



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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Staff Report
July 15, 2008

**Honorable Mayor and
Members of the City Council**

Title: Shovel-Ready Sites Program - Capital Improvement Projects

Location/Council District: River District - District 1 and 65th Street Area - Districts 3 and 6

Recommendation: Adopt 1) a **Resolution** authorizing the use of \$550,000 from the Shovel-Ready Sites Program (D21001300) for planning, environmental and staff costs for the River District Specific Plan and for master planning of the Ramona Avenue area within the 65th Street area.

Contact: Desmond Parrington, AICP, Infill Coordinator, 808-5044, Rachel Hazlewood, Senior Project Manager, 808-8645

Presenters: Desmond Parrington, Infill Coordinator, Planning; Rachel Hazlewood, Senior Project Manager, Economic Development; and Alan Porter, Senior Planner, Long Range Planning.

Department: Planning Department and Economic Development Department

Division: Infill

Organization No: 22001311/22001111/18001021

Description/Analysis

Issue: The Shovel-Ready Sites Program was established in FY2004/2005 with the intent of encouraging economic development at key locations in the City. The goal of the program is to leverage and attract private investment in order to encourage economic development. By identifying and addressing infrastructure, planning and environmental issues, the City can attract and encourage economic development at key locations in the City. The program identified three areas based on detailed analysis that had the greatest market potential for economic development in the near term:

- Richards Boulevard (River District) Area
- Granite Park/65th Street Area
- Army Depot Area

City Council authorized the use of these funds at additional sites so long as both the

Directors of Economic Development and Planning agreed on the site. Since that time, the area between Luther and Franklin Blvd. on Florin Road has been identified as an additional candidate for the shovel-ready sites program based on changes at some of the auto dealerships and the likely availability of significant acreage for development.

On June 17, 2008, City Council approved the allocation of \$100,000 from the Shovel Ready Sites Program fund for master planning work for the Florin auto dealer sites (Resolution 2008-424). That funding was brought forward earlier due to the time sensitive nature of the Florin area master planning work.

The remaining balance within the Shovel-Ready Sites program is \$550,000. City staff recommends Council approval of \$500,000 (of which \$100,000 will be designated for project contingencies) from the Shovel-Ready Sites program for planning, environmental and staff costs for the River District Specific Plan and related documents. In addition, staff recommends approval of \$50,000 from the Shovel-Ready Sites program for initial master planning of the Ramona Avenue area within the 65th Street area.

Funding is needed for the River District Specific Plan because the Richards Boulevard Area Plan (RBAP) is no longer accurate. RBAP was adopted 14 years ago and made assumptions that included the location of the Sacramento Intermodal Transportation Facility and street circulation that have since changed. The recent approval of the Railyards and Township 9 projects necessitates the update to the plan to address these outdated assumptions. In Resolution 2007-915, the City Council directed staff to proceed with an update to the RBAP.

The total cost for the Specific Plan and related documents is estimated at \$1.1 million (including \$100,000 for project contingencies). On February 26, 2008, the City Council approved \$200,000 in tax increment funds to be used toward this planning effort. The balance of the required funds will be provided through a \$400,000 Reimbursement Agreement with River District property owners and the proposed \$500,000 from the Shovel-Ready Sites fund. A separate staff report on the scope of the Specific Plan and approval of all the funding sources will be presented to Council on July 15th following this report.

Funds for the 65th Street area would be used for initial master planning of the Ramona Avenue area. Providing greater transportation access to the Ramona Avenue area in order to connect it to Folsom Boulevard will open up vacant and underutilized land adjacent to Sacramento State University. These sites have significant potential for economic development given the proximity to the University and to SMUD. The area is currently cut-off from both the University and the 65th Street Transit Village Area by Highway 50 and the Union Pacific rail line.

Policy Considerations: Updating the RBAP will coordinate currently approved projects such as the Railyards and Township 9 with the proposed River District Specific Plan; analyze and update the circulation plan; improve coordination with the Railyards Specific Plan; update the financing plan; and develop a nexus study for

costs to be shared among the Railyards, Downtown and River District. The recommended actions are consistent with the River District Redevelopment Plan objective of replanning areas which are stagnant or improperly utilized. It is also consistent with the General Plan goal to support infill development.

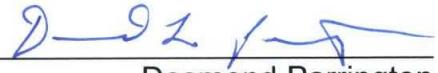
Environmental Considerations: The proposed actions are exempt under CEQA Guidelines section 15262 as a planning activity for possible future action. Environmental review will be performed in conjunction with the development of the plans which are part of these efforts.

Sustainability Considerations: The use of the Shovel Ready Sites Program funds for these projects fosters sustainability by encouraging infill and economic development in these areas. Ultimately, by attracting private investment, these efforts will create additional housing and jobs in close proximity to one another and to transit, thereby reducing vehicle trips and greenhouse gas emissions.

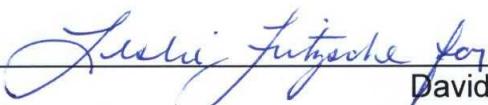
Rationale for Recommendation: Developing a River District Specific Plan will incorporate current development projects, improve the traffic circulation plan and update the financing plan. The updated plan will remove obstacles to redevelopment and stimulate the removal of blight. City Council directed staff to proceed with the update in Resolution 2007-915. Similarly, the analysis of the access options for the Ramona Avenue area will help determine how the City can address this significant barrier to redevelopment for the vacant and underutilized properties in the area south of Highway 50 and east of the Union Pacific railroad line.

Financial Considerations: The Shovel-Ready Project has a current General Fund balance of \$650,000. On June 17, 2008, \$100,000 was allocated for planning and environmental work for the Florin auto dealer sites per Council Resolution 2008-424. With the remaining balance of \$550,000, there is adequate funding within the project to use \$500,000 for planning, environmental and staff costs for the River District Specific Plan. There are also sufficient funds for the allocation of \$50,000 for initial master planning studies of the Ramona Avenue area.

Emerging Small Business Development (ESBD): When available and appropriate, Emerging Small Business Development consultants will be used for consultants.

Respectfully Submitted by: 
Desmond Parrington
Infill Coordinator

Approved by: 
Carol Shearly
Director of Planning

Approved by: 
David Spaur
Director of Economic Development

Recommendation Approved:

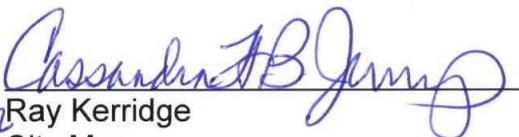

Ray Kerridge
City Manager

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Attachment 1**Background**

River District Specific Plan: The Richards Boulevard Redevelopment Project Area was established in 1990 to eliminate blighted conditions existing in the area. In furtherance of revitalization efforts that same year, the 1,050 acre River District was established as the Richards Planning Area. In 1994, after an extensive community outreach and planning effort, the City adopted the Richards Boulevard Area Plan (the "RBAP"), a plan establishing land uses and development standards to guide decisions on development and growth in the River District.

It has been 14 years since the RBAP was adopted. Recent approval of the Township 9, Continental Plaza and Railyards projects has demonstrated the pressing need to update the area plan for the River District. On December 11, 2007, the City Council adopted Resolution 2007-915 directing staff to proceed with an update to the RBAP and complete the update within 18 months. The boundaries of the River District Specific Plan will include 640 acres roughly described as the American River to the north, the Sacramento River to the west, the railroad levee to the south and 16th Street to the east (see map attached as Exhibit A).

Staff has determined that a specific plan with zoning, a financing plan, a nexus study for the financing plan and a program level environmental impact report (collectively referred to as the "River District Specific Plan") are necessary to update the RBAP. Staff estimates the total budget for the Specific Plan will be between \$1,000,000 and \$1,100,000. This budget request would allocate \$500,000, of which \$100,000 is reserved as a project contingency, from the Shovel-Ready Sites Capital Improvement Project to pay for consultant services including traffic and environmental, and staff costs.

The balance of the necessary funds will be provided by \$200,000 from River District Redevelopment Project Area tax increment funds approved at the February 26, 2008 City Council meeting, and \$400,000 from a Reimbursement Agreement with River District property owners, which will be considered by City Council under a separate action item on July 15, 2008.

The goal of the River District Specific Plan is to master plan the district as a transit-oriented urban neighborhood supporting a mix of uses with shovel ready sites prepared for development.

Ramona Avenue Area: The 65th Street Redevelopment Area has been the site of several planning efforts to encourage economic development in the area. These include: The 65th Street Transit Village Plan, 65th Street/University Transit Village Infrastructure Plan, the 65th Street Redevelopment Implementation Plan, South 65th Street Area Plan, the Southeast Area Transportation study, and the current update to that circulation study.

Increased transportation access to the Ramona Avenue area has been identified in several of these studies as necessary to foster economic development in the triangle area south of Highway 50 and east of the Union Pacific railroad tracks. Given the site's proximity to Sacramento State University and SMUD as well its location next to Highway 50 and light rail, the site is expected to have significant economic development potential in the near future. The Shovel-Ready Sites funds for the Ramona Avenue area will be used to begin initial master planning efforts in order to prepare the area for further development.

Florin Auto Dealer Sites: In May 2008, Capitol City Chevrolet closed and Senator Ford was bought out by Ford Motor Company and began operations as a used car and service dealer. Working with Councilmembers Hammond and Pannell, the Florin Road Partnership and the auto dealers, staff has begun a master plan effort to ensure that the 40-acre area, which includes all the auto dealer sites, will be developed in a comprehensive manner and will include development that would benefit the City, the community, and the property owners. The Shovel-Ready Sites funds for Florin will be used to help fund master planning efforts in this area. The work will include planning and environmental analysis for the sites, such as a Phase 1 site assessment to identify any possible brownfield issues, in order to prepare the sites for future development.

RESOLUTION NO. 2008-_____

Adopted by the Sacramento City Council

**APPROVE FUNDING FROM THE SHOVEL-READY SITES PROGRAM FOR
PLANNING, ENVIRONMENTAL AND STAFF COSTS FOR
THE RIVER DISTRICT SPECIFIC PLAN PROJECT
AND FOR MASTER PLANNING FOR THE RAMONA AVENUE AREA
IN THE 65TH STREET/ UNIVERSITY VILLAGE AREA**

BACKGROUND

- A. The Richards Boulevard Area Plan (RBAP), adopted in 1994 as a community plan for the River District, contains many outdated assumptions and needs to be updated to result in a vibrant urban corridor linking the River District with Downtown and the Railyards.
- B. In Resolution 2007-915, the City Council directed staff to proceed with an update to the RBAP.
- C. The Ramona Avenue area has been identified in several planning and transportation studies for the 65th Street area.
- D. Providing better access in the Ramona Avenue area will open up vacant and underutilized land adjacent to Sacramento State University. These sites have significant potential for economic development given the proximity to the University and to SMUD.
- E. The purpose of the Shovel-Ready Sites Program is to leverage and attract private investment in order to encourage economic development.
- F. The use of these funds for planning, environmental and staff costs for the River District Specific Plan and for the access analysis of the Ramona Avenue area are consistent with the goals of the Shovel-Ready Sites Program.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. Authorize the use of up to \$500,000 from the Shovel-Ready Sites Capital Improvement Project (D21001300) for planning, environmental and staff costs for the River District Specific Plan as identified in map attached as Exhibit A.
- Section 2. Authorize the use of up to \$50,000 from the Shovel-Ready Sites Capital Improvement Project (D21001300) for planning, environmental and staff costs for master planning of the Ramona Avenue area.

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Exhibit A: River District Map – 1 Page

Exhibit A River District Specific Plan Area

