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**Joint Meeting of the City Councils of
the City of Sacramento and
the City of West Sacramento
August 17, 1999
7:00 P.M.**



Sacramento City Council
West Sacramento City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: STATUS REPORT ON THOMAS P. RALEY FIELD AND EMBASSY SUITES HOTEL DEVELOPMENT

LOCATION/COUNCIL DISTRICT:

Thomas P. Raley Field: The site is located in West Sacramento and generally bounded by SR 275 to the north, Park Street to the south, South River Road to the east and the future alignment of 5th Street to the west.

Embassy Suites Hotel: The project is located at the southeast corner of Capitol Mall and Front Street, within City Council District 1.

RECOMMENDATION:

This report is informational only; no action is recommended.

CONTACT PERSON: Val Toppenberg, Director of Redevelopment and Housing
West Sacramento Redevelopment Agency, 916/ 373-5843

Wendy Saunders, Downtown Development Manager
City of Sacramento, 916/ 264-8196

FOR COUNCIL MEETING OF: August 17, 1999

SUMMARY:

This report presents the status of the Thomas P. Raley Field and Embassy Suites Hotel development projects.

BACKGROUND:

Thomas P. Raley Field: In 1996, two entrepreneurs, Warren Smith and Bob Hemond, approached West Sacramento Redevelopment Agency (RDA) staff with a proposal to construct a Triple A baseball stadium in the northwest corner of West Sacramento's Triangle Specific Plan Area. Aside from the fact that Mr. Smith and Mr. Hemond had no



development experience, no baseball team and no site, the proposed project seemed reasonable to RDA staff.

The group formed by Mr. Smith and Mr. Hemond, River City Baseball Association (RCBA) acquired options to purchase properties at the foot of the Tower Bridge, across the river from Old Sacramento. Later, RCBA announced that it had been joined by a new member, Mr. Art Savage, who was negotiating to purchase the Triple A Vancouver Canadians.

Even with site control and a baseball team in place, the proposed stadium was not financially feasible without public investment. After a lengthy negotiation with RCBA, the City of West Sacramento determined that it could not afford to provide all of the assistance necessary to promote the development of the proposed stadium. The City of West Sacramento sought the assistance of other jurisdictions that would share in the benefits of this regional facility. A joint powers authority (JPA) was formed with the Counties of Sacramento and Yolo.

The combined efforts of the JPA have resulted in a feasible stadium project. With 10,000 fixed seats, this state-of-the-art facility will take advantage of the Sacramento area's near-perfect baseball weather to again provide area residents with the opportunity to enjoy professional baseball in their own backyard. The stadium is expected to draw over 400,000 spectators annually, which promises a development catalyst effect in West Sacramento and an increase in sales tax and parking revenue in the City of Sacramento.

Under the terms of the agreements reached between the JPA partners and RCBA, the JPA will issue approximately \$40 million in revenue bonds. The bonds are secured by stadium revenues and revenue pledges from the City of West Sacramento and the County of Sacramento. Yolo County has joined the City of West Sacramento in pledging its share of property tax revenues back to the project. The stadium will be owned and operated by RCBA.

The stadium will generate \$224,000 annually in tax increments, which are pledged by the RDA to the Mello Roos financing district formed to build infrastructure. In addition the RDA is contributing \$1.5 million towards infrastructure construction.

Development of the stadium has already begun. Despite a pending lawsuit challenging the validity of the negative declaration prepared for the project, the City of West Sacramento has provided over \$6 million in financing for RCBA to acquire the development site and to begin relocation and demolition. To date over 70 percent of the site has been cleared of its former warehouse uses. Final touches are being put on the revenue bond issue, which is expected to close in August 1999. The City of West Sacramento looks forward to inviting the region to visit our city and enjoy this new regional facility starting in Spring 2000.

Embassy Suites Hotel: In April 1997, the Agency issued a Request for Significant Interest for a hotel development on the site. The Agency received two proposals for the site and selected Promus Hotel Corporation (Embassy Suites) for the project. The City Council approved a Disposition and Development Agreement with the Promus Hotel Corporation for hotel development on the site on February 23, 1999.

Project Description: It is the intent of the City of Sacramento, the Redevelopment Agency of the City of Sacramento, and the Promus Hotel Corporation to construct an 8-story, 249-room, full-service hotel, operated by Embassy Suites, to serve both residents and visitors of Sacramento. The hotel will include approximately 213,000 square feet of hotel guest facilities, plus 3,500 square feet of meeting space, 2,500 square feet for a full-service restaurant and bar, and one level of underground parking to accommodate 150 valet spaces.

The architectural design objective of the hotel is to provide an attractive, site-appropriate building that orients visitors to the waterfront and compliments surrounding development. Building design features will include a protected drop-off (porte-cochere), an enhanced material pallet at the building's base, and terrace areas that include outdoor dining facing the Sacramento River and Promenade.

With the development of the hotel, Front Street will be eliminated from Capitol Mall to Neasham Circle. The railroad spur that currently runs parallel to the Sacramento River between Front Street and the new Promenade will remain in tact. The Promenade currently accommodates pedestrians and bicyclists.

This project is a cornerstone in the redevelopment efforts for the riverfront within the Merged Downtown Redevelopment Project Area and will eliminate blight and achieve multiple Agency objectives including:

- Developing an underutilized and irregular parcel of land in a significant location of the Project Area;
- Stimulating and strengthening economic activity in the area by providing over 100 full- and part-time permanent employment opportunities and 300 construction jobs for local residents, promoting visitors to the Old Sacramento Historic Area which will increase sales tax by approximately \$150,000 annually, and generate approximately \$375,000 in tax increment and \$950,000 in transit occupancy tax for the City of Sacramento annually;
- Acting as a catalyst for the development of other underutilized parcels in the immediate vicinity and assisting in the restoration and retention of businesses and jobs in and near the Project Area; and
- Enhancing City investments including the newly expanded Convention Center as well as the new Riverfront Promenade, which is immediately adjacent to the project site.

Off-Site Improvements: Off-site improvements will include a left-turn pocket on Capitol Mall, which will allow partial access (left in, right in and right out), as well as pedestrian crossings and signalization. The City is working with Caltrans and West Sacramento to design mitigation for project traffic impacts. The City will be responsible for the management of this portion of the project.

It is anticipated that project construction will begin in Summer 1999, and will be completed in approximately one year in Summer 2000.

FINANCIAL CONSIDERATIONS

Not applicable

ENVIRONMENTAL CONSIDERATIONS:

The City of West Sacramento has certified a mitigated negative declaration for Thomas P. Raley Field.

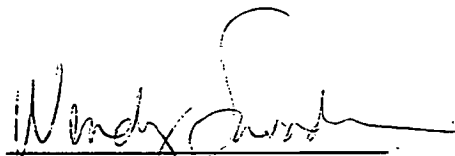
The City of Sacramento and the Redevelopment Agency of the City of Sacramento has certified a mitigated negative declaration for the Embassy Suites Riverfront Hotel Project.

POLICY CONSIDERATIONS:

This item is informational only; no policy considerations are necessary.

ESBD CONSIDERATIONS:

ESBD is not applicable.




WENDY SAUNDERS
Downtown Development Manager

Respectfully Submitted,



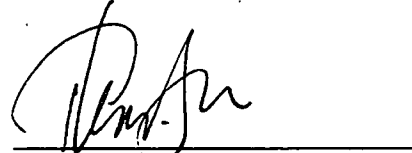
VAL TOPPENBERG
Director of Redevelopment and Housing

RECOMMENDATION APPROVED:


BOB THOMAS
City Manager


JOSEPH M. GOEDEN
City Manager

APPROVED:


TOM LEE
Deputy City Manager


VAL TOPPENBERG
Director of Redevelopment and Housing

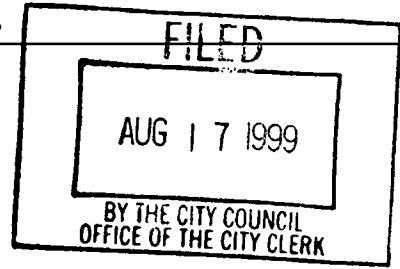
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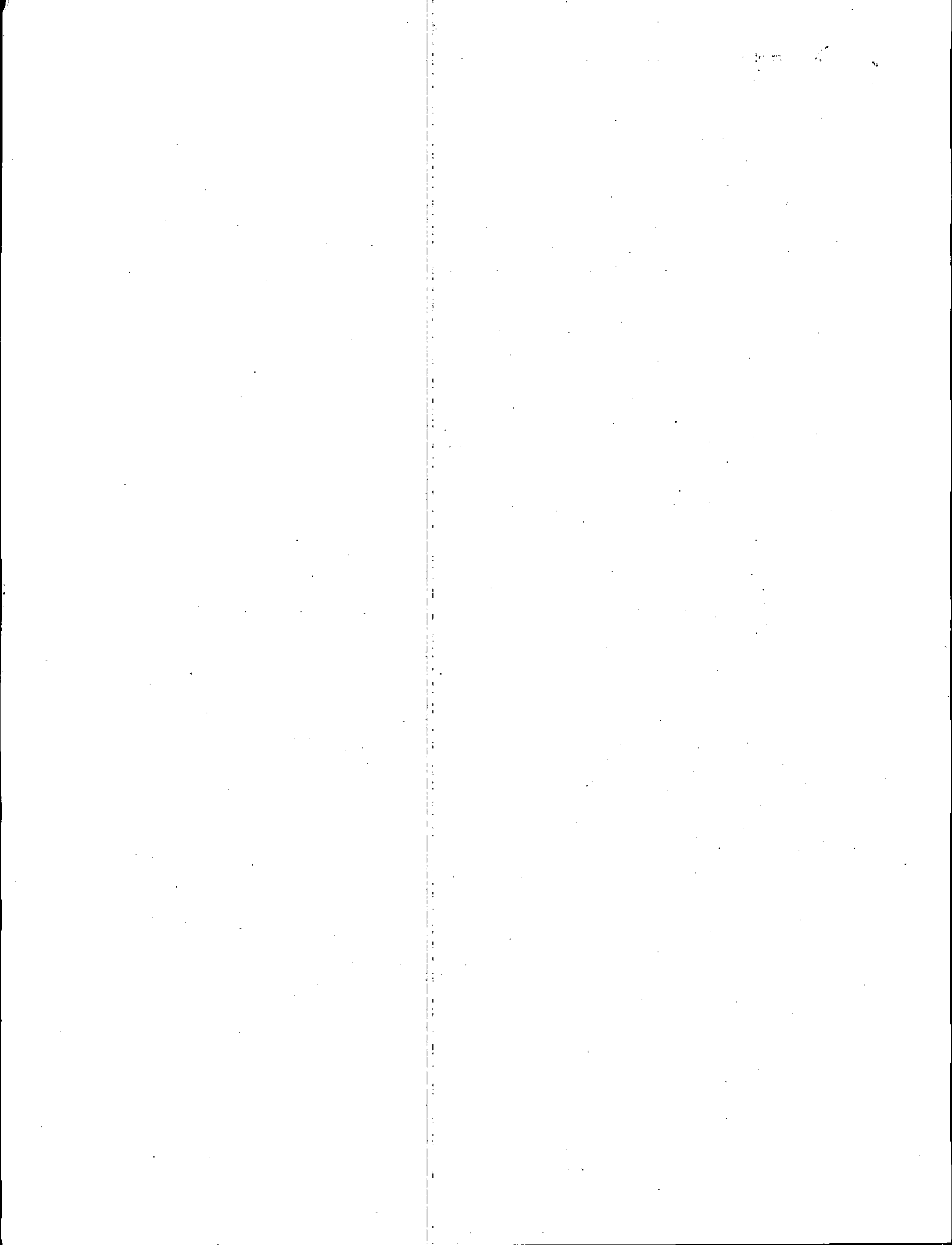
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It is anticipated that project construction will begin in Summer 1999, and will be completed in approximately one year in Summer 2000.

FINANCIAL CONSIDERATIONS

Not applicable

ENVIRONMENTAL CONSIDERATIONS:

The City of West Sacramento has certified a mitigated negative declaration for Thomas P. Raley Field.


The City of Sacramento and the Redevelopment Agency of the City of Sacramento has certified a mitigated negative declaration for the Embassy Suites Riverfront Hotel Project.

POLICY CONSIDERATIONS:


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ESBD CONSIDERATIONS:

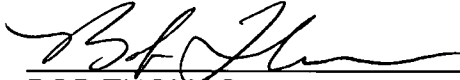
ESBD is not applicable.


WENDY SAUNDERS
Downtown Development Manager

Respectfully Submitted,


VAL TOPPENBERG
Director of Redevelopment and Housing

RECOMMENDATION APPROVED:

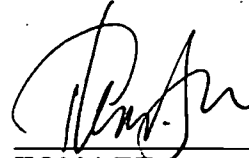


BOB THOMAS
City Manager



JOSEPH M. GOEDEN
City Manager

APPROVED:



TOM LEE
Deputy City Manager



VAL TOPPENBERG
Director of Redevelopment and Housing

Robert M. Aquilino