

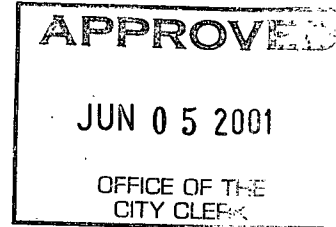
ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO

14.1

May 16, 2001

Redevelopment Agency of the City of Sacramento  
Sacramento, California



Honorable Members in Session:

**SUBJECT:** Public Hearing –810 J Street Resolution of Necessity

**LOCATION & COUNCIL DISTRICT:**– 810 J Street, Council District 1.

**RECOMMENDATION:**

Staff recommends adoption of the attached resolution that authorizes the Deputy City Manger to:

- 1) Adopt a Resolution of Necessity for the Agency acquisition of one commercially zoned property described as assessor's parcel number 006-0097-004; and
- 2) Acquire the subject property by eminent domain in the event that continuing negotiations do not result in a voluntary sale.

**CONTACT PERSONS**

Michelle Nelson, Senior Management Analyst, 264-7064  
Wendy Saunders, Development Manager, 264-8196

**FOR COUNCIL MEETING OF** June 5, 2001

**SUMMARY**

This report recommends the authority to use eminent domain, as a means of last resort, to acquire the subject parcel, which has previously been authorized for acquisition and is needed for any redevelopment of the half block bounded by 8<sup>th</sup>, 9<sup>th</sup> and J Streets and the alley located within the Merged Downtown Redevelopment Project Area.

## **BACKGROUND**

- In 1994, the Agency acquired the eastern 180 feet of the half block bounded by 8<sup>th</sup>, 9<sup>th</sup> and J streets and the alley. The acquisition was comprised of five owners and six assessor's parcels and was the first step towards consolidation of the entire half-block.
- In January 1999, First Key, LLC acquired five of the six remaining six parcels on the half block. In May 2000, the City entered into an Exclusive Right to Negotiate Agreement (ERN) with First Key, LLC for the development of the half block. Despite its efforts, First Key, LLC could not consummate purchase of the final parcel.
- On January 16, 2001, the City Council authorized the purchase of the subject parcel (please see Exhibits A and B) and approved Resolution 2001 – 004 to establish just compensation and negotiate the voluntary purchase of the property to further land consolidation and blight elimination goals in the Central Business District and the J Street Commercial Corridor.
- In April 2001, the City Council approved the Disposition and Development Agreement with First Key, LLC, for the development of the Metro Place Office/Residential project for the half block bounded by the 8<sup>th</sup>, 9<sup>th</sup> and J streets and the alley.
- Whether or not the Metro Place Office/Residential Project moves forward, the Agency's redevelopment efforts require acquisition of this property. The subject property is a small strip of vacant land in the middle of the block and is critical to any redevelopment of the half-block. Acquisition of the parcel is necessary for the development of the half block which will achieve the Agency's Implementation Plan goals, plan and strategies for revitalization of the area.
- Staff has worked toward reaching a fair and mutually acceptable purchase price for the parcel. Agency staff has provided a fair market value offer as determined by an independent appraiser, met individually with the owner, and has kept in continual contact with the owner.
- After meetings and discussions with the property owner and his attorney, the Agency has been unable to make any progress in purchase negotiations. The main issue for a lack of resolution is the owner's disagreement on the property value.
- A Phase I environmental assessment has been completed and there is no significant environmental concern.
- The Property owner has been notified of the Agency's intent to request authorization for eminent domain. Agency staff will continue to make every reasonable effort available to avoid the use of eminent domain on the purchase of the property, however, to keep revitalization efforts moving forward the Agency needs assurance that it will have possession or ownership of the property in a timely fashion.

**FINANCIAL CONSIDERATIONS**

The funding for the purchase of this property was previously approved by the City council on January 16, 2001. The source of funds for purchase of the property is Downtown Tax Increment funds.

**POLICY CONSIDERATIONS**

The actions recommended in this report authorize the Agency to use its eminent domain powers to acquire one commercially zoned property for the elimination of blight and development of the J Street Commercial Corridor.

**ENVIRONMENTAL CONSIDERATIONS**

The proposed action to acquire property is in furtherance of the Merged Downtown Redevelopment Plan, as amended. Per California Environmental Quality Act (CEQA) Guidelines Sections 15180, 15162, and 15163, acquisition of parcel for consolidation and development, and actions to encourage redevelopment in a redevelopment area were deemed approved at the time of adoption of the redevelopment plan.


On, April 10, 2001, the City Council certified the final EIR for the Metro Place Office/Residential Project for development of the half block where the subject parcel is located. A Notice of Determination was filed on April 11, 2001. No further environmental documentation is required at this time. NEPA does not apply.


**ESBD CONSIDERATIONS**

There are no ESBD considerations associated with this action.


Respectfully submitted:

APPROVED:

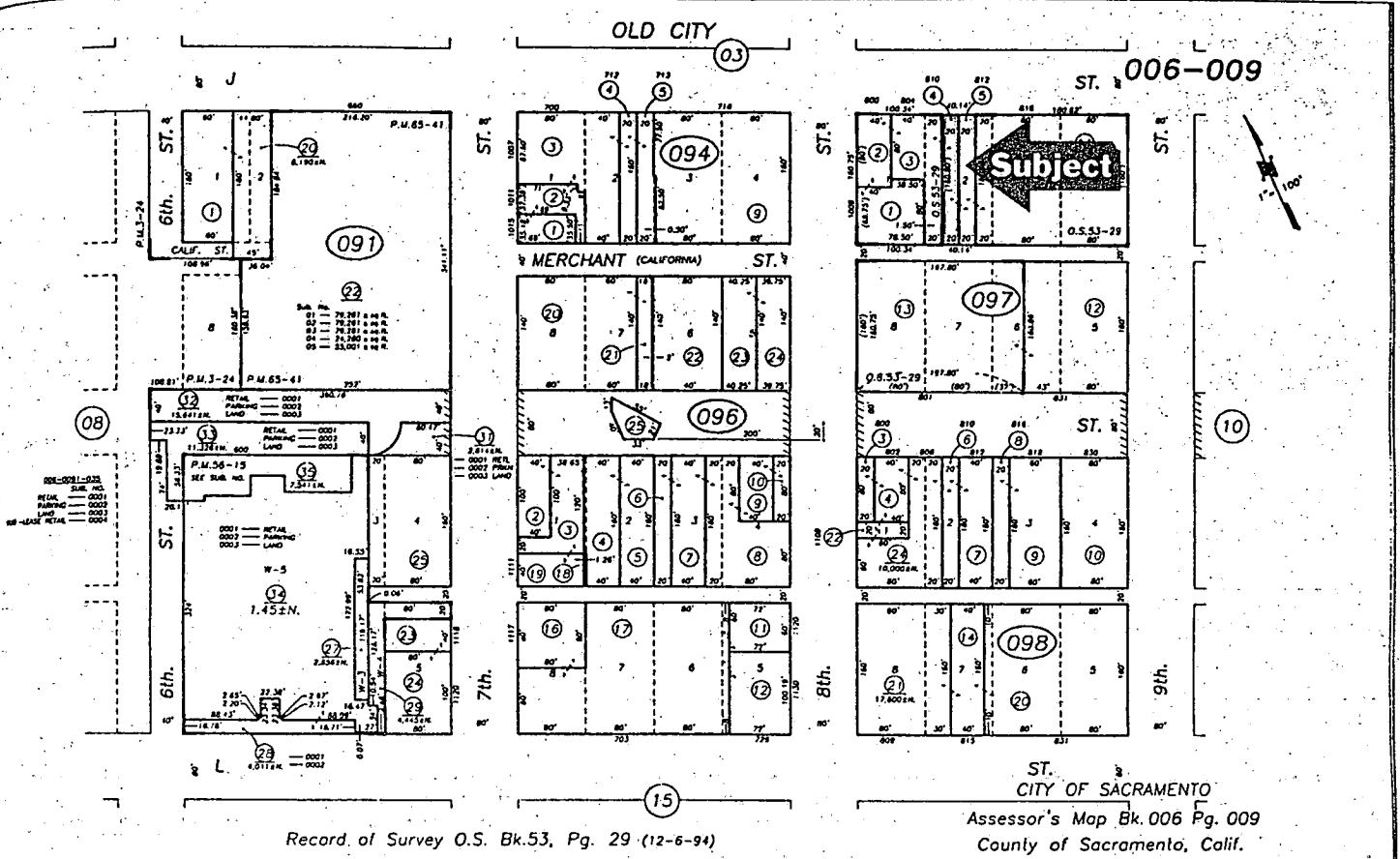
  
\_\_\_\_\_  
Wendy Saunders  
Development Manager

  
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Andrew J. Plescia, Director  
Economic Development Department Director

APPROVED:

  
\_\_\_\_\_  
ROBERT P. THOMAS  
City Manager

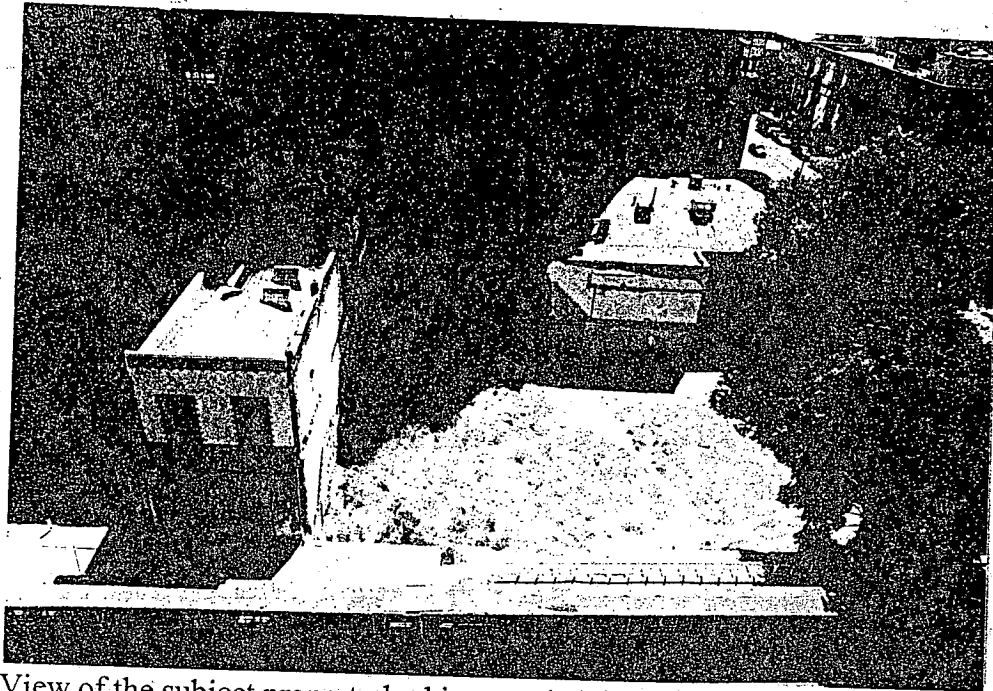
SITE DATA - ASSESSOR'S MAP



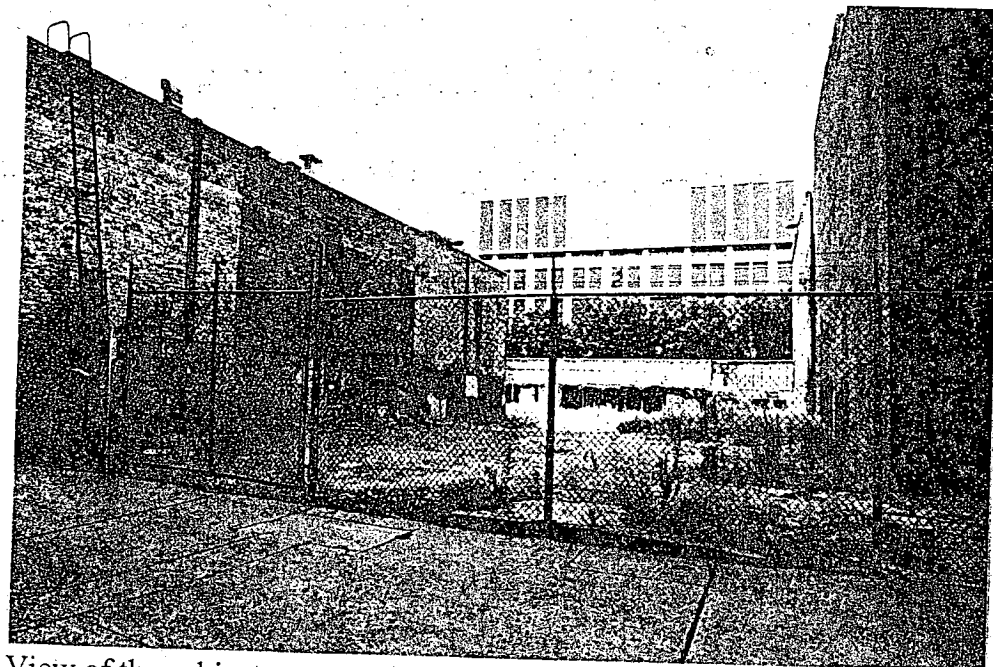
Record of Survey O.S. Bk.53, Pg. 29 (12-6-94)

ST. CITY OF SACRAMENTO  
Assessor's Map Bk.006 Pg. 009  
County of Sacramento, Calif.

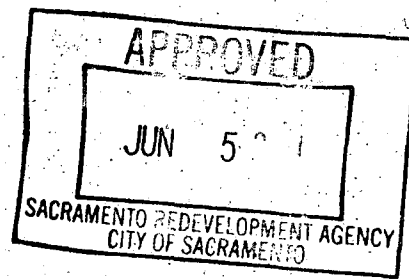
SUBJECT PROPERTY PHOTOGRAPHS



View of the subject property looking south from the parking garage on the north side of "J" Street.



View of the subject property looking north from the alley.



**RESOLUTION NO. RA 2001-033**

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF \_\_\_\_\_

**RESOLUTION OF NECESSITY AUTHORIZING ACQUISITION BY EMINENT DOMAIN  
OF 810 J STREET LOCATED IN THE MERGED DOWNTOWN  
REDEVELOPMENT PROJECT AREA**

WHEREAS, Amended Redevelopment Plan ("Redevelopment Plan") for the Merged Downtown Redevelopment Project Area ("Project Area") was adopted by the City Council of the City on June 17, 1986 and amended on May 25, 1999.

WHEREAS, three goals of the Redevelopment Plan of the Project Area are:

- a) The assembly of land into parcels suitable for modern, integrated development with improvement pedestrian and vehicular circulation in the Project Area.
- b) The replanning, redesign and development of undeveloped areas, which are stagnant or improperly utilized.
- c) The strengthening of retail and other commercial functions in the downtown area.

WHEREAS, THE 2000-2005 Implementation Plan for the Merged Downtown Project Area was adopted by Resolution No. 2000-011 on February 29, 2000.

WHEREAS, THE 2000-2005 Implementation Plan for the Merged Downtown Project Area calls for programs to assemble and purchase property for future development;

WHEREAS, on January 16, 2001 the Agency was authorized the purchase of, and determined the amount of just compensation for Assessors Parcel Number 006-0097-004 located at 810 J Street ("Subject Parcel").

WHEREAS, the Agency has, through its counsel, engaged a qualified appraiser who has prepared an appraisal of the fair market value of the Subject Parcel;

WHEREAS, the Agency has engaged in serious negotiations with the owner of the Subject Parcel for the purpose of purchasing the Subject Parcel, which negotiations have heretofore proven futile and without effect; and

WHEREAS, the Subject Parcels are properly zoned and situated for redevelopment, and there are no other sites in the Project Area which would be as compatible with the greatest public good and the least private injury as the Subject Parcel.

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

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

Section 1. The above statements are true and correct.

Section 2. The Redevelopment Agency is empowered to acquire the Subject Parcels by eminent domain pursuant to Health and Safety Code Section 33391.

Section 3. The public purpose for which the Subject Parks is to be acquired is redevelopment, and more specifically the assembly of parcels for development. This narrow strip of property, if separate, prohibits the effective redevelopment of even a portion of the half-block. It is also necessary for the proposed development of the Metro Place Office/Residential project, as well as any other project at that Site, designed to eliminate blight, to better utilize underutilized parcels, and to increase development and economic activity in the area.

Section 4. For the foregoing reasons, the Redevelopment Agency finds and determines that:

- (a) The Public interest and necessity requires the Metro Place Office/Residential Project, or a similar project, which will include removal of the blighting influence of underutilized and blighted properties;
- (b) The purchasing the Site for site assemblage eliminates the blight of a small, irregular parcel and is the solution most compatible with the greatest public good and the least private injury;
- (c) The Subject Parcel is necessary for the proposed project, as designed, as well as for any other future project; and
- (d) Just compensation has been established for the Subject Parcel by Resolution No. 2001 - 004, offers have been made to the owner of record of the Subject Parcel, as required by section 7267.2 of the Government Code and such owner of the Subject Parcel have been given reasonable opportunity to consider, reject or accept such offers.

Section 5: While continuing to make every reasonable effort to expeditiously acquire the Subject Parcel by negotiation, the Deputy City Manager is authorized to institute and prosecute to conclusion actions in eminent domain to acquire the Subject Parcel and to take any action necessary or desirable for such purpose in accordance with California eminent domain law.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
SECRETARY

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_



Law Office of  
**STEVEN P. BELZER**

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Email: sbelzer@veriomail.com

May 22, 2001

Valerie Burrowes, City Clerk  
City of Sacramento  
915 I Street, Room 304  
Sacramento, CA 95814

**Re: Hearing on Redevelopment Agency Adoption of Resolution of Necessity  
810 J Street  
Hearing Date and Time: June 5, 2001 7:00 p.m.**

Dear Ms. Burrowes:

This office represents the owner of the above-referenced property which is the subject of a hearing on adoption of a Resolution of Necessity set before the City Council acting as the Redevelopment Agency on its June 5, 2001 agenda.

The owners request the opportunity to appear at the hearing and offer evidence in opposition to adoption of the Resolution.

Yours very truly,

STEVEN P. BELZER

SPB:cmk

cc: Samuel B. Fong

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