



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



7

February 24, 1987

CITY MANAGER'S OFFICE

RECEIVED

FEB 25 1987

Budget & Finance Committee of
the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Extension of Marysville Boulevard Commercial
Revitalization Coordinator Contract

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 resolutions authorizing execution of the contract extension.

Respectfully submitted,

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:

JACK R. CRIST
Deputy City Manager

Attachment



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



February 24, 1987

Redevelopment Agency of the
City of Sacramento
Sacramento, California 95814

Honorable Members in Session:

SUBJECT: Extension of Marysville Boulevard Commercial
Revitalization Coordinator Contract

SUMMARY

This is a follow-up report regarding the commercial revitalization coordination services for Marysville Boulevard, requested by the City Council at its February 10, 1987 meeting, and the coordinator's accomplishments to date. The report recommends authorizing the Executive Director to extend the Marysville Boulevard Commercial Revitalization Coordinator Contract with Zephyr Urban Management Associates another three months through May 31, 1987, at a cost of \$6,252, for review of the draft business revitalization plan.

BACKGROUND

Since November 1, 1985, Zephyr Urban Management Associates has been under contract with the Agency to provide commercial revitalization coordinator services along the commercial area of Marysville Boulevard from Highway 80 to Arcade Creek within the Del Paso Heights Redevelopment Project Area (see map in Attachment 1). A summary of the work elements included under the contract, along with the accomplishments, is included in Attachment 2.

The major work product completed under the contract was the commercial revitalization plan. The plan summarizes the year's accomplishments, assesses the strengths and weaknesses of the area from an economic, social, organizational and physical perspective and outlines the proposed strategy for revitalization of the area. The plan is scheduled for review by the Del Paso Heights Redevelopment Area Committee (RAC) in March and April, and presentation to the Commission and City Council in May, 1987.

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A major proposal within the proposed plan is the development of a small (41,000 s.f.) strip shopping center to help act as a catalyst for additional reinvestment in the area. The development of the project would require acquisition of private property, demolition, parcel assemblage, lot consolidation and a potentially high land writedown by the Agency. Consequently, this large scale redevelopment effort would require a significant financial contribution by the Agency. Given the level of Agency subsidy which would be needed in this project, the coordinator has expended the majority of his efforts throughout the last four months analyzing the feasibility of its development and getting response from private developers experienced with similar size projects. Based on the consultant's analysis, it is believed that, without a major activity such as this new development, it is unrealistic to expect that any measurable changes would occur along Marysville Boulevard. [At best, a few individuals may partake in the storefront improvement program, however, from an economic development perspective, no significant inroads will be made to changing the economic climate of the area.]

The Del Paso Heights Project Area is the most financially limited redevelopment project area in the City due to only limited financial resources to draw upon for both housing and economic development activities. Consequently, staff recommends that the coordinator contract only be extended another three months to allow opportunity for in-depth discussion of this project by the RAC and the community to establish a concensus as to the priority of tax increment funding within the Project area.

At this time, the proposed revitalization plan includes the following recommendations: 1) Should major funding be identified for acquisition, clearance and subsidy of the subject commercial development project, Agency staff should manage the development and disposition of this private/public project in-house; 2) the Agency should continue to make available the standard financing programs (i.e., storefront improvement, commercial rehabilitation loan and direct loan programs) for Marysville Boulevard; 3) the Agency should continue to provide free design and loan packaging assistance; 4) should the commercial development go forward, the Agency would evaluate the advisability, at that point, of again hiring a commercial revitalization coordinator for the area. Hopefully, by that time, the existing (or new) owners along the strip would be more interested in becoming involved in a business association and become part of a more concerted effort to help direct the revitalization of this area.

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ENVIRONMENTAL REVIEW

There are no environmental issues associated with this recommendation.

POLICY IMPLICATIONS

This recommendation is consistent with City policy to provide economic development services either in-house or with outside consultants depending upon the type of services needed for the area.

FINANCIAL DATA

Funds for the extension of the coordinator services will be financed by Del Paso Heights tax increment funds (A00527) in the amount of \$6,252.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of March 2, 1987, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

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RECOMMENDATION

Staff recommends adoption of the attached resolution which authorizes the Executive Director to extend the coordinator contract with Zephyr Urban Management Associates an additional three months through May 31, 1987 for the purposes of review and approval of a business revitalization plan for Marysville Boulevard.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

WHE/SML:cmc

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Susan M. Loftus, 440-1355

1227J

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

EXTENDING THE PROFESSIONAL SERVICES
CONTRACT FOR MARYSVILLE BOULEVARD
COMMERCIAL REVITALIZATION COORDINATOR

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

Section 1: The Executive Director is hereby authorized to extend the professional services contract, dated November 1, 1985 and made between Zephyr Urban Management Associates and the Agency for Marysville Boulevard Commercial Revitalization Coordinator services, until May 31, 1987, in the amount of \$6,252.

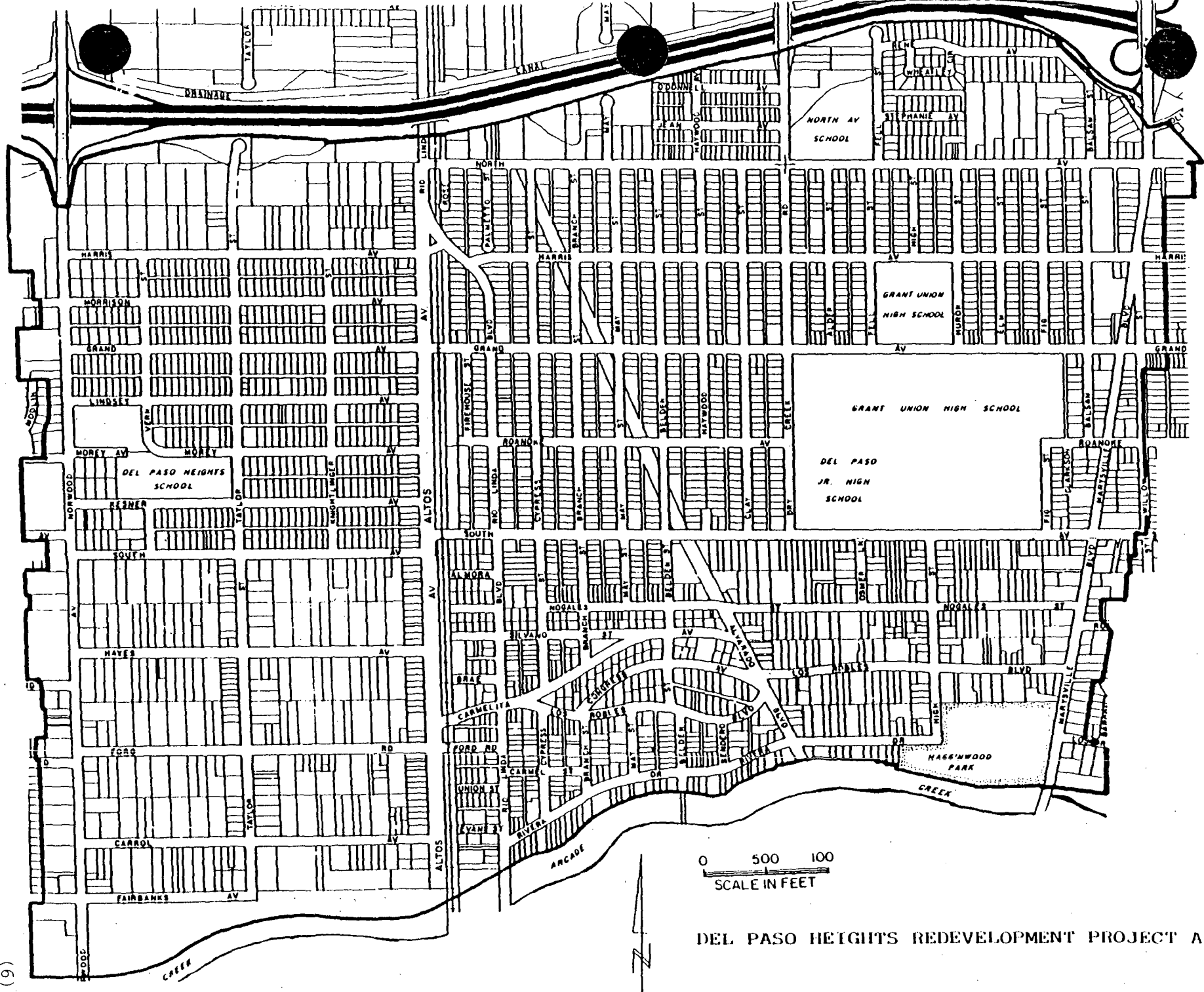
Section 2: The Executive Director is hereby authorized to amend the Agency budget to allocate \$6,252 from Del Paso Heights Tax Increment Fund (A00527) for these coordinator services.

CHAIR

ATTEST:

SECRETARY

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SCALE IN FEET

DEL PASO HEIGHTS REDEVELOPMENT PROJECT AREA

WORK ELEMENTS IDENTIFIED IN CONTRACT

In general, the following are the project work elements and a specific element goal:

1. COORDINATION OF EXISTING SERVICES

To assure that the area is being serviced by the public sector at a level equal to other similar commercial areas.

2. AREA NUISANCES

To establish a program that will not only identify area problems, but will instigate some generalized solutions.

3. BUSINESS SELF-HELP ASSOCIATION

To enhance the area business community organization and see it developed into a formalized group that can work on solving some of its own problems and work with the public sector to solve those problems which necessitate a public/private solution. Included will be:

- a. Board meetings: (6)
- b. General Meetings: (3)
- c. Newsletter: (4)

In addition, there will be two promotional pieces: a support poster; and a poster/brochure.

ACCOMPLISHMENTS

No shortcomings, area is being serviced as well as other commercial areas.

System has been set up where the City Nuisance Abatement regularly inspects the area. In addition, specific nuisances are responded to on an as-required basis.

Association: Despite Coordinator attempts to elicit involvement in the Association through the following means, i.e. 1) individual meetings with each property owner/business operator; 2) distribution of surveys to obtain feedback on investment plans; 3) distribution of flyers/newsletters/posters promoting the area; 4) scheduling four meetings to establish a core group of people to work with the Agency, no support was forthcoming.

Image Building: Newsletter, marketing folder and poster prepared. A final poster summarizing the commercial revitalization strategy will be printed once the plan is approved.

WORK ELEMENTS IDENTIFIED IN CONTRACT (continued)

4. BUSINESS OPERATION TRAINING

To establish a program of business operation training that assists the business owner in better fulfilling the needs of the neighborhood trade area. This training will be based somewhat on the results of the neighborhood trade area survey. Included will be a business plan questionnaire and clinic sessions. Also, the newsletter will publicize workshops and seminars on business operation for the business operators as provided throughout the Sacramento area.

5. NEIGHBORHOOD TRADE AREA SURVEY

To conduct a random survey of residents within the identified trade area for the purpose of identifying commercial opportunities and constraints.

ACCOMPLISHMENTS (continued)

Due to lack of support, no workshops held. Assistance provided on an as-requested basis.

800 Surveys distributed in the neighborhood, with a 30% response rate. Summary of responses:

Although 90% of the respondents shop on Marysville Blvd., the greatest time most actually shop there is 10% or less.

Convenience is the greatest reason for shopping on Marysville Boulevard.

Better prices elsewhere is the greatest reason to shop elsewhere.

Respondents dislike:

- a. Dirty stores
- b. Rude or poor service
- c. Quality of merchandise
- d. Present retail establishments; desire new ones.

Leakage: 90-100% of retail dollars out of primary trade area in retail categories of groceries, restaurants, drug stores & packaged liquor.

WORK ELEMENTS IDENTIFIED IN CONTRACT (continued)

6. DESIGN GUIDELINES

To develop an informational booklet which will be of assistance to property owners in the renovation of their existing buildings and the development of vacant parcels.

7. DEVELOPMENT ASSISTANCE
(REHABILITATION LOANS AND GRANTS)

To disseminate information regarding SHRA's established loan and grant programs and to act as a facilitator between the property owner and the loan process. The methodology utilized will include the newsletter, focused mailings and a workshop. Included in the workshop will be representatives from SHRA loan and grant programs, and the Certified Development Corporation representative. The workshop discussions will also include information concerning SBA and EDA programs.

8. PROPERTY OWNER SURVEY

To conduct a property owner survey of all the commercial parcels to ascertain the property owner interest in renovating, upgrading their property, developing commercial buildings, selling their property, etc.

9. COMMERCIAL REVITALIZATION PROGRAM

To complete a program that can serve as the game plan for the remainder of the revitalization period (total of 5 years). It is expected that the program will be reviewed by the various public agencies, groups, etc., and approved as the plan, program and strategy for the specific period.

ACCOMPLISHMENTS (continued)

Completed as component of revitalization plan.

Completed. Lack of support for a workshop led to scheduling of personal meetings with individuals on an as-needed basis. Three loans and three storefront grants were processed.

Surveys were mailed to 71 property owners with a response by 23. Although the majority of respondents were interested in selling their property, those interested in building improvements received follow-up contact on the financing programs.

Coordinator is finalizing Plan for completion by end of February. Given the apathy existing in the area from existing property owners, the major thrust of the research for the plan is for the development of a commercial strip center.