



**Sacramento
Housing &
Redevelopment
Agency**

REPORT TO REDEVELOPMENT AGENCY

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

STAFF REPORT

November 15, 2005

Honorable Mayor and
Members of the City Council

Subject: ACQUISITION OF PROPERTY AT 1022 AND 1340 DEL PASO BOULEVARD

Location/Council District: North Sacramento Redevelopment Area, Council District 2

Recommendation:

Staff recommends adoption of the Redevelopment resolution attached on page 7, which authorizes the Executive Director to:

- Purchase property at 1022 Del Paso Boulevard (APN 275 0163 005) for not substantially more than the fair market value;
- Purchase property at 1340 Del Paso Boulevard (APN 275 0123 010) for not substantially more than the fair market value;
- Allocate \$1,020,000 in North Sacramento tax increment funds to the Del Paso Boulevard Property Acquisition Project for all necessary actions; and
- Take all other actions necessary to purchase the properties on a voluntary basis.

Staff Contact:

Lisa Bates, Director, SHRA City Community Development, 440-1322

Cynthia Shallit, Management Analyst, SHRA City Community Development, 440-1322

Presenters:

Cynthia Shallit, Management Analyst, SHRA City Community Development

Department: Sacramento Housing and Redevelopment Agency

Summary:

This report recommends that the Redevelopment Agency (Agency) negotiate for the purchase of a vacant lot located at 1340 Del Paso Boulevard and the improved parcel at 1022 Del Paso Boulevard. (See Attachment I-Site Map). Staff recommends purchase of these properties to facilitate transit-oriented development within a quarter mile of the Globe Light Rail Station in the North Sacramento Redevelopment Area.

RAC Action:

At its meeting of August 18, 2005, the North Sacramento Redevelopment Advisory Committee adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Ash, Bergstrom, Harlan, Mack, McCleary E., McCleary J., Mulligan C., Mulligan M.

NOES: None

ABSENT: Marcus, Ogden, Roberts

NOT PRESENT TO VOTE: Scoggins

Commission Action

At its meeting of November 2, 2005, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Burns, Burruss, Coriano, Fowler, Gale, Gore, Hoag, Piatkowski, Shah, Simon, Stivers.

NOES: None.

ABSENT: None.

Background Information:

1022 Del Paso Boulevard

This report recommends the acquisition of the parcel located at 1022 Del Paso Boulevard, which was the former location of the Plantation Restaurant before it moved to Arden and Del Paso Boulevard. The property contains two structures: a vacant, fire-damaged house which has been converted to commercial use and a single family house occupied by the property owner. In addition the property contains a large billboard sign.

The property is adjacent to property the Agency purchased earlier this year at 1030 Del Paso Boulevard. Purchase of 1022 Del Paso Boulevard will allow the Agency to assemble a larger site with greater development potential. These properties are less than two blocks from the Globe Light Rail Station, where the community desires higher density, mixed use development.

Across the street at Baxter and Del Paso Boulevard, Sacramento Regional Transit (RT) owns a parking lot which it will allow the Agency to market for development. The total land available for development including the RT site, the Agency owned site, and 1022 Del Paso Boulevard, if purchased, would be approximately one acre.

1340 Del Paso Boulevard

The property located at 1340 Del Paso Boulevard is a vacant commercial parcel located at the southwest corner of Del Paso Boulevard and Edgewater Road. The property has known toxic contamination from leaking underground storage tanks. Agency staff has done some initial investigation of the toxic issue and is working to obtain the State's Underground Storage Tank Program funds to pay for the necessary cleanup. If the Agency acquires the property, the Agency can remediate the toxic contamination to make it available for various development options.

Currently, the Agency is considering relocating the RT parking lot at 1100 Del Paso Boulevard to this site. This site is more centrally located to businesses that have parking needs and could be a better alternative for addressing the business parking issues along Del Paso Boulevard.

Financial Considerations:

This report recommends that authority be given to the Executive Director to take all steps necessary to purchase the properties at 1022 and 1340 Del Paso Boulevard in the North Sacramento Project Area for not substantially more than just compensation as established by appraisal. All expenses related to the property acquisitions including cost of appraisals, investigative studies, property purchase, closing costs, relocation expenses, and demolition are estimated to be about \$1,020,000. Relocation and demolition expenses are only needed for the 1022 Del Paso Boulevard acquisition.

Staff recommends that \$1,020,000 in North Sacramento tax increment funds be transferred to the Del Paso Boulevard Property Acquisitions Project. This report requests authority for the Executive Director to allocate the following funds to the project:

- \$270,000 from North Sacramento 2003 tax exempt bond proceeds
- \$286,567 from North Sacramento tax increment revenue
- \$284,694 from North Sacramento tax increment in the Commercial Exterior Rebate Program
- \$128,739 from the North Sacramento tax increment in the Developer's Assistance Fund
- \$ 50,000 from future 2006 North Sacramento tax increment

Agency staff is recommending replenishing the Commercial Exterior Rebate program funding in the 2006 Agency budget with an allocation of \$284,694 from North Sacramento's 2003 tax exempt bond funds.

Environmental Considerations:


Acquisition of the property as described herein is in furtherance of the North Sacramento Redevelopment Plan. Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15180, actions to eliminate blight and encourage redevelopment in a redevelopment area were deemed approved at the time of adoption of the redevelopment plan and the Program EIR. Once the scope of development of this property has been defined, environmental review of the proposed project will be conducted. No specific use of the property is now contemplated, and acquisition of property does not commit the Agency to proceed with a project. Subsequent environmental review once the project has been defined is authorized under CEQA pursuant to *Stand Tall on Principles vs. Shasta Union* (235 Cal App 3rd 772). Therefore, this action is exempt from environmental review. NEPA does not apply.

Policy Considerations:

Actions recommended in this staff report are consistent with the North Sacramento Redevelopment Plan, and the North Sacramento 2005-2009 Implementation Plan goals of reinvigorating Del Paso Boulevard and utilizing transit stations in North Sacramento to their fullest extent.

M/WBE Considerations:

M/WBE requirements will be followed to the extent required by any federal funds used.

Respectfully Submitted by: 
ANNE M. MOORE
Executive Director

Recommendation Approved:


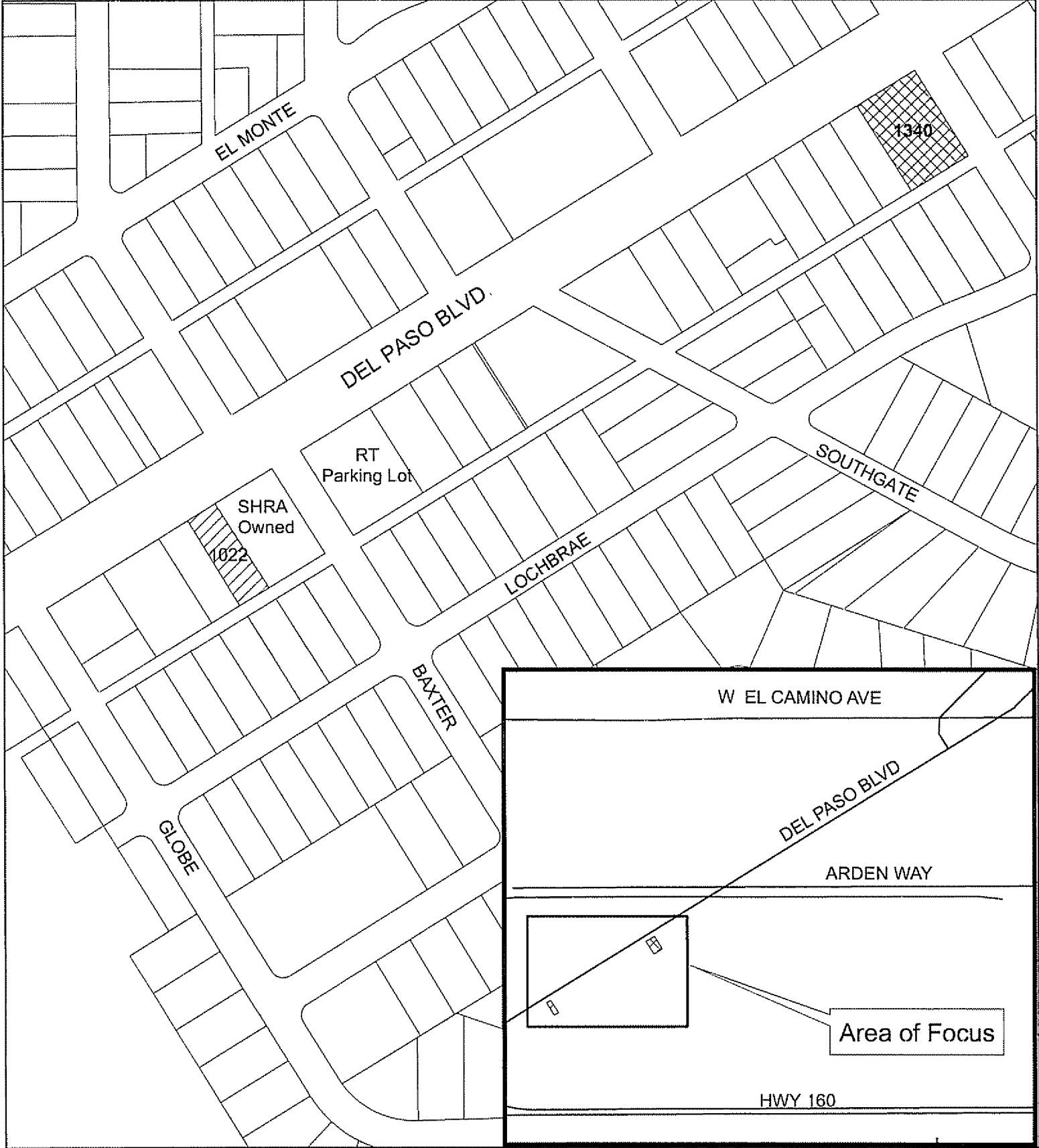

ROBERT P. THOMAS
City Manager



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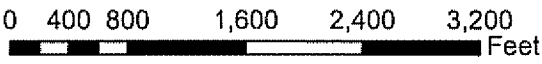
Pg 6	Attachment I – Site Map
Pg 7	Redevelopment Agency resolution



Del Paso Boulevard Sites

Legend

-  1340 Del Paso Blvd.
-  1022 Del Paso Blvd



RESOLUTION NO. _____

Adopted by the Redevelopment Agency of the City of Sacramento

ON DATE OF

ESTABLISHMENT OF JUST COMPENSATION FOR 1022 AND 1340 DEL PASO BOULEVARD (ASSESSOR'S PARCEL NUMBERS (APN 275 0163 005 and APN 275 0123-010) AND AUTHORIZATION TO TAKE ALL NECESSARY ACTIONS TO PURCHASE THESE PARCELS; AMEND AGENCY BUDGET

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento ("Agency") has adopted the North Sacramento Redevelopment Plan ("Redevelopment Plan") and an Implementation Plan for the North Sacramento Redevelopment Project Area ("Project Area").
- B. It is a stated goal of both these Plans to encourage higher density development along Del Paso Boulevard in support of the Globe Light Rail Transit station.
- C. Acquisition of 1022 and 1340 Del Paso Blvd parcels furthers those goals by acquiring vacant and blighted parcels for consolidation to provide new opportunities for more intense development.

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

- Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.
- Section 2. Just compensation for the parcels to be acquired, (APN 275 0163 005 and PN 275 0123-010) is the fair market value determined by an independent appraisal.
- Section 3. The Executive Director is authorized to take all actions and enter into all agreements as may be necessary to purchase on a voluntary basis, for not substantially more than fair market value, the properties commonly known as 1022 Del Paso Boulevard (APN 275 0163 005) and 1340 Del Paso Boulevard (APN 275 0123-010) ("Del Paso Blvd Acquisition Project").

- Section 4. The Executive Director is authorized to amend the Agency Budget to transfer the following North Sacramento Redevelopment Project Area funds to the Del Paso Blvd Acquisition Project:
- \$270,000 from North Sacramento 2003 tax exempt bond proceeds
 - \$286,567 from North Sacramento tax increment revenue
 - \$284,694 from North Sacramento tax increment in the Commercial Exterior Rebate Program
 - \$128,739 from the North Sacramento tax increment in the Developer's Assistance Fund
 - \$ 50,000 from future 2006 North Sacramento tax increment
- Section 5. The Executive Director is authorized to take all actions necessary to prepare the parcels for development, including without limitation, removal of existing buildings and remediation of contamination.
- Section 6. The Executive Director is authorized to take all such actions, execute such instruments and amend the Budget as may be necessary to implement this Project.