



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO REDEVELOPMENT AGENCY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org**

**Consent
August 21, 2007**

Honorable Chair and Members of the Redevelopment Agency

Title: Acquisition of 1224 and 1314 Del Paso Boulevard

Location/Council District: 1224 and 1314 Del Paso Boulevard (APNs 275-0123-003, 023); Council District 2

Recommendation: Adopt a **Redevelopment Agency Resolution 1**) authorizing acquisition of properties located at 1224 and 1314 Del Paso Boulevard through voluntary sale for a price that is not substantially more than fair market value; 2) defunding 1124/1132 Del Paso Boulevard Project fund by \$113,280 and 1212 Del Paso Boulevard Project fund by \$96,811 and re-allocating to the 1224 and 1314 Del Paso Boulevard Project; 3) amending the 2007 Sacramento Housing and Redevelopment Agency (SHRA) budget to transfer \$1,464,909 of North Sacramento Development Assistance Funds to the 1224 and 1314 Del Paso Boulevard Project to fund all actions necessary to purchase these properties.

Contact: Lisa Bates, Director, Community Development, 440-1316 Chris Pahule, Assistant Director, Community Development, 440-1350

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The properties located at 1224 and 1314 Del Paso Boulevard are within ¼ mile of Regional Transit's Globe Light Rail Station, across the street from the future headquarters of Sacramento News and Review, and directly adjacent to a Redevelopment Agency (Agency) owned property (See Attachment 1) . The properties currently are occupied by an owner-occupied tortilla factory and a tenant-occupied carwash and residence. The properties combined, total approximately 21,648 square feet.

Acquisition of 1224 and 1314 Del Paso Boulevard

The properties have separate owners and are on the open market for voluntary sale. Acquiring these properties will allow the Agency to build upon its efforts to develop high density mixed-use transit friendly development around North Sacramento's Light Rail Stations as prescribed in the North Sacramento Five-Year Implementation Plan and the recently completed Northeast Line Plan.

Policy Considerations: This report's recommendations are consistent with the community development goals summarized in the 2005-2009 Five-Year Implementation Plan for the North Sacramento Redevelopment Area. In addition, the City of Sacramento has completed the Northeast Line Plan, which is focused on intensifying development around three of North Sacramento's Light Rail Stations, including Globe Station. The Plan calls for changes in land use, streetscape amenities, and revitalization of the light rail stations.

Environmental Considerations: Acquisition of the property as described herein is in furtherance of the North Sacramento Redevelopment Plan. Acquisition of the property does not commit the Agency to proceed with a development project. California Environmental Quality Act (CEQA) Guidelines Section 15004(b)(2)(A) allows for land acquisition where the Agency will conduct CEQA review once the proposed project has been defined when the acquisition does not limit the choice of alternatives or mitigation measures, and future development of the land is subject to CEQA compliance. Environmental review of the proposed project will be conducted once the scope of development of the property has been defined. Therefore, this action is exempt from environmental review. National Environmental Policy Act (NEPA) does not apply.

Committee/Commission Action: At its meeting of June 21, 2007, the *North Sacramento Redevelopment Advisory Committee (RAC)* recommended approval of the attached resolution to acquire these properties. The votes were as follows:

AYES: Adams, Clark, Curry, Harlan, Hubbs, Lukehart, Mack, Mulligan, and Verden

NOES: None

ABSENT: Armstrong, Charland, and Scott

Sacramento Housing and Redevelopment Commission Action: At its meeting on August 1, 2007, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The votes were as follows:

AYES: Chan, Coriano, Dean, Fowler, Gore, Hoag, Piatkowski, Shah, Stivers

NOES: None

ABSENT: Burns, Burruss

Acquisition of 1224 and 1314 Del Paso Boulevard

Rationale for Recommendation: The acquisition of these properties will assist in the elimination of blight and achieve redevelopment objectives by securing real estate for the construction of a new commercial or mixed-use project that will promote the use of Regional Transit Light Rail and further the revitalization of Del Paso Boulevard's commercial corridor.

The intensified redevelopment efforts along Del Paso Boulevard's southern end such as the installation of the new median artwork and the pending gateway signage at the boulevard's entrance, the establishment of the forthcoming headquarters of Sacramento News and Review, and the proposed mixed-use development in the 1000 block of Del Paso Boulevard will continue to spark the area's renewal. With Del Paso Boulevard's gateway poised for a renaissance, the acquisition of 1224 and 1314 Del Paso Boulevard is a natural progression in the revitalization continuum along the Boulevard's commercial corridor.

Financial Considerations: Staff estimates the total cost to purchase 1224 and 1314 Del Paso Boulevard, including closing costs, demolition of existing structures, site maintenance, and relocation will be approximately \$1,675,000. This report recommends de-funding two project funds for a total of \$210,091 and re-allocating monies to the 1224 and 1314 Del Paso Boulevard Project, and in addition transferring \$1,464,909 of North Sacramento Development Assistance funds for the purchase and associated expenses. The two projects being de-funded maintain a substantial balance which will cover any remaining costs associated with the completion of each project.

M/WBE Considerations: The items in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:  ANNE M. MOORE
Executive Director

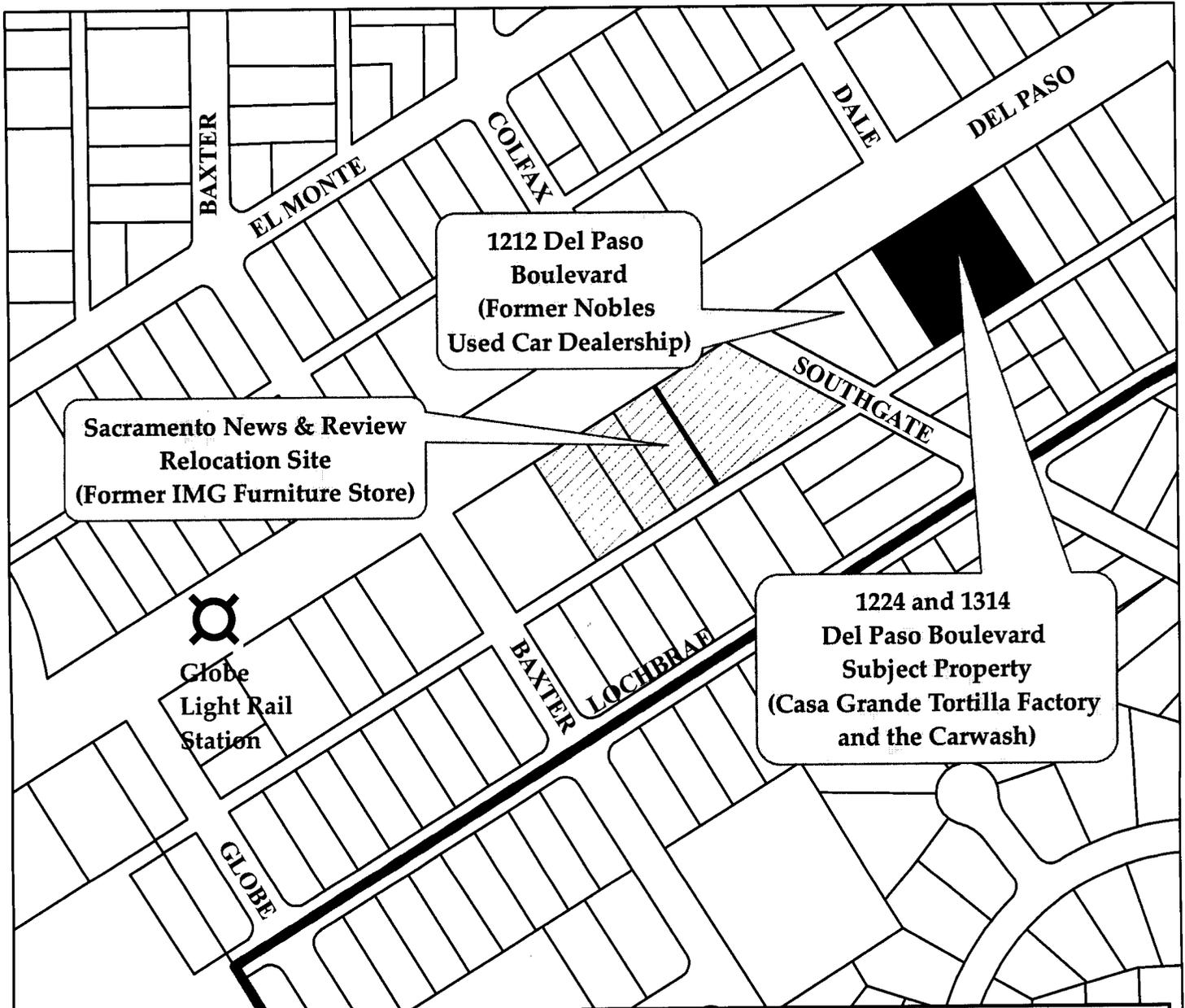
Recommendation Approved:


for RAY KERRIDGE
City Manager

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1224 and 1314 Del Paso Boulevard North Sacramento Redevelopment Area

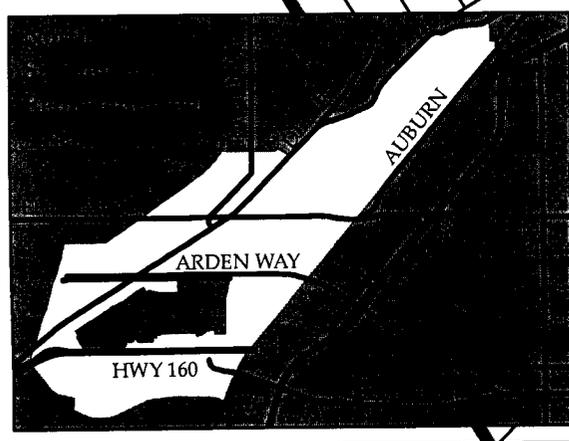


Sacramento News & Review
Relocation Site
(Former IMG Furniture Store)

1212 Del Paso
Boulevard
(Former Nobles
Used Car Dealership)

1224 and 1314
Del Paso Boulevard
Subject Property
(Casa Grande Tortilla Factory
and the Carwash)

Globe
Light Rail
Station



Key Properties on the Boulevard

- 1224 and 1314 Del Paso Boulevard
- 1212 Del Paso Boulevard
- 1124/1132 Del Paso Boulevard
- Redevelopment Area Boundary

BACKGROUND

ACQUISITION OF 1224 AND 1314 DEL PASO BOULEVARD

The Agency has begun to acquire and assist in the development of properties around the Globe Light Rail Station. These actions are being taken to meet the goal of developing transit-friendly developments around North Sacramento's Light Rail Stations as outlined in the North Sacramento Five-Year Implementation Plan and the recently completed Northeast Line Plan. In particular, the Northeast Line Plan recommends high density development within a half-mile radius of the Globe, Arden/Del Paso, and Royal Oaks Light Rail Stations.

Over the past few years, the Agency acquired 1022 and 1030 Del Paso Boulevard to assist with the mixed-use development project that is expected to span the entire 1000 block of Del Paso Boulevard. It also acquired 1124 and 1132 Del Paso Boulevard last year and recently transferred the property to Sacramento News and Review to develop its headquarters. More recently, the Agency acquired 1212 Del Paso Boulevard, the Nobles car dealership, which is directly adjacent to 1224 and 1314 Del Paso Boulevard.

The proposed acquisitions (1224 and 1314 Del Paso Boulevard) which are situated directly north of the Agency-owned Nobles dealership site, create an opportunity to combine properties into a single development site, less than three blocks north of Globe Light Rail Station. The result will be an opportunity site of nearly an acre, allowing for a larger and higher density project.

Being in such close proximity to the Globe Light Rail Station, 1224 and 1314 Del Paso Boulevard are ideally situated to assist in the transformation of the Boulevard's southern gateway and create a vibrant commercial neighborhood center all within easy access of public transportation.

RESOLUTION NO. 2007 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

AUTHORIZING THE ACQUISITION OF 1224 AND 1314 DEL PASO BOULEVARD FOR JUST COMPENSATION AND AMENDING 2007 BUDGET

BACKGROUND

- A. The opportunity site consists of three parcels and is located on the east side of Del Paso Boulevard between Southgate and Edgewater Roads and totals approximately 21,648 square feet. The properties are zoned C-2 General Commercial and contain a tortilla factory, carwash, and residence.
- B. The site is located less than three blocks north of Regional Transit's Globe Light Rail Station and immediately adjacent to other Redevelopment Agency-owned properties awaiting revitalization. The site is positioned for future transit-friendly development that would directly impact the future of Del Paso Boulevard.
- C. Development of the site would coincide with the goal of the forthcoming Northeast Line Plan which is to promote mixed-use transit friendly development around North Sacramento's Light Rail Stations.
- D. The purchase amount shall be fair and reasonable and not exceed the fair market value for these subject parcels, collectively referred to as "Properties."
- E. Acquisition of property does not commit the Agency to proceed with a development project. California Environmental Quality Act (CEQA) Guidelines Section 15004(b)(2)(A) allows for land acquisition where the Agency will conduct CEQA review once the proposed project has been defined when the acquisition does not limit the choice of alternatives or mitigation measures, and future development of the land is subject to CEQA compliance. Once the scope of development of the property has been defined, environmental review of the proposed project will be conducted. Therefore, this action is exempt from environmental review. The National Environmental Policy Act (NEPA) does not apply.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. All of the evidence presented having been duly considered, the findings, including the environmental findings, as stated above, are approved.

Section 2. The Executive Director or designee is authorized to take all actions as may be reasonably necessary to purchase, for not substantially more than just compensation, the following parcels (“Property”):

1224 and 1314 Del Paso Boulevard (APNs 275-0123-003-0000 and 275-0123-023-0000)

Section 3. The Executive Director or designee is authorized to de-fund 1124/1132 Del Paso Boulevard Project fund by \$113,280 and 1212 Del Paso Boulevard Project fund by \$96,811 and re-allocate to 1224/1314 Del Paso Boulevard, transfer \$1,464,909 in North Sacramento Development Assistance funds to the 1224/1314 Del Paso Boulevard Acquisition Project, amend the budget accordingly, and to purchase the Property and carry out related activities.