



REPORT TO THE REDEVELOPMENT AGENCY of the City of Sacramento

915 I Street, Sacramento, CA 95814-2671

Staff Report
January 31, 2006

Honorable Chair and Members of the Board.

Subject: Establishing a budget for the acquisition of property in the 700 and 800 blocks of K through L streets

Location/Council District: 700 and 800 Blocks of K through L streets, Council District 1

Recommendation:

Adopt a Resolution: 1) Establishing a budget for acquisition of commercially-zoned properties located at 700 K (APN:006-0096-002), 704 K (APN:006-0096-004), 730 K (APN:006-0096-010), 731 K (APN:006-0096-024), 800 K (APN: 006-0098-003), 802 K (APN:006-0098-004), 809 L Street (APN:006-0098-021), 815 L Street (APN: 006-0098-014); and 2) Transferring \$20 million from Tax-Exempt Downtown Redevelopment Bond Funds to the 700/800 K/L project budget for land acquisition and related real estate, administrative, and professional services costs.

Contact: Michelle Nelson, Senior Economic Dev. Project Manager, (916) 808-7064
Leslie Fritzsche, Downtown Development Manager, (916) 808-5450

Presenters: Michelle Nelson, Senior Economic Development Project Manager

Department: Economic Development

Division: Downtown Development

Organization No: 4451

Summary:

This report recommends establishment of a budget to acquire certain properties located in the 700 and 800 blocks of K through L streets (see Attachment 1) in the Merged Downtown Redevelopment Project Area using Tax Exempt Downtown Redevelopment Bond Funds. The recommended action would transfer Tax Exempt Downtown Redevelopment Bond Funds in to the 700/800 K/L project budget.

Committee/Commission Action: None

Background Information:

One of the primary constraints to redevelopment identified in the *Merged Downtown Redevelopment Plan* is the predominance of small fragmented parcels that do not lend themselves to reuse or redevelopment. Parcel assembly is a critical element for redevelopment of this area and would be in furtherance of the Agency's land consolidation and blight elimination policies. This will help achieve other Downtown revitalization goals, plans and policies for the JKL Corridor. The proposed action will allow the Agency to acquire strategically located sites on the most blighted blocks in the area.

It is anticipated that most existing businesses will not be incorporated into a larger-scale catalyst project and will need to be relocated. Pursuant to California Redevelopment Law, the Agency must provide relocation services to the businesses. To date, access to the buildings and to information regarding the businesses' specific needs has been limited. The Agency will work with relocation experts to provide the necessary services and assistance to the businesses.

Financial Considerations:

The source of funds for purchase of the parcels is Tax Exempt Downtown Redevelopment Bond funds. This report recommends that \$20 million be transferred into the 700/800 K/L project budget.

Appraisals of the properties have recently been completed and relocation consultants have prepared preliminary estimates of the assistance necessary for existing businesses. It is estimated that approximately \$20 million will be needed to cover the costs of land acquisition, closing costs, buy-out of leasehold interests and relocation costs.

Environmental Considerations:

The proposed action 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 parcels 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. The proposed actions do not commit the Agency to a definite course of future development action on the properties because future Disposition and Development approvals are expressly contingent upon CEQA compliance per Agency and City environmental procedures. No further environmental documentation is required at this time. NEPA does not apply.

Policy Considerations:

The recommended actions are consistent with site assembly policies, as described in the *Merged Downtown Redevelopment Plan*. These actions are also consistent with the 2005 Merged Downtown Project Implementation Plan, California Redevelopment Law,

and the priorities identified by the Agency Board and recommended by the Downtown Sacramento Partnership.

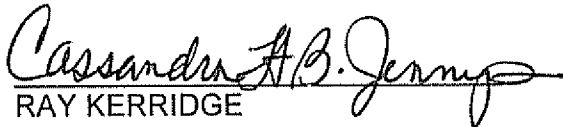
M/WBE: Minority and Women Business Enterprise policy does not apply to the action recommended in this staff report, as no federal funds are involved.

Respectfully submitted by



Wendy S. Saunders
Economic Development Director
on behalf of the Redevelopment Agency
of the City of Sacramento

Recommendation Approved:



RAY KERRIDGE
Interim City Manager

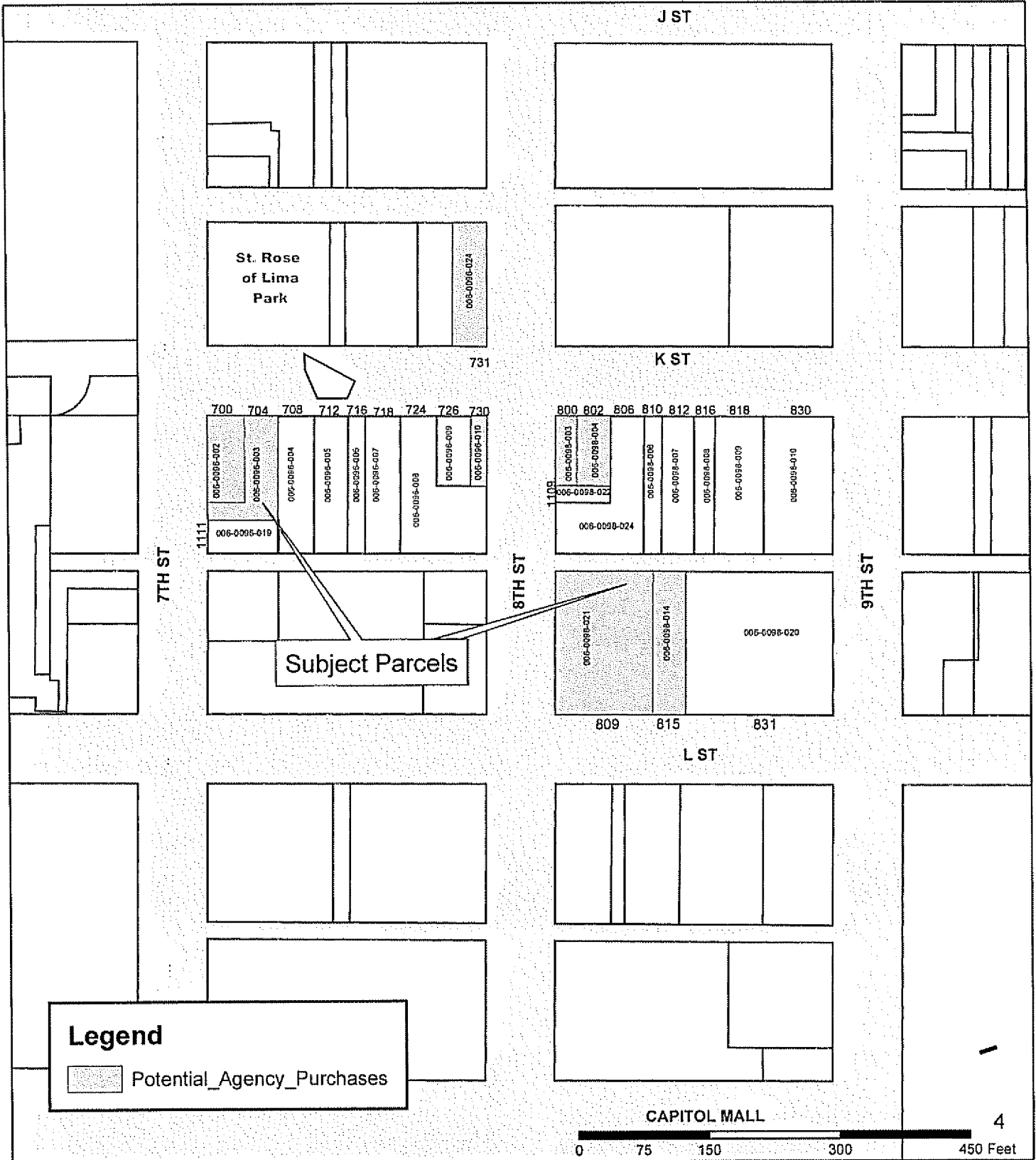
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700 and 800 Blocks of K Street Potential Agency Purchases



RESOLUTION NO.

Adopted by the Redevelopment Agency of the City of Sacramento

Date _____

**ESTABLISHMENT OF A BUDGET TO ACQUIRE PARCELS LOCATED IN THE
700 AND 800 BLOCKS OF K THROUGH L STREETS**

BACKGROUND

- A. Parcel assembly is a critical element for redevelopment of this area and would be in furtherance of the Agency's land-consolidation and blight-elimination policies.
- B. Parcel assembly will enable the Agency to acquire strategically located sites that can potentially be developed in conjunction with other properties on the most blighted blocks in the area.

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

Section 1. Establishment of a budget is approved for acquisition of commercially-zoned properties located at 700 K (APN:006-0096-002), 704 K (APN:006-0096-004), 730 K (APN:006-0096-010), 731 K (APN:006-0096-024), 800 K (APN: 006-0098-003), 802 K (APN:006-0098-004), 809 L Street (APN:006-0098-021), 815 L Street (APN: 006-0098-014);

Section 2. Tax-Exempt Redevelopment Bond Funds in the amount of \$20 million are transferred from the Redevelopment Agency Budget to the 700/800 K/L project budget for land acquisition and related real estate, relocation, administrative and professional services costs.