

Meeting Date: 5/7/2013

Report Type: Staff/Discussion

Report ID: 2013-00370



Title: Natomas Reuse Plan and Process

Location: District 1/North Natomas

Issue: On March 26, 2013, City Council directed the City Manager to return with an implementation process and schedule for the potential reuse of the 184-acre arena site in North Natomas to encourage economic development and new investment in the community.

Recommendation: Review and comment on the process and schedule for the Natomas arena site reuse.

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Department: Community Development Dept / Economic Development Dept

Division: Planning

Dept ID: 21001221

Attachments:

1-Description/Analysis

City Attorney Review

Approved as to Form

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4/18/2013 9:33:41 AM

Approvals/Acknowledgements

Department Director or Designee: John Dangberg - 4/17/2013 4:31:58 PM



Description/Analysis

Issue Detail: On September 13, 2011, City staff presented a report to City Council on the Natomas arena site reuse. That report recommended that an action plan be developed to identify target uses, address development constraints, and help market the site to attract desirable uses. On March 26, 2013, Council approved a motion that directed the City Manager to return with an implementation plan process and schedule that would address planning, economics, land use entitlements, redevelopment strategies, and community outreach.

The 2011 report identified that the Natomas site, given its size, available infrastructure, and location was well-positioned to attract desirable uses; however, several constraints remain. These include current zoning and General Plan land use designations and the de facto building moratorium in the Natomas basin as a result of levee decertification. In addition, current market conditions in the Sacramento region have not been favorable for new development though that is expected to change as the economy improves.

Unlike the assumptions identified in the 2011 report in which the City was to sell its 100 acres to a third party to raise capital for arena construction, the March 26, 2013 term sheet proposes that the entire 184-acre site would be owned by an investor group that, as of this writing, is seeking to acquire controlling interest of the Sacramento Kings (Investor Group). With the acquisition of the Kings, the Investor Group would assume ownership of the 84 acres on which the existing arena sits upon retirement of certain bonds secured by the property. In addition, as part of a plan to finance a new arena in downtown Sacramento, the City would transfer ownership of the adjacent City-owned 100 acres to the Investor Group. The Sacramento Kings would continue to play at the Natomas arena until October 2016 when the team and other events would move to the new downtown arena.

Ensuring that constraints are addressed and proper entitlements are in place by 2016 will be critical to successful redevelopment of the Natomas site. This means that the City's key tasks would involve working with the Investor Group to determine feasible reuse options, process the entitlements, and market the site to attract desirable uses.

In addition, the Investor Group is expected to work with the Natomas Arena Reuse Task Force to identify proposals that would address the community's needs. The Natomas Arena Reuse Task Force, also known as the Think Big Natomas Subcommittee, was convened by Councilmember Ashby and Assemblymember Dr. Richard Pan. The group consists of neighborhood and local business

representatives plus experts in land-use, planning, finance, and design as well as key regional leaders from neighboring communities.

Based on the March 26, 2013 term sheet, and the recommendations in the September 13, 2011 report, staff has prepared the following process and schedule. Please note that this schedule and process are preliminary and may be modified as a result of input from the Investor Group and the Natomas Arena Reuse Task Force.

This preliminary schedule could be accelerated if a desirable development proposal was made for this location. Nonetheless, resolution of the building moratorium in Natomas would need to be addressed before development could begin.

Task 1 City - Investor Group Coordination

City staff will meet with representatives of the Investor Group to discuss the 2011 Natomas Arena Site Reuse Plan, North Natomas Community Plan, and the current status of development in North Natomas including building restrictions and the status of levee improvements. In addition, staff and the Investor Group will discuss current zoning and land use designations and what changes or planning efforts may be necessary to support different types of future development (e.g., PUD, specific plan, etc.).

Time Frame: June 2013 – August 2013

Task 2 Community Forum

City staff and the Investor Group and the Natomas Arena Reuse Task Force will host a community forum to present past work, gather new input and discuss future work and schedules with the Natomas community including neighborhood associations and local business groups.

Time Frame: September 2013

Task 3 Proposal

The Investor Group will develop a preliminary development proposal or concept and timeline, based on input from City staff and the Natomas Arena Reuse Task Force. The proposal could include preparation of a specific plan or a planned unit development (PUD) plan as well as a phasing plan for development. City staff will

review and provide preliminary feedback based on the General Plan, North Natomas Community Plan, and the community input gathered at the forum as well as input from the Natomas Arena Reuse Task Force. If necessary, staff may retain an economic or land planning consultant for an independent evaluation of the development concept/proposal.

Time Frame: October 2013 – March 2014

Task 4 Community Outreach on Development Concept(s)

Once conceptual plans have been developed for the 184 acres, the Investor Group and City staff will host several community workshops to present the proposal and gather input. As with the Community Forum, invitees will include the general public as well as all Natomas community associations such as Natomas neighborhood associations, the Natomas Chamber of Commerce, local businesses, etc.

Time Frame: April 2014 – June 2014

Task 5 Application Submittal

Upon completion of community outreach on the development concept, the Investor Group will finalize their project proposal and will submit a complete application for entitlements and development of the site. City staff will notify local neighborhood groups and make the application available for public review and comment.

Time Frame: January 2015

Task 6 Entitlement Process

Upon receipt of the Investor Group's application, City staff will begin its review and will initiate the entitlement process. This will include land use entitlements (e.g. rezone, General Plan land use amendment, establishment of PUD and PUD guidelines, etc.) as well as environmental review as required under the California Environmental Quality Act (CEQA).

The Investor Group and City staff will also conduct community outreach to share the development application and address community questions. Hearings before

the Planning and Design Commission and the City Council will be scheduled for mid to late 2015.

*Time Frame: January 2015 – June 2015**

*[Please note: The timing would depend upon the type of development application, level of CEQA review required, and the type of entitlements required.]

Task 7 Marketing

Working with the Investor Group and its development team or brokers, City Economic Development staff will help market the property and work to attract high quality users or tenants for the site, showcase the site on the City's website, and market the site at various events and conferences.

Time Frame: July 2015 – October 2016 (or until developers and/or tenants are found)

Policy Considerations: Given the expected development of a new downtown arena, redevelopment of the arena site in North Natomas is critical to the economic health of Sacramento and the Natomas community in particular. Redevelopment of the site is consistent with the City's vision for this area expressed in the General Plan.

Economic Impacts: Economic benefits of the development proposal will be considered as part of the Natomas reuse plan process, but specific economic benefits are not known at this time as City staff has not yet received a development proposal for the site.

Environmental Considerations: This report discusses the possible approaches to economic development that could be pursued with regard to the Natomas arena site. No proposal for physical development is recommended and any later development would be subject to review pursuant to the California Environmental Quality Act (CEQA). The actions in this report would not have any potential for significant effect on the environment and are exempt under CEQA Guidelines section 15061(b)(3).

Sustainability: Redevelopment of the Natomas site is expected to create new jobs and improve the jobs/housing balance in the area. An improved jobs/

housing ratio will reduce vehicle miles traveled and the greenhouse gases associated with that.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: This recommendation is based on the findings of the Natomas arena site reuse report dated September 13, 2011 and the Council motion on March 26, 2013.

Financial Considerations: None at this time. The financial implications of the actual development proposal will be evaluated as part of the application review process.

Emerging Small Business Development (ESBD): None at this time.