Sr. Project Manager, 808-8645
Wendy Saunders, Economic Development Director, 808-8196

FOR COUNCIL MEETING OF: May 17, 2005

SUMMARY:

On May 8, 2003, the Redevelopment Agency (Agency) authorized acquisition of the property located at 1016, 1020, and 1022 K Street (Property) and approved an initial acquisition budget of \$1.5 million. This report recommends amending the project budget by an adding \$695,000 for additional costs associated with land acquisition and related professional services.

BACKGROUND:

- On May 27, 2003, the Agency approved a Resolution of Necessity for acquisition of the Property and authorized acquisition of the property by eminent domain in the event that continued negotiations did not result in a voluntary sale. An initial acquisition budget of \$1.5 million was also approved at the same time.

- On July 8, 2003, the Court granted to the Agency an Order of Possession for the property, which became effective October 9th, 2003.
- An updated appraisal was recently completed on the Property, adding additional value to the Property in the current real estate market. The increased amount must be on deposit in order to move forward with the acquisition process.
- It is anticipated that the proposed budget amendment will cover all final land acquisition costs as well as professional service fees associated with the land acquisition process.

FINANCIAL CONSIDERATIONS:

Is it estimated that an additional \$695,000 will be needed to cover all final acquisition costs as well as professional service fees associated with the balance of the land acquisition process. Staff recommends transferring \$695,000 from Downtown Redevelopment Bond Funds to the 10th and K Project for the additional costs.

ENVIRONMENTAL CONSIDERATIONS:

No environmental review is necessary at this time. Any project proposed for the Property is subject to environmental review before any actions are taken.

POLICY CONSIDERATIONS:


The recommended actions are consistent with policies for redevelopment site assembly, as described in the Merged Downtown Redevelopment Plan. These actions are also consistent with the 2005 Downtown Sacramento Redevelopment Strategy and California Redevelopment Law.

Additionally, the Agency's purchase of the Property will create an opportunity for a larger-scale catalyst development project, which meets the development objectives established by the recent JKL Corridor visioning process.

ESBD CONSIDERATIONS:

There are no ESBD considerations associated with this action.

Respectfully submitted,



Wendy S. Saunders
Economic Development Director

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

RESOLUTION NO. _____

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF _____

**BUDGET AMENDMENT FOR PARCEL ACQUISITION LOCATED AT
1016, 1020, and 1022 K STREET (APN: 006-0104-004)**

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

Section 1.

The Executive Director is authorized to transfer \$695,000 from 2002 Master Lease Downtown Bond Funds (630-360-3071) to the 10th and K Project (630-360-4392) for final acquisition costs, as well as professional service fees, associated with the balance of the land acquisition process.

Chair

ATTEST:

Secretary

FOR CITY CLERK USE ONLY

RESOLUTION NO : _____

DATE ADOPTED: _____