

RESOLUTION NO. 2004-049

ADOPTED BY THE REDEVELOPMENT AGENCY OF
THE CITY OF SACRAMENTO

ON DATE OF OCT 12 2004

**CONSIDERATION AND DETERMINATION OF ADEQUACY OF
THE FINAL EIR FOR THE REA BUILDING PROJECT FOR USE IN ADOPTING
AN OWNER PARTICIPATION AGREEMENT, AND
ADOPTING THE FINDINGS OF FACT AND STATEMENT
OF OVERRIDING CONSIDERATIONS FOR ENVIRONMENTAL
EFFECTS OF THE REA BUILDING PROJECT**

WHEREAS, staff of the Redevelopment Agency of the City of Sacramento ("Agency") consulted and commented on preparation of the Final Environmental Impact Report (the "Final EIR") for the REA Building Rehabilitation Project ("Project") which has been prepared by the City of Sacramento (the "City") in compliance with the California Environmental Quality Act (Public Resources Code Section 21000 et. seq., hereinafter "CEQA") and the administrative guidelines thereunder (14 Cal. Code Regs. 15000 et. seq., hereinafter the "CEQA Guidelines") and local procedures adopted by the City and Agency pursuant thereto; and

WHEREAS, the approval of an Owner Participation Agreement ("OPA") with REA Partners will enable the Project and hence becomes a portion of the Project from the Agency's perspective; and

WHEREAS, notice having been duly given and a public hearing has been held on the Project and the Final EIR was reviewed and considered, and determined adequate on August 26, 2004 by the City Planning Commission as the lead agency and all interested persons present having been heard; and

WHEREAS, the Agency has reviewed and considered the Final EIR as a responsible agency, as that term is defined in CEQA, on September 28, 2004 and determined it is adequate for its use in approving the OPA for the Project and all interested persons present having been heard; and

WHEREAS, the Final EIR reflects the independent judgment and analysis of the City as lead agency under CEQA (pub. Res. Code, § 21082.1 (c)(3); 14 Cal. Code Regs. § 15090 (a)(3); and reflects the independent judgment of the Agency as a responsible agency under CEQA which has considered the environmental effects of the project as shown in the Final EIR (Pub. Res. Code, § 21002.1 (b) and (d); 14 Cal. Code Regs. § 15096 (f))now therefore,

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

Section 1: The above statements are true and correct.

Section 2: The Agency has reviewed the Final REA Building Project EIR and hereby approves the Final EIR as adequate, complete and appropriate.

Section 3: The Agency hereby makes the written findings set forth in the Findings of Fact and Statement of Overriding Considerations incorporated herein by reference as Attachment A (Planning Commission Resolution), for each of the significant impacts set forth in said document, and further approves the statement of facts in said document. Based on such findings and statement of facts, the Agency hereby finds that significant environmental impacts have been reduced to an acceptable level in that all significant environmental impacts have been eliminated or substantially reduced, except that the implementation of the Project could result in the alteration of the interior of a historic structure and contribute to cumulative impacts to historic resources in the Downtown area. Based on the foregoing, the Agency finds and determines that the Project may have a significant impact upon the environment.

Section 4: Furthermore, the Agency finds that the No Project, and Reduced Intensity Alternatives are infeasible based upon specific economic, public safety/structural stability and cultural resource preservation considerations, and the Proposed Project is the environmentally superior alternative as stated in Attachment A.

Section 5: As to the significant environmental impacts identified in Section 3 of this resolution, which are not eliminated or substantially reduced, the Agency hereby adopts the following statement of overriding considerations:

The Agency hereby finds that, based on the findings and statement of facts set forth in the Findings of Fact and Statement of Overriding Considerations incorporated herein by reference as Attachment A, and based on the Final EIR and/or other information contained in the record, its action to approve and carry out the Project is supported because the benefits of the project outweigh each and every one of the project's environmental impacts which will not be mitigated to a level of insignificance by: (a) eliminating blighting influences and correcting environmental deficiencies in the Richards Boulevard Redevelopment Project Area, including among others, (b) salvaging, rehabilitating, and preserving a deteriorated abandoned historic structure, (c) providing restaurant uses that compliment the adjacent existing and future intermodal public transit facilities and adjacent Federal Courthouse and nearby employment generating uses, (d) providing historic interpretive displays to enhance the attractiveness of the area;

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(e) providing physical improvements to the site and area that will be an asset to the character of the Railyards district and adjacent downtown area; (f) providing opportunities for substantial new office employment adjacent to the Federal Courthouse and in the downtown area the revitalization of which is a priority of the City; (g) strengthening the economic base of the Project Area (h) providing increased sales, business license and other fees, taxes and revenues to the City of Sacramento and will enhance the value of neighboring properties and the Project Area as a whole.

Section 6: In the event that it is determined that the significant impacts identified in Section 3 are not mitigated or substantially lessened, the Agency hereby finds that based on the Final EIR and/or other information contained in the record, its action to approve or carry out the Project is supported for the reasons specified in Section 5 of this Resolution.

Section 7: Upon approval and adoption of the Project by the Redevelopment Agency, Agency staff is hereby directed to file a Notice of Determination with the County Clerk of Sacramento County pursuant to the provisions of Section 15096 (i) of the State CEQA Guidelines.

HEATHER FARGO

Chair

Attest:

SHIRLEY CONCOLINO

Secretary

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Attachment A

**REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
FINDINGS OF FACT
AND
STATEMENT OF OVERIDING CONSIDERATIONS**

**REA BUILDING PROJECT AND
OWNER PARTICIPATION AGREEMENT WITH REA PARTNERS**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE
CITY OF SACRAMENTO CERTIFYING THE ENVIRONMENTAL
IMPACT REPORT AND ADOPTING THE MITIGATION
MONITORING PROGRAM FOR THE PROPOSED REA
BUILDING PROJECT**

The Planning Commission of the City of Sacramento does hereby find, determine, and resolve as follows:

I. CEQA FINDINGS

1. The Planning Commission finds that the Environmental Impact Report for the REA Building project (herein EIR) which consists of the Draft EIR, and Final EIR (Response to Comments) and Appendices, has been completed in accordance with the requirements of the California Environmental Quality Act (CEQA), and the State CEQA Guidelines.
2. The Planning Commission certifies that the EIR was prepared, published, circulated and reviewed in accordance with the requirements of CEQA, and the State CEQA Guidelines, and constitutes an adequate, accurate, objective and complete Final Environmental Impact Report in accordance with the requirements of CEQA, and the State CEQA Guidelines.
3. The Planning Commission certifies that the EIR has been presented to it and that the Planning Commission has reviewed it and considered the information contained therein prior to acting on the proposed project and that the EIR reflects the independent judgment and analysis of the City.
4. Pursuant to CEQA Guidelines Section 15093, and in support of its approval of the REA Building project, the Planning Commission hereby adopts the attached Findings of Fact and a Mitigation Monitoring Program to require all reasonably feasible mitigation measures be implemented.

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II. PROCEDURAL FINDINGS

1. The City of Sacramento caused an Environmental Impact Report ("EIR") on the Project to be prepared pursuant to the California Environmental Quality Act, Public Resources Code, Section 21000 et seq. (CEQA), the CEQA Guidelines, Code of California Regulations, Title XIV, Section 15000 et seq.
2. A Notice of Preparation of the Draft EIR was filed with the Office of Planning and Research on April 24, 2004 and was circulated for public comment from April 24, 2003 to May 23, 2003.
3. A Notice of Completion (NOC) and copies of the Draft EIR were distributed to the State Clearinghouse on May 13, 2004, to those public agencies that have jurisdiction by law with respect to the Project, and to other interested parties and agencies. The comments of such persons and agencies were sought.
4. An official forty-five (45) day public review period for the Draft EIR was established by the State Clearinghouse. The public review period began on May 13, 2004.
5. A Notice of Availability (NOA) was distributed to all interested groups, organizations, and individuals on May 13, 2004, for the Draft EIR. The Notice of Availability stated that the City of Sacramento had completed the Draft EIR and that copies were available at the City of Sacramento, 1231 I Street, Room 300, Sacramento, California 95814. The letter also indicated that the official forty-five day public review period for the Draft EIR would end on June 28, 2004.
6. A public notice was placed in the Daily Recorder on May 13, 2004, which stated that the REA Building project Draft EIR was available for public review and comment. A public notice was posted with the Sacramento County Clerk/Recorder's Office on May 13, 2004. A public notice was also posted at the Sacramento City Hall on May 13, 2004.
7. Following closure of the public comment period, the Draft EIR was supplemented to incorporate comments received and the City's responses to said comments. The modifications to the REA Building project Draft EIR do not significantly change the EIR or the analysis. Therefore, in accordance with CEQA Guidelines, Section 15088.5, recirculation of the EIR is not required.
8. Following notice duly and regularly given as required by law, and all interested parties expressing a desire to comment thereon or object

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thereto having been heard, the EIR and comments and responses thereto having been considered, the Planning Commission makes the following determinations:

- A. The EIR consists of the Draft EIR, and Final EIR (Responses to Comments) and appendices.
 - B. The EIR was prepared and completed in compliance with CEQA.
 - C. The EIR has been presented to the Planning Commission, which reviewed and considered the information therein prior to acting on the REA Building project, and they find that the EIR reflects the independent judgment and analysis of the City of Sacramento.
9. The following information is incorporated by reference and made part of the record supporting these findings:
- A. The Draft and Final EIR and all documents relied upon or incorporated by reference as listed in Chapter 10, Bibliography, of the REA Building project Draft EIR.
 - B. The Mitigation Monitoring Plan dated August 2004.
 - C. Testimony, documentary evidence and all correspondence submitted or delivered to the City in connection with the Planning Commission hearing on this project and associated EIR.
 - D. All staff reports, memoranda, maps, letters, minutes of meetings and other documents relied upon or prepared by City staff relating to the project (e.g. references contained in Chapter 10 of the DEIR), including but not limited to, City of Sacramento General Plan and the Draft and Final EIR for the City of Sacramento General Plan Update.

III. FINDINGS OF FACT REGARDING THE ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED REA BUILDING PROJECT

The Environmental Impact Report for the REA Building project, prepared in compliance with the California Environmental Quality Act, evaluates the potentially significant and significant adverse environmental impacts that could result from adoption of the project or alternatives to the project.

The project site is located along the western end of I Street, east of I-5 in the northern portion of the City of Sacramento. The project consists of

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rehabilitation and adaptive re-use of the REA building. The rehabilitation effort would include exterior and interior modifications. The building would also be seismically upgraded. Re-use of the building would include approximately 22,000 square feet of retail and office uses. The applicant is requesting a rezone of the site from M-2-T-SPD to C-3-SPD and a variance to waive parking lot shading requirements.

Because the EIR indicates that implementation of the project (or project alternatives) would result in certain adverse impacts, the City is required under CEQA and the State to make certain findings with respect to these impacts. The required findings appear in the following sections of this document. This document lists all identified potentially significant and significant impacts of the project, as identified in the EIR. The following identifies the significant impacts that can be avoided due to implementation of mitigation measures and the significant impacts that cannot be avoided. These findings are supported by substantial evidence in the record of proceedings before the City as stated below.

1. **SIGNIFICANT IMPACTS WHICH CAN BE AVOIDED IN THE EIR**

As authorized by Public Resources Code Section 21081 and Title 14, California Administrative Code ' 15091(a)(1), the City finds that changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental impacts listed above as identified in the EIR. The City further finds that this change or alteration in the project is within the jurisdiction of the City to require, and that this measure is appropriate and feasible.

In this section of the Findings of Fact for the proposed REA Building project, the City, as authorized by Public Resources Code Section 21081 and Title 14, California Administrative Code Sections 15091, 15092, and 15093, identifies the significant impacts that can be reduced through mitigation measures to a less-than-significant level. These mitigation measures are hereby incorporated into the description of the project and their implementation will be tracked through the REA Building project Square Mitigation Monitoring Program.

These findings are supported by substantial evidence in the record.

1. Initial Study Impact 15(a): Undiscovered Archaeological Resources

a. Potentially Significant Impact

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There exists the possibility for the presence of undiscovered archaeological resources on the project site. Development would require grading and excavation that could disturb or damage any as-yet-undiscovered cultural resource that may be present at the project site. A significant impact could occur. The degree of the impact would likely be similar between the proposed project and the development alternative because a similar area would be disturbed under each.

b. Facts in Support of Finding

The potentially significant impact listed above would be reduced to a less-than-significant level with the following mitigation measure provided in the REA Building EIR:

Future development on the project site shall comply with the following measures:

If subsurface prehistoric or historical archaeological remains are identified during construction, work in the affected areas shall immediately stop until the find can be evaluated by a qualified archaeologist. If the find is determined to be of significance, mitigation shall consist of avoidance, and/or mitigation through data recovery.

In accordance with §7050.5 of the Health and Safety Code and §5097.94 and §5097.98 of the Public Resources Code, if human remains are discovered at the project site during excavation, work shall immediately stop at the construction site, the county coroner shall be contacted, and the Native American Heritage Commission shall be contacted. If the remains are determined to be Native American in origin, they shall be left intact, and the most likely descendants shall be notified.

2. **SIGNIFICANT IMPACTS WHICH CANNOT BE AVOIDED**

In this section of the Findings of Fact for the proposed REA Building, the City identifies the significant impacts that cannot be reduced through mitigation measures to a less-than-significant level.

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1. Impact 6.2-1: Effects on Historic Resources (Project-specific)

a. Significant and Unavoidable Impact

Rehabilitation of the interior of the REA building would involve the removal of deteriorated wood flooring and all interior finishing material. Exact details of this work and possible additional work that might result when it is possible to perform a more detailed analysis of the condition of the interior of the building are not known at this time. Therefore, interior construction may occur that is not consistent with the Secretary of the Interior's Standards. As a result, the project would be considered to have a potential, significant, historic resource impact.

b. Facts in Support of Finding

Compliance with the Secretary of the Interior's Standards for all interior renovations would mitigate the project-specific impact to a less-than significant level. The proposed project includes re-use of some interior features to the extent possible.

The unstable nature of the building has made detailed investigation of the interior condition infeasible. Therefore, it is unknown at this time which interior features can be preserved or re-used. Therefore, this impact remains potentially significant and unavoidable.

2. Impact 6.2-2: Effects on Historic Resources (Cumulative)

a. Significant and Unavoidable Impact

Rehabilitation of the interior of the REA building would involve the removal of deteriorated wood flooring and all interior finishing material. Exact details of this work and possible additional work that might result when it is possible to perform a more detailed analysis of the condition of the interior of the building are not known at this time. Therefore, interior construction may occur that is not consistent with the Secretary of the Interior's Standards. As a result, the project would be

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considered to have a potential, significant, historic resource impact which would contribute to the potential cumulative loss of historic resources in the downtown area.

b. Facts in Support of Finding

Compliance with the Secretary of the Interior's Standards for all interior renovations would mitigate the project-specific impact to a less-than significant level. The proposed project includes re-use of some interior features to the extent possible.

The unstable nature of the building has made detailed investigation of the interior condition infeasible. Therefore, it is unknown at this time which interior features can be preserved or re-used. Therefore, the potential historic impacts of the proposed project when considered in conjunction with other projects in the downtown area could be cumulatively considerable and considered a potentially significant impact.

3. **REJECTION OF ALTERNATIVES**

CEQA mandates that every EIR evaluate a no-project alternative, plus a range of alternatives to the project or its location. Alternatives provide a basis of comparison to the project in terms of beneficial, significant, and unavoidable impacts. This comparative analysis is used to consider reasonable feasible options for minimizing environmental consequences of a project. For the reasons documented in the EIR and summarized below, the City finds that approval and implementation of the project as approved is appropriate, and rejects each one and any combination of project alternatives. The evidence supporting these findings is presented in Sections 5 and 6 of the Draft EIR.

A. Alternative AA: No Project Alternative

Under the No Project Alternative, the City of Sacramento would not approve the development plans for the proposed REA Building project. The property would remain in its current state and would not be available for re-use. No renovation, repair, weatherproofing or re-use of the building would occur.

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Finding

Specific economic, social, or other considerations make infeasible the No Project Alternative identified in the EIR and described above.

Facts in Support of Finding

1. Alternative AA would not meet any of the goals and objectives of the proposed project.
2. The No Project Alternative would not achieve the Preservation Element of the General Plan and the building would remain vacant and subject to damage from weather.
3. The No Project Alternative would not achieve the basic goals and objectives of the developer to develop an economically feasible project that meets the highest and best use of the property.
4. Alternative AA, like the proposed project, would result in significant unavoidable impacts to a historic resource.
5. Significant effects of the proposed project are acceptable when balanced against this Alternative and the facts set forth in the Statement of Overriding Considerations.

B. Alternative AB: Reduced Intensity Alternative

Under the Reduced Intensity Alternative, the same interior and exterior renovations as with the proposed project would occur. The intensity of the retail and office uses would be reduced.

Finding

Specific economic, social, or other considerations make infeasible the No Project Alternative identified in the EIR and described above.

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Facts in Support of Finding

1. Alternative AB, although partially consistent with the project objectives, would not provide the intensity of use desired in an urban infill project.
2. Alternative AB would not achieve the basic goals and objectives of the developer to develop an economically feasible project that meets the highest and best use of the property.
3. Alternative AB, like the proposed project would result in significant unavoidable impacts to a historic resource.
4. Significant effects of the proposed project are acceptable when balanced against this Alternative and the facts set forth in the Statement of Overriding Considerations.

STATEMENT OF OVERRIDING CONSIDERATIONS

Notwithstanding disclosure of the significant impacts and the accompanying mitigation, the City has determined pursuant to Section 15093 of the CEQA Guidelines that the benefits of the project outweigh the adverse impacts, and the proposed project shall be approved.

With reference to the above findings and in recognition of those facts which are included in the record, the City has determined that the proposed project would contribute to the environmental impacts which are considered significant and adverse, as disclosed in the EIR prepared for the proposed project.

Under CEQA, the City must balance the benefits of the Project against its unavoidable environmental risks in determining whether to approve the Project. If the benefits of a Project outweigh the unavoidable adverse effects, those effects may be considered "acceptable" (CEQA Guidelines Section 15093[a]). However, CEQA requires the City to support, in writing, the specific reasons for considering a Project acceptable when significant impacts are unavoidable. Such reasons must be based on substantial evidence in the EIR or elsewhere in the administrative record (CEQA Guidelines Section 15093[b]). Those reasons are provided below as the "Statement of Overriding Considerations."

The City finds that the economic, social, or other benefits of the Project outweigh the unavoidable environmental impacts and that the Alternatives are rejected based upon the following legal, environmental, social, technological and other considerations.

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The City specifically finds, and therefore makes this Statement of Overriding Considerations, that as a part of the process of obtaining project approval, all significant effects on the environment with implementation of the Proposed Project have been eliminated or substantially lessened where feasible. Furthermore, the City has determined that any remaining significant effects on the environment found to be unavoidable are acceptable due to the overriding considerations described below:

1. The REA Building project would result in the rehabilitation and restoration of a significant, historic structure providing physical improvements to the site and area that will be an asset to the character of the Railyards District and adjacent downtown area.
2. The REA Building project would result in eliminating further deterioration of a contributing element of an historic district and provide productive economic use consistent with Goal A of the Preservation Element.
3. Reuse of the REA building would further the City's goal to concentrate development and target infrastructure investments within the urban core of the region to allow for efficient use of existing facilities, infill and reuse areas.
4. Development of ground floor retail and restaurant uses will complement the uses in the historic train station, future Intermodal, and nearby office buildings and the courthouse, and serve as a catalyst for redevelopment of the Railyards District as called for in the 5-year redevelopment implementation plan.
5. The proposed re-use of the REA building would provide an increment of transit-oriented "compatible joint development" as called for in the Intermodal planning process.
6. Re-use of the now vacant building would strengthen the economic base of the area, provide increased sales, business license and other fees, taxes and revenues to the City of Sacramento and will enhance the value of neighboring properties.

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