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FINAL
ENVIRONMENTAL IMPACT REPORT

APPROVED
BY THE CITY COUNCIL

JUN 6 1995

OFFICE OF THE
CITY CLERK

for the

SACRAMENTO ARMY DEPOT
REDEVELOPMENT PLAN

State Clearinghouse Number: 94122038



May 1995

Lead Agency:

Sacramento Housing and Redevelopment Agency

Environmental Consultant:

GAIL ERVIN CONSULTING

Contributions by:

Michael Brandman Associates

PAR Environmental Services

Fowkes and Associates

**FINAL
ENVIRONMENTAL IMPACT REPORT**

for the

**SACRAMENTO ARMY DEPOT
REDEVELOPMENT PLAN**

State Clearinghouse Number: 94122038

Lead Agency:

Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, California 95814
916/440-1330

Contact:

Cassandra Jennings
Director, Economic Development

Environmental Consultant:

GAIL ERVIN CONSULTING
6833 Walnut Avenue
Orangevale, California 95662
916/989-0269

Contributions by:

Michael Brandman Associates
PAR Environmental Services
Fowkes and Associates

May 1995

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1.0 INTRODUCTION

1.1 PROJECT UNDER REVIEW

The proposed project is the adoption and implementation of a Redevelopment Plan for approximately 1,420 acres in the City of Sacramento. The proposed Sacramento Army Depot Redevelopment Project Area (Project Area) is bounded by 14th Avenue to the north, Elder Creek Road on the south, Power Inn Road on the west, and slightly east of Florin-Perkins Road on the east. The area is currently developed with a former Army depot facility, industrial and heavy commercial uses, and a small number of residential uses.

Among the purposes of the Redevelopment Plan would be the provision of incentives for investment in the area. Under the California Community Redevelopment Law, the area would be eligible for tax-increment financing, which would generate revenues for the construction and rehabilitation of low- and moderate-income housing and industrial properties, as well as infrastructure improvements. While no specific land use changes have been proposed as part of the Plan, development of the Project Area consistent with the City of Sacramento General Plan and Community Plans could result in the conversion of non-conforming uses, as well as infill development. Proposed public improvements include the improvement of streets in the area, water and sewer upgrades, and transit improvements.

1.2 BACKGROUND TO FINAL EIR PREPARATION

On March 3, 1995, the Redevelopment Agency of the City of Sacramento distributed the Draft Environmental Impact Report (DEIR) for the Sacramento Army Depot Redevelopment Plan to public agencies and the general public. In accordance with the California Environmental Quality Act (CEQA) Guidelines, a 45-day public review period for the DEIR occurred, ending April 18, 1995. During the review period, five comment letters on environmental issues evaluated in the DEIR were received from state and local agencies. A 10-day review period also occurred, in accordance with CEQA Section 21092.5(a) to allow a review of responses made to public agencies that commented during the 45-day public review period of the DEIR.

This document, together with the Draft Environmental Impact Report (DEIR) for the Sacramento Army Depot Redevelopment Plan, constitutes the Final EIR for the proposed project. This document incorporates comments received on the Draft EIR, as well as appropriate responses by the lead agency (Redevelopment Agency of the City of Sacramento) to these comments. The Final EIR is an informational document that must be considered by the lead agency prior to approving the project.

Consistent with the requirements of §15132 of the California Environmental Quality Act (CEQA) Guidelines, the Final EIR consists of:

- o The Draft EIR (published March 3, 1995);
- o A list of persons, organizations, and public agencies commenting on the Draft EIR (Section 2.1);
- o Comments and recommendations received on the Draft EIR (Section 2.3); and
- o The response of the lead agency to significant environmental points raised in the review and consultation process (Section 2.4).

1.3 FORMAT

Each comment letter is labeled alphabetically in the upper right corner, and a number is placed in the margin adjacent to each comment on each letter. Each comment letter is followed by a response, or responses, indexed to the letter alphabetically, and to the comment numerically. Therefore, a response to the third comment (3) of the third letter (C) would be indicated as C-3. Where a comment results in a change to the DEIR text, a notation is made in the comment indicating that the text is revised. Changes in text are signified by strikeouts (~~strikeouts~~) where text is removed and by italics (*italics*) where text is added.

The focus of the responses to comments is on the disposition of significant environmental issues that are raised in the comments, as specified by Section 15088(b) of the State CEQA Guidelines. Detailed responses are not provided to comments on the merits of the proposed project. However, when a comment is not directed to significant environmental issues, the response is noted and forwarded to the lead agency for consideration.

2.0 REVISED SUMMARY OF IMPACTS AND MITIGATION MEASURES

**TABLE 2-1, page 1
SUMMARY OF
ENVIRONMENTAL EFFECTS**

S = Significant
 LS = Less than Significant;
 PS = Potentially Significant
 SU = Significant Unavoidable

Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
4.1-1. The Redevelopment Plan is compatible with existing and planned uses in and surrounding the Project Area.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.1-2 The Redevelopment Plan would be consistent with existing Project Area zoning designations and land uses on and adjacent to the Project Area.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.1-3 The Redevelopment Plan would be consistent with adopted plans and policies for the Project Area.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.2-1 The proposed Redevelopment project is consistent with the City General Plan and Reuse Plan approvals, and proposes no land use changes or population increases above those planned levels. The proposed Redevelopment improvements would construct, reconstruct, install or upgrade control devices, street lights, transit shelters, roadways and roadway extensions. These projects will help ameliorate circulation problems in the Project Area over the life of the Project.	LS	Since no significant impacts were identified, no mitigation is required.	LS

**TABLE 2-1, page 2
SUMMARY OF
ENVIRONMENTAL EFFECTS**

**S = Significant
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Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
4.2-2 Development encouraged by redevelopment activities could increase demand for transit services. The Project includes funding for transit capital improvements and a future light rail station to serve General Plan buildout, as well as other improvements that could improve pedestrian access and safety.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.3-1 Construction and demolition activities related to public and private project occurring under the Redevelopment Plan could generate fugitive dust, but at levels below SMAQMD significance thresholds.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.3-2 Hydrocarbon emissions from construction activities would increase contributions to regional HC emission totals, but at levels below SMAQMD significance thresholds.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.3-3 The expected development and subsequent traffic levels (and associated emissions increases) occurring as a direct result of Redevelopment Plan implementation would increase vehicle and stationary source emissions, but within the volumes contemplated by the SGPU and SADEIR. Potential impacts resulting from implementation of the Redevelopment Plan are within the scope of previous findings.	S	When the SGPU and SADEIRs were adopted, Findings of Fact and a Statement of Overriding Considerations were adopted by the City Council regarding cumulative air quality impacts.	SU
4.3-4 Implementation of the Redevelopment Plan may increase non-criteria air pollutant emissions.	LS	Since no significant impacts were identified, no mitigation is required.	LS

**TABLE 2-1, page 3
SUMMARY OF
ENVIRONMENTAL EFFECTS**

**S = Significant
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Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
<p>4.3-5. The expected development and subsequent traffic levels (and associated emissions increases) occurring as a direct result of Redevelopment Plan implementation would increase cumulative vehicle and stationary source emissions, but within the volumes contemplated by the SGPU and SADEIR. Potential impacts resulting from implementation of the Redevelopment Plan are within the scope of previous findings.</p>	<p>S</p>	<p>When the SGPU and SAD EIRs were adopted, the Findings of Facts made Statements of Overriding Considerations regarding cumulative air quality impacts.</p>	<p>SU</p>
<p>4.4-1 Noise from construction activities under the Redevelopment Plan would be a short-term impact that could raise ambient noise levels above recommended standards and have an intrusive and disturbing noise effect at nearby sensitive receptor locations.</p>	<p>S</p>	<p>When the SGPU EIR was adopted, the Findings of Facts made Statements of Overriding Considerations regarding for temporary construction noise impacts in designated urbanized areas.</p>	<p>SU</p>
<p>4.4-2 Implementation of the Redevelopment Plan could contribute to an incremental increase in traffic-generated noise levels at some sensitive receptor locations, consistent with previously approved growth.</p>	<p>LS</p>	<p>Since no significant impacts were identified, no mitigation is required.</p>	<p>LS</p>

**TABLE 2-1, page 4
SUMMARY OF
ENVIRONMENTAL EFFECTS**

**S = Significant
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Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
<p>4.5-1 At this time, improvements and growth development plans for the Sacramento Army Depot Redevelopment plan do not include modifying or impacting the historical site of the Cartopassi Place. However, avoidance over the 35 year life of the Plan may not <i>be</i> possible considering the industrial character of the surrounding area and the goals and objectives of the Redevelopment Plan. In addition, some of the resources within the Project Area, while not examined in this document, are rapidly approaching 50 years of age (e.g., the Proctor and Gamble facility opened in the early 1950s) and could be modified or destroyed.</p>	<p>PS</p>	<p>(a) Prior to permitting the removal of structures in the Project Area that are more than 50 years old, or alteration of such structures in a manner inconsistent with the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings (Standards), the Agency shall conduct archival research to determine whether such structures could be considered to be important historic resources. If it appears that the sites are historical features, they shall be recorded on standard Historic Resources Inventory forms with a scale drawing, photographs, and a location on a USGS topographic map. The Agency shall comply with the requirements of the City of Sacramento's Design Review Guidelines Plan and the Design Review and Preservation procedures contained in City of Sacramento Ordinance No. 91-018.</p> <p>(b) For all rehabilitation work on structures over 50 years old, the Agency, in conjunction with the City Planning and Development Department shall follow the stipulations outlined in the Programmatic Agreement with regard to physical changes to the structure, or shall require the use of the State Historic Building Code and replacement of historic elements with in-kind materials.</p>	<p>LS</p>
<p>4.5-2 There is a potential for redevelopment activities to affect archaeological resources.</p>	<p>LS</p>	<p>Since no significant impacts were identified, no mitigation is required.</p>	<p>LS</p>

**TABLE 2-1, page 5
SUMMARY OF
ENVIRONMENTAL EFFECTS**

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Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
4.6-1 Redevelopment activities could result in the removal of native oaks in the Project Area.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.6-2 Redevelopment activities could result in the removal of foraging and nesting habitat for the burrowing owl.	PS	<p>4.6-2 <i>To ensure the protection of burrowing owls and their habitat, implement the following measures:</i> The following mitigation measure was adopted for the SAD Reuse Plan, and should be readopted for the balance of the Project Area:</p> <p>(a) Consistent with the measure adopted for the Depot Reuse Plan, prior to the approval of any development project within the Project Area the Agency and/or the City shall review the project for the occurrence <i>or potential for occurrence</i> of any burrowing owl nests that may be disturbed or lost due to construction activities <i>within 500 feet of the burrowing owl nest or burrow</i>. If the City of Sacramento determines that burrowing owl nests would not be affected by the construction of the proposed project, then no further mitigation would be required.</p>	LS

TABLE 2-1, page 6
SUMMARY OF
ENVIRONMENTAL EFFECTS

S = Significant
 LS = Less than Significant;
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Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
		<p>(b) If the City or Agency determines that the construction of a proposed development project may affect a known or existing burrowing owl nest, the project applicant shall consult with DFG and/or USFWS in order to conduct a burrowing owl survey. This survey shall be conducted on the project site by a qualified biologist in accordance with the most current DFG/USFWS guidelines or protocols and shall be completed during the appropriate survey period. If the species specific surveys do not identify any burrowing owl habitats or burrowing owls on the project site <i>or within 500 feet of the project site</i>, then no further mitigation would be required.</p> <p>(c) If burrowing owls or burrowing owl habitat <i>and 500 foot buffer</i> are identified within an area that may be disturbed by the construction of a development project, then the project applicant in consultation with the City of Sacramento, DFG, and USFWS, shall prepare and implement a mitigation plan in accordance with any applicable State and/or Federal statutes or laws that reduces the impact to a level of insignificance.</p>	

TABLE 2-1, page 7
SUMMARY OF
ENVIRONMENTAL EFFECTS

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Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
4.6-3 Redevelopment activities may occur in plowed and disced fields that historically held vernal pool habitat. Anticipated actions under the Redevelopment Plan thus are not anticipated to result in jeopardy to the continued existence of the vernal pool fairy shrimp or tadpole shrimp, or in destruction or adverse modification of their habitats. Completion of USFWS consultation on a project-by-project basis is required of all individual projects.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.6-4 Anticipated actions under the Redevelopment plan could result in the removal or destruction of jurisdictional wetlands within the Project Area.	LS	All wetlands identified in the Project Area were previously identified and mitigated in the Reuse Plan and subsequent agreements with the Corps of Engineers.	LS
4.7-1 Increased surface water runoff could exceed existing drainage system capacity and contribute to localized flooding.	S	(1) The City of Sacramento shall review each development application within the Project Area for effects on drainage facility capacity. Each project reviewed shall identify the rate and amount of surface water runoff generated by proposed development and the effects on drainage facility capacity. Modifications to existing facilities and new facilities to regulate rate and volume of runoff released to Morrison Creek shall be identified, and each project shall pay a fair share portion of any improvement identified. Drainage facilities could include, but would not be limited to: (a) The expansion or modification of existing storm drain facilities; (b) Single-project detention basins; or (c) The preservation of natural drainage areas.	LS

**TABLE 2-1, page 8
SUMMARY OF
ENVIRONMENTAL EFFECTS**

**S = Significant
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Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
		<p>(2) The City of Sacramento shall continue to coordinate with the United States Army Corps of Engineers and the County of Sacramento to assess the level of flood protection provided by the Morrison Creek Flood Control System.</p> <p>(3) The City of Sacramento shall participate in the development of alternatives to increase the capacity of the Morrison Creek Flood Control System to accommodate existing flows, and flows which would result from future development. These alternatives may include, but are not limited to, the following:</p> <ul style="list-style-type: none"> a) raising levees, b) channel widening, c) floodwalls; and d) detention basins. 	
<p>4.7-2 Development encouraged by redevelopment activities could increase the number of structures and persons at risk of flood hazards. However, the City requires all new structures to be built above the existing 100-year base flood elevation (BFE). Where a structure is proposed for below the BFE, the developer is required to sign a new construction agreement.</p>	LS	<p>Since no significant impacts were identified, no mitigation is required.</p>	LS
<p>4.7-3 Activities resulting from redevelopment plan implementation could increase sediment impacts on streams.</p>	LS	<p>Since no significant impacts were identified, no mitigation is required.</p>	LS

**TABLE 2-1, page 9
SUMMARY OF
ENVIRONMENTAL EFFECTS**

**S = Significant
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Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
4.7-4 Activities resulting from redevelopment plan implementation could increase peak storm runoff flows and volumes, altering the existing receiving water quality.	S	4.7-4 The Redevelopment Agency shall require that each redevelopment project include as part of the project design Best Management Practices, approved by the City's Utilities Department and in compliance with the City's NPDES permit, which mitigate for urban contaminants in storm water runoff.	LS
4.8-1 Development encouraged by redevelopment activities could increase demand for fire and emergency services.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.8-2 Without adequate safety measures included in the planning and design of new rehabilitation and construction that would occur with the Project, crime rates and the demand for police services could increase, resulting in a cumulative impact on police protection service levels.	PS	4.8-2 Prior to final approval, all public agency projects included as part of the Project and any agency sponsored private development projects shall be required to submit conceptual plans to the Police Department for review of adequate safety in project design. The public or private entity shall work with the Police Department to include measures such as Crime Prevention through Environmental Design (CPED) in final development plans. Typical CPED design criteria include adequate lighting, commercial visibility, and the encouragement of proprietary responsibility.	LS
4.8-3 Development encouraged by redevelopment activities could increase indirect demand for school services in other parts of the city.	LS	Since no significant impacts were identified, no mitigation is required. Any indirect increase in demand for schools throughout the City resulting from increased employment in the Project Area would be mitigated by compliance with the General Plan as a function of residential development.	LS

**TABLE 2-1, page 10
SUMMARY OF
ENVIRONMENTAL EFFECTS**

**S = Significant
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Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
4.8-4 Development encouraged by redevelopment activities could increase the amount of solid waste flow to the County landfill.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.8-5 The list of potential redevelopment public improvements includes the upgrade and repair of existing water trunk lines and replacement of local collectors as development takes place, as well as the construction of a transmission main along Florin-Perkins Road from Folsom Boulevard to Fruitridge Road.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.8-6 The proposed Project would provide funding for construction of relief sewer lines and new sewer construction where flows are less than one mgd.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.8-7 Development encouraged by redevelopment activities could increase demand for gas and electric services.	LS	Since no significant impacts were identified, no mitigation is required.	LS

**TABLE 2-1, page 11
SUMMARY OF
ENVIRONMENTAL EFFECTS**

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Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
<p>4.9-1 Although hazardous substance handling and remediation is highly regulated, redevelopment in a historically industrial area could expose construction workers to previously unidentified contamination.</p>	<p>PS</p>	<p>(a) If the potential for contamination is suspected, construction activities shall stop and sampling shall be conducted by qualified personnel, in accordance with all applicable regulations to determine the constituent levels and the extent of the contamination.</p> <p>(b) If contamination is identified, remediation and disposal procedures shall be undertaken by qualified personnel in accordance with all applicable regulations, and in coordination with all applicable regulatory agencies.</p> <p>(c) If asbestos fibers are suspected or identified in soils or existing building materials, then additional sampling shall be performed prior to any construction activities to identify asbestos-containing materials that may be contained in building materials or obscured behind walls, above ceilings, and beneath floors.</p> <p>(d) Demolition activities affecting asbestos-containing material shall be performed by a licensed asbestos abatement contractor with properly trained personnel in accordance with all applicable federal, state and local regulations.</p>	<p>LS</p>
<p>4.9-2 Development within the Project Area could increase the number of industrial and commercial facilities handling hazardous materials within the Project Area.</p>	<p>LS</p>	<p>Since no significant impacts were identified, no mitigation is required.</p>	<p>LS</p>

TABLE 2-1, page 12
SUMMARY OF
ENVIRONMENTAL EFFECTS

S = Significant
LS = Less than Significant;
PS = Potentially Significant
SU = Significant Unavoidable

Impact Statement	Level of Significance Without Mitigation	Mitigation Measure	Level of Significance with Mitigation
4.9-3 Development within the Project Area could increase the number of industrial and commercial facilities handling hazardous waste within the Project Area.	LS	Since no significant impacts were identified, no mitigation is required.	LS
4.9-4 Development within the Project Area could increase the number of industrial and commercial facilities handling hazardous materials, and result in a cumulative increase in hazardous substance disposal requirements within the County.	LS	Since no significant impacts were identified, no mitigation is required.	LS

3.0 LIST OF COMMENTORS

3.0 INTRODUCTION

All comment letters on the DEIR are listed below (Table 3.1-1) with an alphabetic designation assigned for cross-referencing purposes. This list represents all comments received during the comment period. The verbatim comment letters, and responses to environmental issues raised in those letters, are presented in Section 2. The alphabetic designation appears in the upper right corner of each letter.

LETTER	SOURCE	COMMENTOR	DATE
A	Elk Grove Unified School District.	Sue Pendleton, Planning Manager Facilities and Planning.	March 20, 1995
B	County of Sacramento, Public Works Agency, Water Quality Division	John E. Jaeger, Associate Civil Engineer, Water Quality Division	April 17, 1995
C	City of Sacramento, Department of Public Works, Solid Waste Division	Violet J. Chu, Senior Engineer, and Gay Van Dorst, Acting Technical Services Manager	March 17, 1995
D	State of California, Department of Fish and Game, Region 2	L. Ryan Broddrick, Regional Manager	March 30, 1995
E	State of California, Department of Transportation, District 3	Jeffrey Pulverman, Office of Transportation Planning, Metropolitan	April 21, 1995

4.0 COMMENTS AND RESPONSES ON THE DRAFT ENVIRONMENTAL IMPACT REPORT

4.0 INTRODUCTION

The written comments received on the DEIR and the responses to those comments are provided in this section. Each comment letter received is reproduced in its entirety and is followed by responses to the comment letter.

The first letter (on the following page) is a formal disclosure from the Governor's Office of Planning and Research State Clearinghouse. The letter states that the DEIR has been sent to selected state agencies for review and that none of the agencies had submitted comments by the end of the circulation period.

GOVERNOR'S OFFICE OF PLANNING AND RESEARCH

1400 TENTH STREET
SACRAMENTO, CA 95814



April 17, 1995

GAIL M. ERVIN
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
630 I STREET
SACRAMENTO, CA 95814

Subject: SACRAMENTO ARMY DEPOT REDEVELOPMENT PLAN SCH #: 94122038

Dear GAIL M. ERVIN:

The State Clearinghouse submitted the above named environmental document to selected state agencies for review. The review period is closed and none of the state agencies have comments. This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act.

Please call Kristen Derscheid at (916) 445-0613 if you have any questions regarding the environmental review process. When contacting the Clearinghouse in this matter, please use the eight-digit State Clearinghouse number so that we may respond promptly.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Chiriattz, Jr.", written over a faint, illegible typed name.

Michael Chiriattz, Jr.
Chief, State Clearinghouse

NOTICE OF COMPLETION

APPENDIX F

(See NOTE Below)

SCH # 94122038

MAIL TO: STATE CLEARINGHOUSE, 1400 TENTH STREET, SACRAMENTO, CA 95814 (916) 445-0613

PROJECT TITLE: SACRAMENTO ARMY DEPOT REDEVELOPMENT PLAN

Lead Agency: Redevelopment Agency of the City of Sacramento Contact Person: GAIL M. ERVIN

Address: 630 I Street, Sacramento, California 95814 County: Sacramento Telephone: (916) 989-0269

PROJECT LOCATION: County SACRAMENTO City/Nearest Community SACRAMENTO

Cross Streets: Power Inn Road/14th Avenue/Elder Creek Road/Florin-Perkins Road Total Acres 1,420

Assessor's Parcel No. VARIOUS Section Twp. Range Base

Within 2 Miles: State Hwy # HWY 99 Waterways SACRAMENTO/AMERICAN RIVERS

Airports: EXECUTIVE Railways: CALIF. TRACTION LINE Schools: SACRAMENTO CITY COLLEGE

Table with columns: DOCUMENT TYPE, CEQA, NEPA, OTHER. Rows include: EIR (Prior SCH No.), Environmental Assessment, Draft EIS, etc.

Table with columns: LOCAL ACTION TYPE. Rows include: General Plan Update, Specific Plan, Rezone, Annexation, etc.

Table with columns: DEVELOPMENT TYPE. Rows include: Residential, Office, Commercial, Industrial, Education, Recreational, etc.

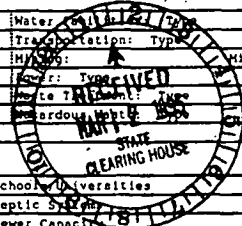


Table with columns: PROJECT ISSUES DISCUSSED IN DOCUMENT. Rows include: Aesthetic/Visual, Flood Plain/Flooding, Schools/Universities, Water Quality, etc.

PRESENT LAND USE/ZONING/GENERAL PLAN USE:

Industrial and heavy commercial.

PROJECT DESCRIPTION:

Redevelopment Plan for the Sacramento Army Depot Project Area. Various public improvements proposed including street, sewer and storm drain improvements, housing rehabilitation, commercial/industrial rehabilitation, and transit shelters.

Gail M. Ervin (Signature)

GAIL M. ERVIN, Acting Environmental Coordinator

March 2, 1995 DATE

CLEARINGHOUSE CONTACT: Michael Chiriatti (916) 445-0613

DATE REVIEW BEGAN: 3-3-95
EPT REV TO AGENCY: 4-10
AGENCY REV TO SCH: 4-14
SCH COMPLIANCE: 4-17

- CHK ENT - X Resources
State/Consumer Svcs
Colorado Rvr Bd
Conservation
Fish & Game
Forestry
Parks & Rec/OHP
Reclamation
SWRCB:--Delta
SWRCB:--Htr Quality
SWRCB:--Wtr Quality
Reg. WQCB 1, 5, 6, 7
X DWR

PLEASE NOTE SCH NUMBER ON ALL COMMENTS

PLEASE FORWARD LATE COMMENTS DIRECTLY TO THE LEAD AGENCY ONLY

MD/APCD: 25 (Resources: 3, 4)

- X Caltrans 3
X State Lands Com

"S" = sent by lead / "*" = sent by SCH



Members of the Board:

Susan L. Aronson
Jeanette J. Beach
Priscilla S. Cox
Edward Harris, Jr.
Gregory N. Jones
William H. Lugg, Jr.
Brian D. Myers

9510 Elk Grove-Florin Road, Elk Grove, CA 95624

LETTER
A

Constantine L. Baranoff
Director
Facilities and Planning

(916) 686-7711
FAX: (916) 686-7754

March 20, 1995

Ms. Cassandra Jennings
Assistant Director, Economic Development
Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, CA 95814

Subject: **Draft Environmental Impact Report for the Army Depot Redevelopment Plan**
SCN: 94122038

Dear Ms. Jennings:

Thank you for the opportunity to comment on the Draft Environmental Impact Report (DEIR) for the Sacramento Army Depot Redevelopment Plan.

The district believes the environmental consultant did not come to grips with issues raised in our letter of December 21, 1994 where the request was made for an "in-depth analysis in the DEIR of how the proposed project will affect the number of children impacting the Elk Grove Unified School District." Packard Bell Electronics is expected to have 3,000 employees on the payroll--the same number as worked at the Army Depot before it was targeted for closure. Will these employees be new to the area? Where will they be living? These are the types of questions the district wished to be addressed in the DEIR.

A-1

The district believes the mitigation measure on page 11, Table 2-1, namely, "any indirect increase in demand for schools ...resulting from increased employment in the Project Area would be mitigated by compliance with the [City of Sacramento] General Plan as a function of residential development," is an insufficient mitigation.

A-2

Sincerely,

Sue Pendleton, Planning Manager
Facilities and Planning

SP/ck

cc: C. Baranoff/jk
K. Moore

LETTER
A

Elk Grove Unified School District.
Sue Pendleton, Planning Manager, Facilities and Planning.
March 20, 1995

- A-1 Packard Bell is working with the Sacramento Housing and Redevelopment Agency and the City to meet strong local hiring goals using the Sacramento Training and Response Team (START), a coalition of thirteen agencies. Members of START assisting in the Packard Bell employment response include the Department of Human Assistance (DHA), Employment Development Department (EDD), Employment Training Panel (ETP), Enterprise Zone Employment System Job Bank, Los Rios Community College District (Los Rios), Program Operators Association (POA), and the Sacramento Employment and Training Agency (SETA)/Private Industry Council. Initial hiring at the Packard Bell Center (former Army Depot) has been primarily local with approximately 75 percent of the jobs within Sacramento City and County (Eve Silverman, Economic Development Department, SHRA, 4/30/95). It is estimated that an additional 8 percent of the employees commute from surrounding areas such as Placer, Yolo, Solano and San Joaquin counties. Over time, approximately 500 persons may relocate to Sacramento to work at Packard Bell Center; this would comprise 17 percent of the estimated 3,000 jobs. These new employees could settle anywhere within the five county region. By comparison, approximately 50 percent of the 3,500 to 4,000 employees at the Depot in 1991 were military, and were transferred as the base closed (Col. Greene, USAF, 5/16/95). Theoretically, new employees transferring into the region for Project Area jobs would be replacing those who transferred out as the base reduced operations. This would result in a less than significant demand on existing housing and public services throughout the metropolitan area.
- A-2 Both the City and County of Sacramento have projected significant new job growth over the next decade. The number of new jobs at Packard Bell Center, especially as a replacement of lost Army Depot jobs, is small compared to this anticipated growth. The City and County General Plans have provided for such growth accordingly, including the public services and residential development required to support such job growth. Planning for schools, as noted in the DEIR,

LETTER
A

continued ...

is a function of residential growth, as it develops to meet the needs of a growing work force. Both adopted General Plans determined that new residential construction, if developed according to General Plan policies relating to school planning and development, would have a less than significant impact on schools. As new residential development is proposed, it is reviewed for its impact on schools. The potential 500 new households from Packard Bell can easily be accommodated within existing and newly constructed infill residential areas, consistent with the General Plans. No residential development is proposed in the Project Area to meet this demand and no new areas in the city or county would need to be designated for residential development (thus creating an unanticipated and new demand on schools) to accommodate this job growth.

DOUGLAS M. FRALEIGH, Administrator
WARREN H. HARADA, Director
Public Works Administration
F.I. HODGKINS, Director
District Engineering
H.D. KERTON, Director
Solid Waste Management
TERRY T. TICE, Director
County Engineering

LETTER
B



COUNTY OF SACRAMENTO

PUBLIC WORKS AGENCY

COUNTY ADMINISTRATION BUILDING
827 SEVENTH STREET, ROOM 304
SACRAMENTO, CA 95814

Phone: (916) 440-6581
Fax: (916) 440-7100

April 19, 1995

Sacramento Housing and Redevelopment Agency
Attn : Gail M. Ervin
Environmental Office
630 I Street, Second Floor
Sacramento, California 95816

Subject: **DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE
SACRAMENTO ARMY DEPOT REDEVELOPMENT PLAN**

In response to your request for comments regarding the above cited project, following is a summary of the reply from various Public Works agencies of Sacramento County:

1. Water Quality Division - refer to the attached letter from John Jaeger dated April 17, 1995.

If you have any questions regarding this response, please call Bob Davison at 440-6525.

Sincerely,

Douglas M. Fraleigh, Administrator
Public Works Agency

DMF:cwc/95-25.
Attachment

cc: Terry Tice
Warren Harada
Keith DeVore
Tom Zlotkowski
Robert Shanks

COUNTY OF SACRAMENTO

Public Works Agency Water Quality Division Memorandum

April 17, 1995
D400.100.6

LETTER
B

TO: Bob Davison
Public Infrastructure Planning and Financing

FROM: John E. Jaeger, Associate Civil Engineer
Water Quality Division

SUBJECT: DRAFT ENVIRONMENTAL IMPACT REPORT FOR SACRAMENTO
ARMY DEPOT REDEVELOPMENT PLAN
STATE CLEARINGHOUSE NO. 94122038

Water Quality Division Staff has reviewed the subject document on behalf of Sacramento Regional County Sanitation District (SRCSD) and County Sanitation District No. 1 (CSD-1) and has the following comments.

In the "SEWER SERVICE" section of the subject document, it is suggested that the condition of the existing sanitary sewer in the Project Area is extremely poor. To our knowledge, the condition of the sanitary sewer in the Project Area has not been fully assessed nor have we experienced high infiltration. However, we do advise that the following additional items regarding sewer service should be addressed in detail in the subject document.

- An assessment of the condition of the sanitary sewer facilities serving the Project Area should be completed to identify any rehabilitation needs.
- The extent of any rehabilitation necessary should be quantified and individual projects developed.
- Capacity needs, both inside and outside the Project Area, based on the proposed land uses should also be determined.

B-1

Thank you for the opportunity to have reviewed the subject document and provide comments. Should you have any questions while preparing the EIR, please call me at (916) 855-8320.

JEJ:baf

cc: John C. Boehm
H. Muller

LETTER
B

County of Sacramento, Public Works Agency, Water Quality Division
John E. Jaeger, Associate Civil Engineer, Water Quality Division
April 17, 1995

- B-1 The DEIR noted that "(m)ost of the existing sewer in the Project Area was built in the 1940s and 1950s. The joints between the pipe sections for pipe constructed during that time tend to be leaky, resulting in infiltration causing higher water treatment costs or exfiltration contaminating ground water supplies."(Page 4.8-11). This statement was not meant to imply that the system is "extremely poor" or that the district "experienced high filtration" as the commentor notes, but that it is an older system which may need to be looked at as a part of the facilities upgrades provided by the Redevelopment Project.

As noted in the SAD Reuse Plan Final EIR (page 4.4), the existing system at the Depot was inspected, and only minor portions of the existing system need repair. Some extension of the existing system would also be required to accommodate new development. The proposed Project would provide funding for construction of relief sewer lines and new sewer construction where flows are less than one mgd. The City Utilities Division would be responsible for determining the capacity needs in the Project Area, and what repairs, if any, are needed. As a program EIR on the Plan adoption, no further details are available on the specific needs of the system, and providing such details are beyond the scope of this document.

TO



LETTER
C

DEPARTMENT OF
PLANNING AND DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA

1221 STREET
ROOM 201
SACRAMENTO, CA
95811-3000

PLANNING SERVICES
916-441-7877
FAX 916-441-6288

April 19, 1995

Gail M. Ervin
Acting Environmental Coordinator
SFEDA
630 I Street, 2nd Floor
Environmental Office
Sacramento CA 95814

Subject: Draft Environmental Impact Report for the Sacramento Army Depot
Redevelopment Plan

Dear Ms. Ervin:

The City of Sacramento appreciates the opportunity to comment on the above referenced document.
Attached are comments from the Department of Public Works, Solid Waste Division.

Please call me at 264-7810 if you have any questions.

Sincerely,

Grace Garcia
Grace Garcia
Typist Clerk III

Attachment

(5C95-006)



LETTER
C

DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

921 TENTH STREET
SUITE 500
SACRAMENTO, CA
95814-2715

ADMINISTRATION
PHONE 916-264-7043

CUSTOMER SERVICE
PHONE 916-264-5757
FAX 916-264-7771

SOLID WASTE DIVISION

March 17, 1995

MEMORANDUM

TO: Glenn Marshall, Associate Engineer
Transportation and Engineering Planning Division

FROM: Violet J. Chu, Senior Engineer *VJ*
Gary Van Dorst, Acting Technical Services Manager *GVD*

RE: SACRAMENTO ARMY DEPOT REDEVELOPMENT PLAN DRAFT EIR

At your request, Solid Waste Division staff have reviewed the above document. The text included in the DEIR is excellent with respect to solid waste issues. However, some of the factual information needs to be updated. Please see our comments below:

C-1

Page 4.8-8, last paragraph--The County has already acquired the additional acreage.

C-2

Page 4.8-9, first paragraph--We recommend substitution of the following language: "Before any additional acreage can be used as landfill, the County must prepare a new EIR for certification by the Board of Supervisors and a new operating permit must be submitted to the Local Enforcement Agency (LEA) and approved by the Regional Water Quality Control Board...."

C-3

Page 4.8-9, second paragraph--We recommend inserting "and counties" to reflect that the AB 939 waste diversion requirements apply to both cities and counties.

C-4

We commend the preparer of the DEIR for addressing the need for new development to comply with specific provisions of §34 of the City's Zoning Ordinance. If you have any questions, please feel free to contact either one of us at x7043.

cc: Reina J. Schwartz, Solid Waste Division Manager
File No. PL-5

LETTER
C

City of Sacramento, Department of Public Works, Solid Waste Division
Violet J. Chu, Senior Engineer, and
Gary Van Dorst, Acting Technical Services Manager
March 17, 1995

- C-1 Comment noted. Please see responses to comments C-2, C-3 and C-4, below.
- C-2 Comment noted. The last paragraph, first sentence of page 4.8-8 is rewritten as follows:
- “The County of Sacramento Public Works Department is ~~proceeding with acquiring~~ *has acquired* another 430-acre site next to the County landfill. Use of this acreage would result in a total of 730 acres and ~~would~~ prolongs the landfill life span of the landfill to 25 to 30 years.”
- C-3 Comment noted. The last paragraph, first sentence of page 4.8-9 is rewritten as follows
- “Before any additional acreage can be used as landfill, *the County must prepare a new EIR for certification by the Board of Supervisors* and a new operating permit must be submitted *to the local enforcement agency (LEA)* and approved by the Regional Water Quality Control Board and the State Integrated Waste Management Board. This permit process is estimated to take more than one year. It is anticipated that interim recycling efforts will reduce the amount of waste disposed of at the County's landfill.”
- C-4 Comment noted. The second paragraph of page 4.8-9 is rewritten as follows:
- “The California Integrated Waste Management Act of 1989 (AB 939) mandates that cities *and counties* develop source reduction and recycling plans. It is the goal of this plan for cities to divert 25 percent of the waste stream from going to landfills by 1996, and to divert 50 percent of the waste stream from going to landfills by the year 2000.”

DEPARTMENT OF FISH AND GAME

REGION 2

1701 NIMBUS ROAD, SUITE A
RANCHO CORDOVA, CA 95670

(916) 355-7020

LETTER
D

March 30, 1995

Ms. Gail Ervin
City of Sacramento
630 I Street
Sacramento, California 95814

Dear Ms. Ervin:

The Department of Fish and Game (DFG) has reviewed the Draft Environmental Impact Report (EIR) for the Sacramento Army Depot Redevelopment Plan. The 1,420 project area affects natural resources including the State species of special concern burrowing owl (Speotyto cunicularia) and wetlands (1.4 acres) including vernal pools.

The DFG is providing these comments as a Trustee Agency having jurisdiction by law over natural resources affected by a project which are held in trust for the people of the State of California (California Environmental Quality Act Guidelines Section 15385 et sec.). The DFG has the following concerns regarding impacts to fish and wildlife resources from project implementation:

D-1

The EIR states that Sanford's arrowhead (Sagittaria sanfordii) was "not observed or expected to occur within the project area" (p. 4.6-6). This species frequently occurs in ditches and swales with standing or slow moving water, such as old Morrison Creek. The survey cited in the EIR occurred during December, when this species is dormant and unidentifiable. If other (summer) surveys occurred, this information should be provided. If no summer surveys occurred, they should occur prior to approval of any project impacting the drainage. The Department should be contacted regarding any project activities which may impact this species.

D-2

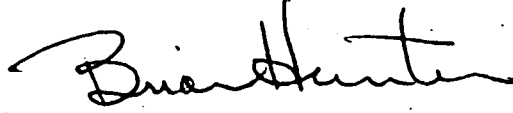
The Department recommends that burrowing owl surveys include the area within 500 feet of any known burrowing owl nest/burrow. The EIR should be revised to include this survey area. The EIR also states that the City will make the determination as to whether a burrowing owl nest will be disturbed by project activities (p. 4.6-14). The EIR should be revised to read that upon the completion of pre-project surveys, the DFG will be consulted for any project which occurs within 500 feet of a burrowing owl nest and/or burrow for appropriate mitigation.

D-3

Ms. Gail Ervin
March 30, 1995
Page Two

If we can be of further assistance, please contact Ms. Terry Roscoe, Wildlife Biologist, telephone (916) 355-0276 or Ms. Cindy Chadwick, Environmental Services Supervisor, telephone (916) 355-7030.

Sincerely,


for L. Ryan Broddrick
Regional Manager

cc: Ms. Terry Roscoe
Department of Fish and Game
Rancho Cordova, California 95670

Ms. Cindy Chadwick
Department of Fish and Game
Rancho Cordova, California 95670

LETTER D

State of California, Department of Fish and Game, Region 2
L. Ryan Broddrick, Regional Manager
March 30, 1995

D-1 Comment noted. Please see responses to comments D-2, D-3 and D-4.

D-2 Comment noted. Table 4.6-1, below, is modified to reflect that this species could potentially occur within the project area.

As noted, the Sanford's arrowhead "occurs in ditches and swales in standing or low moving waters, such as Old Morrison Creek." The loss of such habitat could adversely affect this plan, if the jurisdictional wetlands within the project area are destroyed or modified. Impact 4.6-4 addresses jurisdictional wetlands in the Project Area, and notes that any future development activities in such wetland would be subject to ACOE and CDFG requirements. As identified in impact 4.6-4, "Anticipated actions under the Redevelopment plan would not result in the significant removal or destruction of jurisdictional wetlands within the Project Area, resulting in a **less than significant** impact on jurisdictional wetland resources (4.6-4)."

D-3 Comment noted. Mitigation measure 4.6-2 (page 4.6-14) is modified as follows:

"4.6-2 *To ensure the protection of burrowing owls and their habitat, implement the following measures: The following mitigation measure was adopted for the SAD Reuse Plan, and should be readopted for the balance of the Project Area:*

(a) ~~Consistent with the measure adopted for the Depot Reuse Plan,~~ *p*Prior to the approval of any development project within the Project Area the Agency and/or the City shall review the project for the occurrence *or potential for occurrence* of any burrowing owl nests that may be disturbed or lost due to construction activities *within 500 feet of the burrowing owl nest or burrow*. If the City of Sacramento determines that burrowing owl nests would not be affected by the construction of the proposed project, then no further mitigation would be required.

continued ...

- (b) If the City or Agency determines that the construction of a proposed development project may affect a known or existing burrowing owl nest, the project applicant shall consult with DFG and/or USFWS in order to conduct a burrowing owl survey. This survey shall be conducted on the project site by a qualified biologist in accordance with the most current DFG/USFWS guidelines or protocols and shall be completed during the appropriate survey period. If the species specific surveys do not identify any burrowing owl habitats or burrowing owls on the project site *or within 500 feet of the project site*, then no further mitigation would be required.
- (c) If burrowing owls or burrowing owl habitat *and 500 foot buffer* are identified within an area that may be disturbed by the construction of a development project, then the project applicant in consultation with the City of Sacramento, DFG, and USFWS, shall prepare and implement a mitigation plan in accordance with any applicable State and/or Federal statutes or laws that reduces the impact to a level of insignificance.

LETTER
D

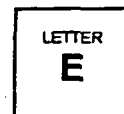
continued ...

TABLE 4.6-1 SPECIAL-STATUS SPECIES KNOWN TO OCCUR OR POTENTIALLY OCCURRING WITHIN THE PROJECT AREA					
SPECIES	C N P S	U S F W S	C D F G	POTENTIAL FOR OCCURRENCE	HABITAT
PLANTS					
DWARF DOWNINGIA (<i>Downingia pusilla</i>)	2	--	--	Not observed or expected to occur within the project area.	vernal pools
BOGG'S LAKE HEDGE-HYSSOP (<i>Gratiola heterosepala</i>)	1B	C2	CE	Not observed or expected to occur within the project area.	vernal pools
SLENDER ORCUTT GRASS (<i>Orcuttia tenuis</i>)	1B	C2	--	Not observed or expected to occur within the project area.	vernal pools
SANFORD'S ARROWHEAD (<i>Sagittaria sanfordii</i>)	1B	C2	--	Not observed; or expected to could potentially occur within the project area.	shallow freshwater marsh and swamps
INVERTEBRATES					
VERNAL POOL FAIRY SHRIMP (<i>Branchinecta lynchi</i>)	--	FT	--	Known to occur within the project area.	vernal pools
VERNAL POOL TADPOLE SHRIMP (<i>Lepidurus packardi</i>)	--	FE	--	Known to occur within the project area.	vernal pools
CALIFORNIA LINDERIELLA (<i>Lindieriella occidentalis</i>)	--	C2	--	Known to occur within the project area.	vernal pools
VALLEY ELDERBERRY LONG-HORN BEETLE (<i>Desmocerus californicus dimorphus</i>)	--	FT	--	Not expected within the project area; no suitable habitat.	elderberry shrubs
AMPHIBIANS					
CALIFORNIA TIGER SALAMANDER (<i>Ambystoma californiense</i>)	--	C1	CSC	Not observed or expected to occur within the project area.	vernal pools
WESTERN SPADEFOOT TOAD (<i>Scaphiopus hammondi</i>)	--	--	CSC	Not observed or expected to occur within the project area.	vernal pools

TABLE 4.6-1 SPECIAL-STATUS SPECIES KNOWN TO OCCUR OR POTENTIALLY OCCURRING WITHIN THE PROJECT AREA					
SPECIES	C N P S	U S F W S	C D F G	POTENTIAL FOR OCCURRENCE	HABITAT
REPTILES					
NORTHWEST POND TURTLE (<i>Clemmys marmorata marmorata</i>)	--	C2	CSC	Not expected within the project area; no suitable habitat.	shallow freshwater
GIANT GARTER SNAKE (<i>Thamnophis gigas</i>)	--	FT	CE	Not expected within the project area; no suitable habitat.	shallow freshwater
BIRDS					
TRICOLORED BLACKBIRD (<i>Agelaius tricolor</i>)	--	C2	CSC	Not expected to nest within the project area; no suitable habitat	Nests in freshwater marsh emergent vegetation.
BURROWING OWL (<i>Speotyto cunicularia</i>)	--	--	CSC	Known to occur within the project area.	Valley and foothill grasslands.
SWAINSON'S HAWK (<i>Buteo swainsoni</i>)	--	--	ST	Not expected to nest within the project area; no suitable habitat.	Nests in riparian woodlands and large oaks.
<p>California Native Plant Society (CNPS) Listing Categories:</p> <p>1B Plant Rare, Threatened, or Endangered in California and elsewhere</p> <p>2 Plant Rare, Threatened, or Endangered in California, but more common elsewhere</p> <p>U.S. Fish and Wildlife Service (USFWS) Federal Listing Categories:</p> <p>FE Federal Endangered</p> <p>FT Federal Threatened</p> <p>C1 Category 1 candidate for federal listing; information sufficient to support a proposal for federal listing.</p> <p>C2 Category 2 candidate for federal listing; information insufficient to support proposal for federal listing.</p> <p>California Department of Fish and Game (CDFG) State Listing Categories:</p> <p>CE California Endangered</p> <p>CT California Threatened</p> <p>CSC California Species of Special Concern</p> <p>Source: Michael Brandman Associates 1995</p>					

DEPARTMENT OF TRANSPORTATION

DISTRICT 3
P.O. BOX 94274-0001
SACRAMENTO, CA 94274-0001
TDD Telephone (916) 741-4509
FAX (916) 473-0788
Telephone (916) 327-3859



April 21, 1995

GSAC048
Sacramento Army Depot
Redevelopment Plan
03-SAC-16/50

Ms. Gail M. Ervin
Environmental Coordinator
Redevelopment Agency of the City of Sacramento
630 I Street
Sacramento, CA 95814

Dear Ms. Ervin:

We have reviewed the Draft Environmental Impact Report for the Redevelopment of the Sacramento Army Depot and have the following comment:

- Please insure that any plans for improvements within the right of way for State Route 16 are forwarded to Caltrans for our review early in the design phase of the improvement.

E-1

If you have any questions please contact Tom Meyers at (916) 323-0543.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeff Pulverman".

JEFFREY PULVERMAN
Office of Transportation Planning
Metropolitan

cc: State Clearinghouse - Chiriatti

LETTER
E

State of California, Department of Transportation, District 3
Jeffrey Pulverman, Office of Transportation Planning, Metropolitan
April 21, 1995

- E-1 Page 4.2-17, impact 4.2-1 notes that all construction and improvements that will take place within state right-of-way will require an encroachment permit from Caltrans. Your request that any plans for improvements within the right of way for State Route 16 are forwarded to Caltrans for your early review in the design phase of the improvement is hereby forwarded to the City for their consideration.

FOR PUBLIC INSPECTION

**PROPOSED SACRAMENTO ARMY DEPOT REDEVELOPMENT
PLAN ADOPTION**

ATTACHMENTS

Attachment 1
REDEVELOPMENT PLAN FOR THE SACRAMENTO ARMY DEPOT REDEVELOPMENT PROJECT

Attachment 2
RULES GOVERNING PARTICIPATION AND PREFERENCES BY PROPERTY OWNERS AND
BUSINESS OCCUPANTS IN THE SACRAMENTO ARMY DEPOT REDEVELOPMENT PROJECT

Attachment 3
PRELIMINARY REPORT ON THE REDEVELOPMENT PLAN FOR THE SACRAMENTO ARMY DEPOT
REDEVELOPMENT PROJECT

Attachment 1

**REDEVELOPMENT PLAN
FOR THE
SACRAMENTO ARMY DEPOT REDEVELOPMENT PROJECT**

Adopted:
Ordinance No.:

Prepared by the
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

March, 1995

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**REDEVELOPMENT PLAN
FOR THE
SACRAMENTO ARMY DEPOT REDEVELOPMENT PROJECT**

I. [Section 100] INTRODUCTION

This is the Redevelopment Plan (the "Plan") for the Sacramento Army Depot Redevelopment Project (the "Project") in the City of Sacramento (the "City"), County of Sacramento, State of California. This Plan consists of text (Sections 100 through 1000), the Redevelopment Plan Map (Exhibit "A"), a Legal Description of the Project Area (Exhibit "B"), and the Proposed Public Improvements and Facilities Projects (Exhibit "C"). This Plan was prepared by the Redevelopment Agency of the City of Sacramento (the "Agency") pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code, Section 33000 *et seq.*; all statutory references hereinafter shall be to the Health and Safety Code unless otherwise designated), the California Constitution, and all applicable local codes and ordinances.

The definitions of general terms which are contained in the Community Redevelopment Law govern the construction of this Plan, unless more specific terms and definitions therefor are otherwise provided in this Plan.

Many of the requirements contained in this Plan are necessitated by and in accord with statutory provisions in effect at the time of adoption of this Plan. Such statutory provisions may be changed from time to time. In the event that any such changes affect this Plan's requirements, and would be applicable to the Agency, the Project, or this Plan whether or not this Plan were formally amended to reflect such changes, then the requirements of this Plan that are so affected shall be superseded by such changes, to the extent necessary to be in conformity with such changes.

The project area (the "Project Area") includes all properties within the Project boundary shown on the Redevelopment Plan Map and described in the Legal Description of the Project Area.

The proposed redevelopment of the Project Area as described in this Plan conforms to the General Plan for the City of Sacramento, as applied in accord with local codes and ordinances.

This Redevelopment Plan is based upon the Preliminary Plan formulated and adopted by the Sacramento City Planning Commission (the "Planning Commission").

This Plan provides the Agency with powers, duties and obligations to implement and further the program generally formulated in this Plan for the redevelopment, rehabilitation, and revitalization of the Project Area. This Plan does not present a specific plan or establish priorities for specific projects for the redevelopment, rehabilitation, and revitalization of any particular area within the Project Area. Instead, this Plan presents a process and a basic framework within which specific development plans will be presented, priorities for specific projects will be established, and specific solutions will be proposed, and by which tools are provided to the Agency to fashion, develop, and proceed with such specific plans, projects, and solutions.

In general, the goals and objectives of the redevelopment program in the Project Area are as follows:

1. The establishment, by effective use of the redevelopment process, of a planning and implementation framework that will ensure the proper, long term development of the Sacramento Army Depot area.

2. The elimination and prevention of the spread of blight and deterioration, and the conservation and rehabilitation of the Project Area in accordance with the General Plan, applicable specific plans, and local codes and ordinances.
3. The conversion of existing military facilities to effective, economic public and private use.
4. The replanning, redesign and development of underdeveloped or poorly developed areas that are underutilized or improperly utilized.
5. The promotion of new private sector investment and strengthening of the economic base of the Project Area by redevelopment and rehabilitation of structures and installation of needed site improvements.
6. The provision for increased sales taxes, business license fees, and other fees, taxes and revenues to the City of Sacramento.
7. The elimination or amelioration of certain environmental deficiencies, such as insufficient off-street parking, storm water drainage, and other similar public improvements, facilities and utilities deficiencies adversely affecting the Project Area.
8. The creation and development of local job opportunities and the preservation of the existing employment base.

Redevelopment of the Project Area pursuant to the proposed Redevelopment Plan and the above goals and objectives will attain the purposes of the California Community Redevelopment Law by: (1) elimination of areas suffering from economic dislocation and disuse; (2) replanning, redesign and/or redevelopment of areas which are stagnant or improperly utilized, and which could not be accomplished by private enterprise acting alone without public participation and assistance; (3) protecting and promoting sound development and redevelopment of blighted areas and the general welfare of the citizens of the City by remedying such injurious conditions through the employment of appropriate means; (4) installation of new or replacement of existing public improvements, facilities and utilities in areas which are currently inadequately served with regard to such improvements, facilities and utilities; and (5) other means as deemed appropriate.

II. [Section 200] PROJECT AREA BOUNDARY AND LEGAL DESCRIPTION

The boundary of the Project Area is shown on the Redevelopment Plan Map attached as Exhibit "A," and is described in the Legal Description of the Project Area attached as Exhibit "B."

III. **[Section 300] PROPOSED REDEVELOPMENT ACTIVITIES**

A. **[Section 301] General**

The Agency proposes to eliminate and prevent the spread of blight and blighting influences, and to strengthen the economic base of the Project Area and the community, by some or all of the following:

1. Permitting participation in the redevelopment process by owners and occupants of properties located in the Project Area, consistent with this Plan and rules adopted by the Agency;
2. Acquisition of real property;
3. Management of property under the ownership and control of the Agency;
4. Relocation assistance to displaced occupants of property acquired by the Agency in the Project Area;
5. Demolition or removal of buildings and improvements;
6. Installation, construction, expansion, addition, extraordinary maintenance or reconstruction of streets, utilities, and other public facilities and improvements;
7. Disposition of property for uses in accordance with this Plan;
8. Redevelopment of land by private enterprise and public agencies for uses in accordance with this Plan;
9. Rehabilitation of structures and improvements by present owners, their successors, and the Agency;
10. Rehabilitation, development or construction of low and moderate income housing within the Project Area and/or the City; and
11. Providing for the retention of controls and establishment of restrictions or covenants running with the land so that property will continue to be used in accordance with this Plan.

In the accomplishment of these activities, and in the implementation and furtherance of this Plan, the Agency is authorized to use all the powers provided in this Plan and all the powers to the extent now or hereafter permitted by law, which powers are not expressly limited by this Plan.

B. **[Section 302] Owner Participation and Business Reentry Preferences**

1. **[Section 303] Owner Participation**

Owners of real property within the Project Area shall be extended reasonable opportunities to participate in the redevelopment of property in the Project Area if such owners agree to participate in the redevelopment in conformity with this Redevelopment Plan and owner participation implementation rules adopted by the Agency. Owners do not, however, have an absolute right to participate in the redevelopment of their property in the Project Area.

Participation methods include remaining in substantially the same location either by retaining all or portions of the property, or by retaining all or portions of the property and purchasing adjacent property from the Agency or joining with another person or entity for the rehabilitation or development of the owner's property and, if appropriate, other property. An owner who participates in the same location may be required to rehabilitate or demolish all or part of his/her existing buildings, or the Agency may acquire the buildings only and then remove or demolish the buildings. Participation methods also include the Agency buying land and improvements at fair market value from owners and offering other parcels for purchase and rehabilitation or development by such owners, or offering an opportunity for such owners to rehabilitate or develop property jointly with other persons or entities.

Participation opportunities shall necessarily be subject to and limited by factors including but not limited to the following: (1) the elimination and changing of some land uses; (2) the construction, realignment, abandonment, widening, opening and/or other alteration or elimination of public rights-of-way; (3) the removal, relocation, and/or installation of public utilities and public facilities; (4) the ability of potential participants to finance the proposed acquisition, development or rehabilitation in accordance with this Redevelopment Plan; (5) the ability and experience of potential participants to undertake and complete the proposed development; (6) any reduction in the total number of individual parcels in the Project Area; (7) the construction or expansion of public improvements and facilities, and the necessity to assemble areas for such; (8) any change in orientation and character of the Project Area; (9) the necessity to assemble areas for public and/or private development; (10) the requirements of this Plan and applicable rules, regulations, and ordinances of the City of Sacramento; (11) any Design Guide adopted by the Agency pursuant to Section 420 hereof; (12) the feasibility of the potential participant's proposal; (13) the scope of the participant's proposal; and (14) the superiority of a competing proposal with regard to implementation of the goals of this Plan.

2. [Section 304] Business Reentry Preferences

Business occupants engaged in business in the Project Area shall be extended reasonable preferences to reenter in business within the redeveloped area if they otherwise meet the requirements prescribed by this Redevelopment Plan and business reentry preferences implementation rules adopted by the Agency.

Whenever a business occupant will be displaced by Agency action from the Project Area, the Agency will, prior to such displacement, determine: 1) whether such business occupant desires to relocate directly to another location within the Project Area, or 2) if suitable relocation accommodations within the Project Area are not available prior to displacement, whether such business occupant would desire to reenter in business within the Project Area at a later date should suitable accommodations become available. For those business occupants who desire to relocate directly to another Project Area location, the Agency will make reasonable efforts to assist such business occupants to find accommodations at locations and rents suitable to their needs. A record of the business occupants who cannot be or do not want to be directly relocated within the Project Area, but who have stated that they desire to reenter into business in the Project Area whenever suitable locations and rents are available, will be maintained by the Agency for a period of five years after the effective date of the ordinance adopting this Plan. The Agency will make reasonable efforts to assist such business occupants to find reentry accommodations at locations and rents suitable to their needs. In any event, the Agency shall not be obligated to provide financial assistance to any displaced business occupant in excess of that required by law.

Reentry preferences shall necessarily be subject to and limited by factors such as the following: (1) the extent to which suitable relocation or reentry accommodations exist or are

rehabilitated or developed within the Project Area; (2) the extent to which suitable relocation or reentry accommodations are available to displaced business occupants within an acceptable time period or at rents and other terms that are acceptable to such displaced business occupants, and within their financial means; (3) the extent to which the Agency has control of the proposed reentry accommodations; (4) the compatibility of the displaced business with available relocation or reentry accommodations; and (5) the requirements of this Redevelopment Plan or any Design Guide adopted by the Agency pursuant to this Redevelopment Plan.

3. [Section 305] Participation Agreements

The Agency may require that, as a condition to participate in redevelopment or to obtain a building permit pursuant to Section 421 hereof, each participant shall enter into a binding written participation agreement with the Agency by which the participant agrees to contribute, sell, lease, acquire, rehabilitate, develop or use the property in conformance with this Plan and to be subject to provisions hereof and such other provisions and conditions to which the parties may agree. In such agreements, participants who retain real property may be required to sign and join in the recordation of such documents as required by law necessary to make the provisions of this Plan and such participation agreement applicable to their properties. The rights of an owner participant under an approved participation agreement may or may not, at the Agency's option, be transferable upon sale or other disposition of the property.

Whether or not a participant enters into a participation agreement with the Agency, the provisions of this Plan are applicable to all public and private property in the Project Area.

4. [Section 306] Implementing Rules

The provisions of Sections 302 through 305 shall be implemented according to the Owner Participation and Preferences Rules adopted by the Agency prior to the approval of this Plan, and the same may be from time to time amended by the Agency. Where there is a conflict between the participation and re-entry preferences provisions in this Plan and such rules adopted by the Agency, the Plan shall prevail.

C. [Section 307] Property Acquisition

1. [Section 308] Acquisition of Real Property

The Agency may acquire, but is not required to acquire, any real property located in the Project Area by gift, devise, exchange, lease, purchase, eminent domain or any other lawful method.

It is in the public interest and is necessary in order to execute this Plan for the power of eminent domain to be employed by the Agency to acquire real property in all portions of the Project Area.

No eminent domain proceeding to acquire property within the Project Area shall be commenced after twelve (12) years following the effective date of the ordinance approving and adopting this Plan. Such time limitation may be extended only by amendment of this Plan.

The Agency is authorized to acquire structures without acquiring the land upon which those structures are located. The Agency is also authorized to acquire any other interest in real property less than a fee.

Without the consent of the owner, the Agency shall not acquire property to be retained by an original owner pursuant to a participation agreement if the owner fully performs under the agreement. The Agency shall not, without the consent of the original owner participant, acquire real property on which an existing building is to be continued on its present site and in its present form and use unless such building requires structural alteration, improvement, modernization, or rehabilitation, or the site or lot on which the building is situated requires modification in size, shape or use, or it is necessary to impose upon such property any of the standards, restrictions and controls of this Plan or of any Design Guide adopted by the Agency pursuant to this Plan, and the owner fails or refuses to participate in the Plan or in conformance with any such Design Guide by executing a participation agreement.

2. **[Section 309] Acquisition of Personal Property**

Generally, personal property shall not be acquired by the Agency. However, where necessary in the execution of this Plan, the Agency is authorized to acquire personal property in the Project Area by any lawful means, including eminent domain.

D. **[Section 310] Property Management**

During such time as property, if any, in the Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for redevelopment, and such rental or lease shall be pursuant to such policies as the Agency may adopt.

E. **[Section 311] Relocation of Occupants Displaced by Agency Acquisition**

1. **[Section 312] Relocation Housing Requirements**

No persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents comparable to those at the time of their displacement. Such housing units shall be suitable to the needs of such displaced persons or families and must be decent, safe, sanitary, and otherwise standard dwellings. The Agency shall not displace such persons or families until such housing units are available and ready for occupancy.

Permanent housing facilities shall be made available within three years from the time occupants are displaced. Pending the development of such facilities, there will be available to such displaced occupants adequate temporary housing facilities at rents comparable to those in the community at the time of their displacement.

2. **[Section 313] Replacement Housing Plan**

Not less than thirty days prior to the execution of an agreement for acquisition of real property, or the execution of an agreement for the disposition and development of property, or the execution of an owner participation agreement, which agreement would lead to the destruction or removal of dwelling units from the low and moderate income housing market, the Agency shall adopt by resolution a replacement housing plan.

The replacement housing plan shall include: (1) the general location of housing to be rehabilitated, developed, or constructed pursuant to Section 33413 of the Community Redevelopment Law; (2) an adequate means of financing such rehabilitation, development, or construction; (3) a finding that the replacement housing does not require the approval of the voters

pursuant to Article XXXIV of the California Constitution, or that such approval has been obtained; (4) the number of dwelling units housing persons and families of low or moderate income planned for construction or rehabilitation; and (5) the timetable for meeting the plan's relocation, rehabilitation, and replacement housing objectives. A dwelling unit whose replacement is required by Section 33413 but for which no replacement housing plan has been prepared, shall not be destroyed or removed from the low and moderate income housing market until the Agency has by resolution adopted a replacement housing plan.

Nothing in this section shall prevent the Agency from destroying or removing from the low and moderate income housing market a dwelling unit which the Agency owns and which is an immediate danger to health and safety. The Agency shall, as soon as practicable, adopt by resolution a replacement housing plan with respect to such dwelling unit.

3. **[Section 314] Assistance in Finding Other Locations**

The Agency shall assist all persons (including individuals and families), business concerns, and others displaced by Agency action in the Project Area in finding other locations and facilities. In order to carry out the Project with a minimum of hardship to persons (including individuals and families), business concerns, and others, if any, displaced from their respective places of residence or business, the Agency shall assist such persons, business concerns and others in finding new locations that are decent, safe, sanitary, within their respective financial means, in reasonably convenient locations, and otherwise suitable to their respective needs. Such assistance shall be provided pursuant to the California Relocation Assistance Law (Government Code Section 7260 *et seq.*) and Agency rules and regulations adopted pursuant thereto as such may be amended from time to time. The Agency may also provide housing inside or outside the Project Area for displaced persons.

4. **[Section 315] Relocation Payments**

The Agency shall make all relocation payments required by law to persons (including individuals and families), business concerns, and others displaced by the Agency from property in the Project Area. Such relocation payments shall be made pursuant to the California Relocation Assistance Law (Government Code Section 7260 *et seq.*) and Agency rules and regulations adopted pursuant thereto as such may be amended from time to time. The Agency may make such other payments as it may deem appropriate and for which funds are available.

F. **[Section 316] Payments to Taxing Agencies for In Lieu of Taxes**

The Agency may in any year during which it owns property in the Project Area pay directly to the City, County, or other district, including, but not limited to, a school district, or other public corporation for whose benefit a tax would have been levied upon the Agency-owned property had it not been exempt, an amount of money in lieu of taxes.

G. **[Section 317] Demolition, Clearance, Public Improvements, Building and Site Preparation**

1. **[Section 318] Demolition and Clearance**

The Agency is authorized to demolish and clear buildings, structures, and other improvements from any real property in the Project Area as necessary to carry out the purposes of this Plan.

2. **[Section 319] Public Improvements**

The Agency is authorized to install and construct, or to cause to be installed and constructed, the public improvements, facilities and utilities (within or outside the Project Area) necessary to carry out this Plan. Such public improvements, facilities and utilities include, but are not limited to, the following: (1) over- and under-passes; (2) sewers; (3) storm drains; (4) electrical, natural gas, telephone and water distribution systems; (5) parks and plazas; (6) playgrounds; (7) parking and transportation facilities; (8) landscaped areas; (9) street and circulation improvements; (10) flood control improvements and facilities; and (11) other public facilities serving the needs of Project Area occupants.

3. **[Section 320] Preparation of Building Sites**

The Agency is authorized to prepare, or cause to be prepared, as building sites any real property in the Project Area owned by the Agency. The Agency is also authorized to construct foundations, platforms, and other structural forms necessary for the provision or utilization of air rights sites for buildings to be used for commercial, public, and other uses provided in this Plan.

The Agency may take any actions which it determines are necessary and which are consistent with other state and federal laws to remedy or remove a release of hazardous substances on, under, or from property in the Project Area in accordance with the requirements of Health and Safety Code Section 33459 *et seq.*

H. **[Section 321] Property Disposition and Development**

1. **[Section 322] Real Property Disposition and Development**

a. **[Section 323] General**

For the purposes of this Plan, the Agency is authorized to sell, lease for a period not to exceed 99 years, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property. The Agency is authorized to dispose of real property by negotiated lease, sale, or transfer without public bidding but only after public hearing, notice of which shall be given by publication for not less than once a week for two weeks in a newspaper of general circulation published in the County.

Before any interest in real property of the Agency acquired in whole or in part, directly or indirectly, with tax increment moneys is sold, leased, or otherwise disposed of for development pursuant to this Plan, such sale, lease or disposition shall be first approved by the City Council by resolution after public hearing in conformance with Section 33433 of the Community Redevelopment Law.

All real property acquired by the Agency in the Project Area shall be sold or leased to public or private persons or entities for development for the uses permitted in this Plan, and any such sale or lease may be for an amount at less than fair market value if determined to be at the highest and best use consistent with this Plan. Real property may also be conveyed by the Agency to the City and, where beneficial to the Project Area, to any other public body without charge or for an amount at less than fair market value.

All purchasers or lessees of property from the Agency shall be made obligated to use the property for the purposes designated in this Plan, to begin and complete development of the

property within a period of time which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of this Plan.

During the period of development in the Project Area, the Agency shall ensure that the provisions of this Plan and of other documents formulated pursuant to this Plan are being observed, and that development in the Project Area is proceeding in accordance with development documents and time schedules.

b. **[Section 324] Disposition and Development Documents**

The Agency shall reserve powers and controls in disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that development is expeditiously carried out pursuant to this Plan.

To provide adequate safeguards to ensure that the provisions of this Plan will be carried out and to prevent the recurrence of blight, all real property sold, leased, or conveyed by the Agency, as well as all property subject to participation agreements, shall be made subject to the provisions of this Plan and any adopted Design Guide and other conditions imposed by the Agency by leases, deeds, contracts, agreements, declarations of restrictions, provisions of the zoning ordinance, conditional use permits, or other means. Where appropriate, as determined by the Agency, such documents or portions thereof shall be recorded in the Office of the Recorder of the County.

The leases, deeds, contracts, agreements, and declarations of restrictions may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provision necessary to carry out this Plan.

All property in the Project Area is hereby subject to the restriction that there shall be no discrimination or segregation based upon sex, marital status, race, color, creed, religion, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property in the Project Area. All property sold, leased, conveyed, or subject to a participation agreement, by or through the Agency, shall be expressly subject by appropriate documents to the restriction that all deeds, leases, or contracts for the sale, lease, sublease, or other transfer of land in the Project Area shall contain such non-discrimination and non-segregation clauses as are required by law, including without limitation, the requirements of Sections 33435 and 33436 of the Community Redevelopment Law.

c. **[Section 325] Development by the Agency or Other Public Bodies or Entities**

To the extent now or hereafter permitted by law, the Agency may, with the consent of the City Council of the City of Sacramento, pay all or part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement which is publicly owned either within or outside the Project Area, if the City Council determines: (1) that such buildings, facilities, structures, or other improvements are of benefit to the Project Area or the immediate neighborhood in which the Project is located, regardless of whether such improvement is within another project area; (2) that no other reasonable means of financing such buildings, facilities, structures, or other improvements are available to the community; and (3) that the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the Project Area or provide housing for low or moderate income persons and is consistent with the implementation plan adopted pursuant to Section 33352 or 33490 of the Health and Safety Code. Such determinations by the Agency and the City Council shall be final and conclusive.

Specifically, the Agency may pay all or part of the value of the land for and the cost of the installation and construction of any building, facility, structure or other improvement set forth in Section 319 of this Plan, including, without limitation, those set forth in Exhibit "C", Proposed Public Improvements and Facilities Projects.

When the value of such land or the cost of the installation and construction of such building, facility, structure, or other improvement, or both, has been, or will be paid or provided for initially by the City or other public corporation, the Agency may enter into a contract with the City or other public corporation under which it agrees to reimburse the City or other public corporation for all or part of the value of such land or all or part of the cost of such building, facility, structure, or other improvement, or both, by periodic payments over a period of years.

The obligation of the Agency under such contract shall constitute an indebtedness of the Agency for the purpose of carrying out the redevelopment of the Project Area, which indebtedness may be made payable out of taxes levied in the Project Area and allocated to the Agency under subdivision (b) of Section 33670 of the California Redevelopment Law and Section 502 of this Plan, or out of any other available funds.

In a case where such land has been or will be acquired by, or the cost of the installation and construction of such building, facility, structure or other improvement has been paid by, a parking authority, joint powers entity, or other public corporation to provide a building, facility, structure, or other improvement which has been or will be leased to the City such contract may be made with, and such reimbursement may be made payable to, the City.

Before the Agency commits to use the portion of taxes to be allocated and paid to the Agency pursuant to subdivision (b) of Section 33670 for the purpose of paying all or part of the value of the land for, and the cost of the installation and construction of, any publicly owned building, other than parking facilities, the City Council shall hold a public hearing in accord with the provisions of Section 33679 of the Community Redevelopment Law.

d. **[Section 326] Development Plans**

All development plans (whether public or private) shall be processed in the manner provided by applicable City codes as they are or as they may be amended from time to time. All development in the Project Area must conform to City and Agency design review procedures, including any Design Guide adopted by the Agency pursuant to Section 420 hereof.

2. **[Section 327] Personal Property Disposition**

For the purposes of this Plan, the Agency is authorized to lease, sell, exchange, transfer, assign, pledge, encumber, or otherwise dispose of personal property which is acquired by the Agency.

1. **[Section 328] Cooperation with Public Bodies**

Certain public bodies are authorized by state law to aid and cooperate with or without consideration in the planning, undertaking, construction, or operation of this Project. The Agency may seek the aid and cooperation of such public bodies and attempt to coordinate this Plan with the activities of such public bodies in order to accomplish the purposes of redevelopment and the highest public good.

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency, however, will seek the cooperation of all public bodies which own or intend to acquire property in the Project Area. Any public body which owns or leases property in the Project Area will be afforded all the privileges of owner participation if such public body is willing to enter into a participation agreement with the Agency. All plans for development of property in the Project Area by a public body shall be subject to Agency approval.

The Agency may impose on all public bodies the planning and design controls contained in and authorized by this Plan to ensure that present uses and any future development by public bodies will conform to the requirements of this Plan. The Agency is authorized to financially (and otherwise) assist any public entity in the cost of public land, buildings, facilities, structures, or other improvements (within or outside the Project Area) which land, buildings, facilities, structures, or other improvements are of benefit to the Project.

J. **[Section 329] Rehabilitation, Conservation and Moving of Structures**

1. **[Section 330] Rehabilitation and Conservation**

The Agency is authorized to rehabilitate and conserve, or to cause to be rehabilitated and conserved, any building or structure in the Project Area owned by the Agency. The Agency is also authorized to advise, encourage, and assist (through a loan program or otherwise) in the rehabilitation and conservation of property in the Project Area not owned by the Agency. The Agency is also authorized to acquire, restore, rehabilitate, move and conserve buildings of historic or architectural significance.

It shall be the purpose of this Plan to allow for the retention of as many existing businesses as practicable and to add to the economic life of these businesses by a program of voluntary participation in their conservation and rehabilitation. The Agency is authorized to conduct a program of assistance and enforcement to encourage owners of property within the Project Area to upgrade and maintain their property consistent with this Plan and such standards as may be developed for the Project Area.

The extent of retention, conservation and rehabilitation in the Project Area shall be subject to the following limitations:

- a. The rehabilitation of the structure must be compatible with land uses as provided for in this Plan;
- b. Rehabilitation and conservation activities on a structure must be carried out in an expeditious manner and in conformance with the requirements of this Plan and such property rehabilitation standards as may be adopted by the Agency and the City.
- c. The conservation activities must not preclude the planned or proposed expansion of public improvements, facilities and utilities.
- d. The conservation activities must not preclude the assembly and development of areas in accordance with this Plan.

The Agency may adopt property rehabilitation standards for the rehabilitation of properties in the Project Area.

Within the Project Area and as part of an agreement that provides for the development and rehabilitation of property that will be used for industrial or manufacturing purposes, the Agency may assist with the financing of facilities or capital equipment, including, but not necessarily limited to, pollution control devices. The Agency may also establish a program under which it loans funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures within the Project Area.

The Agency shall not assist in the rehabilitation or conservation of properties which, in its opinion, are not economically and/or structurally feasible, or which do not further the purposes of this Plan.

2. **[Section 331] Moving of Structures**

As necessary in carrying out this Plan, the Agency is authorized to move or to cause to be moved, any standard structure or building or any structure or building which can be rehabilitated to a location within or outside the Project Area.

K. **[Section 332] Low or Moderate Income Housing**

1. **[Section 333] Authority Generally**

The Agency may, inside or outside the Project Area, acquire land, improve sites, or construct or rehabilitate structures in order to provide housing for persons and families of low or moderate income. The Agency may also provide subsidies to, or for the benefit of, such persons and families or households to assist them in obtaining housing. The Agency may also sell, lease, grant, or donate real property owned or acquired by the Agency to the Housing Authority of the City of Sacramento and may otherwise cooperate with the Housing Authority in carrying out the provisions of Section 335 hereinbelow.

2. **[Section 334] Replacement Housing**

In accordance with Sections 33334.5 and 33413 of the Community Redevelopment Law, whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low and moderate income housing market as part of a redevelopment project which is subject to a written agreement with the Agency or where financial assistance has been provided by the Agency, the Agency shall, within four years of such destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low or moderate income, an equal number of replacement dwelling units which have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs, as defined by Sections 50052.5 and 50053 of the Health and Safety Code, within the territorial jurisdiction of the Agency, in accordance with all of the provisions of Sections 33413 and 33413.5 of the Community Redevelopment Law. Seventy-five percent (75%) of the replacement dwelling units shall replace dwelling units available at affordable housing cost in the same income level of very low income households, lower income households, and persons and families of low and moderate income, as the persons displaced from those destroyed or removed units.

3. **[Section 335] Increase, Improve and Preserve the Supply**

Pursuant to Section 33334.2 of the Community Redevelopment Law, not less than 20 percent of all taxes which are allocated to the Agency pursuant to subdivision (b) of Section 33670 of the Community Redevelopment Law and Section 502 of this Plan shall be used by the Agency for the purposes of increasing, improving and preserving the City's supply of low and moderate

income housing available at affordable housing costs, as defined by Sections 50052.5 and 50053 of the Health & Safety Code, to persons and families of low or moderate income, as defined in Section 50093 of the Health & Safety Code, and very low income households, as defined in Section 50105 of the Health & Safety Code, unless one of the findings permitted by Section 33334.2 is made annually by resolution.

In carrying out the purposes of Section 33334.2, the Agency may exercise any or all of its powers, including, but not limited to, the following:

- (1) Acquire real property or building sites subject to the provisions of Section 33334.16 of the Community Redevelopment Law.
- (2) Improve real property or building sites with onsite or offsite improvements, but only if either (a) the improvements are made as part of a program which results in the new construction or rehabilitation of affordable housing units for low or moderate income persons that are directly benefited by the improvements or (b) the Agency finds that the improvements are necessary to eliminate a specific condition that jeopardizes the health or safety of existing low or moderate income residents.
- (3) Donate real property to private or public persons or entities.
- (4) Finance insurance premiums pursuant to Section 33136 of the Community Redevelopment Law.
- (5) Construct buildings or structures.
- (6) Acquire buildings or structures.
- (7) Rehabilitate buildings or structures.
- (8) Provide subsidies to, or for the benefit of, very low income households, as defined by Section 50105 of the Health and Safety Code, lower income households, as defined by Section 50079.5 of the Health and Safety Code, or persons and families of low or moderate income, as defined by Section 50093 of the Health and Safety Code, to the extent those households cannot obtain housing at affordable costs on the open market. Housing units available on the open market are those units developed without direct government subsidies.
- (9) Develop plans, pay principal and interest on bonds, loans, advances, or other indebtedness, or pay financing or carrying charges.
- (10) Maintain the community's supply of mobilehomes.
- (11) Preserve the availability of housing units affordable to lower income households in housing developments which are assisted or subsidized by public entities and which are threatened with imminent conversion to market rates.

The Agency may use these funds to meet, in whole or in part, the replacement housing provisions in Section 334 above. These funds may be used inside or outside the Project Area provided, however, that such funds may be used outside the Project Area only if findings of benefit

to the Project are made as required by said Section 33334.2 of the Community Redevelopment Law.

The funds for these purposes shall be held in a separate Low and Moderate Income Housing Fund until used. Any interest earned by such Low and Moderate Income Housing Fund and any repayments or other income to the Agency for loans, advances, or grants, of any kind, from such Low and Moderate Income Housing Fund, shall accrue to and be deposited in, the fund and may only be used in the manner prescribed for the Low and Moderate Income Housing Fund.

Pursuant to the requirements of Section 33334.12 of the Community Redevelopment Law, upon failure of the Agency to expend or encumber excess surplus in the Low and Moderate Income Housing Fund within one year from the date the moneys become excess surplus, within the meaning defined in Section 33334.12 of the Community Redevelopment Law, the Agency shall either disburse that excess surplus to the Housing Authority of the City of Sacramento or to another public agency in accordance with said Section 33334.12, or expend or encumber the excess surplus within two additional years. The housing authority or other public agency shall utilize the moneys for the purposes of, and subject to, the same restrictions that are applicable to the Agency under the Community Redevelopment Law, and for that purpose may exercise all of the powers of a housing authority under the Housing Authorities Law (Sections 34200 *et seq.* of the Health and Safety Code) to the extent not inconsistent with these limitations.

4. **[Section 336] New or Rehabilitated Dwelling Units
Developed Within Project Area**

At least thirty percent (30%) of all new and substantially rehabilitated dwelling units developed by the Agency, if any, shall be available at affordable housing cost to persons and families of low or moderate income. Not less than fifty percent (50%) of the dwelling units required to be available at affordable housing cost to persons and families of low or moderate income shall be available at affordable housing cost to, and occupied by, very low income households.

At least fifteen percent (15%) of all new and substantially rehabilitated dwelling units developed within the Project Area by public or private entities or persons other than the Agency, if any, shall be available at affordable housing cost to persons and families of low or moderate income. Not less than forty percent (40%) of the dwelling units required to be available at affordable housing cost to persons and families of low or moderate income shall be available at affordable housing costs to very low income households.

The Agency may satisfy the provisions of the above paragraphs, in whole or in part, by any of the methods described in Community Redevelopment Law Section 33413(b) or any other method permitted by law.

The percentage requirements set forth in this Section 336 shall apply independently of the requirements of Section 334 and in the aggregate to housing made available pursuant to the first and second paragraphs, respectively, of this Section 336 and not to each individual case of rehabilitation, development or construction of dwelling units, unless the Agency determines otherwise.

If all or any portion of the Project Area is developed with low or moderate income housing units, the Agency shall require by contract or other appropriate means that such housing be made available for rent or purchase to the persons and families of low and moderate income displaced by the Project. Such persons and families shall be given priority in renting or buying such housing; provided, however, failure to give such priority shall not affect the validity of title to real property.

5. **[Section 337] Duration of Dwelling Unit Availability and Agency Monitoring**

The Agency shall require that the aggregate number of replacement dwelling units and other dwelling units rehabilitated, developed, constructed, or price-restricted pursuant to Sections 334 and 336 shall remain available at affordable housing cost to persons and families of low income, moderate income and very low income households, respectively, for the longest feasible time, as determined by the Agency, but for not less than the period set forth in Section 800 for the duration of this Plan's land use controls, except to the extent a longer or shorter period of time is permitted or required by other provisions of the law.

Pursuant to Section 33418 of the Community Redevelopment Law, the Agency shall monitor, on an ongoing basis, any housing affordable to persons and families of low or moderate income developed or otherwise made available pursuant to the Community Redevelopment Law. As part of this monitoring, the Agency shall require owners or managers of the housing to submit an annual report to the Agency. The annual reports shall include for each rental unit the rental rate and the income and family size of the occupants, and for each owner-occupied unit whether there was a change in ownership from the prior year and, if so, the income and family size of the new owners. The income information required by this section shall be supplied by the tenant in a certified statement on a form provided by the Agency.

L. **[Section 338] Implementation Plans**

In accordance with the provisions of Section 33490 of the Community Redevelopment Law, no later than five years following the effective date of the ordinance adopting this Plan, and every five years thereafter, the Agency shall, after a public hearing, adopt an implementation plan for the Project Area. The implementation plan may include more than one project area, at the Agency's option.

At least once within the five-year term of each plan adopted by the Agency, no earlier than two years and no later than three years after adoption of each plan, the Agency shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing this Redevelopment Plan and the implementation plan and evaluating the progress of the Project. The hearing may be for two or more project areas if those project areas are included within the same implementation plans.

IV. [Section 400] LAND USES AND DEVELOPMENT REQUIREMENTS

A. [Section 401] Redevelopment Plan Map and Major Project Area Land Uses

The Redevelopment Plan Map attached hereto illustrates the location of the Project Area boundary, identifies the major streets within the Project Area, and designates the major land uses authorized within the Project Area by the City's current General Plan. The City will from time to time update and revise the General Plan. It is the intention of this Redevelopment Plan that the major and other land uses to be permitted within the Project Area shall be as provided within the City's General Plan, as it currently exists or as it may from time to time be amended, and as implemented and applied by City ordinances, resolutions and other laws. The major land uses authorized within the Project Area by the General Plan are described below. Other uses may be authorized from time to time by General Plan amendments.

B. [Section 402] Major Land Uses

Major land uses permitted within the Project Area shall include: Commercial, Industrial, Heavy Commercial or Warehouse, Public/Quasi-Public Miscellaneous, and Parks, Recreation, Open Space. The areas shown on the Redevelopment Plan Map for the foregoing uses may be used for any of the various kinds of uses specified for or permitted within such areas by the General Plan and City ordinances, resolutions and other laws, as in effect from time to time.

C. [Section 403] Other Land Uses

1. [Section 404] Public Rights of Way

Major public streets within the Project Area are generally described as follows:

14th Avenue
Belvedere Avenue
Fruitridge Road
Elder Creek Road
Power Inn Road
Florin Perkins Road
Alpine Avenue

Additional public streets, alleys and easements may be created in the Project Area as needed for proper use and/or development. Existing streets and alleys may be abandoned, closed or modified as necessary for proper use and/or development. It is anticipated that Project development may entail vacation and/or realignment of certain streets, alleys, and other rights-of-way.

Any changes in the existing street layout shall be in accord with the General Plan, the objectives of this Plan, and the City's design standards, shall be effectuated in the manner prescribed by state and local law, and shall be guided by the following criteria:

1. A balancing of the needs of proposed and potential new developments for adequate pedestrian and vehicular access, vehicular parking, and delivery loading docks with similar needs of existing developments proposed or potentially proposed to remain. Such balancing shall take into consideration the rights of existing owners under the participation and preferences rules adopted by the Agency for the Project, and any participation agreements executed thereunder;

2. The requirements imposed by such factors as topography, traffic safety and aesthetics;
3. The potential need to serve not only the Project Area and new or existing developments, but to also serve areas outside the Project Area by providing convenient, efficient vehicular access and movement; and
4. The potential need or desire to accommodate the facilities and/or equipment of mass transportation modes.

The public rights-of-way may be used for vehicular and/or pedestrian traffic, as well as for public improvements, public and private utilities, and activities typically found in public rights-of-way. In addition, all necessary easements for public uses, public facilities, and public utilities may be retained, amended or created.

2. **[Section 405] Other Public, Semi-Public, Institutional and Non-Profit Uses**

In any area the Agency is authorized to permit the maintenance, establishment or enlargement of public, semi-public, institutional, or non-profit uses, including park and recreational facilities, libraries, educational, fraternal, employee, philanthropic, religious and charitable institutions, utilities, railroad rights-of-way, and facilities of other similar associations or organizations. All such uses shall conform so far as possible to the provisions of this Plan applicable to the uses in the specific area involved. The Agency may impose such other reasonable restrictions as are necessary to protect the development and uses in the Project Area.

D. **[Section 406] Conforming Properties**

The Agency may, at its sole and absolute discretion, determine that certain real properties within the Project Area meet the requirements of this Plan, and the owners of such properties may be permitted to remain as owners of conforming properties without a participation agreement with the Agency, provided such owners continue to operate, use, and maintain the real properties within the requirements of this Plan. A certificate of conformance to this effect may be issued by the Agency and recorded. An owner of a conforming property may be required by the Agency to enter into a participation agreement with the Agency in the event that such owner desires to (1) construct any additional improvements or substantially alter or modify existing structures on any of the real property described above as conforming; or (2) acquire additional property within the Project Area.

E. **[Section 407] Interim Uses**

Pending the ultimate development of land by developers and participants, the Agency is authorized to use or permit the use of any land in the Project Area for interim uses not in conformity with the uses permitted in this Plan. Such interim use shall conform to all applicable City codes.

F. **[Section 408] Nonconforming Uses**

The Agency is authorized to permit an existing use to remain in an existing building in good condition, which use does not conform to the provisions of this Plan, provided that such use is generally compatible with existing and proposed developments and uses in the Project Area, and abatement of such uses is not required by applicable City codes. The owner of such a property may be required to enter into a participation agreement, to record a covenant of restrictions against the

property, and agree to the imposition of such reasonable restrictions as may be necessary to protect the development and uses in the Project Area.

The Agency may authorize additions, alterations, repairs or other improvements in the Project Area for uses which do not conform to the provisions of this Plan where such improvements are within a portion of the Project where, in the determination of the Agency, such improvements would be compatible with surrounding and Project Area uses and development and are permitted under applicable City codes.

G. [Section 409] General Controls and Limitations

All real property in the Project Area is hereby made subject to the controls and requirements of this Plan. No real property shall be developed, rehabilitated, or otherwise changed after the effective date of the ordinance adopting this Plan, except in conformance with the provisions of this Plan.

1. [Section 410] Construction

All construction in the Project Area shall comply with all applicable state and local laws in effect from time to time.

In addition to applicable codes, ordinances, or other requirements governing development in the Project Area, additional specific performance and development standards may be adopted by the Agency to control and direct redevelopment activities in the Project Area, including property rehabilitation standards adopted pursuant to Section 330 hereof, and one or more Design Guides adopted pursuant to Section 420 hereof.

2. [Section 411] Limitation on the Number of Buildings

The approximate number of buildings in the Project Area shall not exceed the maximum number allowed under the densities permitted under the City's General Plan, as implemented and applied by local codes and ordinances. The number of buildings permitted in the Project Area will be approximately 500.

3. [Section 412] Number of Dwelling Units

The number of dwelling units in the Project Area shall not exceed the maximum number allowed under the densities permitted under the City's General Plan, as implemented and applied by local codes and ordinances.

4. [Section 413] Limitations on Type, Size and Height of Buildings

Except as set forth in other sections of this Plan, the type, size, and height of buildings shall be as limited by the applicable federal, state and local statutes and ordinances.

5. [Section 414] Open Spaces, Landscaping, Light, Air and Privacy

The approximate amount of open space to be provided in the Project Area is the total of all area which will be in the public rights-of-way, the public grounds, spaces around buildings, and all other outdoor areas not permitted to be covered by buildings. Landscaping shall be developed in the Project Area to ensure optimum use of living plant material.

In all areas, sufficient space shall be maintained between buildings to provide adequate light, air and privacy.

6. **[Section 415] Signs**

All signs shall conform to City requirements. Design of all proposed new signs shall be submitted prior to installation to the Agency and/or City for review and approval pursuant to the procedures permitted by this Plan.

7. **[Section 416] Utilities**

The Agency shall require that all utilities be placed underground whenever physically possible and economically feasible.

8. **[Section 417] Incompatible Uses**

No use or structure which in the Agency's opinion would, by reason of appearance, traffic, smoke, glare, noise, odor, or similar factors, be incompatible with the surrounding areas or structures shall be permitted in any part of the Project Area.

9. **[Section 418] Subdivision of Parcels**

No parcels in the Project Area, including any parcel retained by a participant, shall be consolidated, subdivided or re-subdivided without the approval of the appropriate City body, and, if necessary for purposes of this Plan, the Agency.

10. **[Section 419] Minor Variations**

The Agency is authorized to permit minor variations from the limits, restrictions and controls established by this Plan. In order to permit any such variation, the Agency must determine that:

- a. The application of certain provisions of the Plan would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the Plan.
- b. There are exceptional circumstances or conditions applicable to the property or to the intended development of the property which do not apply generally to other properties having the same standards, restrictions, and controls.
- c. Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area.
- d. Permitting a variation will not be contrary to the objectives of the Plan.

No such variation shall be granted which permits other than a minor departure from the provisions of this Plan. In permitting any such variation, the Agency shall impose such conditions as are necessary to protect the public health, safety, or welfare, and to assure compliance with the purposes of this Plan. Any such variation permitted by the Agency hereunder shall not supersede any other approval required under City codes and ordinances.

H. [Section 420] Design Guide

Within the limits, restrictions, and controls established in this Plan, the Agency is authorized to establish heights of buildings, land coverage, setback requirements, design and sign criteria, traffic circulation, traffic access, parking, and other development and design controls necessary for proper development and use of both private and public areas within the Project Area. These may be established by the approval of specific developments, by the adoption of general restrictions and controls by resolution of the Agency, or by the adoption of one or more Design Guides pursuant to this Section.

No new improvement shall be constructed and no existing improvement shall be substantially modified, altered, repaired, or rehabilitated except in accordance with architectural, landscape, and site plans submitted to and approved in writing by the Agency unless allowed pursuant to the procedures of Section 421 hereof. One of the objectives of this Plan is to create an attractive and pleasant environment in the Project Area. Therefore, such plans shall give consideration to good design, open space, and other amenities to enhance the aesthetic and architectural quality of the Project Area. The Agency shall not approve any plans that do not comply with this Plan.

I. [Section 421] Building Permits

No permit shall be issued for the construction of any new building or any addition, construction, moving, conversion or alteration to an existing building or structure, or preparation of any site, or the installation of any physical improvement, including grading and landscaping, in the Project Area from the date of adoption of this Plan until the application for such permit has been made by the owner or his agent and processed in the manner provided hereinbelow. Any permit that is issued hereunder must be in conformance with the provisions of this Plan, any Design Guide adopted by the Agency, any restrictions or controls established by resolution of the Agency, and any applicable participation or other agreement.

Upon receipt of such an application, the City's Building Department shall conduct an initial screening to determine if the proposed project is incompatible with this Redevelopment Plan and/or any standards adopted pursuant hereto. If the Department determines the proposed project is compatible, the permit may be issued subject to City requirements. If the Department determines that the proposed project could be incompatible, it shall refer the matter to the Community Development Director, who may in his/her discretion, indicate that the proposed project is compatible, that the proposed project is incompatible, that the proposed project can be made compatible by granting the permit with conditions, or refer the matter to the Agency. The Community Development Director shall review the matter and take one of the foregoing actions.

Whenever an application for a building permit for rehabilitation or development of one or more residential dwelling units in the Project Area is received by the City, the City shall request the Agency to review such application and proposed rehabilitation or development for the purpose of monitoring compliance with the provisions of Section 336 of this Plan. In such event, the Agency shall determine whether the provisions of Section 336 are applicable to the proposed rehabilitation or development, and shall notify the City in writing the results of its determination, including whether the applicant must enter into an agreement with the Agency before proceeding with the proposed rehabilitation or development.

The Agency is authorized to establish permit procedures and approvals in addition to those set forth above where required for purposes of this Plan. A building permit shall be issued only after the applicant for same has been granted all approvals required by the City and the Agency at the time of application.

V. **[Section 500] METHOD OF FINANCING THE PROJECT**

A. **[Section 501] General Description of the Proposed Financing Method**

The Agency is authorized to finance the Project with tax increment funds; interest income; Agency bonds; donations; loans from private financial institutions; the lease or sale of Agency-owned property; owner participant or developer loans; use or transient occupancy taxes; participation in development; or with financial assistance from the City, State of California, the federal government, or any other available source, public or private.

The Agency is also authorized to obtain advances, borrow funds, issue bonds, and create indebtedness in carrying out this Plan. The principal and interest on such indebtedness may be paid from tax increments or any other funds available to the Agency. Advances and loans for survey and planning and for the operating capital for administration of the Project may be provided by the City or any other available source, public or private, until adequate tax increment or other funds are available or sufficiently assured to repay the advances and loans and to permit borrowing adequate working capital from other sources. The City, as it is able, may also supply additional assistance through issuance of bonds, loans and grants and in-kind assistance.

The City or any other public agency may expend money to assist the Agency in carrying out the Project. As available, public transit sales tax funds and gas tax funds or other legally available funds from the state and county may be used for street improvements and public transit facilities. All or a portion of the parking may be installed through a parking authority or other public or private entities.

Tax increment financing, as authorized by Section 502 of this Plan, is intended as a source of financing in combination with other sources of financing that may be available for specific Project activities.

B. **[Section 502] Tax Increment Funds**

All taxes levied upon taxable property within the Project Area each year, by or for the benefit of the State of California, the County of Sacramento, the City of Sacramento, any district or any other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving this Plan, shall be divided as follows:

1. That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of said taxing agencies upon the total sum of the assessed value of the taxable property in the Project Area as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency, last equalized prior to the effective date of such ordinance, shall be allocated to and when collected shall be paid to the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory of the Project on the effective date of such ordinance but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the County of Sacramento last equalized on the effective date of said ordinance shall be used in determining the assessed valuation of the taxable property in the Project Area on said effective date); and
2. Except as provided in subdivision 3 below, that portion of said levied taxes each year in excess of such amount shall be allocated to and when collected shall be paid into

a special fund of the Agency to pay the principal of and interest on bonds, loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Agency to finance or refinance, in whole or in part, the Project. Unless and until the total assessed valuation of the taxable property in the Project Area exceeds the total assessed value of the taxable property in the Project Area as shown by the last equalized assessment roll referred to in subdivision 1 hereof, all of the taxes levied and collected upon the taxable property in the Project Area shall be paid into the funds of the respective taxing agencies. When said bonds, loans, advances and indebtedness, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in the Project Area shall be paid to the respective taxing agencies as taxes on all other property are paid.

3. That portion of the taxes in excess of the amount identified in subdivision 1 hereof which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayment of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to and when collected shall be paid into, the fund of that taxing agency. This subdivision 3 shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.

The portion of taxes mentioned in subdivision 2 above is hereby irrevocably pledged for the payment of the principal of and interest on the advance of moneys, or making of loans, or the incurring of any indebtedness (whether funded, refunded, assumed or otherwise) by the Agency to finance or refinance the Project, in whole or in part.

The Agency is authorized to make such pledges as to specific advances, loans and indebtedness as appropriate in carrying out the Project.

C. [Section 503] Agency Bonds

The Agency is authorized to issue bonds from time to time, if it deems it appropriate to do so, in order to finance all or any part of the Project.

Neither the members of the Agency nor any persons executing the bonds are liable personally on the bonds by reason of their issuance.

The bonds and other obligations of the Agency are not a debt of the City, the State, or any of its political subdivisions and neither the City, the State, nor any of its political subdivisions is liable on them, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the Agency; and such bonds and other obligations shall so state on their face. The bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The amount of bonded indebtedness to be repaid in whole or part from the allocation of taxes described in subdivision 2 of Section 502 above which can be outstanding at any one time shall not exceed \$67 million in principal amount, except by amendment of this Plan. This limit, however, shall not prevent the Agency from issuing additional bonds in order to fulfill the Agency's obligations under Section 33413 of the Health and Safety Code.

D. [Section 504] Time Limit on Establishment of Indebtedness

The Agency shall not establish or incur loans, advances, or indebtedness to finance in whole or in part the Project beyond 20 years from the effective date of the ordinance adopting this Plan. Loans, advances, or indebtedness may be repaid over a period of time beyond said time limit. Such time limitation may be extended only by amendment of this Plan. This limit, however, shall not prevent the Agency from incurring debt to be paid from the Low and Moderate Income Housing Fund established pursuant to Section 33334.2 of the Community Redevelopment Law and Section 335 of this Plan, or establishing more debt in order to fulfill the Agency's obligations under Section 33413 of the Community Redevelopment Law and Section 334 of this Plan. This limit shall not prevent the Agency from refinancing, refunding or restructuring indebtedness after the time limit if the indebtedness is not increased and the time during which the indebtedness is to be repaid is not extended beyond the time limit contained in this Section 504.

E. [Section 505] Statutory Payments to Affected Taxing Entities

To the extent applicable, and in the amounts and manner provided therein, the Agency shall annually pay to Project Area affected taxing entities the payments required by Section 33607.5 of the Community Redevelopment Law.

F. [Section 506] Time Limit on Receipt of Tax Increment

The Agency may not receive and shall not repay indebtedness with the proceeds from property taxes received pursuant to Section 33670 of the Community Redevelopment Law and Section 502 of this Plan beyond 45 years from the effective date of the ordinance adopting this Plan, except to repay debt to be paid from the Low and Moderate Income Housing Fund established pursuant to Section 33334.2 of the Community Redevelopment Law and Section 335 of this Plan, or debt established in order to fulfill the Agency's obligations under Section 33413 of the Community Redevelopment Law and Section 334 of this Plan.

G. [Section 507] Other Loans and Grants

Any other loans, grants, guarantees, or financial assistance from the United States, the State of California, or any other public or private source will be utilized if available as appropriate in carrying out the Project. In addition, the Agency may make loans as permitted by law to public or private entities for any of its redevelopment purposes.

VI. [Section 600] ACTIONS BY THE CITY

The City shall aid and cooperate with the Agency in carrying out this Plan and shall take all actions necessary to ensure the continued fulfillment of the purposes of this Plan and to prevent the recurrence or spread in the area of conditions causing blight. Actions by the City may include, but are not limited to, the following:

1. Institution and completion of proceedings for opening, closing, vacating, widening, or changing the grades of streets, alleys, and other public rights-of-way, and for other necessary modifications of the streets, the street layout, and other public rights-of-way in the Project Area. Such action by the City shall include the requirement of abandonment, removal, and relocation by the public utility companies of their operations in public rights-of-way as appropriate to carry out this Plan, provided that nothing in this Plan shall be construed to require the cost of such abandonment, removal, and relocation be borne by others than those legally required to bear such costs.
2. Institution and completion of proceedings necessary for changes and improvements in private and publicly-owned public utilities within or affecting the Project Area.
3. Revision of the Zoning Ordinance or adoption of specific plans as appropriate within the Project Area to permit the land uses and development authorized by this Plan.
4. Imposition wherever necessary (by covenants or restrictions, conditional use permits or other means) of appropriate controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use.
5. Execution of statutory development agreements where necessary and appropriate to facilitate developments approved by the Agency.
6. Provision for administrative enforcement of this Plan by the City after development.
7. Performance of the above actions, and of all other functions and services relating to public health, safety, and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays.
8. Provision of services and facilities and the various officials, offices and departments of the City for the Agency's purposes under this Plan.
9. Provision of financial assistance in accordance with Section 500 of this Plan.
10. The undertaking and completing of any other proceedings necessary to carry out the Project.

The foregoing actions to be taken by the City may involve financial outlays by the City, but do not constitute a commitment to make such outlays.

VII. [Section 700] ENFORCEMENT

The administration and enforcement of this Plan, including the preparation and execution of any documents implementing this Plan, shall be performed by the Agency and/or the City.

The provisions of this Plan or other documents entered into pursuant to this Plan may also be enforced by court litigation instituted by either the Agency or the City. Such remedies may include, but are not limited to, specific performance, damages, re-entry, injunctions, or any other remedies appropriate to the purposes of this Plan. In addition, any recorded provisions which are expressly for the benefit of owners of property in the Project Area may be enforced by such owners.

VIII. [Section 800] DURATION OF THIS PLAN

Except for the non-discrimination and non-segregation provisions imposed by the Agency which shall run in perpetuity, and the affordable housing covenants imposed by the Agency which shall continue in effect for a period as may be determined and specified by the Agency, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan may be made effective, for 30 years from the effective date of the ordinance adopting this Plan by the City Council; provided, however, that, subject to the limitations and exceptions thereto set forth in Sections 504 and 506 of this Plan, the Agency may issue bonds and incur obligations pursuant to this Plan which extend beyond the termination date, and in such event, this Plan shall continue in effect for the purpose of repaying such bonds or other obligations until the date of retirement of such bonds or other obligations.

IX. [Section 900] PROCEDURE FOR AMENDMENT

This Plan may be amended by means of the procedure established in the Community Redevelopment Law, or by any other procedure hereafter established by law.

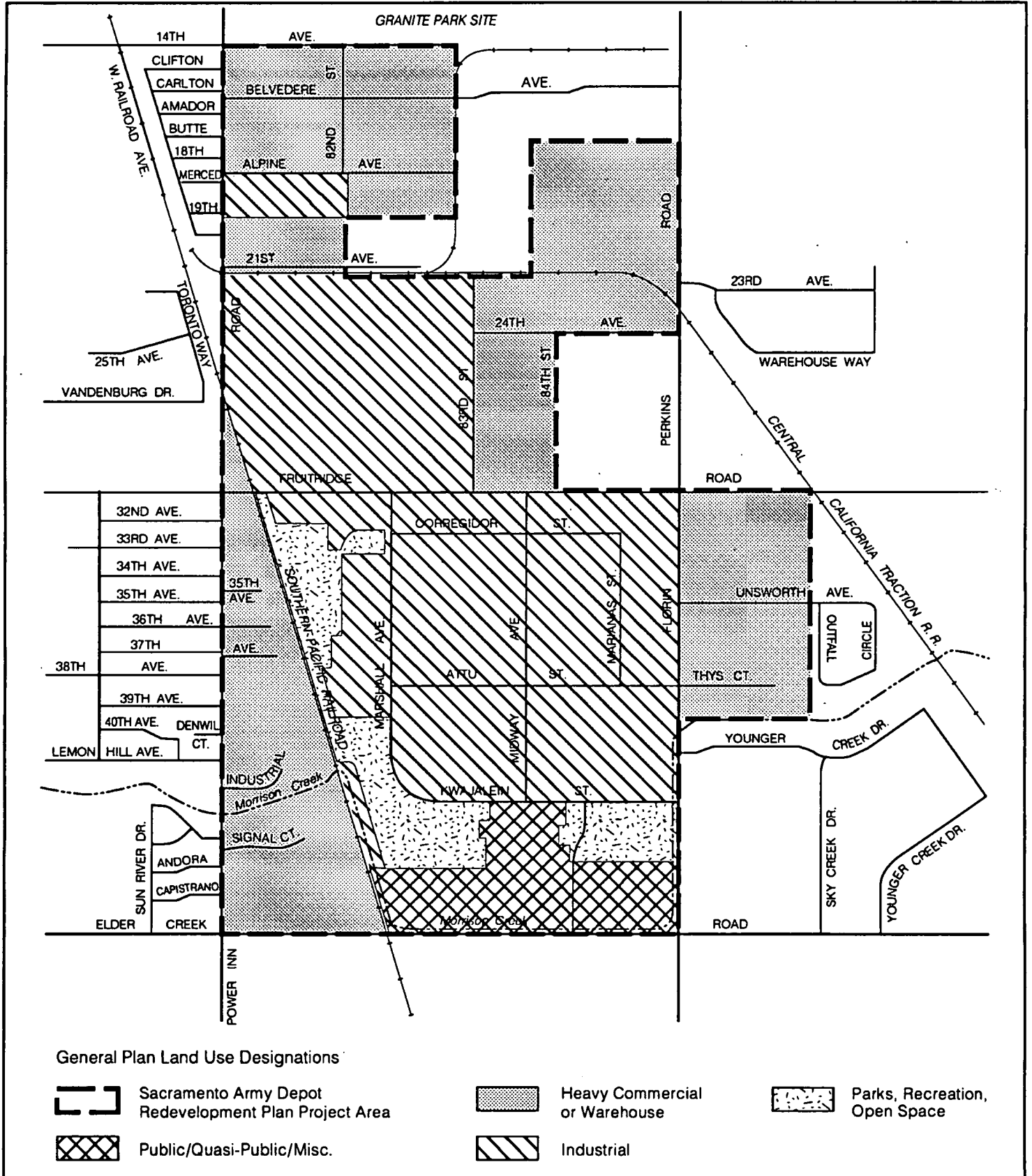
X. [Section 1000] SEVERABILITY

If any provision, section, subsection, subdivision, sentence, clause or phrase of this Plan is for any reason held to be invalid, unenforceable, or unconstitutional, such decision shall not affect the validity and effectiveness of the remaining portion or portions of the Plan. In the event that any portion of the Project Area shall be determined to have been invalidly or incorrectly included in the Project Area that is the subject of this Plan, such portion of the Project Area shall be deemed severable from the remainder of the Project Area and shall remain fully subject to the provisions of this Plan.

EXHIBIT "A"

Sacramento Army Depot Redevelopment Project
REDEVELOPMENT PLAN MAP

Exhibit "A"
Sacramento Army Depot Redevelopment Project
REDEVELOPMENT PLAN MAP



Source: U.S. Army Corps of Engineers, Sacramento District 1994; *Sacramento Army Depot Disposal and Reuse Environmental Impact Statement, Draft*, January 1994, Sacramento, California, technical assistance from Ebasco Services, Incorporated, Sacramento, California; EIP Associates, 1994.

NOT TO
SCALE



EXHIBIT "B"

Sacramento Army Depot Redevelopment Project
LEGAL DESCRIPTION OF PROJECT AREA

**SACRAMENTO ARMY DEPOT
REDEVELOPMENT PROJECT AREA**

All that certain real property situated in the County of Sacramento, State of California, described as follows:

Beginning at the intersections of the centerline of Elder Creek Road and Power Inn Road; thence from said point of beginning northerly along the centerline of said Power Inn Road to its intersection with the centerline of 14th Avenue; thence easterly along the centerline of said 14th Avenue to a point, said point located easterly 1,240.60 feet from the centerline of 82nd Street; thence southerly parallel with the centerline of said 82nd Street to a point located southerly parallel with the centerline of said 82nd Street 499.80 feet from the centerline of Alpine Avenue; thence westerly parallel with the centerline of said Alpine Avenue 1,304.09 feet; thence southerly parallel with the centerline of said Power Inn Road 658.94 feet to the northerly right-of-way line of Central California Traction Railroad; thence easterly along the right-of-way line of said Central California Traction Railroad 2,044.03 feet to a point, said point located 1,896.14 feet from the centerline of Florin-Perkins Road; thence northerly parallel with the centerline of said Florin-Perkins Road 1,609.07 feet; thence N 88°36'10" E 1,907.08 feet to the centerline of said Florin-Perkins Road; thence southerly along the centerline of said Florin-Perkins Road to its intersection with the centerline of 24th Avenue; thence westerly along the centerline of said 24th Avenue to its intersection with the centerline of 84th Street; thence southerly along the centerline of said 84th Street to its intersection with the centerline of Fruitridge Road; thence easterly along the centerline of said Fruitridge Road to a point, said point located easterly 1,374.54 feet from the centerline of said Florin-Perkins Road; thence southerly parallel with the centerline of said Florin-Perkins Road to its intersection with the centerline of Morrison Creek;

thence westerly along the centerline of said Morrison Creek and its westerly projection the to its intersection with the centerline of said Florin-Perkins Road; thence southerly along the centerline of said Florin-Perkins Road to its intersection with the centerline of said Elder Creek Road; thence westerly along the centerline of said Elder Creek Road to the point of beginning. Containing 1,420 acres more or less.

EXHIBIT "C"
Sacramento Army Depot Redevelopment Project
PROPOSED PUBLIC IMPROVEMENTS AND FACILITIES PROJECTS

A. Traffic Circulation Improvements

1. Add Turn or Thru Lanes at:

- a. Power Inn Road at 14th Avenue
- b. Fruitridge Road at 65th Street
- c. Power Inn Road at Fruitridge Road
- d. Power Inn Road at Elder Creek Road
- e. Power Inn Road at Florin Road
- f. Fruitridge Road and Florin Perkins Road
- g. Folsom Boulevard and Jackson Highway
- h. Folsom Boulevard and Florin Perkins Road
- i. Fruitridge Road at 65th Street
- j. Elder Creek Road at 65th Street
- k. Elder Creek Road and Power Inn Road
- l. Elder Creek Road and Florin Perkins Road

2. Traffic Signal Installation at:

- a. South Watt Avenue at Fruitridge Road
- b. South Watt Avenue at Elder Creek Road
- c. Florin Perkins Road and Jackson Highway
- d. Florin Perkins Road and Thys Court
- e. Florin Perkins Road and Elder Creek Road
- f. Florin Perkins Road Interconnect
- g. Power Inn Road and 14th Avenue
- h. Power Inn Road and Fruitridge Road
- i. Power Inn Road and Lemon Hill Avenue
- j. Power Inn Road and Elder Creek Road
- k. Fruitridge Road and Army Depot Entrances
- l. Fruitridge Road Interconnect

3. Street Widening

- a. Power Inn Road
- b. Fruitridge Road
- c. Elder Creek Road
- d. 65th Stet
- e. Florin Perkins Road
- f. South Watt Avenue
- g. 82nd Street
- h. 21st Avenue
- i. Unsworth Avenue
- j. Thys Court

- h. 21st Avenue
- i. Unsworth Avenue
- j. Thys Court
- k. Unnamed Street between Thys Court and Unsworth Avenue
- l. Other Interior Streets

4. Installation of Streets and Signals on the Army Depot

- B. Water System Improvements
- C. Sewer System Improvements
- D. Flood Control Improvements
- E. Curbs, Gutters, and Sidewalks
- F. Street Lights

Note: This listing of proposed improvements and facilities is set forth for planning purposes, and shall not be deemed as a limitation on the Agency's authority to implement the Redevelopment Plan.

Attachment 2

**RULES GOVERNING PARTICIPATION AND PREFERENCES
BY PROPERTY OWNERS AND BUSINESS OCCUPANTS
IN THE
SACRAMENTO ARMY DEPOT REDEVELOPMENT PROJECT**

Adopted:
Resolution No.:

Prepared by the
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

March, 1995

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"Statement of Interest in Participating" Form

RULES GOVERNING PARTICIPATION AND PREFERENCES BY
PROPERTY OWNERS AND BUSINESS OCCUPANTS IN THE
SACRAMENTO ARMY DEPOT REDEVELOPMENT PROJECT

I. [Section 100] PURPOSE AND INTENT

These rules are adopted to implement the provisions of the Redevelopment Plan for the Sacramento Army Depot Redevelopment Project regarding participation and the exercise of preferences by property owners and business occupants within the Project Area. These rules set forth the procedures governing such preferences and participation.

The California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*) requires the adoption of these rules by the Agency to provide for participation in the redevelopment of the Project Area by owners of real property and the extension of preferences to persons engaged in business within the boundaries of the Project Area to reenter the redeveloped area to the maximum extent feasible consistent with the objectives of the Redevelopment Plan for the Project.

II. [Section 200] DEFINITIONS

As used herein, the following definitions apply:

(1) "Redevelopment Plan" means the Redevelopment Plan for the Sacramento Army Depot Redevelopment Project, as adopted by the City Council of the City of Sacramento.

(2) "Project Area," means the project area described in Section 200 of the Redevelopment Plan and shown on Exhibit "A," Redevelopment Plan Map, attached thereto.

(3) "Agency" means the Redevelopment Agency of the City of Sacramento.

(4) "Owner" means any person, persons, corporation, association, partnership, or other entity holding fee title to or a long term lease of real property in the Project Area for so long as such Owner holds such title or long term lease.

(5) "Long Term Lease" means a lease of real property with a term of twenty (20) years or more, with at least five (5) years remaining on such term.

(6) "Participation Agreement" means an agreement entered into by an Owner with the Agency providing for such Owner to participate in the redevelopment of property within the Project Area in accordance with the provisions of the Redevelopment Plan and these rules.

(7) "Participant" means an Owner who has entered into a Participation Agreement with the Agency.

(8) "Business Occupant" means any person, persons, corporation, association, partnership, or other entity engaged in a lawful business within the Project Area for so long as such Business Occupant remains in business within the Project Area.

III. [Section 300] OPPORTUNITIES FOR OWNER PARTICIPATION AND PREFERENCES TO BUSINESS OCCUPANTS TO RE-ENTER IN BUSINESS WITHIN REDEVELOPED AREA

A. [Section 301] Opportunities for Owner Participation

Owners of real property within the Project Area shall be extended reasonable opportunities to participate in the redevelopment of property in the Project Area if such Owners agree to participate in the redevelopment in conformity with the Redevelopment Plan and these rules.

B. [Section 302] Preferences for Persons Engaged in Business in the Project Area

Business Occupants engaged in business in the Project Area shall be extended reasonable preferences to reenter in business within the redeveloped area if they otherwise meet the requirements prescribed by the Redevelopment Plan and these rules.

IV. [Section 400] METHODS OF PARTICIPATION, AND LIMITATIONS THEREON

A. [Section 401] Methods of Participation

Participation methods include remaining in substantially the same location either by retaining all or portions of the property, or by retaining all or portions of the property and purchasing adjacent property from the Agency, or joining with another person or entity for the rehabilitation or development of the Owner's property and, if appropriate, other property, or submitting to the Agency for its consideration another method of participation proposal pursuant to these rules. An Owner who participates in the same location may be required to rehabilitate or demolish all or part of his/her existing buildings, or the Agency may acquire the buildings only and then remove or demolish the buildings. Participation methods also include the Agency buying land and improvements at fair market value from Owners and offering other parcels for purchase and rehabilitation or development by such Owners, or offering an opportunity for such Owners to rehabilitate or develop property jointly with other persons or entities.

B. [Section 402] Limitations on Participation Opportunities

Participation opportunities shall necessarily be subject to and limited by factors such as the following:

- (1) The elimination and changing of some land uses;
- (2) The construction, realignment, abandonment, widening, opening and/or other alteration or elimination of public rights-of-way;
- (3) The removal, relocation, and/or installation of public utilities and public facilities;
- (4) The ability of potential Participants to finance the proposed acquisition, development or rehabilitation in accordance with the Redevelopment Plan;
- (5) The ability and experience of potential Participants to undertake and complete the proposed rehabilitation or development;
- (6) Any reduction in the total number of individual parcels in the Project Area;

- (7) The construction or expansion of public improvements and facilities, and the necessity to assemble areas for such;
- (8) Any change in orientation and character of the Project Area;
- (9) The necessity to assemble areas for public and/or private development;
- (10) The requirements of the Redevelopment Plan and applicable rules, regulations, and ordinances of the City of Sacramento;
- (11) Any design guide adopted by the Agency pursuant to the Redevelopment Plan;
- (12) The feasibility of the potential Participant's proposal;
- (13) The scope of the participant's proposal; and
- (14) The superiority of a competing proposal with regard to implementation of the goals of the Redevelopment Plan.

C. [Section 403] Conflicts Between Potential Participants

If conflicts develop between the desires of potential Participants for particular sites or land uses, the Agency is, subject to the limitation factors above, authorized to establish reasonable priorities and preferences among the potential Participants and to determine a solution by consideration of such factors as:

- (1) Length of time in the neighborhood;
- (2) The needs and desires of the neighborhood;
- (3) Accommodation of as many potential Participants as possible;
- (4) Ability to perform;
- (5) Similar land use to similar land use; and
- (6) Conformity with intent and purpose of the Redevelopment Plan and these rules.

Participation to the extent feasible shall be available for two or more persons, firms or institutions to join together in partnerships, corporations, or other joint entities.

V. [Section 500] METHODS FOR EXTENDING REENTRY PREFERENCES, AND LIMITATIONS THEREON

A. [Section 501] Methods for Extending Reentry Preferences

Whenever a Business Occupant will be displaced by Agency action from the Project Area, the Agency will, prior to such displacement, determine: 1) whether such Business Occupant desires to relocate directly to another location within the Project Area, or 2) if suitable relocation accommodations within the Project Area are not available prior to displacement, whether such Business Occupant would desire to reenter in business within the Project Area at a later date should suitable accommodations become available. For those Business Occupants who desire to relocate directly to another Project Area location, the Agency will make reasonable efforts to assist such Business Occupants to find accommodations at locations and rents suitable to their needs. A record of the Business Occupants who cannot be or do not want to be directly relocated within the Project Area, but who have stated that they desire to reenter into business in the Project Area whenever suitable locations and rents are available, will be maintained by the Agency for a period of five

years after the effective date of the ordinance adopting the Redevelopment Plan. The Agency will make reasonable efforts to assist such Business Occupants to find reentry accommodations at locations and rents suitable to their needs. In any event, the Agency shall not be obligated to provide financial assistance to any displaced business occupant in excess of that required by law.

In order to implement the operation of this Section 501, the Agency will provide in all Participation Agreements, disposition and development agreements, and other agreements, as applicable, that in the renting or leasing of premises rehabilitated or developed pursuant to such agreements the Participant or developer will give reasonable preferences (over other potential tenants or lessees) to Business Occupants who will be or who have been displaced from their places of business to lease or rent premises within the newly rehabilitated or developed facilities.

B. [Section 502] Limitations on the Extension of Preferences

Reentry preferences shall necessarily be subject to and limited by factors such as the following:

- (1) The extent to which suitable relocation or reentry accommodations exist or are rehabilitated or developed within the Project Area;
- (2) The extent to which suitable relocation or reentry accommodations are available to displaced Business Occupants within an acceptable time period or at rents and other terms that are acceptable to such displaced Business Occupants, and within their financial means;
- (3) The extent to which the Agency has control of the proposed reentry accommodations;
- (4) The compatibility of the displaced business with available relocation or reentry accommodations; and
- (5) The requirements of the Redevelopment Plan or any design guide adopted by the Agency pursuant to the Redevelopment Plan.

C. [Section 503] Conflicts Between Business Occupants Seeking Similar Preferences

If conflicts develop between Business Occupants who seek similar preferences (e.g., two or more occupants who desire to relocate directly to or to reenter in business at the same premises), the Agency is, subject to the limitation factors above, authorized to establish reasonable priorities and preferences among such occupants and to determine a solution by consideration of such factors as:

- (1) Length of time in the neighborhood;
- (2) Accommodation of as many Business Occupants as possible;
- (3) Appropriateness of the type of business within the proposed premises and/or at the proposed location;
- (4) The needs and desires of the neighborhood;
- (5) The feasibility of business success; and
- (6) Conformity with the intent and purpose of the Redevelopment Plan and these rules.

VI. [Section 600] PARTICIPATION PROCEDURES

A. [Section 601] Notice and Statement of Interest

Before entering into any Participation Agreements, disposition and development agreements, exclusive negotiation agreements, or taking other actions which may involve the acquisition of real property in the Project Area, the Agency shall first notify Owners of property which may be acquired and call upon them to submit Statements of Interest in Participating in the proposed development or in otherwise participating in the redevelopment of the Project Area.

The Agency shall deliver to each Owner of real property which may be acquired, a Statement of Interest in Participating form at least forty-five (45) days prior to considering any of the actions requiring acquisition of real property. Those desiring to submit Statements of Interest in Participating must complete and submit such statements to the Agency within thirty (30) days of receipt. Such statements shall include information requested by the Agency and shall be in the form requested by the Agency.

Any Owner may also submit such a statement at any time before such notification.

The Agency shall consider such statements as are submitted on time and shall seek to develop reasonable participation for those submitting such statements whether to stay in place or to move to another location. The Agency may in its sole discretion determine that a participation proposal is not feasible or in the best interest of the Redevelopment Project or the community, or is otherwise limited by one or more of the criteria set forth in Section 402 hereof. In such event, the Agency may select a developer from among prospective participants submitting Statements of Interest in Participating and others invited to submit proposals.

B. [Section 602] Participation Agreements

1. [Section 603] General

Public and private Owners wishing to develop or improve their properties within the Project Area may be required, as a condition to Agency approval of such development, to enter into a binding, written Participation Agreement with the Agency if the Agency determines it is necessary to impose upon such property any of the standards, restrictions and controls of the Redevelopment Plan or of any design guide adopted by the Agency pursuant to the Redevelopment Plan.

2. [Section 604] Contents

A Participation Agreement shall obligate the Owner, and the Owner's heirs, successors and assignees to acquire, rehabilitate, develop and use the property, as may be applicable, in conformance with the Redevelopment Plan and/or to be subject to such other provisions and conditions of the Redevelopment Plan as the Agency may require for the period of time that the Redevelopment Plan is in force and effect, excepting those provisions related to non-discrimination and non-segregation which shall run in perpetuity.

Each Participation Agreement will contain such terms and conditions and will require the potential Participant to join in the recordation of such documents as the Agency may require in order to insure the property will be acquired, rehabilitated, developed and used in accord with the Redevelopment Plan and the agreement. Participation Agreements will be effective only if approved by a majority vote of the members of the Agency. The rights of a participant under an approved Participation Agreement may or may not, at the Agency's option, be transferable upon sale or other disposition of the property.

VII. [Section 700] CONFORMING PROPERTIES

The Project Area is large and contains many parcels of real property. As a result, there is a need to simplify the availability of participation opportunities. Therefore, as an alternative to requiring a Participation Agreement for each property not to be purchased or subject to Agency acquisition by eminent domain, the Agency may, in its sole and absolute discretion, determine that certain real properties within the Project Area presently meet the requirements of the Redevelopment Plan, and the Owners of such properties will be permitted to remain as owners of conforming properties without a Participation Agreement with the Agency, provided such Owners continue to operate, use, and maintain the real properties within the requirements of the Redevelopment Plan or of any design guide approved by the Agency pursuant to the Redevelopment Plan. A certificate of conformance to this effect may be issued by the Agency and recorded.

In the event that any of the owners of conforming properties or their tenants desire to (1) construct any additional improvements or substantially alter or modify existing structures on any of the real property described above as conforming, or (2) acquire additional property within the Project Area, then, in such event, such owners of conforming properties may be required by the Agency to enter into a Participation Agreement with the Agency.

VIII. [Section 800] ENFORCEMENT

In the event a property is not acquired, developed, rehabilitated, or used in conformance with the Redevelopment Plan, with an Agency determination of conformance, or a Participation Agreement, then the Agency is authorized to (1) purchase the property, (2) purchase any interest in the property sufficient to obtain conformance, or (3) take any other appropriate action sufficient to obtain such conformance. Without the consent of the Owner, the Agency shall not acquire real property retained or developed by an original Owner under an approved Participation Agreement if the Participant fully performs under the agreement.

IX. [Section 900] AMENDMENT OF RULES

The Agency may amend these rules at any regular meeting or duly called special meeting held after their adoption, but only after notice to the Agency members and the public. The text of the proposed change shall be furnished along with the notice of the meeting. Such notice shall be delivered at least fourteen (14) days before the date of the meeting at which the proposed amendment will be considered. The method of notice is at the discretion of the Agency.

No such amendment shall retroactively impair the rights of any parties who have executed Participation Agreements with the Agency in reliance upon these rules as presently constituted.

SACRAMENTO ARMY DEPOT REDEVELOPMENT PROJECT
STATEMENT OF INTEREST IN PARTICIPATING

I hereby express my interest in participating in the Sacramento Army Depot Redevelopment Project and submit the following information:

1. Name: _____ Daytime Telephone: _____

2. Home Address: _____

3. My present involvement in the Project Area is: (check a or b)

a) I now own property in the Project:

b) I now lease property in the Project:

Explain: (use additional sheets if necessary) _____

4. Address of Business: _____

5. Name of Business(es) located on my property, if any: _____

6. I own do not own business(es) located on my property (check one)

7. If you do not own the business(es) located on your property, please list the name(s), address(s) and telephone number(s) of the owner(s) on a separate sheet.

8. If I participate: (check a, b or c)

a) I would like to continue at the same location

b) I would like to change my present location

c) I would like to acquire real property for expansion (indicate approximate requirements; use additional sheets if necessary) _____

REMARKS: (use additional sheets if necessary) _____

I understand that submission of this Statement of Interest in Participating form does not obligate me to participate in the Sacramento Army Depot Redevelopment Project.

Signed _____ Date _____

Attachment 3

**PRELIMINARY REPORT
ON THE
REDEVELOPMENT PLAN
FOR THE
SACRAMENTO ARMY DEPOT REDEVELOPMENT PROJECT**

Prepared by the

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

March, 1995

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**PRELIMINARY REPORT
ON THE PROPOSED REDEVELOPMENT PLAN FOR THE
SACRAMENTO ARMY DEPOT REDEVELOPMENT PROJECT**

INTRODUCTION

This Preliminary Report ("Preliminary Report" or "Report") on the proposed Redevelopment Plan for the Sacramento Army Depot Redevelopment Project ("Project") has been prepared for the Redevelopment Agency of the City of Sacramento ("Agency") pursuant to Section 33344.5 of the California Community Redevelopment Law (Health and Safety Code, Section 33000 *et seq.*).

This Preliminary Report provides the following information to the governmental taxing agencies (the "affected taxing agencies") which levied a property tax on all or any portion of the property located within the boundaries of the Project (the "Project Area") within the last fiscal year. This Preliminary Report contains the following five parts:

- I. The reasons for the selection of the Project Area;
- II. A description of the physical and economic conditions existing in the Project Area (blight conditions);
- III. A description of the specific project or projects proposed by the Agency in the Project Area and how these projects will alleviate blight;
- IV. A preliminary assessment of the proposed method of financing the redevelopment of the Project Area, including an assessment of the economic feasibility of the Project and the reasons for including tax increment financing; and
- V. A description of how projects proposed by the Agency in the Project Area will improve or alleviate conditions of blight.

The primary purpose of the information contained in this Preliminary Report is to assist the affected taxing agencies to consult with the Agency with respect to the proposed Redevelopment Plan and the allocation of taxes pursuant to Community Redevelopment Law Section 33670.

PART I. REASONS FOR SELECTION OF PROJECT AREA

In 1991, Congress enacted the Base Realignment and Closure Act ("BRAC II") which provided for the closing or realignment of certain military bases nationwide, including the Sacramento Army Depot, originally scheduled to close by September 1997. In recognition of job loss and serious impacts on local economies, the Clinton Administration (Department of Defense Interim Rule for Revitalizing Base Closure Communities; "Pryor" Amendment) outlined a five part community reinvestment program centered on job creation and local economic development. The program calls for the early preparation of a local reuse plan.

The closing of selected military bases throughout California presents economic opportunities as well as economic hardships on the communities in which these bases are located. The opportunities may include the effective reuse of the land area for diverse regional and/or community serving development, the ability of a city to offer the area as a potential development site for a planned commercial and/or residential development or other economic development opportunities to the local economy. The economic hardships may include the loss of jobs from the military base operations, public improvement deficiencies, structures which may be in varying forms of decay depending on the type of occupancy and use of the structure for base functions which in some cases may make it difficult or infeasible for reuse without substantial reinvestment and /or demolition and rebuilding. The economic opportunities and hardships presented by the closing of a military base pose a challenge to the City of Sacramento ("City").

In anticipation of the physical and economic impacts the closing of military bases would have on the State of California, Governor Pete Wilson created the California Military Base Reuse Task Force to study and identify the problems associated with base closure and to develop means by which these problems can be overcome. The Task Force reported on financing options (and their requirements) available to fund the high costs of preparing old military facilities for civilian uses. Financing options that were explored included the provisions of redevelopment assistance. The goal of the State is to create successful and speedy base conversions to reduce the economic impacts of base closure and strengthen the economic position of the State. Following the findings and recommendations of the Task Force, the Governor signed Executive Order W-81-94 providing policy and directives through a coordinated State effort aimed at facilitating the local economic development process and making regulatory provisions less inhibiting. Recently, the State Legislature amended the California Community Redevelopment Law to facilitate the adoption of redevelopment plans for communities with military bases slated for closure. Special legislation has been approved for the adoption of redevelopment plans for several base closure-impacted communities throughout California.

Within Sacramento County there are three major military bases, two of which are located in the City of Sacramento. Two of these three military bases have been targeted for closing: Mather Air Force Base and the Sacramento Army Depot. Together these two bases once employed 6,498 military and civilian personnel, many of whom live in the City of Sacramento. The Sacramento Army Depot alone once employed 3,164 civilian and 334 military personnel. This significant loss of jobs is perhaps the greatest hardship resulting from the closing of the military facilities while the greatest opportunity, and possibly dilemma, is the effective reuse of the property.

Along the same general timeline as the decision to close the military bases, Packard Bell Electronics, a major California computer technology corporation, announced that it was seeking to relocate their facilities from Southern California. One of the conditions set forth by the company for its relocation was that the city it selected for its new facilities

must have both Enterprise Zones and Redevelopment Areas to offer the company public assistance. This apparently seemed reasonable to Packard Bell Electronics which was willing to keep its corporate headquarters and operations in the State of California only if the company received some public assistance in relocating its facilities. Otherwise, the company announced, it had been offered such opportunities in other states and was willing to relocate out of state if necessary. In late 1994, Packard Bell Electronics had announced that because of pending public financing assistance and redevelopment assistance, it would select the Sacramento Army Depot site to relocate its facilities to. There is little doubt that it is in the best interest of the State, as well as tremendously beneficial to the City that the company moves to, for Packard Bell Electronics to stay in California. The benefits include up to 3,000 jobs (with future job growth even greater), sales tax revenues and numerous other benefits. Within this context, the City of Sacramento considers the relocation of Packard Bell Electronics to the former Army Depot site to be very advantageous to the proposed Project Area as well as the City as a whole.

To reap these potential benefits, the City and the Agency have made a considerable effort, both financial and otherwise, to accommodate Packard Bell and have assumed a certain level of risk in doing so. The risk is the volatile nature of such high technology uses which may produce high profits but which also have a relatively high rate of failure in the present-day economic climate. In order to capture the immediate and potential future benefits, the City has borne the lion's share of the risk, but cannot bear it all and for this reason redevelopment assistance is essential. Redevelopment assistance is also necessary for the successful reuse of the balance of the Sacramento Army Depot site to retrofit the property for the possible expansion of Packard Bell's operations or for other industrial uses.

In addition to the Sacramento Army Depot site, the surrounding industrial areas contain numerous properties that are in need of redevelopment and/or reuse and are in varying stages of deterioration. For example, Proctor & Gamble has an industrial facility across from the Sacramento Army Depot which includes manufacturing and office uses. In the past year, Proctor & Gamble has downsized this facility significantly by reducing operations and cutting staff from 500 to 120 employees. There is likely to be both the need and the opportunity for redevelopment on all or a portion of the Proctor & Gamble property. Also located in surrounding area is the former Safeway Food Distribution facility. In 1993 Safeway moved this operation to Tracy, California. Since that time the property has been on the market but has not sold or had any offers by the private sector to redevelop the property.

Other outstanding needs in the surrounding area include deteriorating buildings, substandard infrastructure, deficient circulation systems, inadequate parcel size and declining economic conditions. In addition, few, but seriously impacted, residential uses are scattered throughout the area. The need to relocate these residents is necessary for health and safety reasons. In response to these conditions and others, the City determined that a redevelopment project encompassing this area should be created. On October 27, 1994, the Sacramento Planning Commission adopted Resolution No. 1695 that selected the Sacramento Army Depot Redevelopment Project Area ("Project Area"), established the boundaries and adopted the Preliminary Plan.

The selection of the Sacramento Army Depot Redevelopment Project Area and redevelopment of the Project Area is vital to address the pervasive challenges to the reuse of the Sacramento Army Depot, to integrate this large site with its surrounding industrial area, and to respond to the problems of the area and the need for public/private cooperation and assistance to solve those problems.

As set forth in the draft Redevelopment Plan, the goals and objectives for the proposed Sacramento Army Depot Redevelopment Project are summarized as follows:

1. The establishment, by effective use of the redevelopment process, of a planning and implementation framework that will ensure the proper, long term development of the Sacramento Army Depot.
2. The elimination and prevention of the spread of blight and deterioration, and the conservation and rehabilitation of the Project Area in accordance with the General Plan, applicable specific plans, and local codes and ordinances.
3. The conversion of existing military facilities to effective, economic public and private use.
4. The replanning, redesign and development of underdeveloped or poorly developed areas that are underutilized or improperly utilized.
5. The promotion of new private sector investment and strengthening of the economic base of the Project Area by redevelopment and rehabilitation of structures and installation of the needed site improvements.
6. The provision for increased sales taxes, business license fees, and other fees, taxes and revenues to the City of Sacramento.
7. The elimination or amelioration of certain environmental deficiencies, such as insufficient off-street parking, storm water drainage, and other similar public improvements, facilities and utilities deficiencies adversely affecting the Project Area.
8. The creation and development of local job opportunities and the preservation of the existing employment base.

Redevelopment of the Project Area pursuant to the proposed Redevelopment Plan and the above goals and objectives will attain the purposes of the California Community Redevelopment Law by: (1) elimination of areas suffering from economic dislocation and disuse; (2) replanning, redesign and/or redevelopment of areas which are stagnant or improperly utilized, and which could not be accomplished by private enterprise acting alone without public participation and assistance; (3) protecting and promoting sound development and redevelopment of blighted areas and the general welfare of the citizens of the City by remedying such injurious conditions through the employment of appropriate means; (4) installation of new or replacement of existing public improvements, facilities and utilities in areas which are currently inadequately served with regard to such improvements, facilities and utilities; and (5) other means as deemed appropriate.

**PART II. DESCRIPTION OF PHYSICAL AND ECONOMIC CONDITIONS
EXISTING IN PROJECT AREA**

The California Community Redevelopment Law ("CRL") requires a preliminary report to describe the physical and economic conditions existing in a project area. Furthermore, the CRL requires redevelopment projects to be blighted as defined by the CRL. Therefore, the following physical and economic conditions existing in the proposed Sacramento Army Depot Redevelopment Project Area are described within the context of the blight definitions contained in Sections 33030 and 33031 of the CRL. Briefly, those definitions speak to the physical and economic conditions that cause blight and constitute a serious burden on the community which cannot be alleviated without redevelopment.

The data and information sources consulted and employed to ascertain conditions in the Project Area are provided in Appendix A to this Report, "Information Sources" and are cited throughout the text and tables as appropriate. Photographs at the end of this Part II are provided to exemplify physical and economic blight.

PROJECT AREA SETTING

Background

Since 1945, the Sacramento Army Depot ("Army Depot" or "Depot") served as a primary military station for repair, rebuilding, modification, storage and distribution of electronic military equipment. During the Korean and Vietnam wars, the Depot facilities were expanded to include additional capabilities in repair and maintenance work in night vision systems, laser systems and electro-optics.

In 1991, the Sacramento Army Depot was slated for closure by September 1997 as a result of the Base Realignment and Closure Act. Because of concerted efforts by the City of Sacramento, the Department of Defense and other agencies to bring economic development to the site, all military activities at the Depot are anticipated to cease in the Spring of 1995, resulting in what will be the first successful transfer of a former California military base to civilian authority. Following announcement of the impending closure, the City Council of the City of Sacramento established the Sacramento Army Depot Reuse Commission to facilitate a smooth transition from base closure to civilian reuse, and to prepare a plan for the reuse of the Sacramento Army Depot.

The disposal process for Army BRAC II properties is governed by the 1990 Base Closure Act, the amended Federal Property and Administrative Services Act of 1949 and federal property management regulations. Military base real estate disposal is a multi-step process which includes: first, screening real property for other Department of Defense entities; second, screening remaining property for use by other federal agencies; third, screening remaining property for homeless service use under the requirements of the McKinney Act; and fourth, offering remaining real property to state and local agencies and entities through negotiated conveyance, public benefit conveyance for specified uses or through economic development conveyance. After these steps, the remaining property is offered for sale to the general public. The Sacramento Army Depot has been conveyed to the City of Sacramento. A small portion of the Depot has been conveyed to the California Emergency Foodlink under the McKinney Act, and a small portion to California State University, Sacramento for a satellite research facility.

The Sacramento Army Depot is the major use of the proposed Sacramento Army Depot Redevelopment Project Area, encompassing 32 percent of the Project Area. At the time

of preparation of this Report, the Sacramento Army Depot is considered a deactivated military installation.

Location and Boundary

The Sacramento Army Depot Redevelopment Project Area is located within the South Sacramento community and the Power Inn industrial area (Map 1). The Project Area is situated approximately 2 miles south of U.S. Highway 50 at Power Inn Road. The Project Area is approximately 1,420 acres and encompasses the Sacramento U.S. Army Depot and surrounding industrial properties. The Project Area is bounded on the north by 14th Avenue, on the west by Power Inn Road, on the south by Elder Creek Road, and on the east by properties to the west and east of Florin-Perkins Road. The boundaries of the Project Area are illustrated on Map 2.

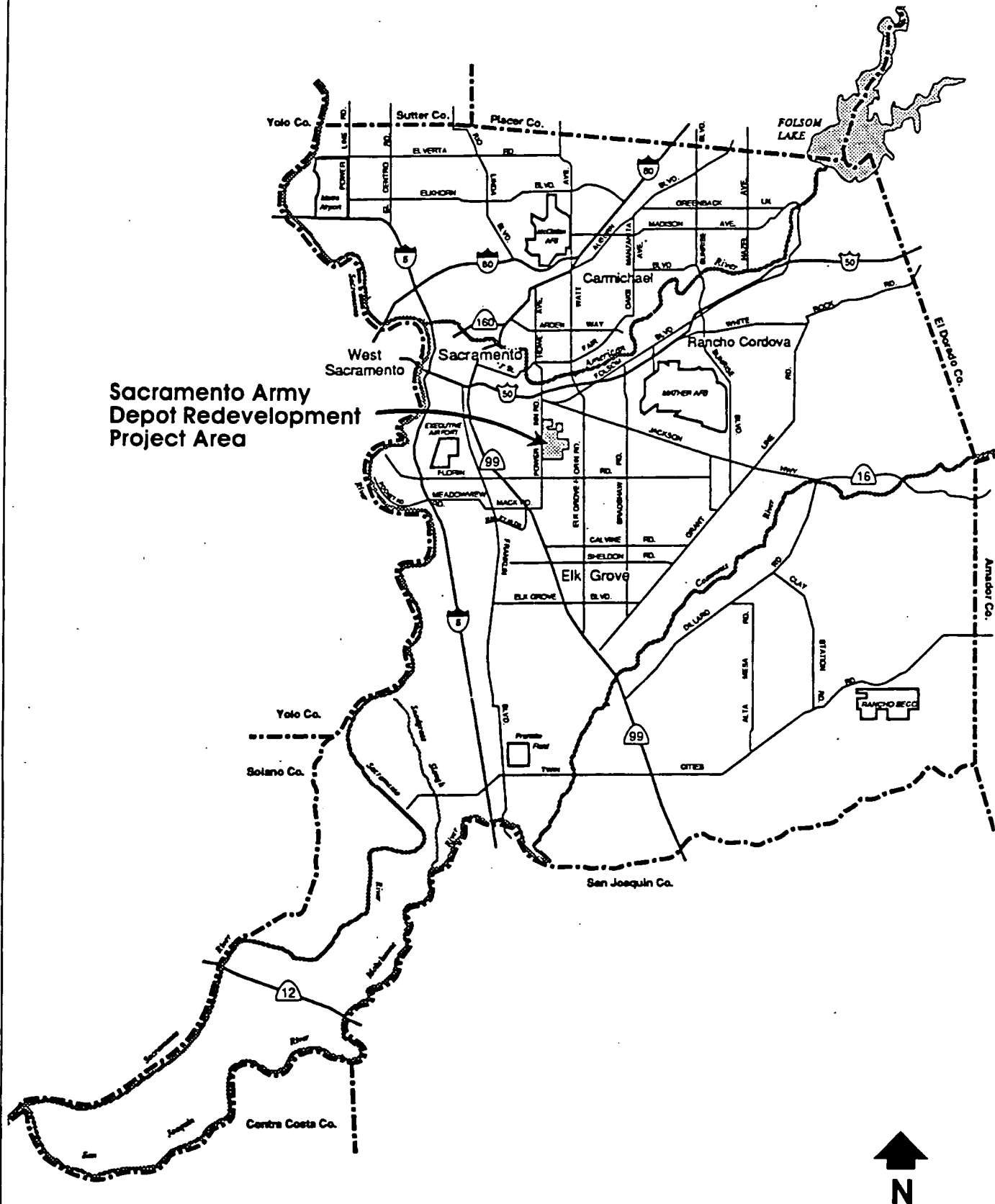
For the purpose of this Report, the Project Area has been divided into five distinct subareas as illustrated on Map 3. Each subarea possesses common general characteristics that define it as an identifiable unit, such as similar land use characteristics. Subarea 1 is located in the northern portion of the Project Area and includes predominantly light industrial/business park uses along 14th Avenue, Belvedere Ave, Alpine Ave, and Power Inn Road. Subarea 2 is located in the central portion of the Project Area and is comprised of predominantly heavy industrial uses, including a property occupied by the Proctor & Gamble company. Subarea 3 is located in the southwestern portion of the Project Area and includes a mix of individual industrial users, predominantly one user per parcel. Subarea 4 is the Sacramento Army Depot site. Subarea 5 is located in the eastern and southern portion of the Project Area and includes a mix of predominately industrial properties on multiple parcels of irregular form and shape, and inadequate in size. Existing residential properties are few and are located within Subareas 1 and 5 only.

Land Uses

The Project Area is predominantly industrial in land use and character. Table II-1 shows the existing land use breakdown of the Project Area by acreage and Map 4 illustrates the locations of these existing land uses. The Project Area comprises 1,420 acres, of which industrial uses make up 38.5 percent, commercial and residential uses make up less than one percent each, the Army Depot makes up 32.2 percent, vacant land makes up 2.3 percent, public uses (consisting primarily of railroads, utilities and a fire station) make up 3.4 percent, and public rights-of way make up the remaining 20.7 percent. Existing land uses surrounding the Project Area include industrial and vacant land to the south and east, undeveloped land to the north, and single family residential (with some commercial and industrial uses) to the west.

The Sacramento Army Depot site makes up slightly over one-third of the Project Area's size. The Depot site is 485 acres of which 259 acres, or 53.4 percent, is considered developed with structures, parking, and other site requirements. The Depot contains 76 permanent buildings with almost 3,000,000 square feet of industrial/warehouse and office space. Former uses on the Depot site can generally be classified as administrative/community services, recreation/training, and repair/storage facilities. Map 5 illustrates the building footprint of the Sacramento Army Depot. The northern portion of the Depot contains the more administrative and community service facilities. The southern end is the training area, comprised mostly of the military support and recreational activities. This is the location of the U.S. Naval and Marine Corps Reserve Training Center. Repair and storage facilities are generally located in the center of the site. The planned use for the site based on the reuse plan, described below, is for industrial, open space/parks/recreation, and public uses.

REGIONAL LOCATION

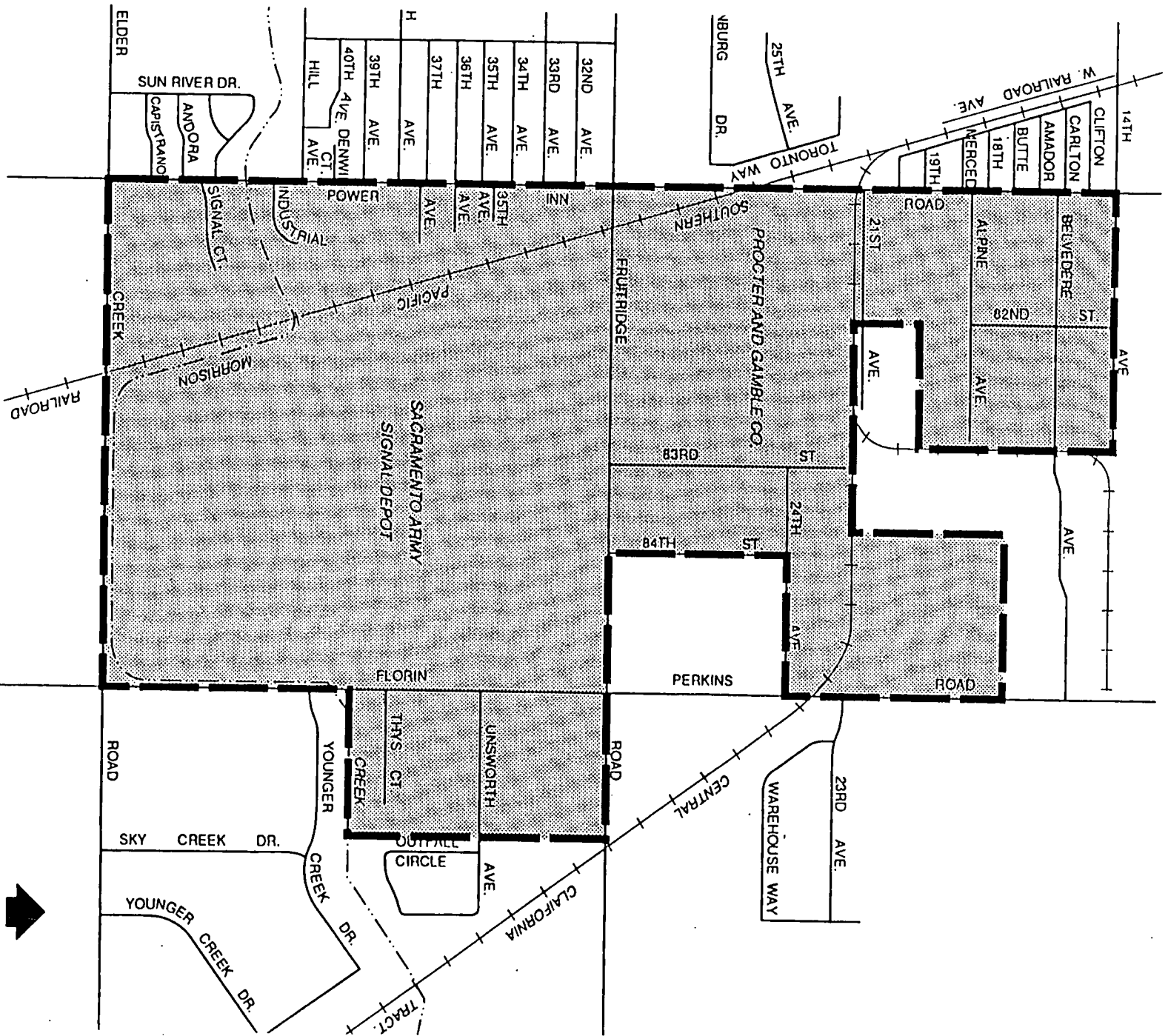


Source: Gall Ervin Consulting, 1995.

**SACRAMENTO ARMY DEPOT
REDEVELOPMENT PROJECT**

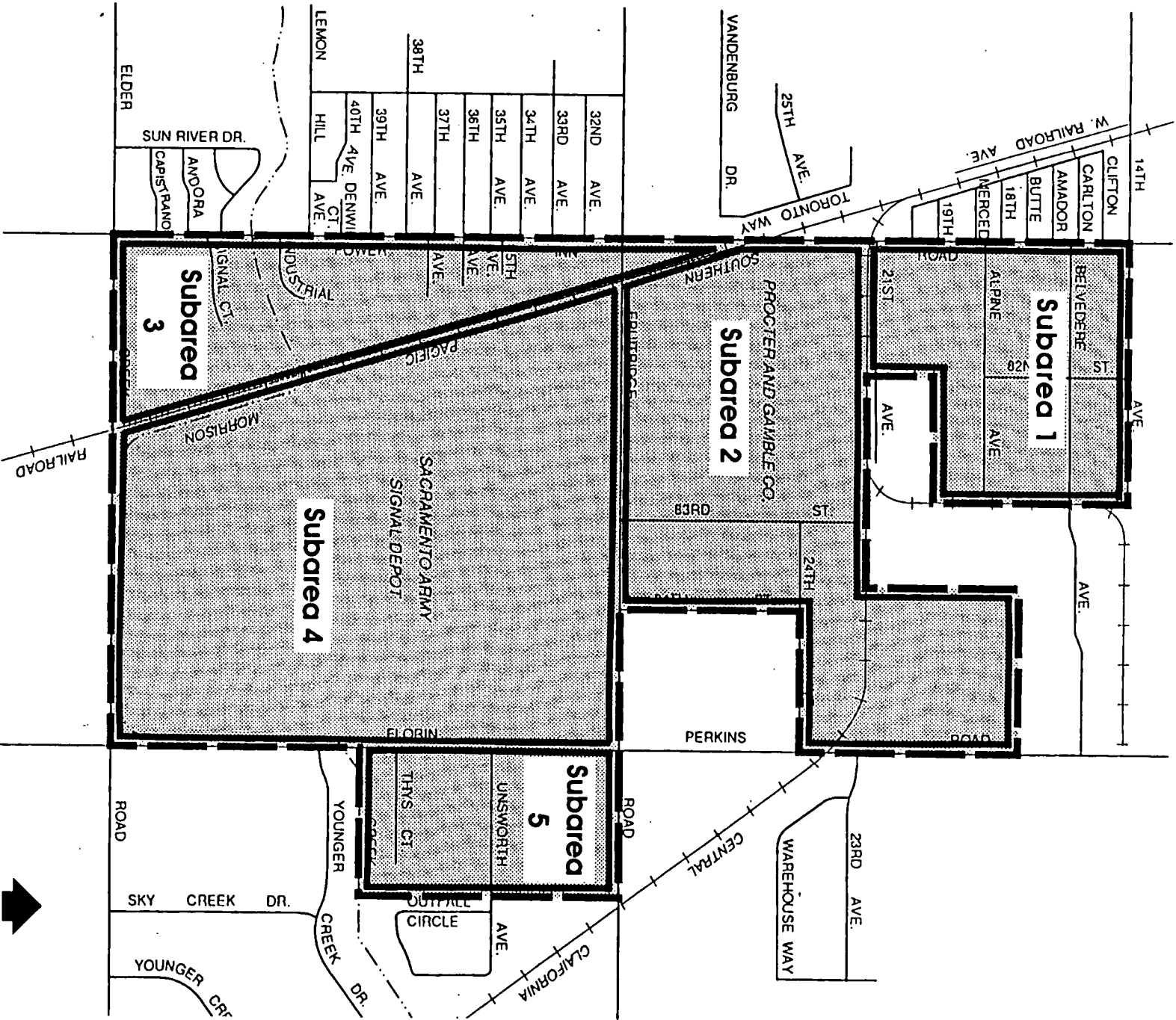
MAP - 1

SACRAMENTO ARMY DEPOT REDEVELOPMENT PROJECT AREA



Source: Sacramento Housing and Redevelopment Agency, 1994.

SUBAREAS



Source: Sacramento Housing and Redevelopment Agency, 1994.



SACRAMENTO ARMY DEPOT
REDEVELOPMENT PROJECT

MAP - 3

Table II-1
 Redevelopment Agency of the City of Sacramento
 Sacramento Army Depot Redevelopment Project

EXISTING LAND USES

<u>Land Use⁽¹⁾</u>	<u>Approximate Acreage</u>	<u>Percent</u>
Residential	4.6	0.3%
Commercial	9.2	0.6%
Industrial	547.1	38.5%
Public	48.2	3.4%
Army Depot ⁽²⁾	485.0	34.2%
Vacant ⁽³⁾	32.2	2.3%
Public Right-of-Way	293.6	20.7%
TOTAL	1420.0	100.0%

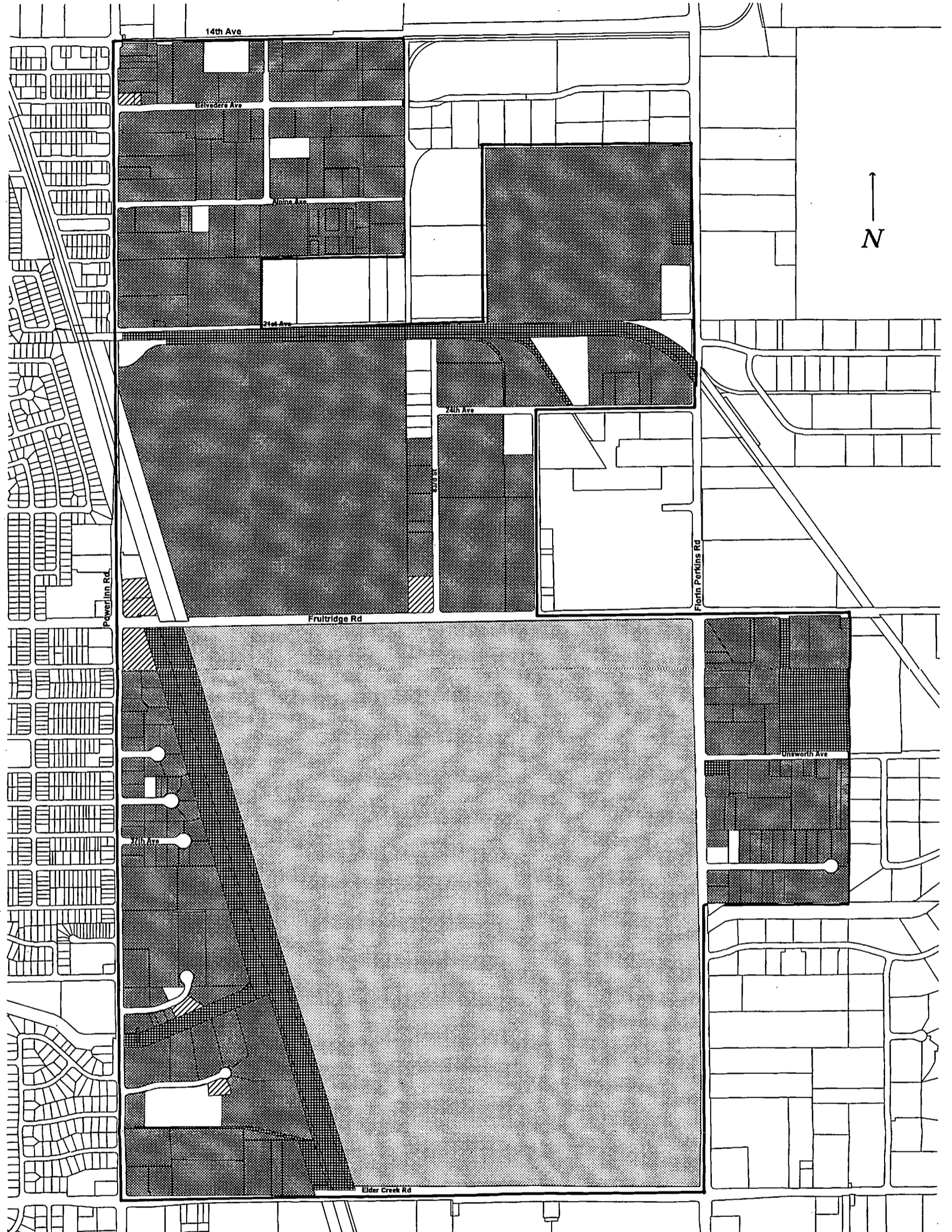
(1) Existing land uses are recorded based on use as of December 1994.

(2) Includes the total acreage of the former Army Depot. The land use breakdown of the Depot based on the current General Plan designations, includes: 79 acres of Public/Quasi-Public land; 83 acres of Parks/Open Space land; and 323 acres of Industrial land.

(3) Vacant acreage does not include the undeveloped portion of developed parcels.

Source: TRW Redi Property Data On-Line, 1995; Field Survey, 1994;
 Legal Description of Project Area, 1994; and Gail Ervin Consulting, 1995.

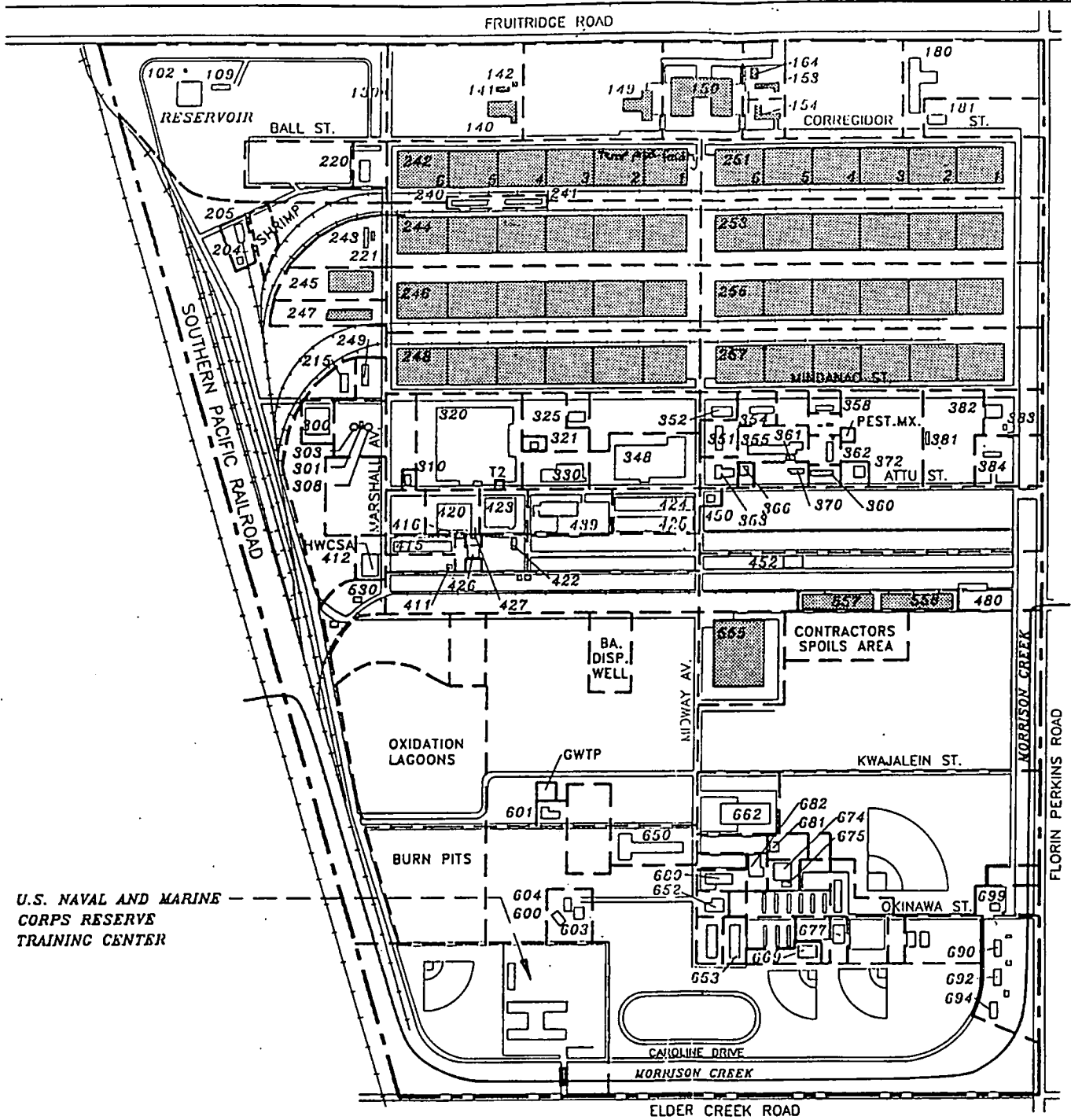
Map 4
Sacramento Army Depot Redevelopment Project
EXISTING LAND USES



LEGEND

- Project Area Boundary
- ▨ Commercial
- Industrial
- ▩ Public
- ▒ Residential
- Vacant
- ▣ Army Depot

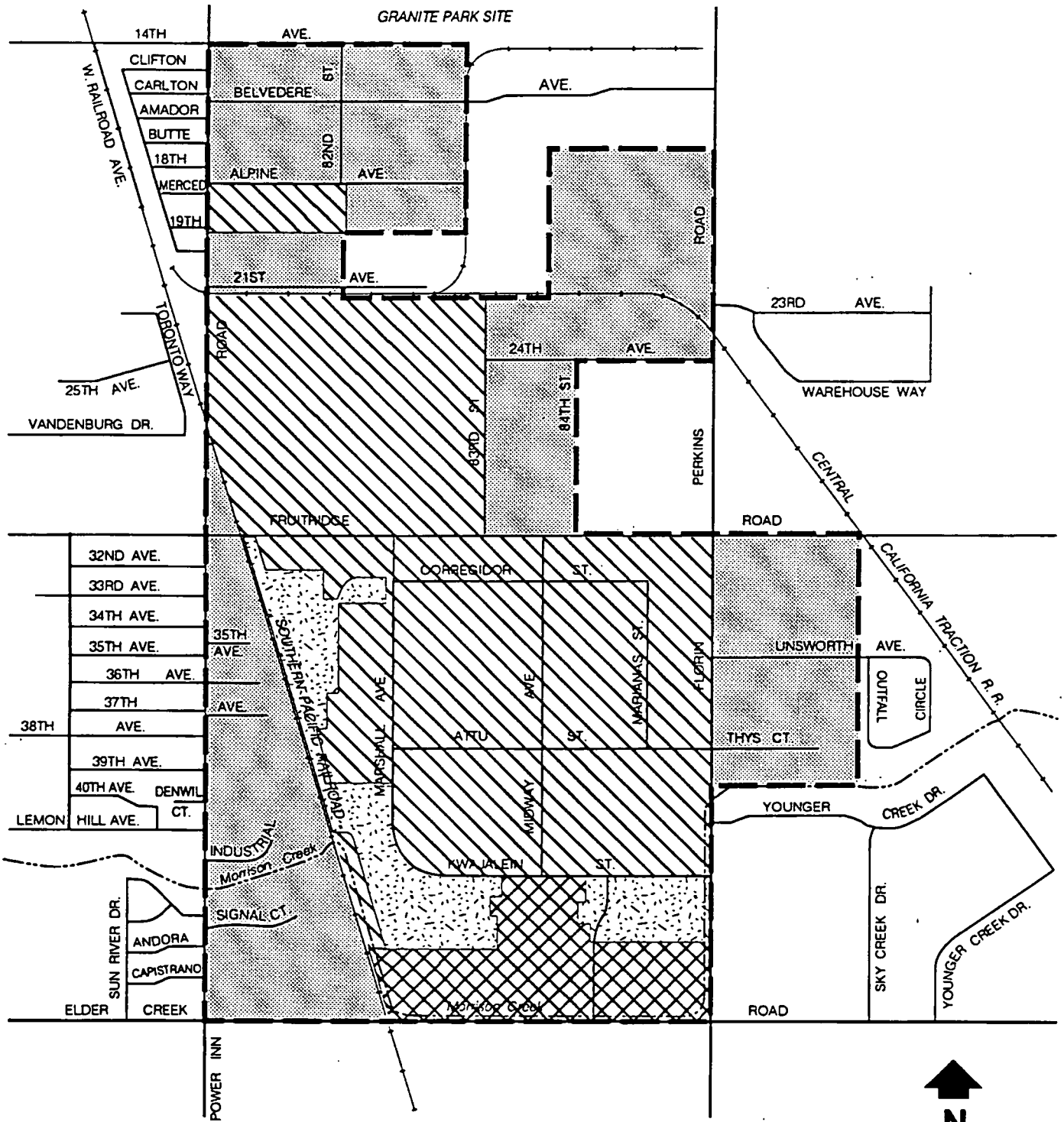
SACRAMENTO ARMY DEPOT SITE DIAGRAM



- 568 Facility Number
- Sacramento Army Depot Property Boundary
- Buildings to be initially occupied by Packard Bell Electronics.

Source: Sacramento Housing and Redevelopment Agency, 1994; Industrial Development Lease and option to purchase between the City of Sacramento and Packard Bell Electronics, Inc., 1995.

REDEVELOPMENT PLAN MAP



General Plan Land Use Designations

- | | | | | | |
|---|--|---|----------------------------------|---|----------------------------------|
|  | Sacramento Army Depot
Redevelopment Plan Project Area |  | Heavy Commercial
or Warehouse |  | Parks, Recreation,
Open Space |
|  | Public/Quasi-Public/Misc. |  | Industrial | | |

Source: Sacramento Housing and Redevelopment Agency, 1995.

A "Reuse Plan for the Sacramento Army Depot" ("Reuse Plan") was adopted by the City Council of the City of Sacramento in November 1994. This plan is a guiding framework intended to facilitate the reuse and redevelopment of the site from military operations to primarily industrial uses, and to facilitate its role as a major employment center. Subsequent to the preparation of the Reuse Plan, an amendment to the Sacramento General Plan was adopted by the City Council of the City of Sacramento to facilitate civilian development based on the Reuse Plan. Map 6 is the Redevelopment Plan Map which illustrates the planned land uses of the Project Area as designated by the Sacramento General Plan.

Packard Bell Electronics is scheduled to occupy approximately 234 acres of the Depot site and approximately 1.9 million square feet of existing building space (including six of the large warehouses), and will employ up to 3,000 persons. Packard Bell's operations could also expand under the provisions of the lease. The California Emergency Foodlink currently occupies a portion of the Depot site and a research facility of California State University, Sacramento is to occupy another small portion in the near term.

Major businesses within the Project Area include Proctor & Gamble, a chemical manufacturing plant which produces glycerine; and Flemings Foods, a major food distributor. Both businesses are located on Fruitridge Road. Other industrial businesses are: Williamette Industrial, a major paper manufacturer, located in Subarea 2; Reed & Graham, G.I. Trucking, and Hokanson Building Block Company located in Subarea 1; and Thunderbird Moulding Company, Mills Building Supplies, and Rainbow Bakery in Subarea 3.

Only 15 residential units (five of which are vacant) are located in the Project Area. All residential uses are non-conforming with the designation of the Sacramento General Plan and are generally in poor or substandard condition. All are located adjacent to industrial users. Commercial uses are few and contain approximately an equal number of office and retail uses. Retail uses are predominantly located at the northwest corner of Fruitridge Road and Power Inn Road and office uses are scattered throughout the Project Area.

Predominantly Urbanized Area

A preliminary report must include, pursuant to Section 33344.5 (c) of the CRL, a description of the project area which is sufficiently detailed for a determination as to whether the project area is predominantly urbanized based on the terms defined in Section 33320.1 of the CRL. Redevelopment projects must be "predominantly urbanized," which means that not less than 80 percent of the property: 1) has been or is developed for urban uses (uses which are consistent with zoning or otherwise permitted by law); or 2) the area is characterized by certain defined blight conditions; or 3) is an integral part of one or more areas developed for urban uses which are surrounded or substantially surrounded by parcels which have been or are developed for urban uses. The Project Area is predominantly urbanized and qualifies as such under all three of the given criteria.

First, although some property is currently vacant in the Project Area, at least 97.7 percent of the property has been or is developed for urban uses. As shown on Table II-2 the Project Area encompasses a total of approximately 1,420 acres. Of the 1,420 acres in the Project Area, approximately 32.2 acres are currently vacant and not developed with structures or any other type of improvement. (Any undeveloped/vacant portion of a developed parcel of land was not included in this vacant acreage count.) This means that approximately 2.3 percent of the Project Area's total land area is currently unimproved. Map 7 shows the location of vacant properties in the Project Area, as required by subsection (c)(5) of CRL Section 33344.5.

Table II-2
 Redevelopment Agency of the City of Sacramento
 Sacramento Army Depot Redevelopment Project

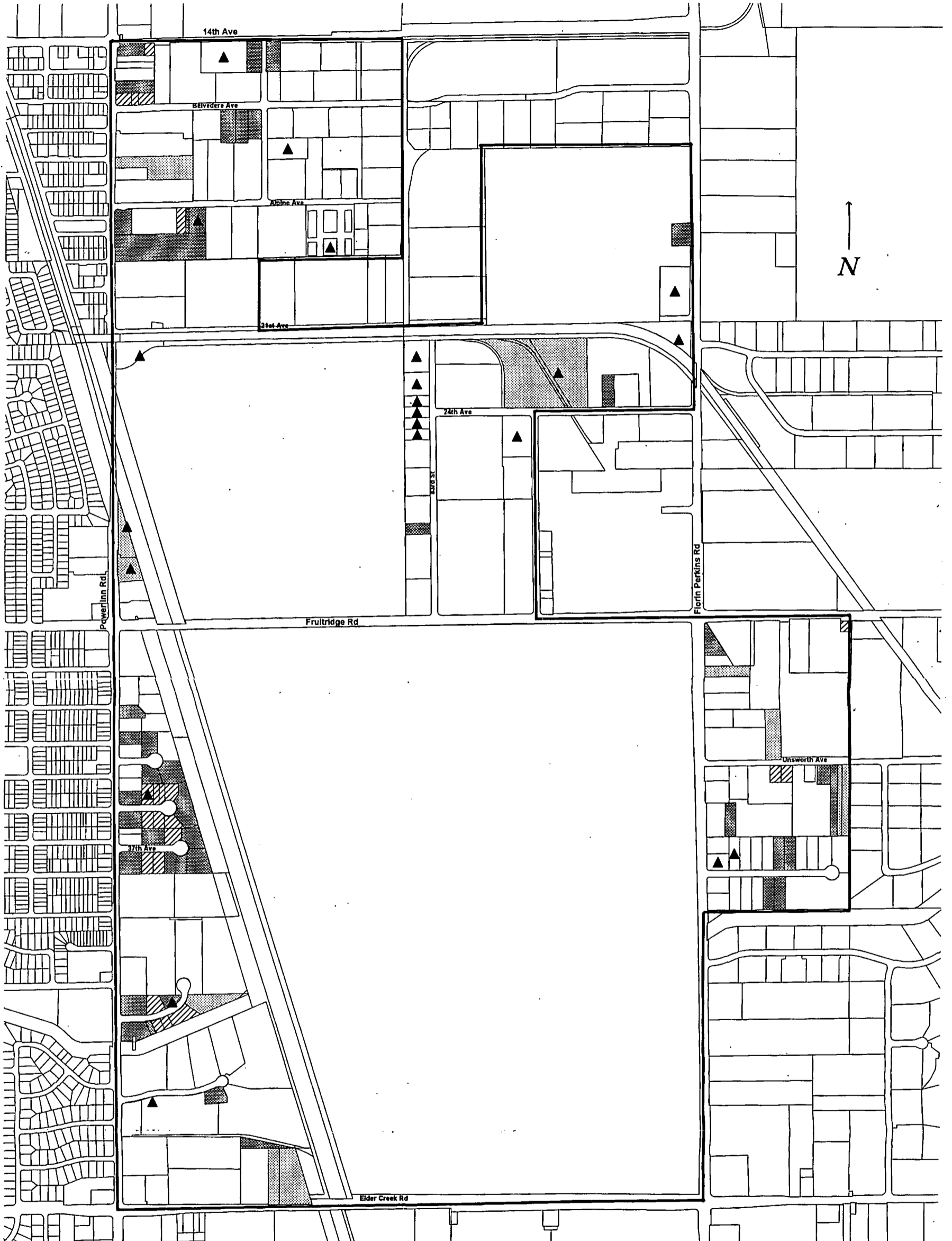
PREDOMINANTLY URBANIZED AREA ANALYSIS

Character of Property	Approximate Acreage	Percent
Total Project Area Acreage	1,420.0	100.0%
Subdivided lots of irregular form and shape and inadequate size under multiple ownership. 33031(a) ⁽⁴⁾	67.2	4.7%
Vacant/Undeveloped Property	32.2	2.3%
Property Characterized as an Integral Part of an Area Developed for Urban Uses ⁽¹⁾	1,420.0	100.0%
Predominantly Urbanized Area ⁽¹⁾	1,420.0	100.0%

(1) All properties, including vacant properties, are considered urbanized since they are within, or are an integral part of an urban area.

Source: Sacramento County 1994-95 Assessment Roll and Maps; Sacramento Housing and Redevelopment Agency, 1994.

Map 7
Sacramento Army Depot Redevelopment Project
PREDOMINANTLY URBANIZED AREA MAP



LEGEND	
—	Project Area Boundary
▲	Currently Vacant Parcels
▨	Parcels of Inadequate Size: $\leq 1/2$ Acre
■	Parcels of Inadequate Size: $> 1/2$ Acre and ≤ 1 Acre
▩	Parcels of Irregular Form and Shape: > 1 Acre

Second, as discussed in a later section of this Report, the Project Area contains a sizable number of inadequately sized parcels for proper usefulness and development that are in multiple ownership. This condition is a characteristic of physical blight and hinders the full use of these properties. Based on an analysis of parcel sizes and ownership, 68 parcels are inadequate in size at one acre or smaller, and 14 parcels, greater than one acre, are irregular in shape and form. All 82 parcels are under multiple ownership or are adjacent to a parcel under the same ownership, but combined, are inadequate because of poor access. These parcel sizes are considered inadequate for proper usefulness and development, and comprise 67.2 acres, or 4.7 percent of the Project Area (Table II-2). Map 7 shows the location of inadequately sized and irregularly formed parcels under multiple ownership.

Finally, since the Project Area is located within an urbanized area of the City and is surrounded by developed urban uses, and is served by streets which serve such surrounding uses, it qualifies as a predominantly urbanized area in that it is manifestly an integral part of an area developed for urban uses. The entire Project Area, or 100 percent of the Project Area, is an integral part of an area developed for urban uses.

Properties Included for Redevelopment Purposes

Conditions of blight predominate throughout and injuriously affect the entire Project Area. If and to the extent that properties are not physically blighted, their inclusion in the Project Area is necessary for the following reasons and redevelopment purposes: (1) in order to effectively plan and carry out the Project; (2) because such properties are impacted by the conditions existing on adjacent properties, and correction of such conditions may require the imposition of design, development or use requirements on the standard properties in the event they are rehabilitated or redeveloped by their owners; (3) to impose uniform requirements over a geographically defined and identified area of the City and the County; (4) because such properties will share in the physical and economic benefits which will accrue to the area through the elimination of substandard conditions, including the replacement or provision of new public improvements and facilities within or serving the Project Area; and (5) because such properties are part of a blighted area.

Effective Planning and Implementation of the Project

The development potential of certain sites within the Project Area may be limited or infeasible because of the need for additional space, vehicular access, set back and lot line requirements and other similar planning factors. These limitations may be reduced or eliminated when adjacent properties are included in a proposed development site. In some instances however, the adjacent properties may not evidence the blighting conditions that would permit inclusion in the Project Area itself and therefore such properties are included in order to effectively plan and carry out the Project.

Impact of Conditions on Adjacent Properties

On occasion, a standard building or group of buildings outside of, but adjacent to, a redevelopment project area can be adversely impacted by the blighting conditions existing on adjacent properties, and the correction or alleviation of these conditions may involve analyzing and treating the blighted and standard properties as a whole.

Properties Share in the Benefits of Redevelopment

If it is good planning and economically sensible to impose uniform development and use provisions on all properties within a geographically definable area, it also conforms to the

common notion of fair play. Owners of properties subject to redevelopment plan provisions may well ask themselves why the development and use of their properties is constrained while their nearby neighbors' properties are not.

A very strong inducement to property owner cooperation in the redevelopment process is the potential of substantial public involvement in the form of public improvements. If the condition precedent to obtaining such public improvements is for property owners to cooperate with the redevelopment agency in the rehabilitation, development, maintenance and use of their properties, then it is equitable that all properties sharing the public benefit from such improvements should be required to conform to the same conditions.

Properties are Part of a Blighted Area

As described below, there are many physical and economic blighting conditions in the Project Area, the incidence of which vary from block to block, but when the sum effect is examined the combined impact qualifies the area as blighted. The success of the different programs and public improvements proposed are dependent on the inclusion of all properties as an integral part of the Project Area.

EXISTING PHYSICAL CONDITIONS THAT CAUSE BLIGHT

The California Redevelopment Law describes physical conditions that cause blight (Section 33031(a)). These physical conditions are assessed in terms of the health and safety of persons and the economic viability and development of the area. The physical blighting conditions that the Sacramento Army Depot Redevelopment Project Area suffers from include deterioration and dilapidation of all types of building, buildings which do not meet code requirements, buildings with faulty or inadequate utilities, buildings of substandard design, incompatible land uses consisting of residential use adjacent to industrial uses, and a multitude of parcels of irregular form and shape and inadequate in size which are under multiple ownership.

Conditions of deterioration and dilapidation, incompatible land uses, inadequate parcel size and shape for development discourage private sector investment within the Project Area and further contribute to the blighting conditions of the Project Area. The Project Area is part of an important resource to the City for industrial development and job growth. Poor physical conditions place a burden on the community by reducing the City's ability to meet its goals of fostering economic growth and development.

Within the Project Area conditions of deterioration and dilapidation, building code violations, faulty or inadequate utilities, other factors such as hazardous buildings, substandard building, and circulation deficiencies are mostly concentrated within the Army Depot site. The magnitude of these building and site problems has a serious impact on the ability of the City to remediate poor conditions and facilitate private reinvestment of the property. In many cases, the extraordinarily high costs to remodel and retrofit existing military buildings to be competitive in today's industrial market, make such an effort infeasible. In addition, extraordinarily high costs are involved in upgrading the inadequate infrastructure on the Depot site, forcing private investors to seek other locations within the City, the Sacramento Region, or the State of California. Converting the Depot property from military use to civilian-industrial use will require a highly concerted effort by both the community and the private sector. Neither entity acting alone would possess the ability to remediate the deficiencies of the Army Depot site.

The following discussion describes and documents the physical blighting conditions found to be pervasive within the Sacramento Army Depot Redevelopment Project Area.

Buildings in Which it is Unsafe or Unhealthy for Persons to Live or Work

The condition of the building stock is an indicator of the health and safety of a neighborhood. Buildings in which conditions are poor or improvements faulty jeopardize the health and safety of the occupants and the community as a whole. The Sacramento Army Depot Redevelopment Project Area is characterized by the existence of buildings that are in varying stages of deterioration, contain building code violations, exhibit faulty or inadequate utilities, or are impacted by other factors. The presence and persistence of these conditions reflects a lack of investment of property owners to maintain or improve their properties in standard condition to assure the safety of persons who live or work in the area.

Dilapidation and Deterioration

Buildings which are deteriorating or dilapidated pose a problem to the safety of the occupants. To assess the physical condition of structures in the Project Area, a field survey of the exterior structural condition of buildings, as well as other physical conditions that cause blight, was conducted. The survey rated building conditions and documented other blight factors as visible from the public right-of ways.

The physical condition of buildings were rated from "A" to "D," with results by Subarea presented in Table II-3. An "A" rating indicates a building in sound condition with no visible sign of deterioration. Only regular maintenance would be required to maintain its sound condition. A "B" rating indicates a building exhibiting deferred maintenance and in need of minor repairs. Buildings with one or two instances of minor non-structural damage or deterioration were included in this rating. A "C" rating indicates a buildings in need of major repairs or moderate rehabilitation. A "D" rating indicates a building in need of extensive rehabilitation, or, in cases where the rehabilitation would exceed the building value, demolition. Approximately one-half of the buildings on the Army Depot site (Subarea 4) were surveyed and only the major buildings on the Proctor & Gamble site were surveyed. Every other building in the Project Area was surveyed.

The results of the building condition survey show that 54.9 percent of the buildings are in need of some form of rehabilitation or demolition assistance, with a rating of "B," "C," or "D." Buildings with a "B" rating make up 28.6 percent of the building stock. Buildings with a rating of "C" make up 21.1 percent of the building stock, and buildings with a "D" rating make up 5.6 percent of the building stock. Deteriorated and dilapidated buildings represent slightly over one-half of the Project Area. Poor building conditions indicate limited reinvestment in the building stock through renovation and rehabilitation, and reflects a weak environment for private sector development or redevelopment.

An examination of the building conditions by subarea reveals that Subarea 5 has the highest percentage of "B" rated buildings among all five Subareas, with 42.1 percent of the building stock in that Subarea rated "B." Subarea 4 (the Sacramento Army Depot) has the highest percentage of "C" rated buildings with 59.4 percent of the building stock in that Subarea rated "C." Subarea 5 has the highest percentage of "D" rated buildings with 7.9 percent of the building stock in that Subarea rated "D." Overall, Subarea 4 has the highest percentage of buildings requiring some form of investment (i.e., "B," "C," and "D" buildings), at 84.4 percent. Subarea 5 has the second highest percentage of such buildings at 76.3 percent, and Subarea 2 has the third highest percentage at 54.5 percent.

The overall poor condition of the building stock in Subarea 4 is reflective of the older age of the structures on the Sacramento Army Depot site. The buildings are generally older than the ones in the surrounding area due to the historical development at the Depot site

Table II-3

Redevelopment Agency of the City of Sacramento
 Sacramento Army Depot Redevelopment Project

DETERIORATION AND DILAPIDATION

	Buildings Condition Rating								B, C & D Subtotal ⁽¹⁾		Total
	A		B		C		D		No.	Percent	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent	No.	Percent	
Subarea 1	60	58.3%	24	23.3%	12	11.7%	7	6.8%	43	41.7%	103
Subarea 2	10	45.5%	8	36.4%	3	13.6%	1	4.5%	12	54.5%	22
Subarea 3	35	50.0%	21	30.0%	12	17.1%	2	2.9%	35	50.0%	70
Subarea 4	5	15.6%	7	21.9%	19	59.4%	1	3.1%	27	84.4%	32
Subarea 5	9	23.7%	16	42.1%	10	26.3%	3	7.9%	29	76.3%	38
Total Project Area	119	44.7%	76	28.6%	56	21.1%	15	5.6%	146	54.9%	266

(1) B, C & D rated buildings represent Deterioration and Dilapidation.

Source: Sacramento Housing and Redevelopment Agency, field survey, December, 1994.

during the post W.W.II era. Most of the buildings are an average of 50 years old. The buildings have been consistently maintained by the Army, but are generally in poorer condition than the surrounding industrial stock.

Residential structures and units are generally in poorer condition in relationship to all buildings and structures Projectwide. The results of the field survey of building conditions shows that of the 14 buildings (not units) that make up the residential building stock of the Project Area, 2 have a rating of "B," 5 have a rating of "C" and the remaining 7 have a rating of "D." None of the residential buildings were rated "A." These poor residential buildings conditions are reflective of the incompatible nature of the residential uses. The Project Area contains no residentially designated or zoned properties making all existing residential uses non-conforming. These residential uses are exposed to noise, traffic, and fumes as well as potential hazardous substances from adjacent industrial uses. A discussion of the incompatibility of existing residential uses is provided below.

Building Code Violations

The Project Area contains buildings which are deficient in terms of compliance with modern fire safety standards and current municipal building codes. Most are located within the Sacramento Army Depot site. Buildings and structures that do not meet the current Uniform Building Code requirements, or other local building and fire codes mandated to assure human health and safety, pose a threat to the workers and occupants of the Project Area. Such buildings will require costs to upgrade for building code compliance, thus making the Project Area less competitive for private sector investment.

The City of Sacramento does not survey all buildings for building code violations, therefore a complete assessment of Project Area building code violations is not available. However, the City does investigate possible building code violations whenever the Building Division of the City of Sacramento receives inquiries regarding potential violations. A review of the City of Sacramento files for serious building code violations indicates that three buildings in the Project Area are seriously in violation of building codes. One building is located on Elder Creek Road, the second is located on Power Inn Road, and the third is located on Industrial Parkway.

The largest problem with building code violations within the Project Area occurs on the Sacramento Army Depot site. Nearly all of the buildings on the Sacramento Army Depot site contain deficiencies with respect to the Uniform Building Code and other building and fire codes. As part of the reuse planning for the closure of the Sacramento Army Depot, a survey of all existing buildings on the site was completed by the Building Division, Fire Department, and various other agencies to assess building code compliance, fire code deficiencies, hazardous material storage facilities, and historical significance. The City of Sacramento Building Division staff surveyed a total of 72 structures at the Sacramento Army Depot for building deficiencies and potential reuse. Each building was reviewed for general compliance with the most recent Uniform Building Codes. Table II-4 provides a summary of the results of the survey. The results show that nearly all buildings contain deficiencies that will require moderate to extensive rehabilitation to correct the deficiencies. All buildings surveyed generally do not comply with the requirements of the Americans with Disabilities Act, however, most buildings could be remodeled to comply with the accessibility requirements when upgraded for reuse. As described below, many of these same buildings are characterized by substandard design and may not be usable for civilian purposes.

Many of the buildings on the Depot site contain fire code deficiencies, in addition to building code deficiencies. An additional review of the Sacramento Army Depot site was

Redevelopment Agency of the City of Sacramento
Sacramento Army Depot Redevelopment Project

SACRAMENTO ARMY DEPOT INVENTORY OF BUILDING CODE DEFICIENCIES

#	Bldng No.	Army Dept. Use	Building Code Deficiencies
1	140	Community center	Shaft enclosure is required at the kitchen hood, exit signage is adequate, required exit corridors are not fire rated, stairway risers do not conform, roofing shows signs of deterioration
2	141	Swimming pool	Stairway risers are not conforming, self closing gate is required, fence is less than five (5) feet high
3	142	Swimming pool bath house	
4	143	Snack bar	Main door is required for exiting
5	149	Restaurant and credit union	Stairways do not comply, emergency lighting for exiting is not provided, no occupancy separation between kitchen and dining areas, dry rot at some door jambs, and window mullions, plumbing, mechanical, and electrical deficiencies
6	153	Administration and security office	Corridors are not fire rated, stairway risers are non-conforming, exit signage is not adequate
7	164	Visitors center	Minor mechanical and electrical deficiencies
8	180	Office, training center	Doors open over landings, corridors are not rated, stairs do not comply with riser requirements, exit signage is inadequate, restrooms not ventilated and other plumbing, mechanical deficiencies
9	181	Repair garage and office	Fire rated separation is required between offices and the repair area, a mechanical pipe exhaust system is required, offices must have positive pressure to keep exhaust fumes from entering
10	181	Repair garage and office	Exit signage is inadequate
11	215	Flammable materials Storage building	Required exit
12	221	Vehicle weight scale house	
13	242	Warehouse with offices	Exit doors have inadequate width, corridors are not rated, exterior stairs from second level are unsafe, shelving system may have inadequate seismic bracing
14	243	Flammable materials storage building	Siding and doors are deteriorated, mudsills are on grade, one truss brace is bent
15	244	Warehouse and offices	Stairs do not comply to code requirements, inadequate exit signage
16	245	Automated data processing office	Exit is blocked due to metal framed addition, main exit corridors needs to be fire rated, exit signage is inadequate, duct smoke detectors are not installed where required on ventilation equipment
17	246	Warehouse and offices	Exit doors are cut into warehouse with step over, exit signage is inadequate
18	247	Cold storage warehouse	Small storage shed attached at rear is framed on grade, stairways do not conform to uniform codes, electrical rigid conduit is not properly secured
19	248	Warehouse and offices	Stairs do not comply to code requirements, inadequate exit signage, some plywood walls without studs may not comply for lateral loading of interior partitions, exit corridor must be fire rated
20	249	Hazardous materials Warehouse	

Redevelopment Agency of the City of Sacramento
Sacramento Army Depot Redevelopment Project

SACRAMENTO ARMY DEPOT INVENTORY OF BUILDING CODE DEFICIENCIES

#	Bldg No.	Army Dept. Use	Building Code Deficiencies
21	251	Warehouse and offices	Cleats nailed to underside of roof sheathing for repairs, temporary type stairs along loading dock, no change of air in offices, inadequate exit signage, stairways do not conform to code requirements
22	253	Warehouse and offices	Temporary type stairs along loading dock, no change of air in offices, inadequate exit signage, stairways do not conform to code requirements
23	255	Warehouse and offices	Temporary type stairs along loading dock, no change of air in offices, inadequate exit signage, stairways do not comply with code requirements
24	257	Warehouse and offices	Temporary type stairs along loading dock, no change of air in offices, inadequate exit signage, stairways do not comply with code requirements
25	300	Nucleonics research Laboratory	Comer on south wall at exit door has exposed rebar where a small piece of concrete was broken off, inadequate exit door widths, stair entrances do not comply with codes
26	301	Clarifier tanks pump house	Evidence of small roof leak-ceiling stained
27	320	Machine shop, cabinet shop storage, electrical repair modular	Corridors are not rated which have been created by prefabricated interior office structures, offices have no outside air changes, occupancy separations between offices and shop uses are required to have dust collection systems run horizontally
28	321	Steam cleaning shed	Some corrugated fiberglass panels have deteriorated, no backflow prevention device for potable water
29	325	General purpose laboratory	Exit door is blocked on west side, exit signage is inadequate
30	330	Electrical maintenance shop	Stairs do not conform to code requirements, exit signage is inadequate, a 1-hr fire rated separation would be required between repair and office areas
31	348	Vehicle maintenance shop	Prefabricated offices have no fire sprinklers and provide no outside air changes, fire rated separation is required between vehicle repair area and offices, exit signs are inadequate
32	351	Engineering administration building	Exterior stairway does not comply with uniform codes, water foundation projects into the uniform codes and the required 44-inch corridor width
33	352	Boiler plant.	
34	353	Learning resource center	
35	354	Facilities engineering store house	Partitions are built out of 2x4 wood studs with pony walls cresting a weak hinge, exit signage is inadequate
36	355	Facilities engineering maintenance shop	Stairs to loft in cabinet do not conform to uniform code requirements, roofing is currently being repaired, fire rated separation required between office and cabinet
37	358	Tool storage facility (previously a flammable material storehouse)	Mudsills are in direct contact with the exterior asphalt surface, temporary offices do not have outside air, restrooms for employees would be required if occupied
38	360	Facilities maintenance shops	No restrooms are provide for employees, separate sex facilitation would be required if more than four (4) employees per shift

Redevelopment Agency of the City of Sacramento
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SACRAMENTO ARMY DEPOT INVENTORY OF BUILDING CODE DEFICIENCIES

#	Bldng No.	Army Dept. Use	Building Code Deficiencies
39	361	Paint booth	Requires access to bathroom for employees, separate sex restroom facilitation required if more than four(4) employees per shift
40	362	General purpose warehouse	Building would require a restroom if occupied, separate sex restroom facilitation would be required for more than four (4) employees per shift, a main door exit is required from the south portion of the building
41	366	Classroom	Building would require a bathroom for employees, separate sex restroom facilitation would be required for more than four (4) employees per shift
42	370	Flammable material storehouse	Main door required if occupied and bathroom required if occupied
43	372	Computerized work measurement facility	Roof mounted heat pump needs smoke detectors in duct
44	411	Hazardous storage facility	
45	412	Hazardous waste container storage facility	
46	415	Hazardous materials spill control facility	
47	416	Waste water treatment plant	
48	420	Plating, sandblasting and painting facility	Building would not be allowed to continue as a plating shop without future City Fire Department approval, plumbing, mechanical and electrical deficiencies
49	423	Electrical maintenance shop	Exit door from the main building through the sand blasting room not a second legal exit, exit signage inadequate, office areas have no outside air changes
50	424	Storage shed	Damaged metal siding and rust on steel below some sky lights indicates a potential leak
51	425	Storage shed	Damaged metal siding and rust on steel below some sky lights indicates a potential leak
52	426	Hazardous material handling facility	
53	427	Rag recycling facility	
54	437	Pesticide storage facility	Hose bibb has no vacuum breaker
55	438	Pesticide storage facility	Hose bibb has no vacuum breaker
56	439	Electrical equipment shop	Roof beam at second column line from the east side shows excessive deflection, office requires air changes, step into office does not comply with uniform codes
57	452	Electrical maintenance shop	
58	459	Yard office	
59	460	Bathroom	
60	480	Railroad loading dock	
61	532	Storage building	Exit doors have inadequate width, landing is inadequate, stairs do not conform to uniform code requirements

Redevelopment Agency of the City of Sacramento
Sacramento Army Depot Redevelopment Project

SACRAMENTO ARMY DEPOT INVENTORY OF BUILDING CODE DEFICIENCIES

#	Bldng No.	Army Dept. Use	Building Code Deficiencies
62	555	Electro-optics research laboratory	Exit corridors are not 1-hr fire rated construction as required, exit signage is inadequate, repair of roof leaks in older part of building are underway
63	557	Storage shed	Minor metal siding repair
64	558	Storage shed	Minor metal siding repair
65	601	Auto repair shop	Wall vents are blocked by plywood
66	669	Racquetball facility	
67	677	Community and family activities facility	Main exit corridors should be 1-hr fire-rated construction

Source: City of Sacramento Department of Planning and Development, 1993

conducted to identify fire service related deficiencies. Fire hydrants, sprinkler systems, and other facilities generally do not meet City standards. Access to the site from public streets is poor considering the large size of the site. Existing access will need to be widened and additional access routes will likely be required.

Faulty or Inadequate Utilities

Building electrical or other utilities that are old, constructed inadequately, or substandard, are considered faulty or inadequate. Conditions of faulty or inadequate utilities within the Project Area are primarily limited to the Sacramento Army Depot. Because the Depot site was developed and used as a military installation, it does not conform to civilian use requirements and standards for utility systems. Utility systems include water, sewer, electrical, natural gas, telephone, and other utilities. These systems were developed for a single user (the US Army) with a single military mission. Redevelopment of the Depot site is planned to include multiple users. These future industrial users will be required to upgrade utility systems to conform to City and utility service provider standards. These upgrades are considered extensive.

Other Similar Factors

Other building factors that threaten the public health and safety include buildings which contain asbestos, lead-based paint, or have been contaminated with other hazardous materials. Such buildings will be identified in the Environmental Baseline Study (EBS) prepared by the U.S. Army. Demolition or reuse of such facilities would be consistent with the EBS findings which would be disclosed prior to disposal or reuse. Demolition activities would release asbestos into the environment. Building debris generated during demolition could be classified as hazardous wastes and need to be disposed in an appropriate landfill. This condition is considered a health risk to persons who live and work in the area. Since a significant number of existing Depot buildings will likely be demolished because they have no economic reuse value, this condition is considered serious and would require costs for compliance with environmental regulations.

Factors that Prevent or Substantially Hinder the Economically Viable Use or Capacity of Buildings or Lots

The economic viability of an area is partially dependent upon physical factors which affect the level of reinvestment that is necessary to alleviate poor conditions for effective reuse of the building or property. The Sacramento Army Depot Redevelopment Project is characterized by substandard design of buildings and poor on-site and off-site access. These conditions pose barriers to investment by the private sector acting alone to revitalize or redevelop properties. Packard Bell Electronics has evaluated these conditions and determined that public assistance, such as redevelopment powers and authority, is necessary to overcome these major development constraints. Low lease rates, high vacancy rates and lower assessed property values in the Project Area in comparison to the City as a whole, as discussed later in this Report, are among the economic indicators that show that the Project Area is in a state of decline and that reinvestment has not or could not be accomplished by the private sector acting alone.

Substandard Design

Buildings and lots characterized by substandard design include architecture, site, or access deficiencies that do not meet the contemporary requirements of users. The buildings of the Depot site were constructed and designed to meet specific requirements for military use, particularly for military repair and maintenance work. Depot buildings may meet military requirements for design and function, but such design and function is obsolete in terms of the function and design standards of buildings for civilian use. Buildings or lots of substandard design jeopardize the economic viability of the property and the Project Area as a whole because of the high costs required to upgrade structures to compete in today's industrial market. The cost of rehabilitating the buildings and property for reuse which meets the requirements of the City codes and the demands of the marketplace may be economically infeasible, resulting in the potential underutilization, abandonment, or marginal use of the buildings and a loss of revenue from property taxes, business license taxes, and other forms of revenue.

The survey of Depot buildings by the Building Division of the City of Sacramento also included an assessment of the reuse potential of each building on the Depot site. The results of this assessment are presented on Table II-5. A review of possible future occupancy shows a large number of buildings with reuse potential for storage facilities. Modern industrial properties, depending upon the type of use, typically include a combination of warehouse, office, storage, production and other space for various industrial functions. Buildings with only storage space are substandard in design because they do not include space for production, office/administration, or loading/receiving areas, unless modified. This condition puts a serious limitation on the reuse potential of the buildings on the Depot site.

The Environmental Impact Report on the Sacramento Army Depot Reuse Plan identifies 32 buildings that were used, in part or in whole, for hazardous wastes or hazardous materials storage. Such materials and wastes include solvents, oil, acids, radioactive materials, and pesticides, among other materials and wastes. These types of facilities, although vacated of remaining hazardous materials, are expected to have limited reuse potential and further hinder the economic viability of the Project Area.

Because of pervasive design and code deficiencies problems, the Reuse Plan has identified only six buildings for reuse potential and has recommended all other buildings be demolished as soon as funds are available. The remaining building stock of the Depot site generally represents buildings with little reuse potential. These buildings will be in a disadvantaged position when competing with newer industrial buildings with common amenities, thus affecting the economic viability of area.

The eight large warehouse structures on the Army Depot site contain approximately 263,000 square feet each, or approximately 1.6 million square feet total. This square footage is 54 percent of the total enclosed building area at the Army Depot (2,942,933 square feet). Although their reuse is theoretically possible, they are severely obsolete. Their floor-to-ceiling ratio heights are 30-35 percent less than modern standards, lighting is inferior, sprinkler systems are inadequate, and access to loading docks is constrained by the closeness between structures.

Other Factors

Another factor that hinders the economic viability of the land is the lack of public access to and through the Depot site due to the limited roadway network and limited entrances to the Depot site. These conditions exist because the Army Depot site was designed for a single user. A lack of access inhibits the economic viability of the reuse of the Depot because new industrial development would be inadequately served.

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Sacramento Army Depot Redevelopment Project

SACRAMENTO ARMY DEPOT INVENTORY OF BUILDING REUSE POTENTIAL

#	Bldng No.	Army Dept. Use	Potential Reuse
1	140	Community center	Office, community center, restaurant for less then 300 people, storage of non-hazardous materials
2	141	Swimming pool	Inground public or private swimming pool
3	142	Swimming pool bath house	Swimming pool bath house or public restroom
4	143	Snack bar	Snack bar or non flammable storage
5	149	Restaurant and credit union	Restaurant for less than 300 occupants, credit union, office, community center
6	153	Administration and security office	Offices, training for less than 50 occupants, security administration
7	164	Visitors center	Office, visitors center, training or community center with an occupant load less than 50
8	180	Office, training center	Office, community center, restaurant for less than 300 people, adult training facility
9	181	Repair garage and office	Office , repair garage or non-hazardous storage
10	181	Repair garage and office	Office, repair garage or non-hazardous storage
11	215	Flammable materials Storage building	Materials storage
12	221	Vehicle weight scale house	Vehicle weight scale house or non-hazardous storage
13	242	Warehouse with offices	Warehouse and office, non-hazardous manufacturing
14	243	Flammable materials storage building	Storage
15	244	Warehouse and offices	Warehouse and office, non-hazardous manufacturing
16	245	Auto mated data processing office	Office or computer data center
17	246	Warehouse and offices	Warehouse and office, non-hazardous manufacturing
18	247	Cold storage warehouse	Cold storage warehouse
19	248	Warehouse and offices	Warehouse and office, non-hazardous manufacturing
20	249	Hazardous materials warehouse	Storage
21	251	Warehouse and offices	Warehouse and office, non-hazardous manufacturing
22	253	Warehouse and offices	Warehouse and office, non-hazardous manufacturing
23	255	Warehouse and offices	Warehouse and office, non-hazardous manufacturing
24	257	Warehouse and offices	Warehouse and office, non-hazardous manufacturing
25	300	Nucleonics research Laboratory	Research laboratory or office
26	301	Clarifier tanks pump house	Clarifier tanks pump house
27	320	Machine shop, cabinet shop storage, electrical repair modular	Office, warehouse or manufacturing
28	321	Steam cleaning shed	Steam cleaning or open storage shed
29	325	General purpose laboratory	Material storage
30	330	Electrical maintenance shop	Warehouse manufacturing area
31	348	Vehicle maintenance shop	Warehouse or non-hazardous vehicle repair
32	351	Engineering administration building	Office
33	352	Boiler plant	Boiler plant non-hazardous repair shop or office
34	353	Learning resource center	Office, training center with occupant load less than 50

Redevelopment Agency of the City of Sacramento
Sacramento Army Depot Redevelopment Project

SACRAMENTO ARMY DEPOT INVENTORY OF BUILDING REUSE POTENTIAL

#	Bldng No.	Army Dept. Use	Potential Reuse
35	354	Facilities engineering store house	Office, warehouse non-hazardous vehicle repairs
36	355	Facilities engineering maintenance shop	Manufacturing shop
37	358	Tool storage facility (previously a flammable material storehouse)	Material storage
38	360	Facilities maintenance shops	Office, storage, non-hazardous shops
39	361	Paint booth	Paint booth
40	362	General purpose warehouse	Storage or vehicle repair
41	366	Classroom	Classrooms, office, non-hazardous storage
42	370	Flammable material storehouse	Material storage
43	372	Computerized work measurement facility	Office
44	411	Hazardous storage facility	Hazardous storage
45	412	Hazardous waste container storage facility	Materials storage
46	415	Hazardous materials spill control facility	Hazardous storage
47	416	Waste water treatment plant	Waste water treatment plant
48	420	Plating, sandblasting and painting facility	Storage, painting shop
49	423	Electrical maintenance shop	Warehouse. Maintenance shop, vehicle repair
50	424	Storage shed	Open storage shed
51	425	Storage shed	Open storage shed
52	426	Hazardous material handling facility	Material storage shed
53	427	Rag recycling facility	Laundry room or non-hazardous storage
54	437	Pesticide storage facility	Storage
55	438	Pesticide storage facility	Storage
56	439	Electrical equipment shop	Workshop storage
57	452	Electrical maintenance shop	Workshop storage
58	459	Yard office	Storage
59	460	Bathroom	Storage, bathroom
60	480	Railroad loading dock	Railroad loading dock
61	532	Storage building	Storage
62	555	Electro-optics research laboratory	Research laboratory, offices, specialized tower for laser sighting
63	557	Storage shed	Storage shed
64	558	Storage shed	Storage shed
65	601	Auto repair shop	Auto shop or storage
66	669	Racquetball facility	Racquet court, exercise
67	677	Community and family activities facility	Office

NOTE: This review is not intended to limit any potential use which could be made to comply with the uniform codes and applicable zoning ordinances

Source: City of Sacramento Department of Planning and Development, 1994

The Depot site is a large property surrounded by major roadways. There are only five driveway access points to the interior of the Depot site. Three entrances to the Depot site are located on Fruitridge Road, and only two are signalized access points. One of these two signalized entrances acts as the main entrance to the site. There are two access driveways to the Depot site from Florin-Perkins Road, and only the one at Thys Court is signalized. There is no access to the site from the west because of the dividing Southern Pacific Railroad, and no access is currently provided from Elder Creek Road on the south.

Internal circulation on site is poor for industrial park type of development because of few roadways. Existing poor road conditions further exacerbate internal circulation. The Reuse Plan identifies a hierarchy of planned streets consisting of primary roadways and secondary collectors. These streets would be necessary to facilitate any type of intensification of use. Roadway and circulation improvements required for industrial uses will require substantial costs to upgrade. Without any improvements, the economic viability of the Depot site is threatened.

Adjacent or Nearby Uses that are Incompatible with Each Other

Section 33031(a) defines one of the physical conditions that cause blight as "adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area." Within the Project Area there are 15 residential units, ten of which are single family dwellings and one five unit multiple family dwelling. These units are within areas that are designated in the General Plan for industrial and heavy commercial or warehouse development. In fact all of these units adjoin heavy commercial, warehousing and industrial uses. This condition poses potential health and safety risks for the residents and contributes to the deteriorated appearance of the area which is potentially a deterrent to business development in the Project Area.

Seven of the 14 residential buildings identified in the field survey of existing building conditions are in need of extensive rehabilitation or demolition. Of the remaining seven buildings, five are in need of moderate rehabilitation and two are in need of minor repairs. These residential structures are located in the northwest corner of the Project Area on 14th Avenue, 82nd Street, Alpine Avenue and along Unsworth Avenue near the western boundary of the Army Depot site. Four of the total 15 residential units are located on Unsworth Street next to a salvage yard and heavy industrial uses including a fencing company. The units in the northwest corner of the Project Area are in the neighborhood of a graphics production company, plumbing supply and two trucking companies. Five of the 15 residential units are currently vacant and are likely unoccupiable because of substandard conditions and proximity to industrial businesses.

The residents are subject to heavy industrial traffic, noise and potentially toxic hazards. Currently there are 20 sites within the Project Area which have been cited for toxic contamination (including the Sacramento Army Depot which is designated as a "Superfund" site on the U.S. Environmental Protection Agency's National Priorities List) which is known to be the site of extensive soil and groundwater contamination. Risks to the residents can occur with the routine handling and transportation of hazardous materials as well as site excavation or even during toxic remediation when toxic vapors are released into the environment.

Subdivided Lots (Parcels) of Irregular Form and Shape and Inadequate Size for Proper Usefulness and Development that are in Multiple Ownership

The condition of subdivided lots of irregular form and shape and inadequate size is a common and serious physical deterrent to owners and prospective developers because these lots are frequently difficult to develop, redevelop, or expand. Parcels must be large enough to accommodate primary and auxiliary structures, setbacks, parking requirements, and other requirements or amenities. This condition often requires combining adjacent parcels to create development sites that can meet common acceptability or specific requirements. The ownership pattern within this type of area is critical since it is much easier to combine and develop adjacent lots owned by one party than it is with properties under multiple ownership.

For the purpose of this analysis, a parcel of one-half acre or less is considered unacceptable in size for an overwhelming majority of modern industrial users. A parcel greater than one-half acre, but less than or equal to one acre is generally considered inferior given market preferences for industrial development. This criterion was developed based on both the City's zoning requirements for industrial development and a review of recent industrial sales within the City. The Project Area is predominately zoned "M-2S." This zoning classification does not impose a minimum lot area, but requires a minimum front setback and side street setback of 25 feet. A review of recent comparable industrial property sales by Grubb and Ellis indicates an average property area of 2.2 acres.

A review of the Sacramento County Assessor's parcel maps and Assessment Roll, which show parcel sizes and shapes and ownership, reveals that the Project Area contains 25 parcels which are one-half acre or less, 43 parcels which are greater than one-half acre, but less than or equal to one acre, and 14 parcels greater than one acre that are irregular in form and shape. All 82 of these parcels are surrounded by separately owned properties, or are adjacent to a parcel under the same ownership but who's combined configuration would deter development or redevelopment because of access constraints. Map 7 presented above shows the location of the parcels that meets these conditions.

EXISTING ECONOMIC CONDITIONS THAT CAUSE BLIGHT

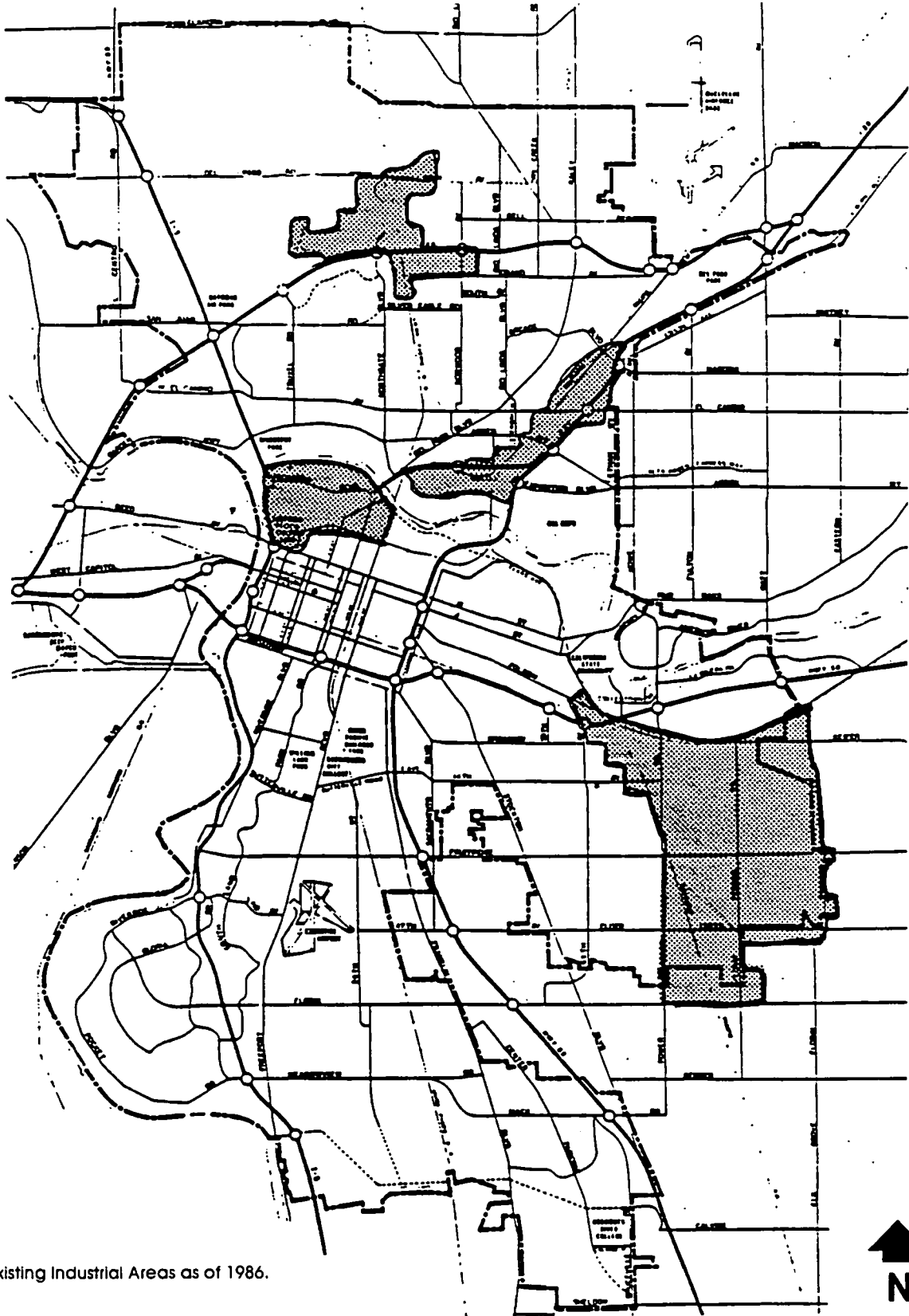
The California Redevelopment Law also describes economic conditions that cause blight (Section 33031(b)). In general, these conditions are to be assessed in terms of the "economic burden" they place on the community and the ability of private enterprise or governmental action, or both, to reverse or alleviate such conditions without redevelopment. As specifically identified in the statute, the economic conditions which cause blight in the Project Area are described below.

General Economic Setting

The Project Area is located within the southern and eastern section of the City of Sacramento and is a part of the Power Inn industrial area. The Power Inn industrial area is the City's largest and most important industrial submarket. Other industrial areas within the City include Richards Boulevard area, Interstate-80 area, and the Northgate/Natomas area. Map 8 illustrates existing major industrial area of the City

The City of Sacramento plays an important role as the region's employment, trade, service and governmental center. Recently the City has been active in encouraging new businesses to locate in the City, and encouraging existing businesses to remain and expand to provide employment for a growing and increasingly diversified labor force. The City is oriented towards expanding employment opportunities particularly for the unemployed and economically disadvantaged.

MAJOR INDUSTRIAL AREAS CITY OF SACRAMENTO



Note: Existing Industrial Areas as of 1986.

Source: City of Sacramento, General Plan, 1998.

The recent downturn in the economy has impacted the Sacramento area like other communities Statewide. Proctor & Gamble, a major chemical manufacturing plant in the Project Area, has undergone significant downsizing in operations and employment has been reduced drastically from 500 to 120. This is especially of concern to the City since a large portion of the property is undeveloped.

Population growth in the City of Sacramento has grown from 275,741 in 1980 to 369,365 in 1990, representing a 33.9 percent increase. This growth rate has surpassed the population growth rate for the State as a whole which has grown from 23,667,764 in 1980 to 29,760,021 in 1990 representing a 25.7 percent increase during the same period. Increased population growth has placed a greater demand on the need for increasing employment opportunities.

Sacramento is one of the leading warehousing/distribution centers in the western United States. The area's extensive transportation network (highway, rail, air, and shipping); central location within the western US; and relatively inexpensive land and labor costs all contribute to Sacramento's success as a major warehousing/distribution center. The City is committed to providing adequate land for expansion of existing facilities and opportunities for new warehousing/distribution activities.

Demand for industrial space is mostly associated with firms engaged in manufacturing and warehousing/distribution activities. According to the market analysis prepared for the Sacramento Army Depot Reuse Plan, the manufacturing sector of Sacramento's employment base includes 45,600 workers, representing only 7.1 percent of all jobs, in contrast to 16.0 percent for the State of California, although manufacturing employment in Metropolitan Sacramento has been growing more rapidly than total employment since 1980. In 1990, the Sacramento Metropolitan Area had 29,000 wholesale trade jobs and 9,800 trucking and warehousing jobs. Like manufacturing, growth in jobs related to warehousing/distribution was shown to be more rapid than the rate indicated for the overall employment base. These trends indicate increased pressure for employment in the City's industrial sector.

The Sacramento region has been an attractive place for new businesses. However, increasing competition from other geographical areas has diminished the positive qualities of the Sacramento Region. Other western states like Colorado, Arizona, Nevada, Idaho, and Utah are offering industrial tenants excellent facilities at competitive rents with lower taxes. Within the State, nearby Central Valley communities such as Stockton, Tracy, and Fresno have been attracting large distributors away from Sacramento with cheaper land costs and lower rents. Safeway distribution center, once located within the Project Area, and Transco relocated from Sacramento to Tracy at the beginning of 1993. The Safeway site represents a large portion of the Project Area and remains vacant today.

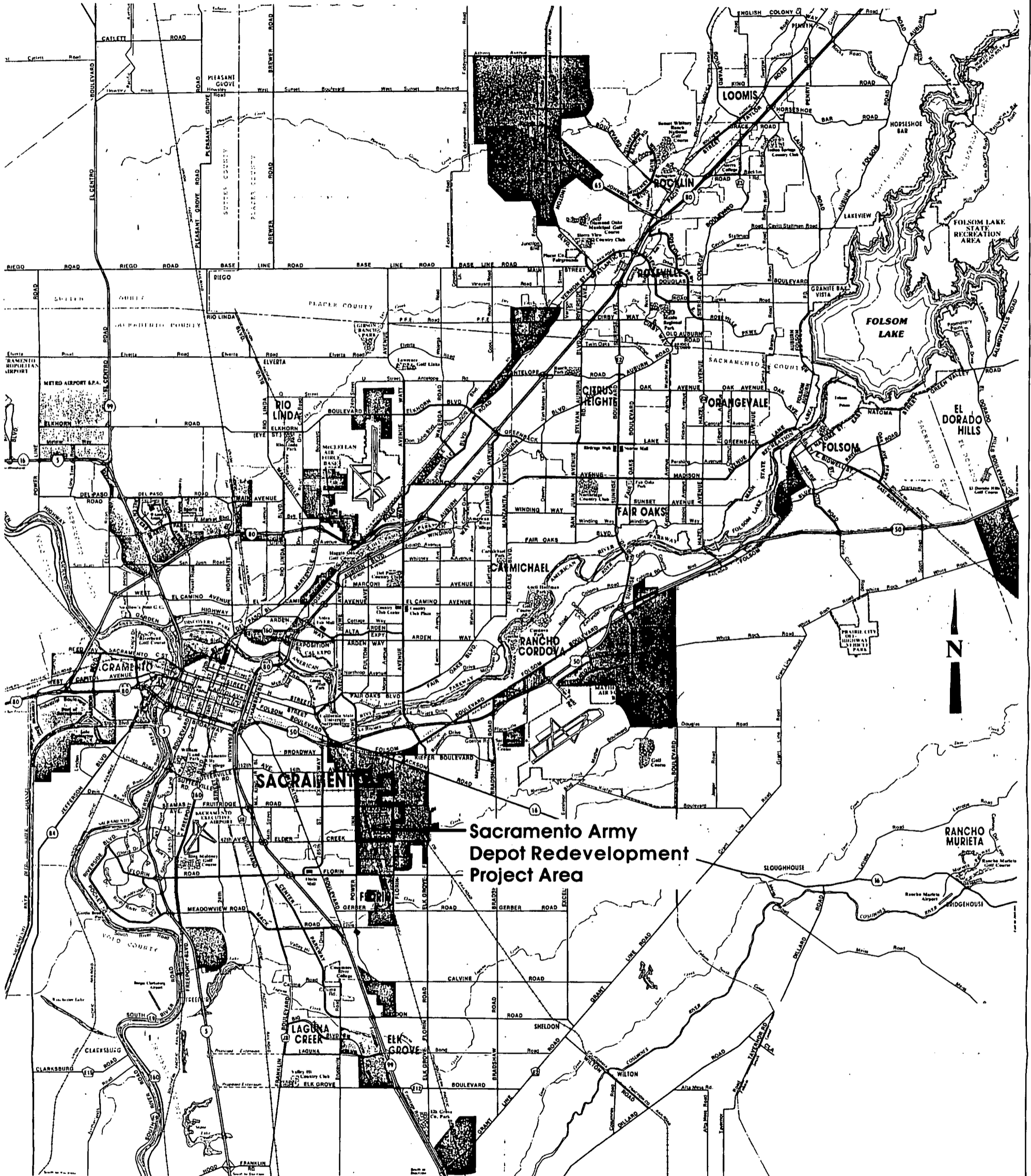
Within the greater Sacramento Region, the industrial areas within the City of Sacramento and the Project Area in particular are facing strong competition from surrounding industrial markets in West Sacramento, Roseville/Rocklin, South Sacramento and Placer County. Map 9 illustrates competing industrial areas within the Sacramento Region.

Depreciated or Stagnant Property Values or Impaired Investments

Assessed Property Values

To examine economic conditions and trends in the Project Area, assessed secured property values ("assessed values"), which include land values and building

MAJOR INDUSTRIAL ZONED AREAS WITHIN THE SACRAMENTO REGION



■ Business Park/Industrial Zoned Areas

Source: Coldwell Banker Commercial Real Estate Services, Sacramento, CA.

improvements, for the fiscal years 1990-91 through 1994-95 were analyzed for the Project Area and compared to the City and County (Graph II-1). When assessed values are increasing at a comparable rate to surrounding areas and the region, it is often an indicator of a healthy local economy, and conversely, if assessed values are declining, especially at a rate greater than the surrounding areas and region, the local economy is likely to be in a state of decline.

A historical review of assessed secured property values shows that the total assessed value in the Project Area increased by 37.38 percent between 1990-91 and 1994-95 compared to a 21.97 percent increase in the City of Sacramento and a 26.40 percent increase in the County of Sacramento during the same period. However, the reason that overall property values increased at such a substantial rate is primarily due to property investments by Proctor & Gamble. From 1990-91 to 1991-92, the value of the Proctor & Gamble property alone increased by \$18,663,465 from \$115,899,894 to \$134,563,359 or approximately 16 percent. The Agency has also learned that although Proctor & Gamble made a substantial investment in their property five years ago, they have now downsized their operations. This may result in a reassessment and future reductions in property values. As shown on Table II-6, if the Proctor & Gamble property is excluded from the assessed value analysis, the assessed value within the Project Area grew 19.74 percent from 1990-91 to 1994-95 which is slightly less than the 21.97 percent growth rate in the City and 26.40 percent growth in the County.

When examining assessed secured value on a yearly basis, it is important to note that within the last two fiscal years, from 1992-93, 1993-94, to 1994-95, growth in assessed value in the Project Area has slowed dramatically. In 1992-93, the assessed value for the Project Area totaled \$313,486,648. In 1993-94, assessed value only increased by 1.40 percent to \$317,877,287. Similarly, assessed value increased by only 1.48 percent to \$318,130,869 in 1994-95. During this same period assessed secured values in the City grew by 2.50 percent and 3.11 percent and in the County grew by 2.88 percent and 4.98 percent. This slow growth trend in the Project Area over the past two years is representative of economic stagnation of the Project Area and the lack of private sector investment or impaired investments.

Impaired Investments (Constraints to Development)

A property's value can significantly depreciate if the property is unsuited for use or development because of impaired investments. An investment is often impaired because of constraints to development. The redevelopment potential of the Project Area suffers from serious constraints that impair the investment potential of the area. Project Area constraints include primarily the problems associated with redevelopment of the Army Depot because of military buildings which are functionally obsolete and/or in non-compliance with Uniform Building Codes, or utility systems that do not meet the standards of the City and County of Sacramento or of service providers. Other constraints include poor traffic circulation within and serving the Project Area, and the prevalence of inadequate parcels for development and redevelopment purposes. These constraints make the Project Area less competitive in comparison with other surrounding industrial areas leading to an underutilization of the area.

The Depot site represents a difficult challenge for development by the private sector for several reasons. Buildings on the Army Depot property may have been optimal for a military installation, but are poor for planned industrial use because of code deficiencies, limited reuse potential and the need to undergo substantial upgrades for multiple users. The entire site has been historically occupied by one user. This hampers the potential redevelopment for multiple users. Other factors include the need to have the Depot parcel subdivided, and to provide upgraded and new infrastructure. The site lacks basic infrastructure to serve multiple tenants.

Table II-6
 Redevelopment Agency of the City of Sacramento
 Sacramento Army Depot Redevelopment Project

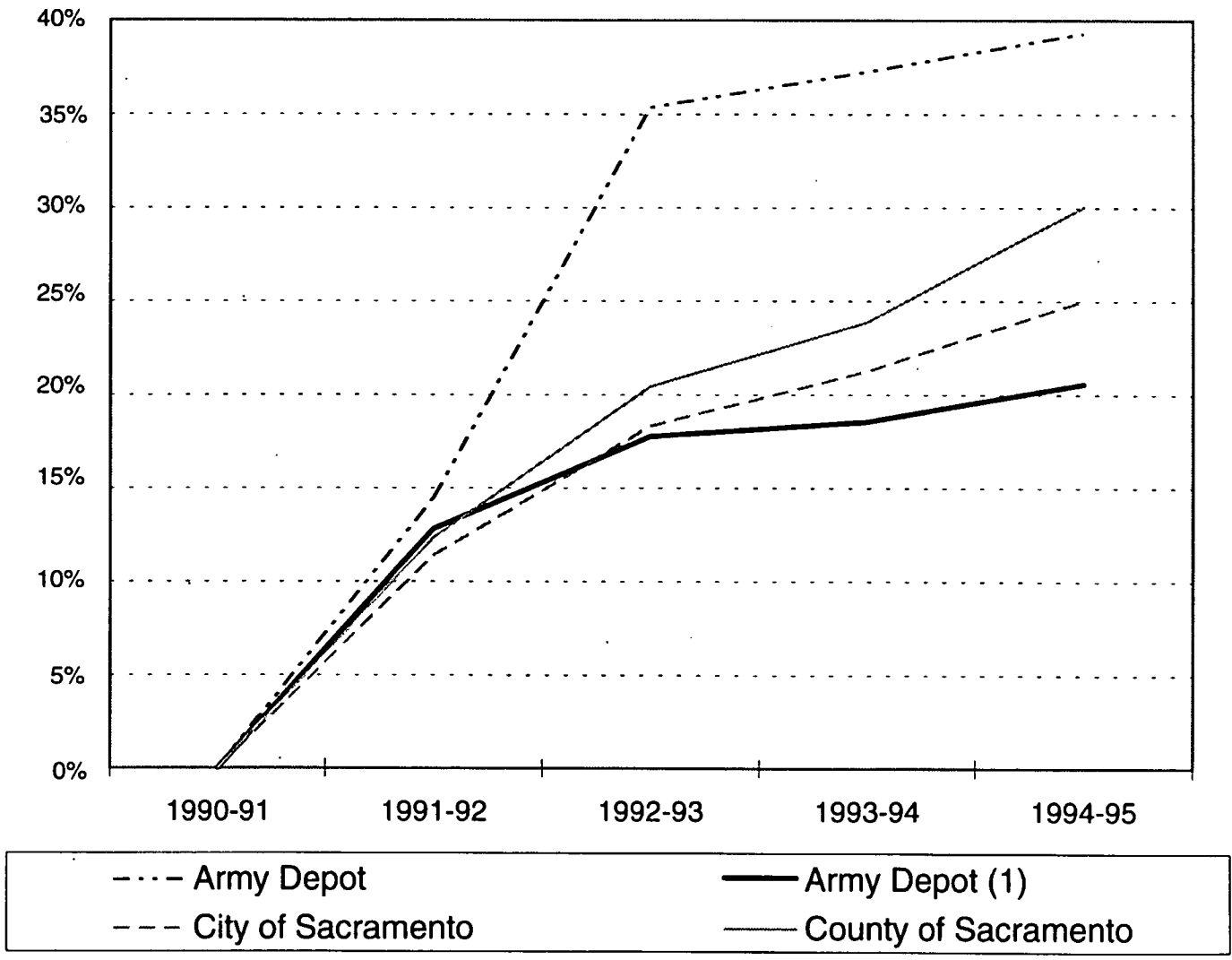
TOTAL ASSESSED SECURED PROPERTY VALUES
ARMY DEPOT, CITY OF SACRAMENTO AND COUNTY OF SACRAMENTO
FISCAL YEAR 1990-91 TO 1994-95

Fiscal Year	Army Depot		Army Depot Exclusive of Proctor & Gamble		City of Sacramento		County of Sacramento	
	Value	Percent Change	Value	Percent Change	Value	Percent Change	Value	Percent Change
1990-91	\$231,572,544	n/a	\$115,672,650	n/a	\$13,016,038,455	n/a	\$38,390,271,835	n/a
1991-92	265,063,484	14.46%	130,500,125	12.82%	14,500,860,265	11.41%	43,131,652,699	12.35%
1992-93	313,486,648	18.27%	136,188,739	4.36%	15,397,362,611	6.18%	46,222,654,479	7.17%
1993-94	317,877,287	1.40%	137,108,776	0.68%	15,782,632,398	2.50%	47,555,605,609	2.88%
1994-95	318,130,869	1.48%	138,511,906	1.71%	15,876,016,957	3.11%	48,525,164,454	4.98%
TOTAL ⁽¹⁾	\$86,558,325	37.38%	\$22,839,256	19.74%	\$2,859,978,502	21.97%	\$10,134,892,619	26.40%
Average Annual Growth		6.56%		3.67%		4.05%		4.80%

Source: County of Sacramento

(1) Total reflects change in assessed values from 1990-91 to 1994-95.

SECURED ASSESSED VALUE GROWTH ARMY DEPOT, CITY OF SACRAMENTO AND COUNTY OF SACRAMENTO, FISCAL YEARS 1990-91 THROUGH 1994-95



(1) Excludes the Proctor and Gamble manufacturing facility.

Another constraint is the capacity of roadways necessary to serve an intensification of land use. Many of the roadways serving the Project Area are operating at unacceptable levels of service as identified in the Environmental Impact Report for the Sacramento Army Depot Reuse Plan. Additionally, there is a prevalence of parcels of irregular form and shape, and inadequate size that are under multiple ownership. As discussed above and illustrated on Map 7, the Project Area contains numerous parcels of one acre or less, or parcels of irregular shape. These parcels represent constraints by making assembly of viable development sites by the private sector difficult because of the need to negotiate purchases with multiple owners.

Declining Building Permit Activity

Another indicator of depreciated or stagnant property values is the trend in building permit activity. Building permit activity represents the level of rehabilitation and development occurring in an area. Building permits are required for all new construction as well as major repairs and improvements. A review of building permits issued for new development or remodel of existing structures from 1986 to 1993 is presented on Table II-7. The Table reveals that since 1986 there has been an average annual decline in the number of building permits issued, at 4.2 percent. This decline indicates that property owners and developers have been less willing to take the larger risk of investing in the Project Area.

High Business Vacancies and Abnormally Low Lease Rates

High Business Vacancies

The Project Area is wholly contained within the boundaries of a larger industrial area in the City of Sacramento, the Power Inn area (Map 9). The Power Inn area is one of the largest concentrations of industrial space in the Sacramento Metropolitan Area, containing 15,812,950 million square feet of industrial space, or 15.8 percent of the total inventory of industrial space in Sacramento. However, Central Valley areas such as Stockton, Tracy, and Fresno have been attracting large distributors away from Sacramento with cheaper land costs and lower rents, which has resulted in increasing business vacancy rates. Safeway, among the Power Inn area's largest occupants, relocated from Sacramento to Tracy in 1993, and Thrifty recently selected Tracy over Sacramento to locate a warehouse distribution center. Data concerning existing industrial space inventories, vacancy rates and leasing activity by major submarket within the metropolitan Sacramento area indicate that the Power Inn area has the highest industrial vacancy rate in the Sacramento metropolitan area, equaled only by the Northgate/Natomas area (Table II-8). In addition, the vacancy rate in the Power Inn area increased from 16 percent at year-end 1992 to nearly 19 percent in year-end 1993.

A field survey conducted in December, 1994, identified significant tenant space vacancies within the Subareas of the Project Area. More specifically, the results from the field survey indicate that vacancy rates for tenant spaces in Subareas 1, 2, 3, and 5 range from eight (Subarea 2) to 20 percent (Subarea 1) of the total tenant spaces located in a given Subarea. (Subarea 4 is the Army Depot and was not considered in this analysis of vacancies.) The abundance of vacant tenant spaces negatively impacts the visual aesthetics of the area and gives the impression of an economically unhealthy business community.

Abnormally Low Lease Rates

Lease rates in the Project Area, which is located in the larger Power Inn area, are considerably lower than in competitive heavy industrial markets in the

Table II- 7
Redevelopment Agency of the City of Sacramento
Sacramento Army Depot Redevelopment Project

BUILDING PERMIT ACTIVITY

<u>Year</u>	<u>Number of Permits</u>	<u>Percent Change</u>
1986	89	
1987	95	6.7%
1988	92	-3.2%
1989	96	4.3%
1990	87	-9.4%
1991	66	-24.1%
1992	35	-47.0%
1993	50	42.9%
Average annual percent change		-4.2%

Note: Includes the Project Area and some surrounding properties.

Source: City of Sacramento Building Department, 1994

Table II-8
 Redevelopment Agency of the City of Sacramento
 Sacramento Army Depot Redevelopment Project

SACRAMENTO METROPOLITAN STATISTICAL AREA YEAR-END INDUSTRIAL MARKET SURVEY

Area	# of Buildings	Total Sq. Ft.	Total Market Vacant Space	% Vacancy Year-End 92	% Vacancy Year-End 93	% Change from Year-End 92
Power Inn	522	15,812,905	2,947,688	16.40%	18.64%	2.20%
West Sacramento	332	13,249,171	1,210,013	9.90%	9.13%	-0.80%
Sunrise/Rancho Cordova	568	16,365,303	2,364,805	14.70%	14.45%	-0.20%
Richards Boulevard	107	4,829,588	843,185	16.40%	17.46%	1.10%
Downtown	199	6,312,087	279,800	4.90%	4.43%	-0.50%
Yolo County/Woodland	120	8,569,130	608,264	12.10%	7.10%	-5.00%
Northgate/Natomas	196	7,701,598	1,435,197	20.40%	18.64%	-1.80%
Tribute Road	253	5,487,259	690,197	8.90%	12.58%	3.70%
Roseville/Rocklin	76	3,183,917	335,790	11.20%	10.55%	-0.70%
McClellan/N Highlands	171	5,789,112	867,257	15.40%	14.98%	-0.40%
South Sacramento	278	8,335,282	779,473	10.70%	9.35%	-1.30%
Placer County	73	3,576,028	527,073	12.70%	14.74%	2.00%
El Dorado County	31	779,398	0	8.30%	0.00%	-8.30%
TOTAL	2,926	99,990,778	12,888,742	13.30%	12.89%	-0.40%

Source: Reuse Plan for Sacramento Army Depot, prepared by the City of Sacramento, June 20, 1994

Northgate/Natomas, West Sacramento, South Sacramento/Elk Grove, Highway 50/Sunrise, Roseville/Rocklin/Lincoln, Folsom/EI Dorado Hills, or I-80/McClellan areas of the Sacramento region. As indicated in Table II-9, only the Downtown industrial area has average lease rates for distribution and warehouses (low-end industrial rents) which are comparable to the Power Inn area. The Downtown industrial area consists of two subareas, Richards Boulevard and Oak Park. According to a leading realty company in the area, the Richards Boulevard area is the oldest industrial area in the City of Sacramento. The majority of the buildings in this area are 50 years old and are obsolete, deteriorated, and have access problems. Additionally, the Power Inn area has among the lowest average lease rates for research and development/business park types of industrial uses (high-end industrial rents). In light of this information, it would seem that deficiencies and/or undesirable factors have resulted in a lower lease rate in the Downtown and Power Inn areas in comparison with lease rates in other areas such as South Sacramento/Elk Grove and Folsom/EI Dorado Hills.

The average lease rates for the Power Inn area are comparable with those of the Downtown area, which is a much older area containing obsolete structures. The low lease rates in the Power Inn area indicate that the new development in this area has not had the cumulative effect of upgrading the value of the area as a whole. Undesirable factors mentioned previously (i.e., inadequate lot sizes and shapes, poor access, and deteriorated buildings) seem to be significant enough to prevent lease rates from increasing given new facilities as a result of private sector development. Thus, the Power Inn area is an appropriate example of an area where the private sector acting alone has resulted in some new development but has not effectuated significant change in the overall building stock and image of the area, as indicated by low lease rates.

High Crime Rate

According to the Community Redevelopment Law, "a high crime rate that constitutes a serious threat to the public safety and welfare" constitutes a condition of economic blight. In order to assess the impact of crime within the Project Area, the incidents of violent and other serious crimes reported by the Sacramento Police Department occurring in the Project Area and the City of Sacramento were analyzed for a three-year period from 1991 to 1993. These crimes include murder, rape, assault with a deadly weapon, robbery, non-residential burglary, grand theft, motor vehicle theft, vandalism, and petty theft. The City of Sacramento is divided into several reporting districts (or Emergency Data Processing Districts). The crime information provided by the Sacramento Police Department covers six reporting districts that encompass the Project Area including 11-34, 11-45, 11-46, 14-06, 14-07, and 14-11. Map 10 shows the boundaries of these reporting districts in relationship to the Project Area boundaries. Table II-10 contains the number of incidences by type of crime reported in the six reporting districts covering the Project Area as well as the City of Sacramento and illustrates the growth in crime between 1991-92 and 1991-93.

The total number of crime incidents including non-residential burglary, petty theft, grand theft, vandalism, motor vehicle theft, rape, murder, assault with a deadly weapon, and robbery, occurring within and around the Project Area increased by nearly 41 percent between 1991 and 1993, while the total incidence of these same crimes Citywide *decreased* by over 7 percent. Violent crimes which are injurious to the health and safety of individuals, such as murder, rape, and assault with a deadly weapon, are not typically problematic in industrial areas with little or no residential population. However, as the information contained in Table II-10 indicates, a few instances of these types of crimes have occurred in the Project Area and the number of incidents is rising. Although the number of instances is relatively small, any amount of these violent crimes is considered serious as it threatens the public safety and welfare of those who work, visit, or live in

Table II-9
 Redevelopment Agency of the City of Sacramento
 Sacramento Army Depot Redevelopment Project

SACRAMENTO INDUSTRIAL MARKET AVERAGE LEASE RATES: 4TH QUARTER 1994

Area	Distribution and Warehouse (Low-end Lease Rates)	Research and Development (High-end Lease Rates)
Power Inn/South Watt	\$0.16	\$0.35
Downtown	\$0.16	\$0.30
Northgate/Natomas	\$0.20	\$0.40
West Sacramento	\$0.20	\$0.32
South Sacramento/Elk Grove	\$0.25	\$0.41
Highway 50/Sunrise	\$0.21	\$0.31
Roseville/Rocklin/Lincoln	\$0.33	\$0.48
Folsom/El Dorado Hills	\$0.30	\$0.40
I-80/McClellan	\$0.22	\$0.40

Source: Grubb and Ellis Commercial Real Estate Services, 1995

Table II-10
 Redevelopment Agency of the City of Sacramento
 Sacramento Army Depot Redevelopment Project

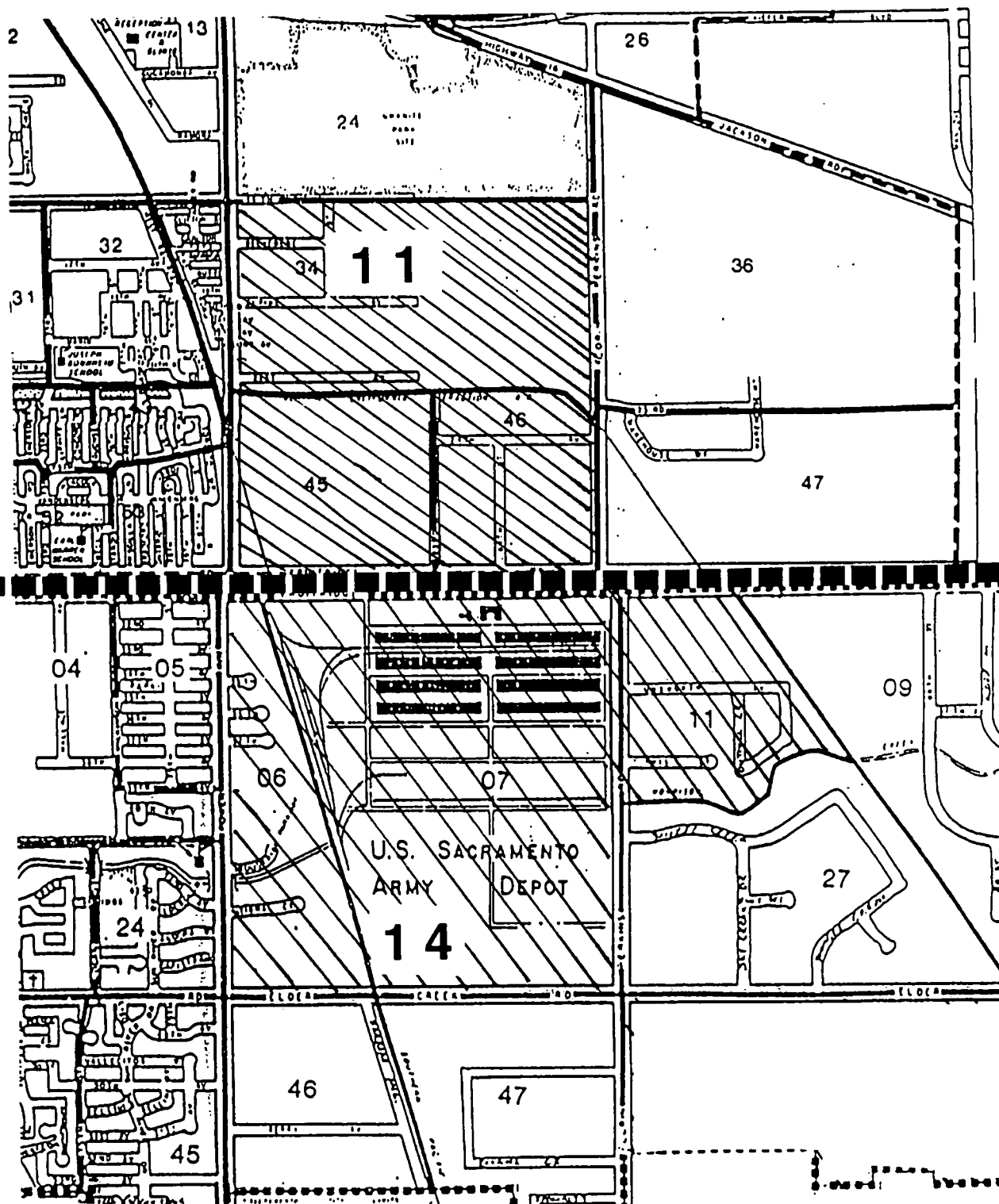
INCIDENCES OF CRIME WITHIN THE PROJECT AREA AND THE CITY OF SACRAMENTO: 1991-1993

Crime Type	Project Area (Police Reporting Districts 1134, 1145, 1146, 1406, 1407, & 1411*)						City of Sacramento					
	1991	1992	% Increase 1991 to 1992	1993	% Increase 1992 to 1993	% Increase 1991 to 1993	1991	1992	% Increase 1991 to 1992	1993	% Increase 1992 to 1993	% Increase 1991 to 1993
Non-Residential Burglary	60	80	33.33%	75	-6.25%	25.00%	2,177	2,016	-7.40%	2,082	3.27%	-4.36%
Petty Theft	30	27	-10.00%	34	25.93%	13.33%	4,872	5,110	4.89%	4,855	-4.99%	-0.35%
Grand Theft	32	44	37.50%	37	-15.91%	15.63%	8,273	8,786	6.20%	8,060	-8.26%	-2.57%
Vandalism	19	20	5.26%	20	0.00%	5.26%	5,817	5,183	-10.90%	4,385	-15.40%	-24.62%
Motor Vehicle Theft	48	58	20.83%	96	65.52%	100.00%	7,557	8,179	8.23%	7,174	-12.29%	-5.07%
Rape	0	1	100.00%	2	100.00%	200.00%	188	182	-3.19%	135	-25.82%	-28.19%
Murder	0	0	0.00%	1	N/A	100.00%	66	45	-31.82%	76	68.89%	15.15%
Assault with a Deadly Weapon	5	4	-20.00%	7	75.00%	40.00%	2,280	2,019	-11.45%	2,019	0.00%	-11.45%
Robbery	2	6	200.00%	4	-33.33%	100.00%	1,228	1,199	-2.36%	1,222	1.92%	-0.49%
TOTAL CRIMES	196	240	22.45%	276	15.00%	40.82%	32,458	32,719	0.80%	30,008	-8.29%	-7.55%

* See Map 10 for area of reporting districts.

Source: Sacramento Police Department, Crime Analysis Unit, 1994.

POLICE REPORTING DISTRICTS



Source: Sacramento Police Department, 1994.

**SACRAMENTO ARMY DEPOT
REDEVELOPMENT PROJECT**

MAP - 10

the Project Area. It is also worth noting that these incidents have been increasing in the Project Area while the number of incidents have been decreasing Citywide.

The incidence of crimes which typically occur in commercial and/or industrial areas, including non-residential burglary, motor vehicle theft, grand theft, petty theft, and vandalism, has also increased significantly in the Project Area. Information obtained from the Sacramento Police Department indicates that these crimes were prevalent in 1991 and increased considerably over a two-year period. For example, the incidence of non-residential burglary has increased by 25 percent in the Project Area between 1991 and 1993, while the incidence Citywide has decreased by four percent. The incidence of motor vehicle theft increased in the Project Area by 100 percent during this period, while the incidence citywide have decreased by five percent. In addition, the incidence of vandalism increased by five percent in the Project Area, but decreased Citywide by over 24 percent. In addition, discussion with police officers that patrol the area indicates a concern for the high number of burglaries, especially of computer components. These incidents of crime negatively impact existing businesses in the Project Area and may discourage business investment and patronage in the area.

EXISTENCE OF INADEQUATE PUBLIC IMPROVEMENTS, PARKING FACILITIES, OR UTILITIES

Section 33030(c) of the CRL states that a blighted area also may be one that contains the physical and economic conditions that cause blight and is in addition, characterized by the existence of inadequate public improvements, parking facilities, or utilities. The proposed Sacramento Army Depot Redevelopment Project contains several deficiencies in the public infrastructure system that contribute to stagnation of the area's development and, more specifically, limit the reuse of the Depot site. The combination of the infrastructure deficiencies, and physical and economic blighting characteristics exceed what can be expected to be remedied by the private sector acting alone. The following is a general discussion of the types of public improvement deficiencies that are present in the Project Area and how these conditions impact existing businesses and limit development potential. A detailed list of public improvements and the associated costs is provided in Table IV-2 in Part IV of this Report.

Transportation and Circulation

There are three major east/west streets serving the Project Area including 14th Avenue, Fruitridge Road and Elder Creek Road. In the north/south direction, primary access to the Project Area is provided by Florin Perkins and Power Inn Roads. Regional access to the Project Area is provided by Highway 50 approximately two miles north of the Project Area, and Highway 99 approximately three miles to the west of the Project Area.

The Sacramento Army Depot Reuse Plan EIR (SADEIR) analyzed existing conditions in and around the Project Area to determine whether current traffic and circulation levels are acceptable and to estimate the impact of redevelopment on the Project Area. The SADEIR concluded that of the 15 intersections analyzed, five currently exceeded City standards for acceptable signalized intersection operation. Also, traffic volume was analyzed on six roads in and around the Project Area. It was found that three of the six roads currently had segments that were either at or over capacity.

For purposes of determining the impact of redevelopment in the Project Area, the SADEIR assumed that as much as 3,704,470 square feet of additional new development could occur resulting in the employment of approximately 7,500 people. This development projection is consistent with the land uses and densities permitted in the General Plan. However, the most recent development projections are less intensive and it is now anticipated that employment will be increased over current levels by

approximately 5,500 persons. Although the SADEIR examined a worse case scenario, the impacts identified in the SADEIR are not anticipated to change significantly with the decrease in employment projections. The SADEIR concluded that all of the intersections would be functioning at unacceptable levels at buildout and traffic volumes during peak hours would exceed capacity levels in segments of all the roads analyzed.

In response to existing deficiencies and projected redevelopment impacts the Agency is proposing extensive improvements to all of the intersections and roads mentioned above. These improvements would alleviate most but not all existing and future traffic and circulation impacts to less than significant levels. As listed in Table IV-2 of this Report, the Agency's proposed public improvements include widening sections of Elder Creek Road, 65th Street, Florin Perkins Road, Power Inn Road and South Watt Avenue. Turn lanes are also proposed at 14 intersections in and around the Project Area to improve traffic flow and the installation of street lights are proposed on the Depot site.

Curbs, Gutters, and Sidewalks

The City has design standards for sidewalks which vary slightly depending on the type of street, which are defined as either primary roadways, secondary collectors or local roads. In all conditions five foot sidewalks are required on both sides of the streets with variations on the distance from the sidewalk to the curb. On local streets sidewalks are attached to the curb, on secondary collector streets the sidewalks are seven feet from the curb, and on primary roads the sidewalks must be ten feet from the curb.

Within the Project Area the majority of the streets do not meet the sidewalk standards. In many instances there are no curbs or sidewalks. Due to the buildout character of the area there are many instances where the setbacks are insufficient to provide for the installation of sidewalks. However, in the Army Depot area there is sufficient space to provide for sidewalks. Current development proposals include the installation of sidewalks to City standards. Throughout the Project Area where feasible, the Agency plans to retrofit the existing street system with curbs and sidewalks.

Flood Control

Flood hazards within the Project Area include: (1) regionally-generated flooding from levee failure along the Sacramento/American River, and (2) localized flooding due to undersized or ineffective storm drainage systems. Drainage facilities serving the Project Area include an underground drainage system, as well as surface creeks and tributaries that are utilized for transmitting surface drainage.

Regional

Regional flooding potential is designated by the Federal Emergency Management Agency (FEMA). Generally, the eastern half of the Project Area is within a five-hundred-year floodplain (including the Army Depot) and the western half is within a 100-year floodplain. Areas within a five-hundred-year floodplain are not considered subject to any significant risk of flooding. Areas within a 100-year flood plain are, however, considered subject to potential risk. This risk has been greatly reduced with the recent completion of the Sacramento Levee Stabilization project and the reoperation of Folsom Dam, which is assumed to continue. It is anticipated that sometime in the future, FEMA, in recognition of these improvements, will remove 100-year flood designation from the Project Area. Until that time portions of the 100-year floodplain are subject to special design requirements such as building structures above the 100-year flood elevation. Another special design requirement includes the construction of water tight walls at the flood level. This would generally apply to areas immediately adjacent to and along the Morrison Creek and in the triangular area bounded by Fruitridge Road on the north,

Marshall Avenue on the east, Kwajalein Street on the south and the Southern Pacific Railroad on the west. The combination of improvements to the levees, the reoperation of Folsom Dam and flood prevention building design requirements have greatly reduced the potential of regional flooding.

Local

The existing capacities of the drainage facilities serving the Project Area are exceeded during major storms causing localized flooding in the Project Area. The drainage system is composed of subsurface pipes that convey runoff to drainage channels that discharge to Morrison Creek. However, in a few locations open drainage ditches route runoff to piped segments that ultimately flow to Morrison Creek. Morrison Creek in most locations has been channelized in the form of a deep, straight, man-made trench with steep grassy side slopes and a concrete-lined bottom. In some areas the Creek has been rerouted to provide for development but, generally the Creek flows in a westerly direction along the southern border of the Project Area.

The area within the historic Morrison Creek corridor is subject to flooding during 100-year floods from run-off from the Army Depot site during an extreme rainfall. As a result, there is a 17-acre area that is undeveloped. Major drainage infrastructure improvements are needed before this area could be developed for industrial use as permitted in the General Plan. The Agency is currently considering different alternatives which include enlargement or replacement of the Depot's existing drainage system and the construction of a stormwater management facilities. The alternative which seems most favorable includes reclamation of 12.5 acres for industrial development, and a 12-acre greenway for aesthetic, recreational and environmental benefits. Further relocation of Morrison Creek may also be desirable to permit an additional 22 acres of underutilized land to be developed. Currently in these locations, the Creek acts like a barrier impeding access to the undeveloped or underdeveloped sites.

Sewer

The sewer system in the Project Area is generally adequate with the exception of the former Army Depot site. The utilities on the Depot site were designed to accommodate a single user. As a result, the sewer system is inadequate to meet the needs of multiple businesses. It has been determined, within the Army Depot site, that the sewage collection system will need to be upgraded and in particular extended to serve the southerly undeveloped area of the site. The new sewer lines will need to be placed within the street system.

Water

The water system in the Project Area is adequate to serve existing uses; however, the system is inadequate to accommodate the reuse of the Depot site. The water system does not extend to the southerly undeveloped portion of the site. As a result the water system will need to be expanded to this area as well as upgraded to provide water for business use. Sufficient water for fire fighting is also a major concern. It is estimated that the existing system would fail to provide adequate water during a worst case emergency situation. To remedy these deficiencies, the Agency is proposing to install a new water distribution system within the proposed right-of-way per the City of Sacramento design standards.

SUMMARY OF CONDITIONS THAT COMBINED CAUSE A REDUCTION OF, OR LACK OF, PROPER UTILIZATION OF THE AREA TO SUCH AN EXTENT THAT IT CONSTITUTES A SERIOUS PHYSICAL AND ECONOMIC BURDEN ON THE COMMUNITY WHICH CANNOT REASONABLY BE EXPECTED TO BE REVERSED OR ALLEVIATED BY PRIVATE ENTERPRISE OR GOVERNMENTAL ACTION, OR BOTH, WITHOUT REDEVELOPMENT

Under Section 33030(b) of the CRL, a blighted area is one that contains one or more of several physical and economic conditions each, and these conditions combined are so prevalent and substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community which cannot reasonably be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment. This section of the Report summarizes the physical and economic blighting conditions documented above and describes the burden on the community which cannot be alleviated without redevelopment.

Pursuant to Section 33352(b) of the CRL, a list of existing blighting conditions and a map indicating their location in the project area shall accompany the description of blight contained in the report to the legislative body. In compliance with that Section, the following is a list of those blighting conditions pursuant to Section 33031 of the CRL which exist in the Sacramento Army Depot Redevelopment Project Area.

I. Physical conditions which cause blight include:

A. Buildings In Which It Is Unsafe Or Unhealthy For Persons To Live Or Work

- 1) Deterioration
- 2) Building Code Violations
- 3) Faulty or Inadequate Utilities
- 4) Other Similar Factors

B. Factors That Prevent Or Substantially Hinder The Economically Viable Use Or Capacity Of Buildings Or Lots

- 1) Substandard Design
- 2) Other Factors

C. Adjacent Or Nearby Uses That Are Incompatible With Each Other

D. Subdivided Lots (Parcels) Of Irregular Form And Shape And Inadequate Size For Proper Usefulness And Development That Are In Multiple Ownership

II. Economic conditions which cause blight include:

A. Depreciated or Stagnant Property Values or Impaired Investment

- 1) Assessed Property Values
- 2) Impaired Investments
- 3) Declining Building Permit Activity

B. High Business Vacancies and Abnormally Low Lease Rates

- 1) High Business Vacancies
- 2) Low Lease Rates

C. High Crime Rate

Also in compliance with Section 33352(b), Map 11 of this Report shows the location of site specific physical and economic blighting conditions. This map is a summary of the physical and economic conditions discussed above. The map, however, illustrates primarily physical conditions that cause blight. Several of the economic blighting conditions described in this Report are inappropriate to map since they cover the entire Project Area and are not site specific.

Physical and Economic Burden on the Community

The physical conditions in the Project Area that cause blight include deteriorated buildings, building code violations, buildings with faulty or inadequate utilities, substandard obsolete buildings, incompatible uses, and lots of irregular form and shape and inadequate size in multiple ownership. These conditions create a serious burden on the health, safety and economic stability of the community.

These physical blighting conditions can be self-perpetuating. The presence of properties which exhibit signs of deterioration may deter owners of neighboring properties from improving or even maintaining their properties if it appears that any benefits which might accrue to their properties will be diminished or negated because of the condition of surrounding properties. For instance, when deteriorating conditions are prevalent throughout an area it is often difficult for a well maintained property to attract a buyer, because the area's overall deteriorated condition sends a message of property owner apathy to potential investors, and presents a risk in terms of possible decrease in property values if deteriorated conditions are permitted to persist. The suppressed assessed value growth in the Project Area supports this point.

Serious building code deficiencies and faulty or inadequate utilities often represent safety hazards. The costs associated with code violations and faulty utilities and other factors may range from a liability resulting from a safety hazard to a lost opportunity. A lost opportunity may occur when a potential buyer purchases another property comparable in all other aspects except for the defect, instead of the Project Area property. Code deficiencies and faulty utilities represent large costs that will be passed on to the private sector, thus discouraging private sector investment.

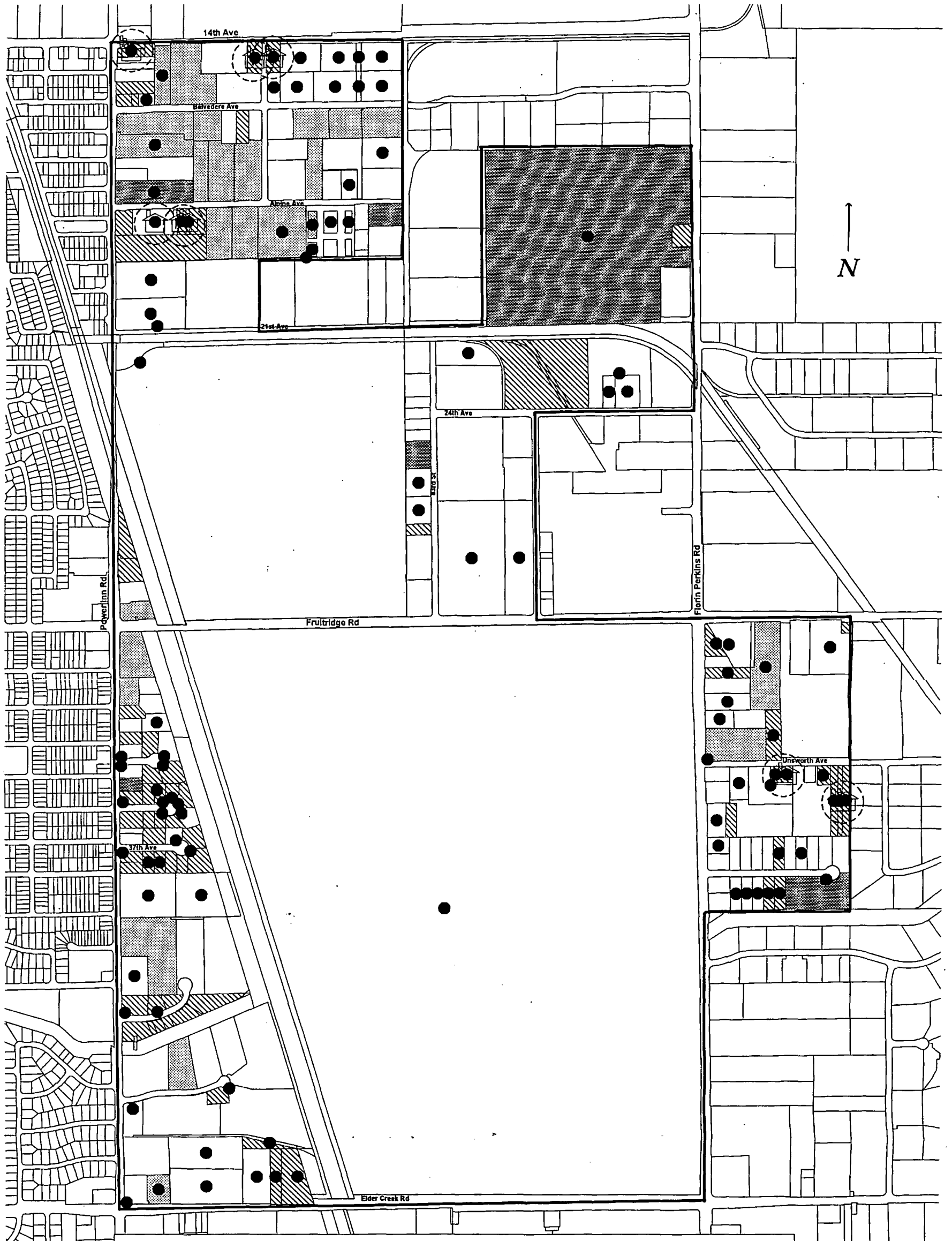
Substandard obsolete structures, most of which are located on the Depot site, represent a potential burden to the community since they are difficult to lease or sell, may generate little or no property taxes and in some instances may have the potential to be environmentally unsafe. Vacant and substandard Army Depot buildings would become community eyesores, unless put to reuse, that would negatively impact the surrounding area.

Many Project Area lot sizes are smaller than standard sizes for typical Industrial developments, which limit the use of these properties. Small lots could accommodate only small-scale types of industrial development or may prevent any new development if parking setback and other requirements cannot be met. The Project Area also contains multiple ownership among small parcels. This diversity of ownership poses difficulties and risks to private investors, including an existing owner, desiring to assemble parcels for new development or other reuse. Due to small lot sizes in the Project Area, coupled with the diversity of ownership, it is unlikely that a higher intensity of development relative to that which currently exists in the area would be possible without a major land assembly effort. Since the Power Inn area is the City's important industrial land resource, it is essential that parcels of adequate size are available for development. Absent redevelopment tools (i.e., an agency's authority under state law to purchase

Map 11

Sacramento Army Depot Redevelopment Project

LOCATION OF BLIGHTING CONDITIONS



LEGEND

- Project Area Boundary
- Parcels with One or More Deteriorated or Dilapidated Buildings (1)
- ▨ Parcels of Inadequate Size or Irregular Form and Shape (2)
- ▩ Parcels with One or More Vacant Buildings
- ▧ Parcels with Vacant Tentant Spaces Exceeding 5% of Total Building
- Sensitive Uses**
- Areas of Incompatible Uses (Residential Uses Impacted by Industrial Uses)
- 🏠 Parcels with One or More Residential Structures

(1) Parcels with buildings rated "B", "C" and/or "D".
 (2) See Map 7 for an explanation of the parcels that meet this condition.
 Note: Does not include blight assessment for individual buildings on the Army Depot site.

private property through negotiated purchase or eminent domain proceedings), such an investor could be required to negotiate agreements with numerous individual property owners. In the event that such an investor is unable to reach an agreement with even one owner, the entire development project could very likely be infeasible. Under these circumstances, most investors would be unwilling to take such a risk, especially in a blighted area where the initial expense to prepare for a major development are very high and the time lag between a project's completion and a return on investment is difficult to predict.

Land use incompatibilities often present risks to redevelopment by the private sector, particularly where the health and safety of residents in the Project Area is threatened. The Project Area contains only a few residences, but those few are severely impacted by surrounding heavy and light industrial uses. This condition also impacts the economic development potential of surrounding businesses by reducing the possibility for expansion or intensification of use.

The burden on the community caused by the economic conditions described previously relates to the lack of investment by the private sector occurring in the Project Area. Depreciated and stagnant property values indicate a weak economic environment. Constraints to development represent risks that the private sector is unlikely willing to take when considering investment opportunities.

The financial burden on businesses and property owners in the Project Area is exemplified by low average lease rates in comparison to other areas of the City and high business vacancies. Together these two factors create an unstable business environment which has adverse economic consequences to both private enterprise and the City in terms of income and business license tax revenues.

Crime is a major factor which affects the quality of life of those living and working both in and adjacent to the Project Area. Burglaries, auto theft and other serious property crimes are a burden on the businesses of the area, discourage private sector investment, and threaten the public safety of residents, businesses and visitors alike.

These physical and economic conditions combined are substantial and prevalent throughout the Project Area and because of the reasons stated above cause a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community

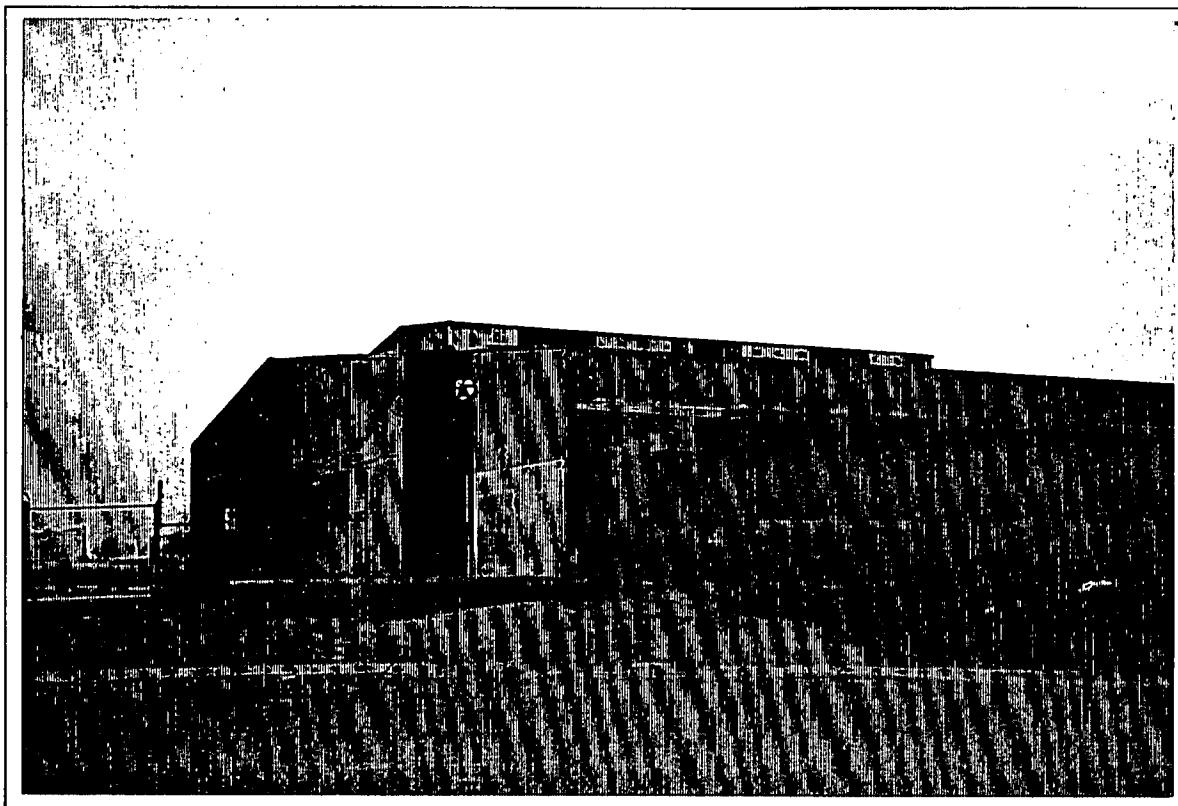
Conditions Which Cannot Reasonably be Expected to be Reversed or Alleviated by Private Enterprise or Governmental Action, or Both, Without Redevelopment

The conditions described above cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment because of little or no incentive for the private sector to invest in the area. In fact, the need for redevelopment is due to the current physical and economic conditions in the Project Area which are a result of limited or declining private and public investment and reinvestment. Because of the serious inadequacies of the Army Depot site, a single developer would generally not have the capabilities to prepare the infrastructure and buildings for reuse.

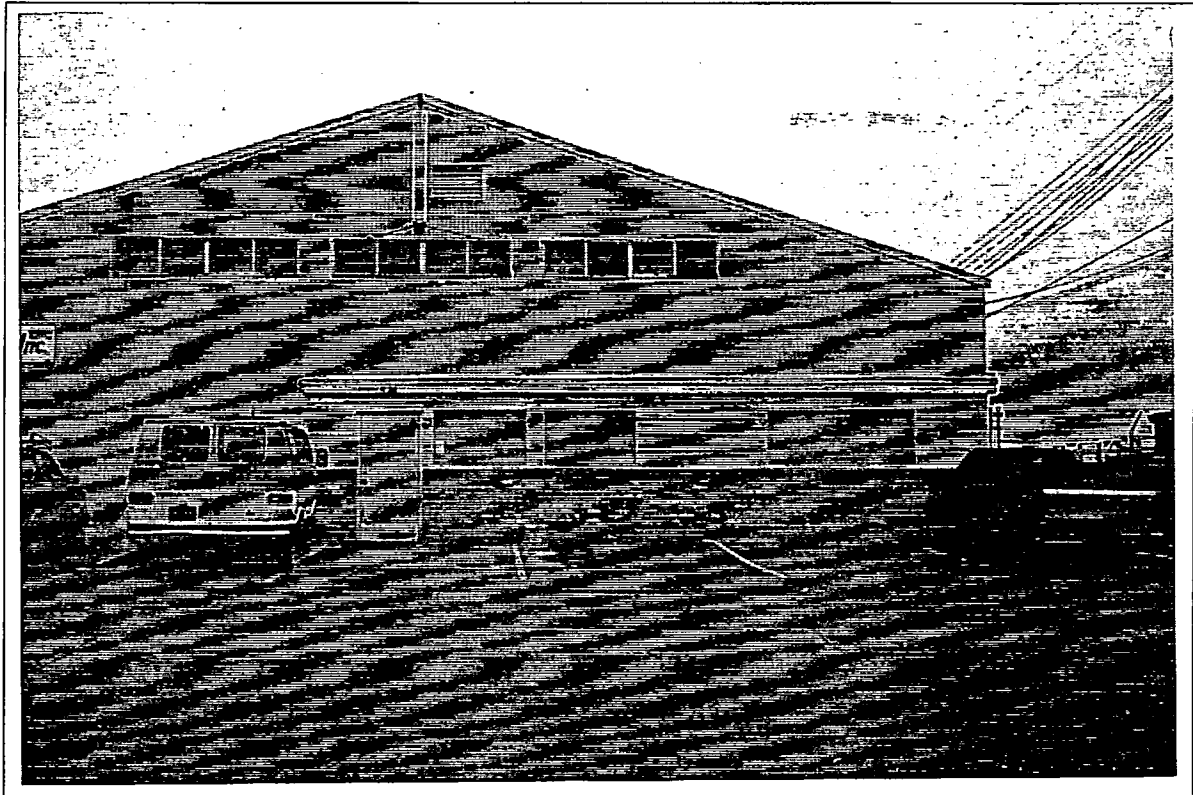
Private development in the Project Area, including existing owners as well as outside developers, has been hindered by the risks associated with investment in a blighted area. In analyzing potential sites for development, the private sector reviews the costs and issues attendant to each site in relation to the potential revenues from the site. Blighted areas generally have higher costs and more significant risk factors than non-blighted areas. Packard Bell Electronics, as an outside business, recognizes the risks to

relocating to the Project Area. Governmental actions cannot address all the conditions that cause blight in the Project Area or reduce the risks and impediments to developers of the Army Depot site single-handedly or in conjunction with private enterprise. Without some form of major public assistance, private sector investment in blighted areas is minimal. Alternative areas that are not blighted offer better and safer investment opportunities. For example, Packard Bell Electronics was considering relocating to several alternative sites, if no public assistance was provided to correct blighting conditions and reduce constraints to development. Therefore, without major public intervention, the large-scale effort needed to redevelop and reverse the conditions in the area would not occur.

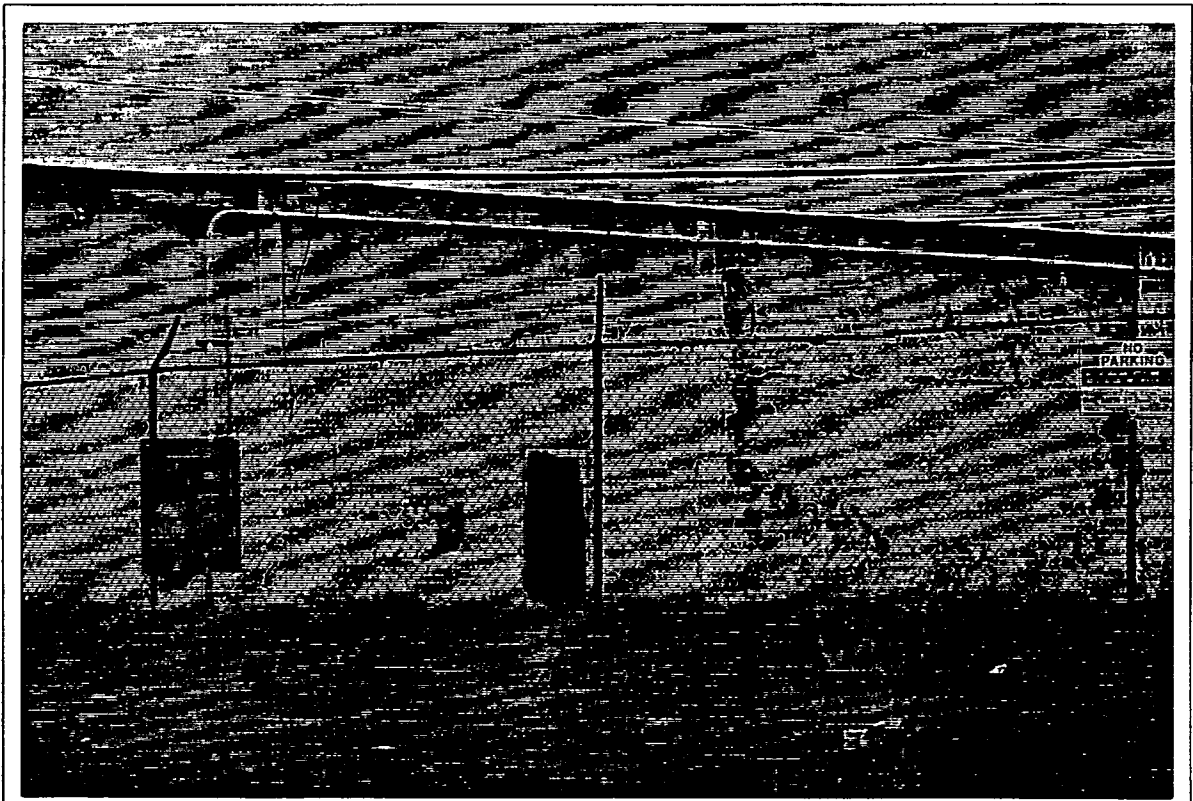
Parts III and IV of this Report identify the programs and costs needed to reverse the conditions that cause blight found in the Project Area. These programs cannot be undertaken solely by private enterprise or governmental programs because of their nature, scope and cost. Some of these programs require the extraordinary tools granted to redevelopment agencies through the Community Redevelopment Law, including the use of tax increment financing to cover portions of the extensive program costs that will be incurred in implementing the redevelopment program, and land acquisition to create developable sites.



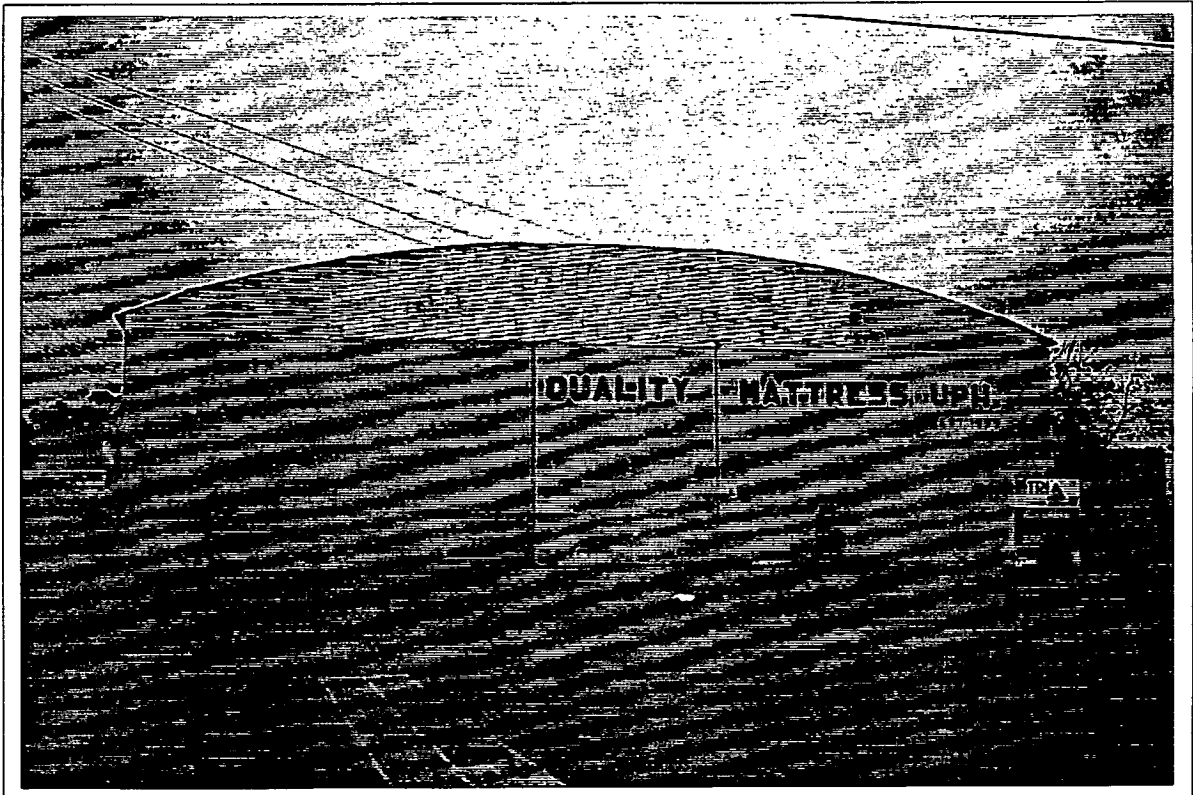
This dilapidated warehouse building in Subarea 5 appears to have suffered from long term neglect. Its potential reuse is limited because of the need for substantial upgrades.



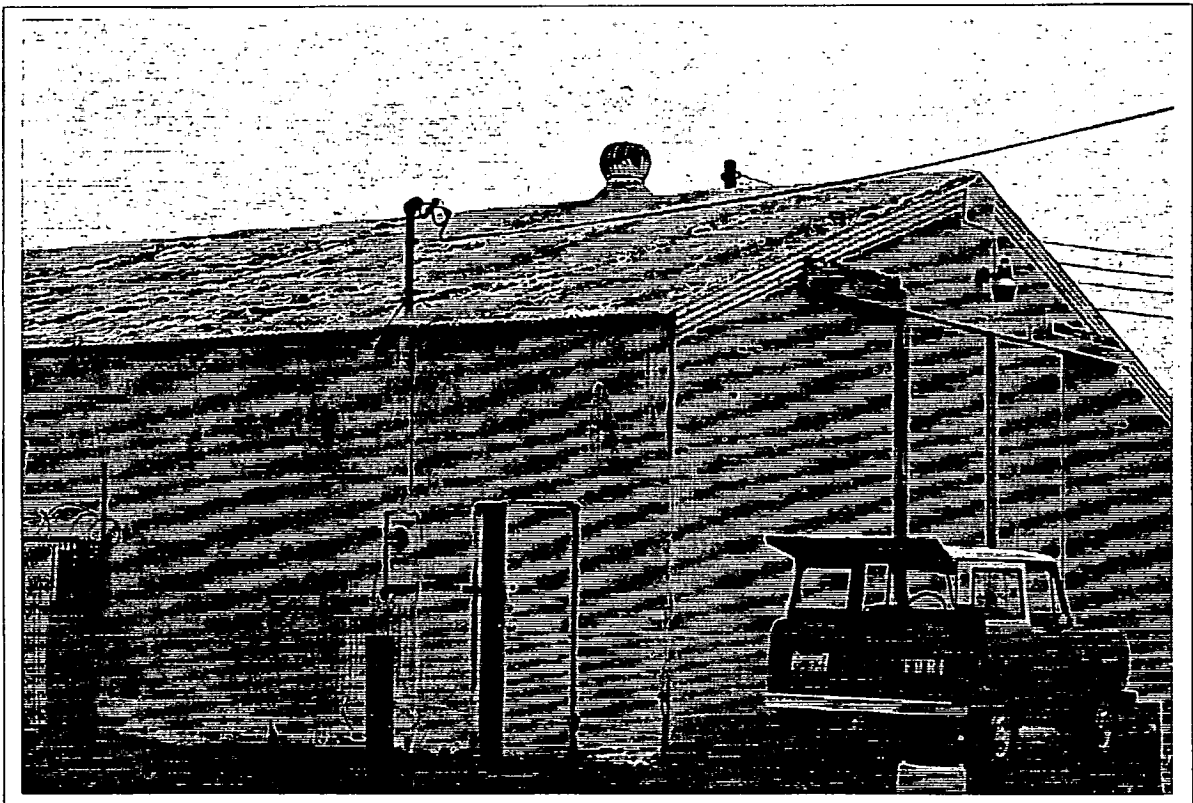
a) This Industrial warehouse suffers from deterioration, substandard parking arrangements, and poor design due to inappropriate placement of door and windows. (Subarea 2)



b) This industrial warehouse is deteriorated as exhibited by rusted building components, inadequate electrical junction box, and peeling paint. (Subarea 3)



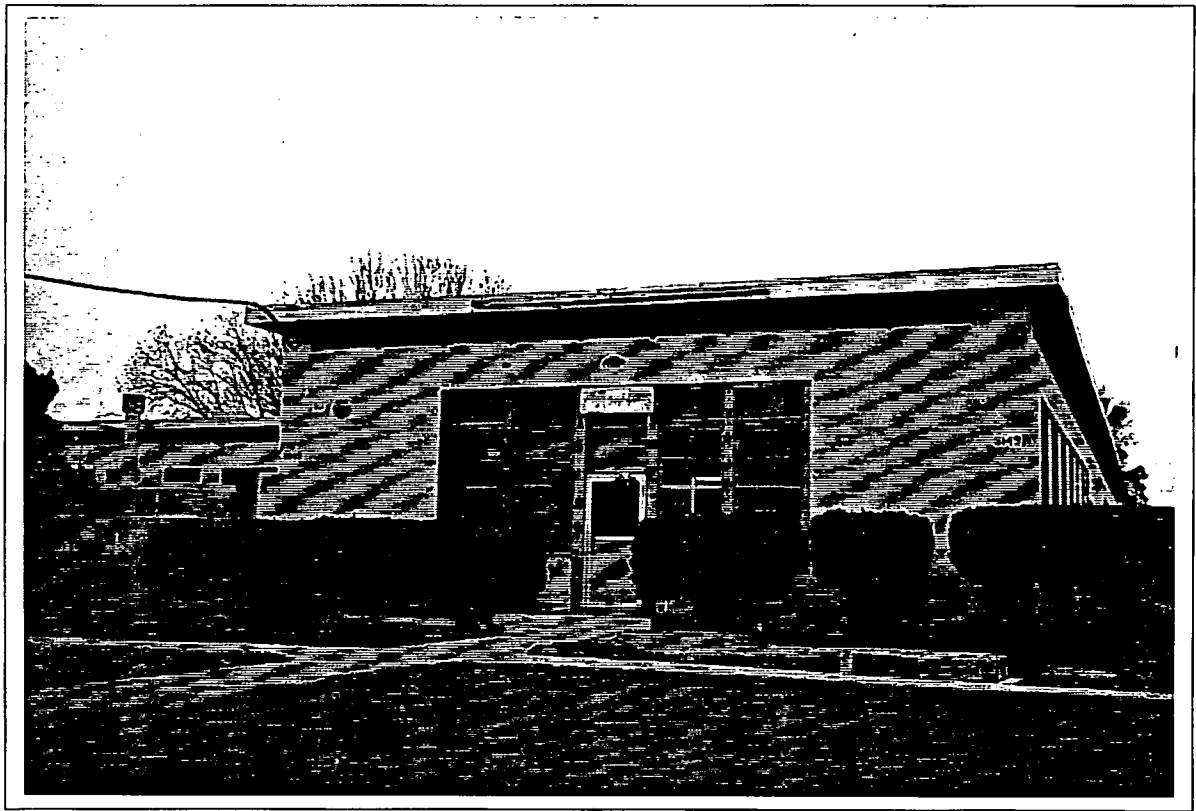
a) Many of the industrial warehouse buildings in the Project Area are constructed of corrugated metal. Their reuse potential is limited often resulting in vacancies such as this old mattress warehouse in Subarea 2.

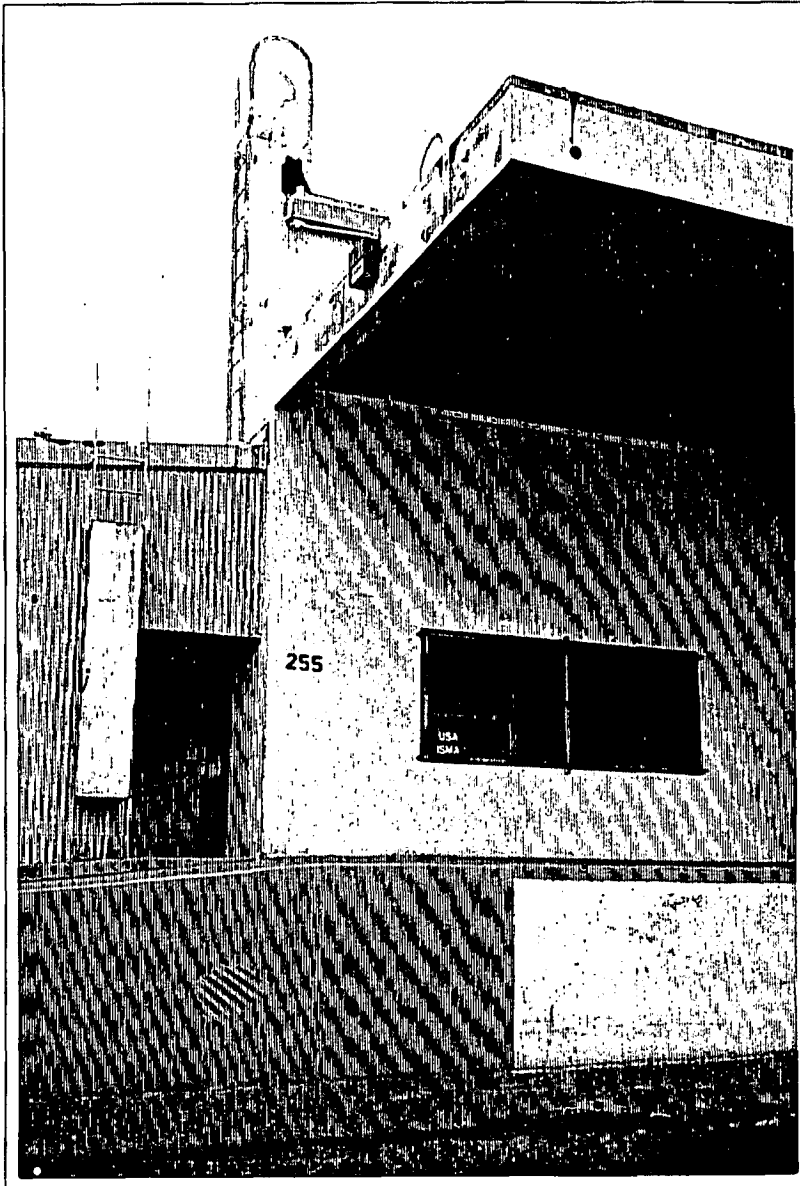


b) Corrugated buildings often deteriorate more quickly than buildings constructed of standard materials such as this industrial warehouse in Subarea 3.

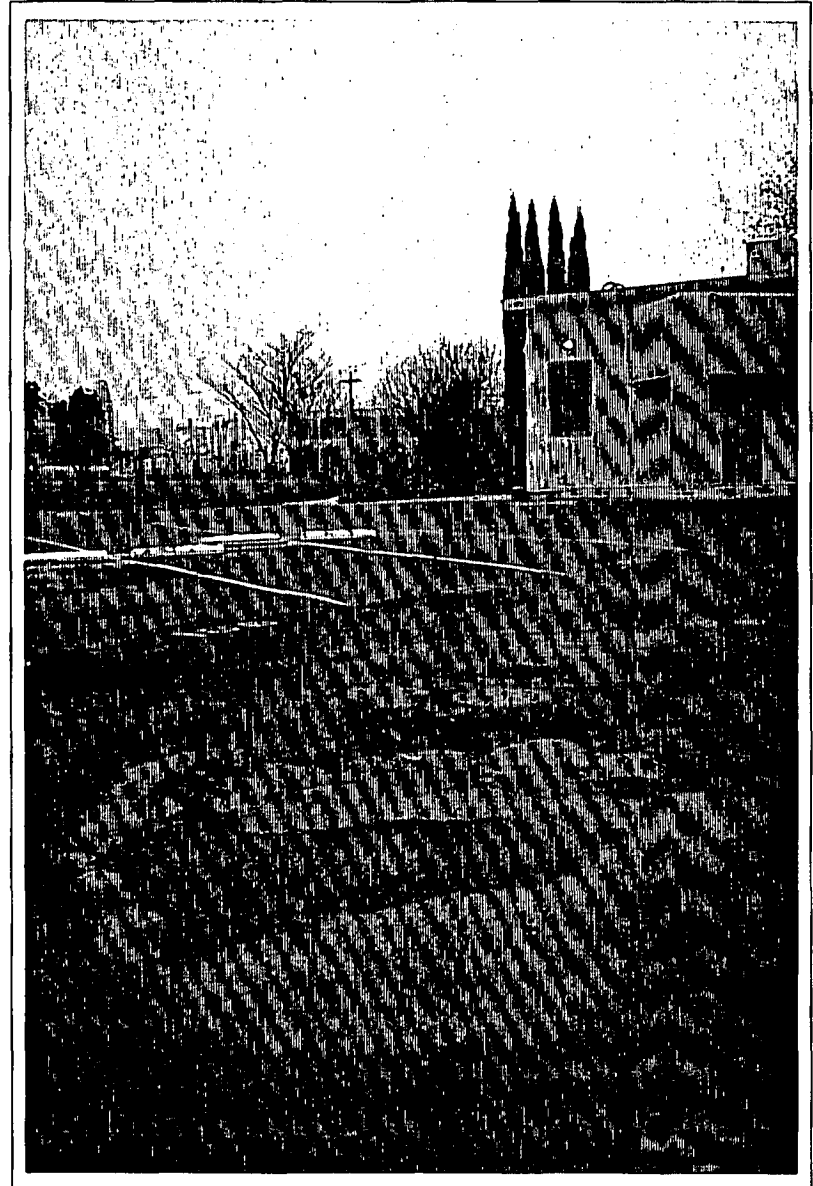


Most of the buildings on the Sacramento Army Depot site such as the headquarters building (above) and the post restaurant (below) have been generally moderately maintained by the U.S. Army, but many are in need of rehabilitation and repairs to bring them up to acceptable standards for industrial park type of development. (Subarea 4)

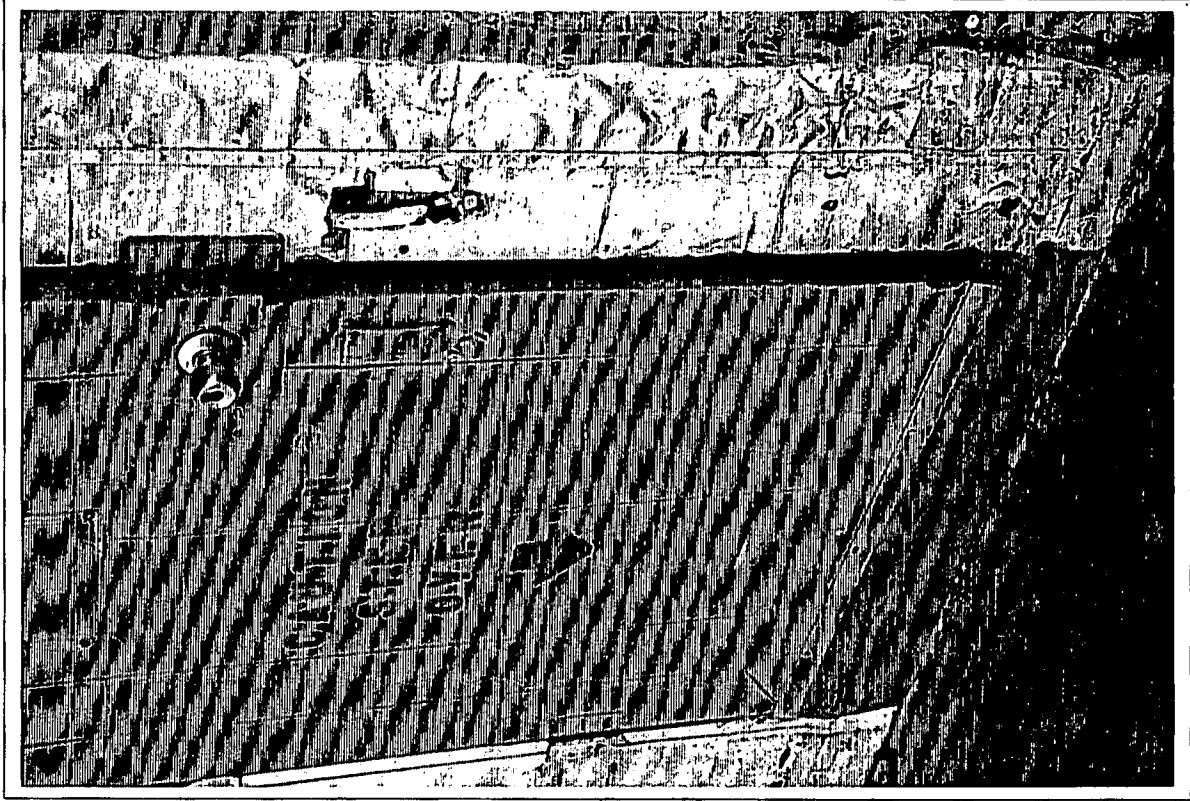




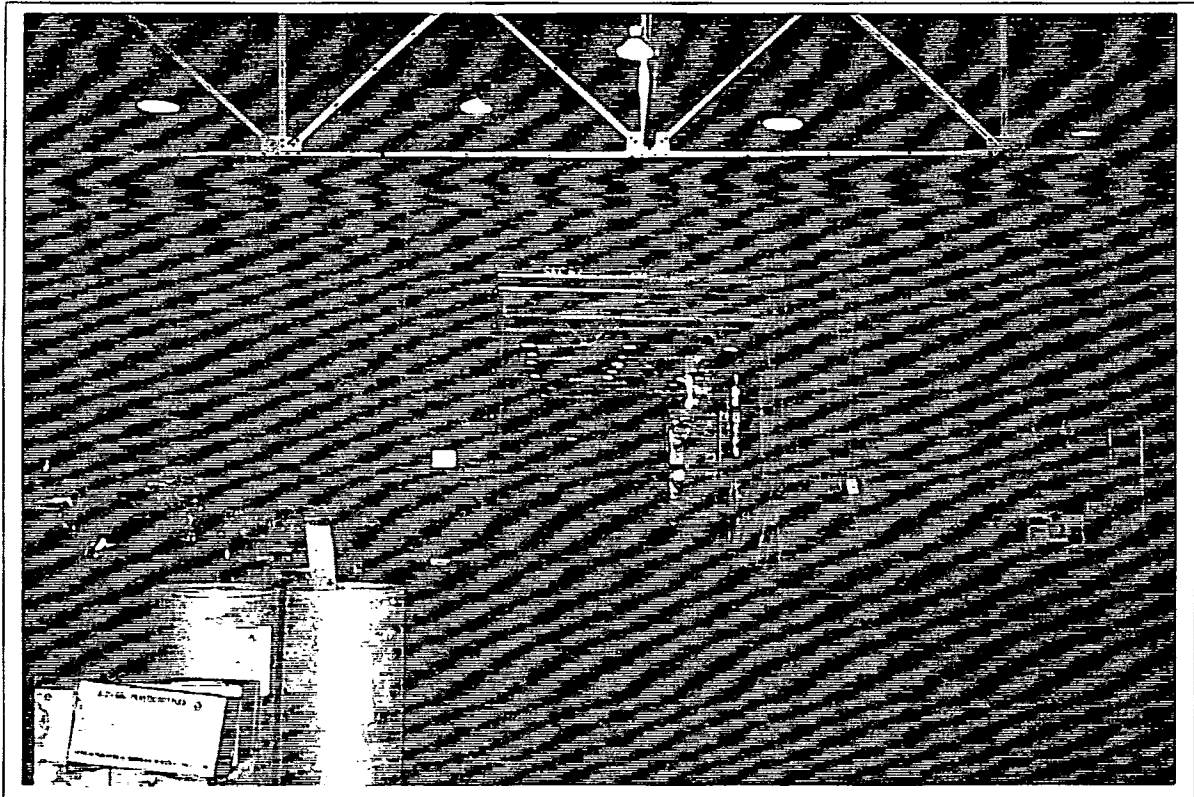
a) Most of the buildings on the Depot site are auxiliary repair/storage facilities, such as this warehouse, constructed for a single user and have limited reuse potential in the modern industrial market. (Subarea 4)



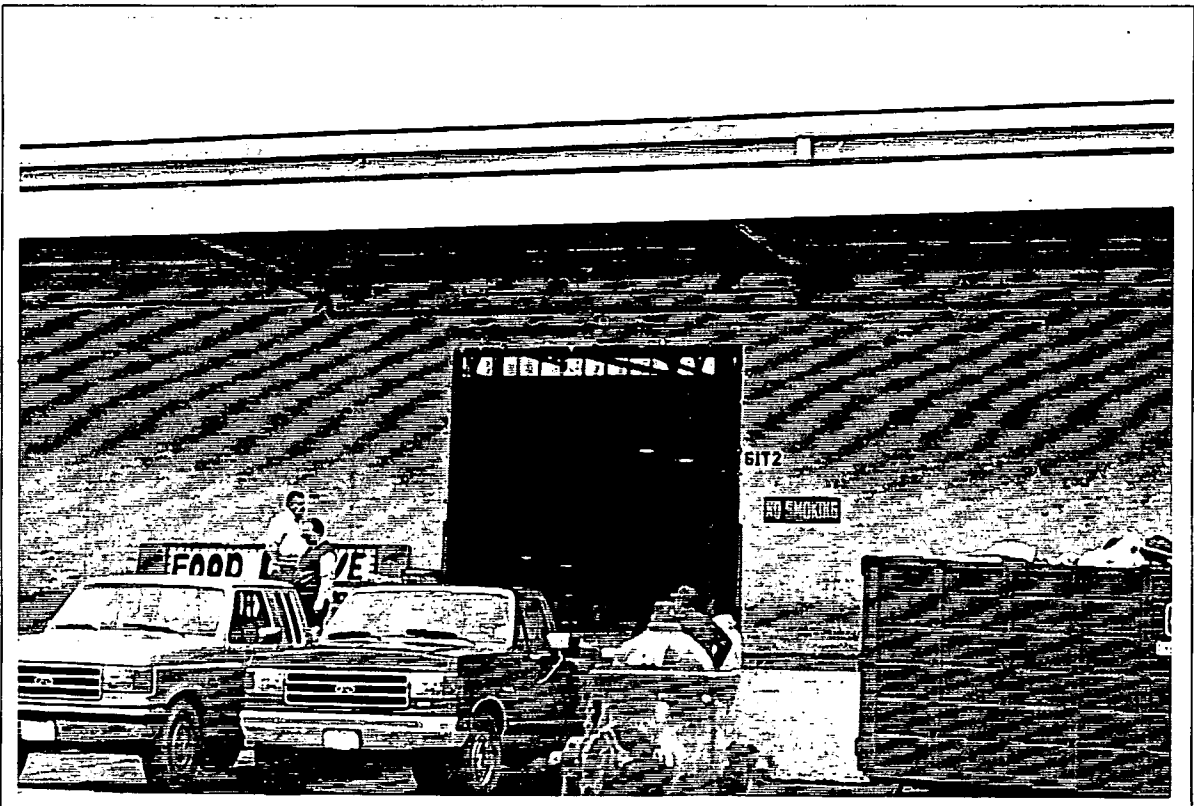
b) Much of the parking lots and roadways on the Depot site are deteriorated and in need of repairs. (Subarea 4)

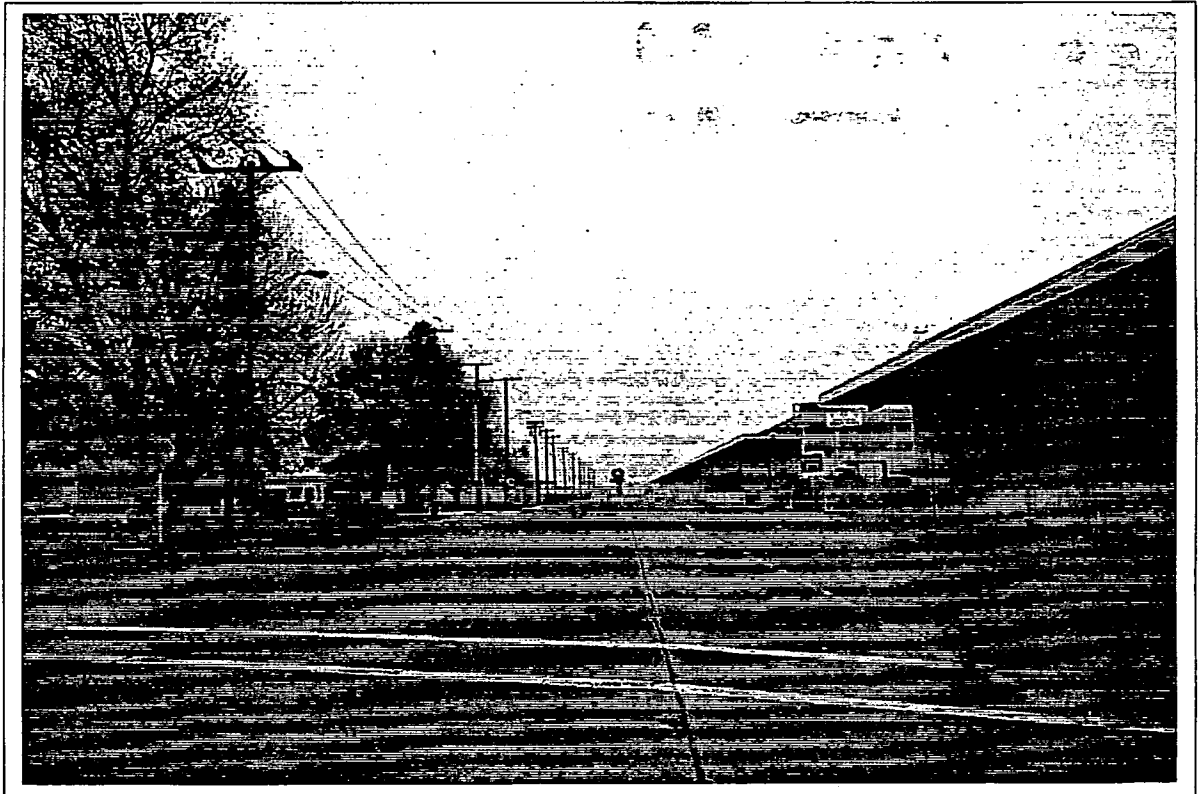


This door to the entrance of one of the eight large warehouses is several inches above the ground posing a safety risk to workers and visitors. (Subarea 4)

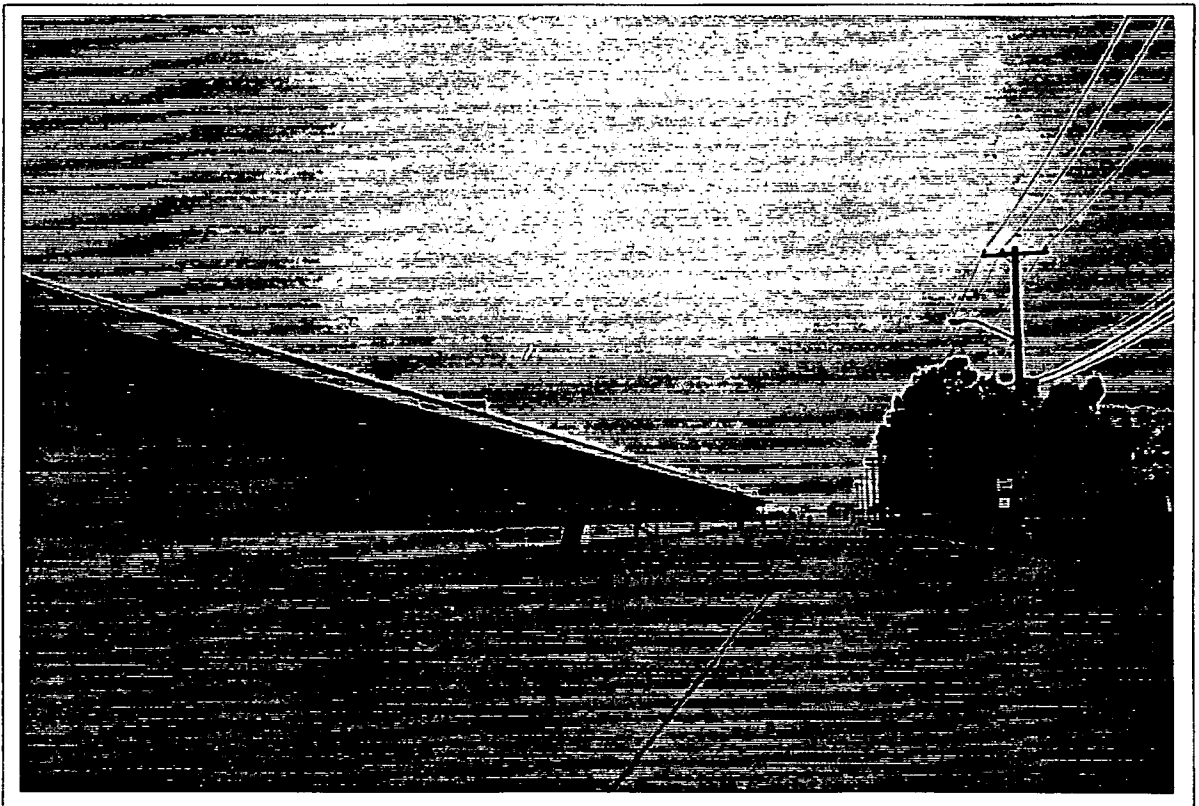


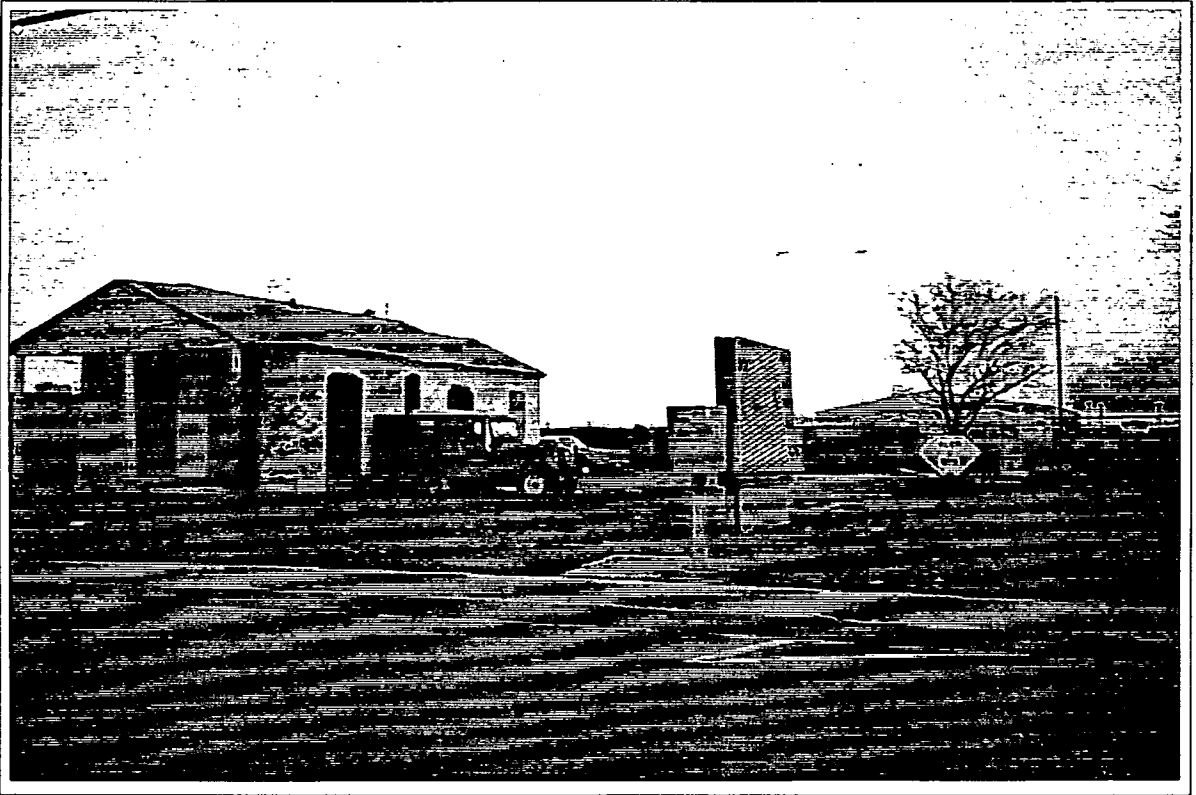
Interior lighting for the eight large warehouses is inadequate (above & below). (Subarea 4)



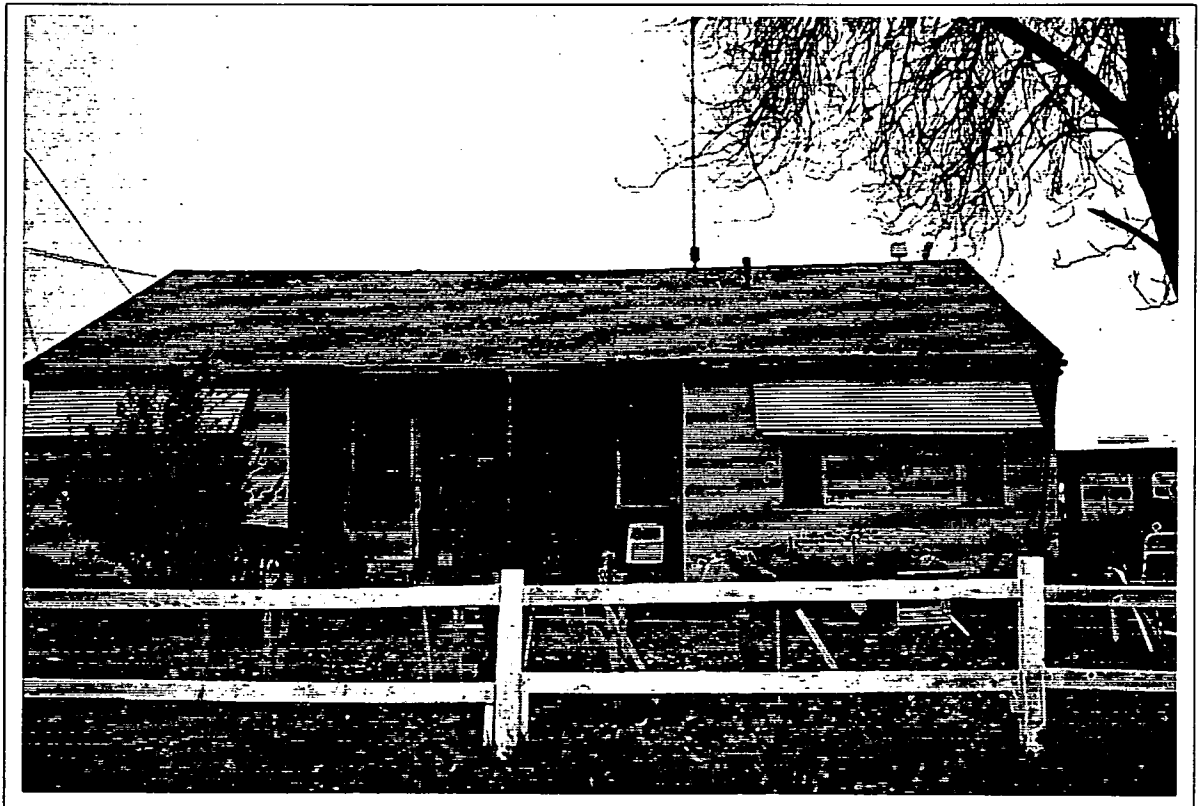


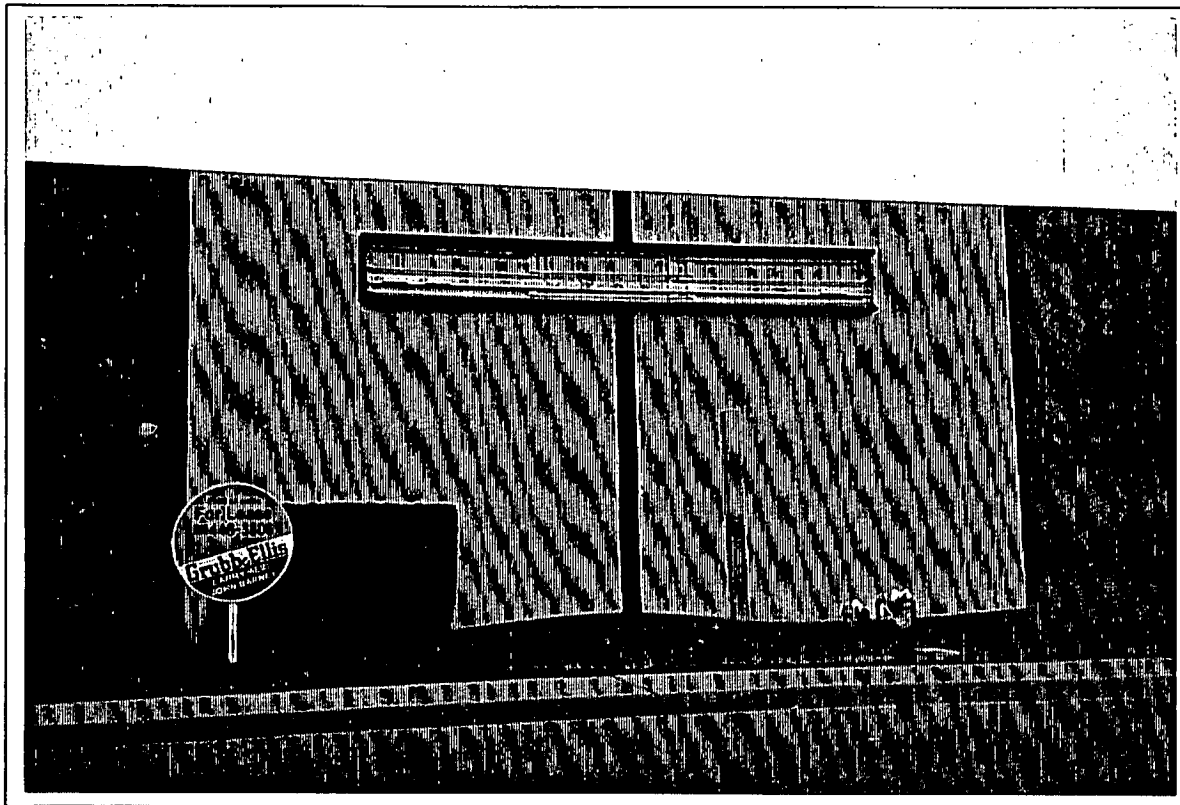
Vehicular access to loading docks is limited because of narrow street widths (above & below).
(Subarea 4)





Existing residential uses are severely impacted by adjacent industrial uses.

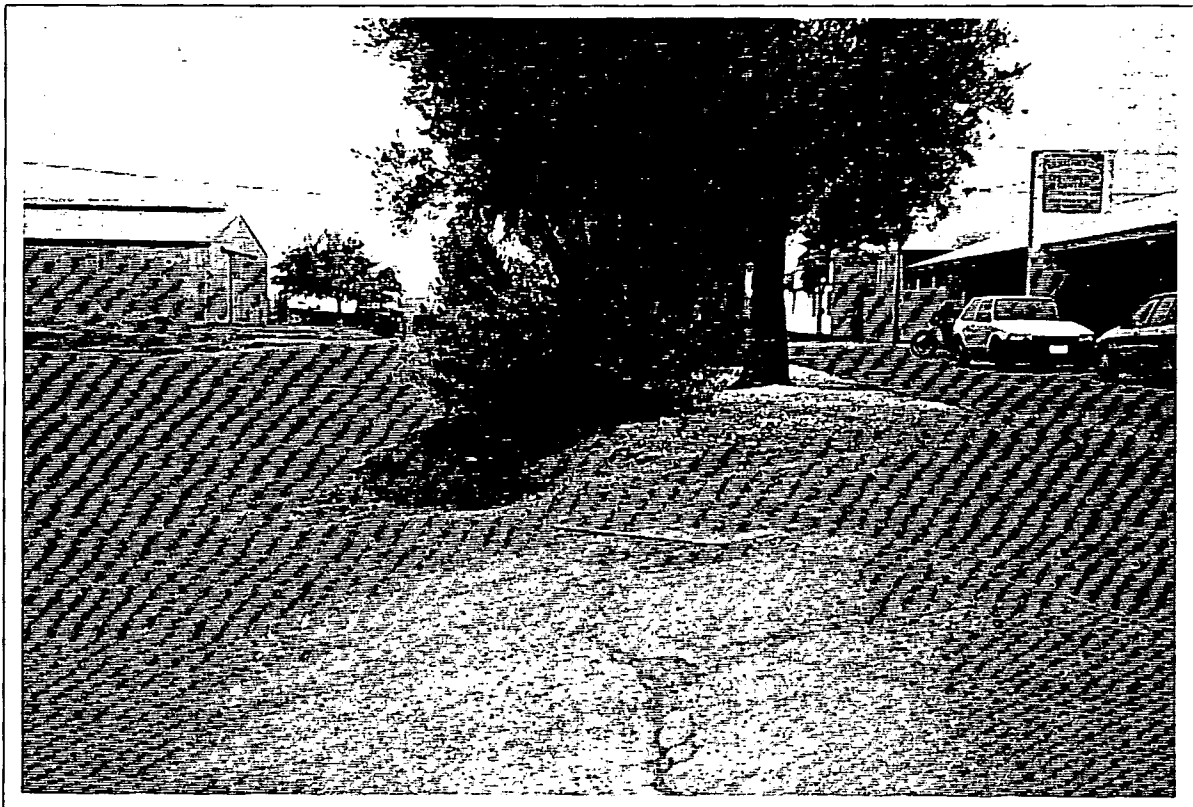




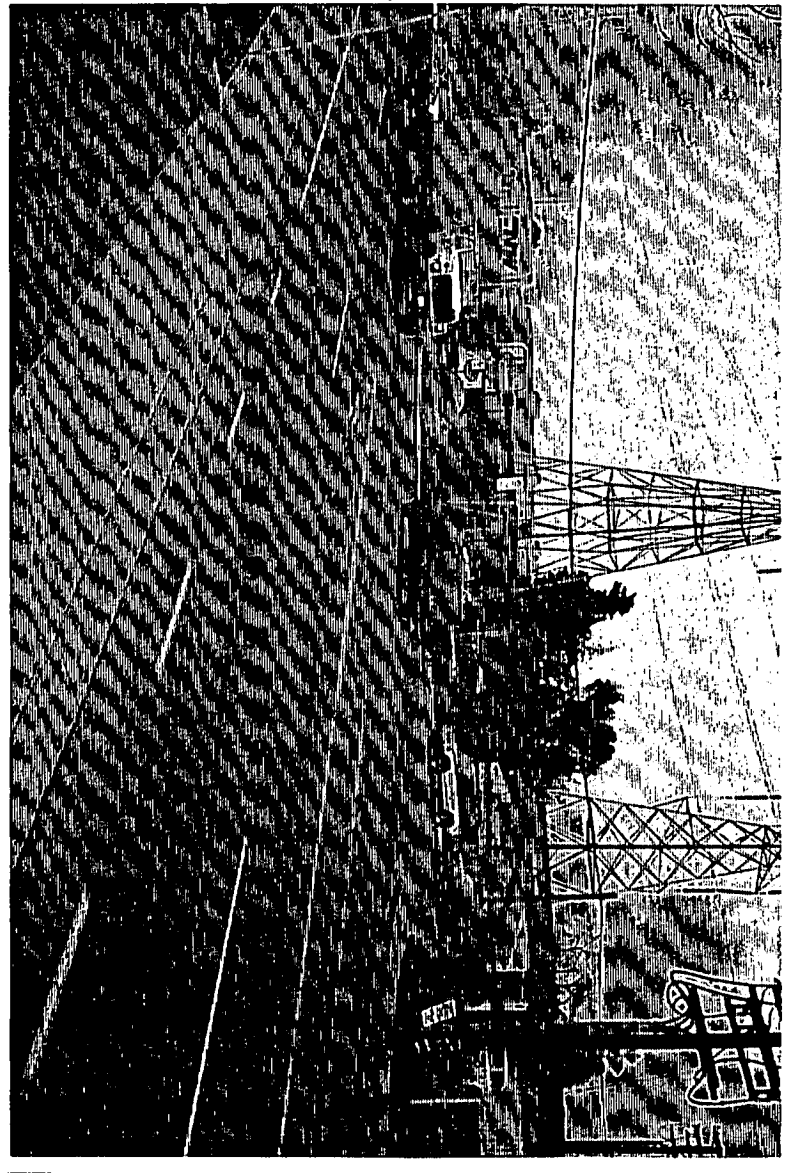
Poor economic condition in the Project Area is indicated in part by a prevalence of vacant industrial space. (Subarea 1)



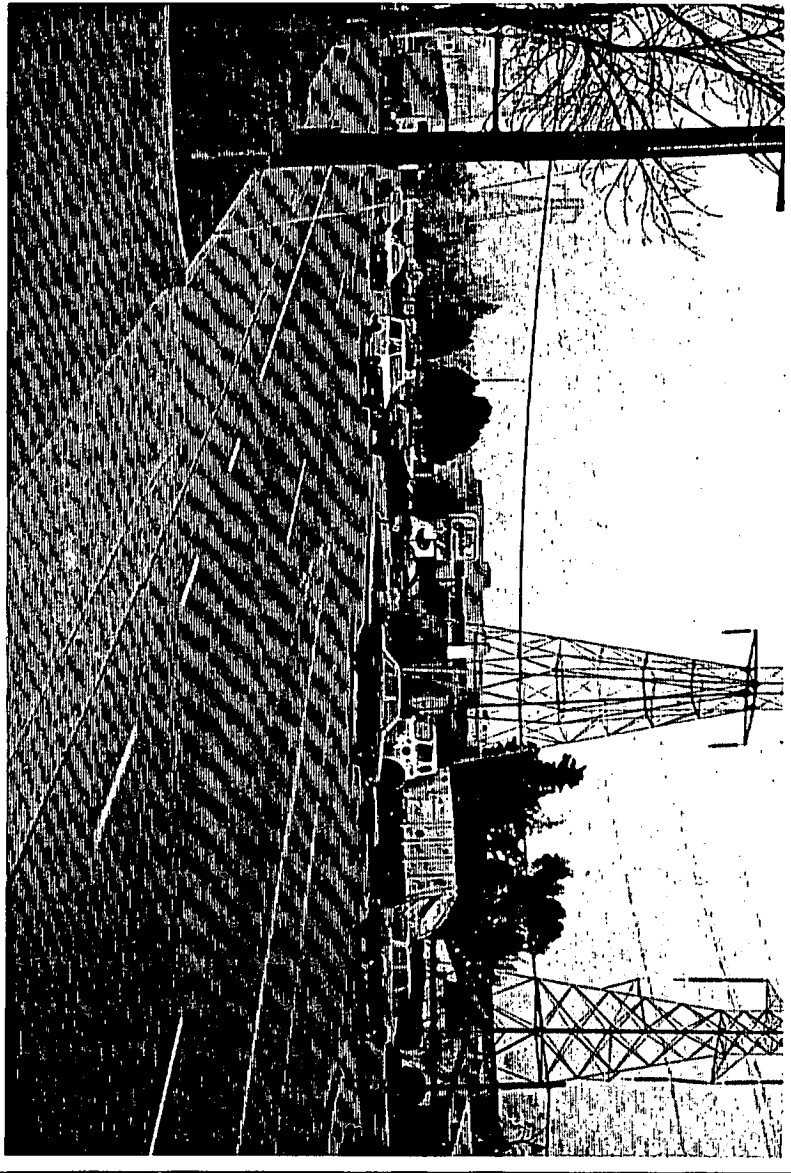
a) Much of the Project Area is served by an inadequate drainage system such as the properties along 14th Avenue. (Subarea 1)

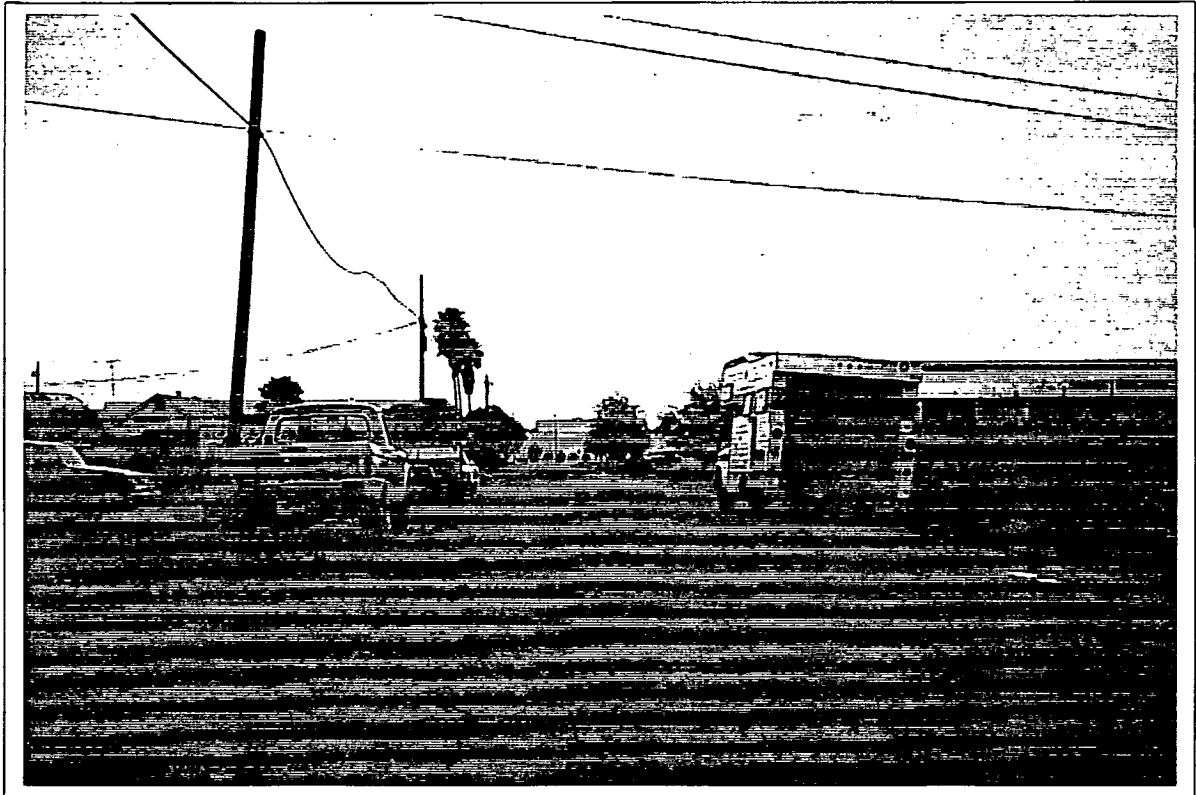


b) Poorly constructed drainage culverts such as this one in Subarea 5 are dangerous to motorists and pedestrians.

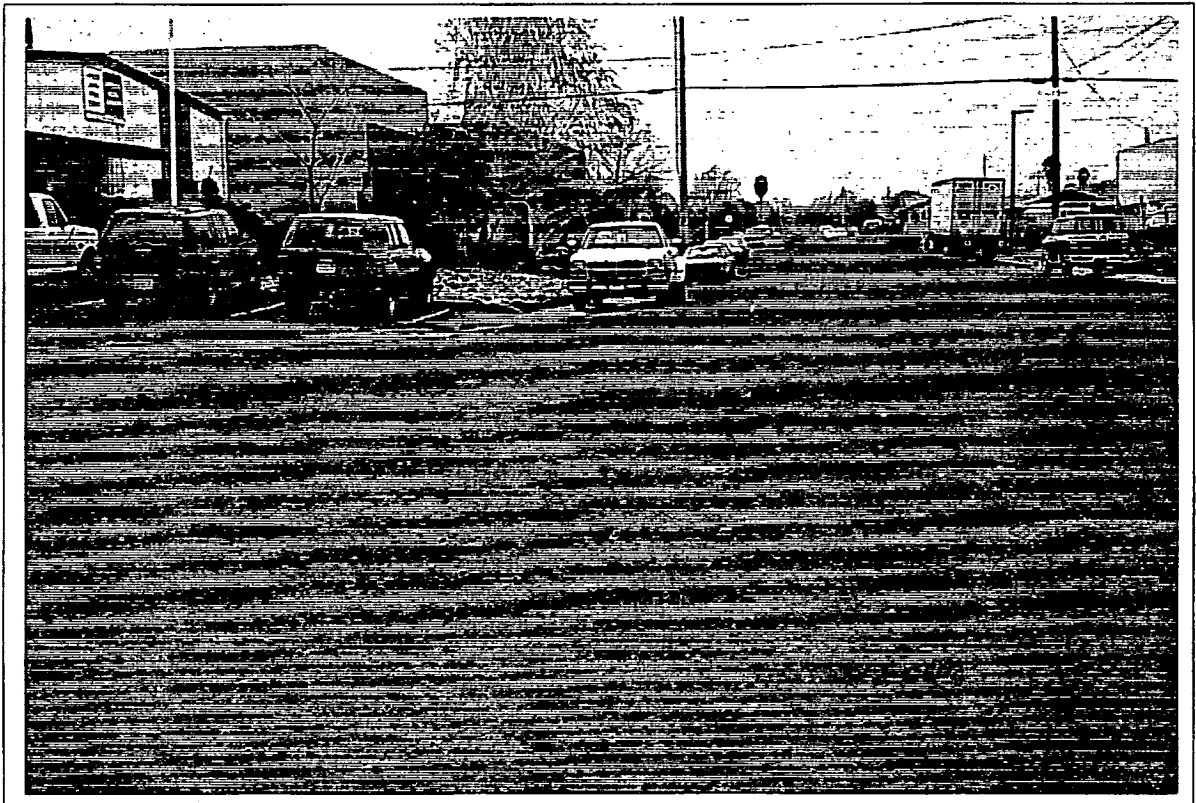


The intersection of Power Inn Road and Belvedere Avenue, like many other intersections along Power Inn Road, is not signalized causing vehicle congestion and difficulty in making turn into the Project Area. (Subarea 1)





a) Much of the Project Area does not contain sidewalks, curbs, and gutters. (Subarea 5)



b) Thirty-sixth Avenue ends at an unpaved cul-de-sac hampering vehicular circulation. (Subarea 3)

PART III. DESCRIPTION OF SPECIFIC PROJECTS PROPOSED BY AGENCY IN PROJECT AREA AND DESCRIPTION OF HOW PROJECTS PROPOSED BY AGENCY IN PROJECT AREA WILL IMPROVE OR ALLEVIATE CONDITIONS DESCRIBED IN PART II OF THIS REPORT

As described in detail in Part II of this Preliminary Report, the Project Area is a blighted area suffering from certain problems which cannot be remedied by private enterprise acting alone. The area's problems center around a number of physical issues, including: buildings characterized by deterioration; building code violations; faulty or inadequate utilities; substandard design; incompatible uses; and inadequate lots. The area's problems also center around a number of economic issues, including: depreciated or stagnant property values; high business vacancies and abnormally low lease rates; and a high crime rate. Project Area conditions are also affected by public improvement deficiencies.

GENERAL REDEVELOPMENT ACTIONS

The proposed Redevelopment Plan for the Sacramento Army Depot Redevelopment Project identifies the redevelopment implementation mechanisms available to the Agency to eliminate and prevent the spread of blight and blighting influences. The purpose of adopting and implementing the proposed Redevelopment Plan is to prevent the continuing decline and stagnation of the area by engendering new private sector investment and activity within the Project Area. The redevelopment activities contemplated under the proposed Redevelopment Plan include: 1) property owner, tenant and business owner participation; 2) construction, reconstruction, and installation of public improvements and facilities; 3) demolition, clearance, and site preparation for the construction of buildings and public improvements; 4) relocation assistance; 5) construction and enhancement of low and moderate income housing; 6) property acquisition; 7) property disposition; 8) public and private cooperation; 9) establishment of restrictions and enforcement programs; and 10) other actions as appropriate.

SPECIFIC REDEVELOPMENT PROJECTS AND PROGRAMS

The general redevelopment mechanisms available to the Agency will be used to implement the specific programs and projects proposed by the Agency as described below. Even though the proposed programs and activities are preliminary with respect to the exact sequence and timing of activities, the emphasis and major components of the activities planned represent the Agency's intent as to its involvement in the revitalization of the Project Area. As such, specific implementation strategies and programs will be developed for the first five years of the Plan as part of the report to the legislative body required by Section 33352 of the CRL. The allocation of resources to accomplish the goals and objectives of the Plan will occur on an annual basis.

The overall intent of the Agency's program is the removal of the blight and blighting influences, identified earlier, in order to benefit the occupants of the area and to accomplish the integration of the area into the overall economic fabric of the community. The Agency also intends to assist in fostering the reuse of the closed Army Depot so that it can serve as a major center for job creation and economic development. It is believed that the betterment and integration of both the Army Depot and the surrounding area will be realized when private investment and reinvestment occurs, and the provision of ancillary, regional and community-based services in the area is rejuvenated.

In order to accomplish this goal, the Agency is proposing a number of programs, activities and projects that are specifically proposed to eliminate those blighting conditions and to prevent their recurrence. The programs proposed by the Agency to address the Project Area's problems and needs include: 1) a selective land assembly and disposition program; 2) a site preparation program; 3) a relocation program; 4) an industrial rehabilitation program; 5) a business retention and attraction program; and 6) a low and moderate income housing program. In addition, the Project Area is characterized by the existence of inadequate public improvements, and the Agency is therefore proposing a program of reconstruction, replacement and installation of needed public improvements.

Selective Land Assembly and Disposition Program

In order to encourage new industrial development within the portions of the Project Area outside the Army Depot, a limited land assembly and disposition program has been included. Property acquisition by the Agency will be used as a means of eliminating buildings and structures suffering from deterioration and dilapidation. In instances where rehabilitation of deteriorated improvements is not economically warranted those properties can be recycled with the assistance of the Agency. Other physical blighting conditions which may be addressed through a land assembly program and are often characteristics of deterioration are: defective design and character of physical construction; faulty or inadequate utilities; and inadequate design. As discussed in Part II, the Project Area also contains a number of lots or irregular form and shape. The land assembly program is intended to assist in the elimination of many of these small and/or irregularly formed and shaped parcels. These types of parcels impede expansion of existing uses and the construction of new development because of the difficulties with assembling a site adequate to meet zoning requirements and to achieve economic feasibility.

Site Preparation Program

The site preparation program is designed to assist in the demolition and clearance of structures which cannot be rehabilitated due to extensive physical blighting problems. Many of the structures on the Army Depot site exhibit physical blighting characteristics, particularly substandard design. As discussed in greater detail in Part II, many of the buildings on the Army Depot were designed for military use, and cannot be economically redesigned for civilian use. It is the Agency's intent to assist in the demolition and clearance of such structures.

For the area outside the Army Depot, there will also be a need to assist with site preparation. Such assistance will likely be done in conjunction with the Agency's land assembly program. The site preparation program will assist in the elimination of a number of physical blighting characteristics, including: deterioration and dilapidation; defective design and character of physical construction; faulty or inadequate utilities; and inadequate design.

Relocation

A redevelopment agency must provide relocation assistance to protect business and residential owners and tenants when it acquires their property, or when their property is acquired by another entity, public or private, under an agreement with an agency. If the Agency undertook a land assembly program, the Agency would be liable for relocation assistance. Such assistance must include payments for moving expenses and losses of personal property, and may include an additional amount to cover the difference between the fair market value paid to a residential owner for his property and the cost of a comparable replacement property. Commercial owners and tenants are paid for the full cost of moving and personal property loss up to a maximum amount.

Industrial Rehabilitation

The industrial rehabilitation program would provide both deferred payment and low interest loans to businesses in the Project Area. Rehabilitation loans are aimed at eliminating blighting conditions resulting primarily from defective design, deterioration, and dilapidation. As noted in Part II approximately 21 percent of the building stock needs some form of moderate to major rehabilitation and another 29 percent require minor repairs. It is assumed that those property owners whose buildings require major rehabilitation assistance would receive deferred payment loans. Under such an arrangement, repayment of the loans would likely not be required until the business is sold. Property owners that require only minor rehabilitation assistance would likely receive low interest loans which are fully amortized over a repayment period of ten to fifteen years. In addition, the Agency may assist with the costs for loan processing, such as appraisal fees and document preparation charges.

Business Attraction and Retention

As described in Part II of this Report, the Project Area suffers from the economic blighting characteristics of high business vacancies and abnormally low lease rates. As a means to address these blighting characteristics, the Agency intends to implement a business attraction and retention program.

A part of this program would be directed toward assistance to Packard Bell Electronics. It is expected that the Agency would place a portion of the initial tax increment generated from the Project Area into some form of a contingency reserve fund. The reserve fund would be available to mitigate a portion of the risk the City of Sacramento has incurred from the Packard Bell Electronics lease. As discussed in Part I of this Report, the Packard Bell Electronics lease represents a risk due to the volatile nature of high technology businesses, which can be very successful but which also have a relatively high failure rate. While the Agency and the City fully expect Packard Bell Electronics to be successful, a contingency plan is needed should this not occur. The reserve of tax increment provides such a backup. It is also expected that if the contingency reserve is not needed, such funds would be used to assist Packard Bell Electronics or other future businesses with expansion plans at the Depot site.

The Agency also intends to implement other programs designed to attract and retain existing businesses. Such programs may include: business outreach programs; promotional programs for businesses; assistance to spur business incubation programs; and other programs of this nature.

Low and Moderate Income Housing

Redevelopment agencies are required to set aside into a special Low and Moderate Income Housing Fund 20 percent of the tax increment revenue generated by their redevelopment projects. These funds are to be used on increasing, improving and preserving the supply of low and moderate income housing in their communities.

As described in Part II, the Project Area is largely an industrial area. There are few residential units in the Project Area, and all of these are nonconforming uses. It is therefore likely that the Agency's housing program will be used to assist low- and moderate-income housing outside the Project Area.

The Agency's housing program may include one or more of the following types of programs: 1) residential rehabilitation loan program; 2) new housing construction program; and 3) buyer assistance programs.

The residential rehabilitation program will assist very low-, low- and moderate-income home owners to repair and maintain their residences. Such a program will assist in the elimination of housing units suffering from deferred maintenance. The new housing construction program would provide subsidies and gap financing in order to ensure new units are affordable to low- and moderate-income persons. The buyer assistance program provides loans to eligible low- and moderate-income households to purchase a home.

Public Improvements

The Agency has identified a number of public improvements projects which will eliminate deficiencies in the existing infrastructure system. Improvement of the public infrastructure system will provide an environment to stimulate revitalization and growth in the Project Area. Most of the public improvement deficiencies are either found on the Army Depot or are directly related to the civilian reuse of the Depot site. The Agency's identified list of public improvements for the Project Area is shown on Table IV-2 in Part IV of this Report. Proposed public improvement projects include: 1) traffic circulation improvements (additional turn lanes; traffic signals, street construction, reconstruction and extension); 2) improving water systems; 3) upgrading the sanitary sewer system; 4) installing and improving flood control systems; 5) installing curbs, gutters and sidewalks; and 6) installing street lights.

Traffic circulation improvements in the area outside the Army Depot are necessary, as documented in Part II of this Report, due to the potential development of approximately 3.7 million square feet of new civilian uses on the Depot. In addition, there is a need for the installation of local streets and traffic signals on the Army Depot, in order to allow for reuse by the private sector.

The water, sewer, and flood control systems at the Army Depot were all designed for use by the military. None of the utility systems are adequate to support the eventual reuse of the Depot for civilian purposes. The Agency is therefore proposing that assistance be provided to upgrade these systems.

Other Redevelopment Activities

Other redevelopment activities may be necessary to eliminate blighting conditions, facilitate rehabilitation and development or to otherwise carry out the Agency's purposes in the Project Area. In addition, the Agency will have various administration and operational requirements associated with carrying out the above programs and activities. These will include program staff, conducting planning and other studies, and securing legal and other technical assistance.

PART IV PRELIMINARY ASSESSMENT OF PROPOSED METHOD OF FINANCING REDEVELOPMENT OF THE PROJECT AREA, INCLUDING ASSESSMENT OF ECONOMIC FEASIBILITY OF PROJECT AND REASONS FOR INCLUDING TAX INCREMENT FINANCING

The Agency proposes that the redevelopment process be used, to the extent possible, to alleviate problems in the Project Area, which are described in detail in Part II of this Report in order to provide a proper environment for revitalization to occur. Such activities will facilitate and enable the economic revitalization of the Project Area and the City as a whole. This Part IV will briefly describe and provide aggregate cost estimates for the activities described in Part III of this Report which, along with ancillary activities such as Project administration, constitute the program of redevelopment proposed by the Agency to alleviate blighting conditions. The potential resources and methods of financing available to the Agency will also be discussed and the Project's economic feasibility will be demonstrated.

This Part IV analyzes Project financing in two ways for separate purposes. First, the total costs attributable to the various elements of the redevelopment program are aggregated in current 1995 dollars, as shown on Table IV-1. This analysis of costs is then used as the basis for establishing a bond limit for the Project, as shown on Table IV-3. To determine if the Project is financially feasible, total Project costs could be compared to total estimated tax increment revenues, Table IV-5. This approach to financial feasibility, however, is a limited portrayal because it cannot identify annual revenue shortfalls that could potentially cripple program implementation, nor does it show whether the program of redevelopment is feasible given the time limits for incurring and repaying debt contained in the CRL. Thus, the second analysis, Project Cash Flow (Table IV-6), compares the costs identified in Table IV-2 (as adjusted for inflation) to resources over time on a cash flow basis to demonstrate financial feasibility.

The cash flow represents only one possible portrayal of the implementation of the Project over its 30-year term, and does not allow for unforeseen events such as higher than anticipated inflation or bond interest rates substantially in excess of current rates. Therefore, to be prudent, the Project's bond limit is established by the "snapshot" method shown on Table IV-3 with contingencies taken into account.

ESTIMATED COSTS OF THE REDEVELOPMENT PROGRAM

Part III of this Report discusses the programs, activities, and projects that make up the redevelopment program and how these will improve or alleviate blighting conditions found in the Project Area. This section summarizes the estimated costs of the redevelopment program.

The total cost estimates for the categories of Agency involvement in the revitalization of the Project are shown below in 1995 dollars. These amounts have been included in the cash flow analysis of Project financial feasibility discussed above and presented later in this Part IV. The estimated costs listed below exclude construction and construction related costs assumed to be expended by the private sector in the course of implementing certain improvements or programs.

Shown on Table IV-1 are the total estimated project costs to implement the Agency's redevelopment program and any offsets to program costs. The offsets to program costs shown on the table are revenues dedicated to the Project which will come from sources other than the Agency's tax increment revenues.

Table IV-1
 Redevelopment Agency of the City of Sacramento
 Army Depot Redevelopment Project Area

ESTIMATED PROJECT COSTS

(000's Omitted)

	<u>Total Estimated Cost</u>	<u>Offsets to Estimated Cost</u>	<u>Net Estimated Cost</u>
Land Acquisition	\$6,498	\$4,549	\$1,950
Site Preparation	1,919	0	1,919
Relocation	975	0	975
Industrial Rehabilitation Program	4,005	1,806	2,199
Business Retention and Attraction	4,408	0	4,408
Public Improvements (1)	62,195	41,736	20,459
Administration And Operations	3,826	0	3,826
Subtotal	<u>\$83,826</u>	<u>\$48,092</u>	<u>\$35,734</u>
Low and Moderate Income Housing	N/A	N/A	8,934
GRAND TOTAL	<u>\$83,826</u>	<u>\$48,092</u>	<u>\$44,668</u>

(1) See Table IV-2 for a detailed list of public improvement projects.

Source: Sacramento Housing and Redevelopment Agency and Katz Hollis, 1995.

The Agency is proposing the acquisition and disposition of land as described in Part III of this Report. The cost for the land acquisition and disposition program is estimated to be \$6.5 million, based on the assumed acquisition of approximately 24 acres of land. Land acquisition costs, including improvements, are based on recent sales data for similar types of properties in the areas surrounding the Project Area and are estimated at approximately \$6.00 per square foot. Offsets to the land acquisition program in the form of land sale proceeds are estimated to equal \$4.5 million, leaving net costs to the Agency of \$2.0 million.

The Agency intends to assist in site preparation, which will primarily involve demolition of existing structures and possible toxic remediation. On the Army Depot, it is estimated that approximately 317,000 square feet of existing structures may need to be demolished, at an estimated cost of \$4.00 per square foot. Additional site preparation assistance may also be required for development purposes in areas outside of the Depot site. Because the specific structural square footage is not known, site preparation assistance has been estimated based on 10 percent of land acquisition costs. The total cost for site preparation at the Army Depot and areas outside the Depot is estimated to equal \$1.9 million.

Relocation costs will also be incurred as a part of the process of acquiring land. Such costs have been estimated based on 15 percent of land acquisition costs and are estimated at \$1.0 million.

The total cost for the implementation of the Agency's industrial rehabilitation program is estimated to be \$4.0 million. This program is intended to provide deferred and low interest loans to businesses in the Project Area. Program costs are based on issuing an estimated 28 deferred loans at \$50,000 per loan for buildings requiring moderate rehabilitation. Approximately seven deferred loans at \$100,000 per loan are estimated to be needed for buildings requiring extensive rehabilitation. The loan program is also projected to involve making approximately 90 loans over the life of the Redevelopment Plan at a 3 percent interest rate and \$20,000 per loan, for buildings exhibiting minor or moderate rehabilitation needs. It is also assumed that the Agency would fund predevelopment costs (appraisals, loan application fees) in certain instances and incur costs for such assistance of approximately \$100,000. Offsets to the cost of the entire rehabilitation program in the form of loan repayments are estimated to equal \$1.8 million, leaving net Agency costs of \$2.2 million.

The Agency will also implement programs designed to retain existing businesses and attract new businesses. As a part of this program, the Agency may establish a contingency reserve. As described in Part III, the contingency reserve is designed to mitigate a portion of the City's risk by placing a portion of the net tax increment generated from the Packard Bell Electronics lease into a reserve fund. The amount to be placed into the reserve is estimated at \$1.4 million and reflects approximately five years of net tax increment (tax increment after deposits to the housing set-aside fund and tax sharing payments). It is expected that the monies in the reserve fund may ultimately be used to assist in the expansion of Packard Bell Electronics' operations at the Depot, or to assist with the establishment of other businesses at the Depot. Other business retention and attraction programs are estimated at \$2.3 million, resulting in total program costs of \$3.7 million when the contingency reserve is included.

Table IV-2 identifies the public improvements proposed for the Project Area, gives the estimated cost of each improvement and shows the portion of that cost proposed for Project funding. The combined costs of all public improvements total \$62.2 million. Approximately 33 percent of the total (\$20.5 million) is anticipated to be funded by the Sacramento Army Depot Redevelopment Project. The balance (\$41.7 million) is projected to be funded by other revenue sources, most likely the City of Sacramento.

ESTIMATED PUBLIC IMPROVEMENTS COSTS
 (000's Omitted)

	<u>Estimated Cost</u>	<u>Amount Proposed For Project Funding</u>	<u>Percent Proposed For Project Funding</u>
A. Traffic Circulation Improvements			
1. Add Turn or Thru Lanes at:			
- Power Inn Road at 14th Ave	\$185	\$93	50%
- Fruitridge at 65th Ave	255	128	50%
- Power Inn Road at Fruitridge Road	470	235	50%
- Power Inn Road at Elder Creek Road	356	178	50%
- Power Inn Road at Florin Road	376	188	50%
- Fruitridge Rd. and Florin Perkins	235	118	50%
- Folsom and Jackson Highway	180	90	50%
- Folsom and Florin Perkins	160	80	50%
- Fruitridge at 65th Ave	60	30	50%
- Elder Creek at 65th Ave	235	118	50%
- Elder Creek Road and Power Inn	60	30	50%
- Elder Creek Road and Florin Perkins	295	148	50%
2. Traffic Signal Installation at:			
- South Watt at Fruitridge Road	280	140	50%
- South Watt at Elder Creek Road	280	140	50%
- Florin Perkins and Jackson Highway	175	88	50%
- Florin Perkins and Thys Court	150	75	50%
- Florin Perkins and Elder Creek	175	44	25%
- Florin Perkins Interconnect	170	43	25%
- Power Inn and 14th	125	25	20%
- Power Inn and Fruitridge	220	44	20%
- Power Inn and Lemon Hill	100	20	20%
- Power Inn and Elder Creek	180	36	20%
- Fruitridge and Depot Entrances	355	178	50%
- Fruitridge Interconnect	225	113	50%
3. Street Widening			
- Power Inn Rd.	28,260	7,065	25%
- Fruitridge Road	2,350	1,175	50%
- Elder Creek Road	1,850	925	50%
- 65th Street	2,100	1,050	50%
- Florin Perkins Road	1,460	850	58%
- South Watt	7,300	1,825	25%
- 82nd Street	102	26	25%

ESTIMATED PUBLIC IMPROVEMENTS COSTS
(000's Omitted)

	<u>Estimated Cost</u>	<u>Amount Proposed For Project Funding</u>	<u>Percent Proposed For Project Funding</u>
3. Street Widening (continued)			
- 21st Ave.	647	162	25%
- Unsworth Ave.	294	147	50%
- Thys Court	165	83	50%
- Unnamed Street Thys and Unsworth	78	39	50%
- Other Interior Streets	503	126	25%
4. Installation of Streets & Signals at Depot	3,741	2,048	55%
Subtotal--Traffic Circulation	<u>54,152</u>	<u>17,897</u>	<u>33%</u>
B. Water System Improvements	1,129	576	51%
C. Sewer Improvements	1,403	425	30%
D. Flood Control Improvements	4,511	1,286	29%
E. Curbs, Gutters and Sidewalks	900	225	25%
F. Street Lights	100	50	50%
TOTAL PUBLIC IMPROVEMENTS	\$62,195	\$20,459	33%

Source: Sacramento Housing and Redevelopment Agency

The Agency will also implement a Low and Moderate Income Housing Program. The program components are expected to include: 1) a residential rehabilitation program; 2) assistance for new low- and moderate-income housing; and 3) first time home buyers assistance programs. Housing programs designed to assist persons of low- and moderate-income are estimated to equal \$8.9 million.

In implementing the program activities, administrative and operating overhead expenditures will be required over the term of the Project. Administrative and operating expenses reflect costs for salaries, technical assistance and enforcement programs, operating services and supplies, and consultant and legal services for both daily operations and project-specific implementation. Administration and operations costs shown on Table IV-1 have been shown at 10 percent of total program costs (prior to offsets for all program costs except public improvements, which have been calculated after offsets) which equals \$3.8 million in 1995 dollars.

The Agency's redevelopment program for the Project, in addition to the activities discussed above, may include: 1) responding to property owner and developer initiated efforts where public assistance is needed to assemble property necessary for the expansion of existing uses; and 2) acquisitions in which an existing owner may desire to sell in order to pursue objectives outside of the Project Area. However, the cost to the Agency to implement the proposed program and to carry out the ancillary activities associated with the program, will limit the Agency's ability to provide such forms of additional assistance. Thus, any programs or activities undertaken by the Agency outside of the described program will be done primarily on a "funds available" basis.

The combination of estimated net Agency costs for the redevelopment of the Project Area, including anticipated costs associated with the redevelopment program activities described above and administrative expenditures over the life of the Project, total approximately \$44.7 million, as summarized on Table IV-1. The costs shown on Table IV-1, and summarized above, do not include adjustments for inflation or the cost of interest which may result from the financing of Agency activities.

Pursuant to the CRL, the Agency will also be required to make tax sharing payments to the affected taxing entities from its annual allocation of tax increment revenues. The payments are designed to alleviate any financial burden or detriment that the affected taxing entities may incur as a result of the adoption of the Plan. The payments to the affected taxing entities are based on the following formula:

(1) Commencing with the first fiscal year in which the Agency receives tax increments and continuing through the last fiscal year in which the Agency receives tax increments, the Agency shall pay to the affected taxing entities an amount equal to 25 percent of the tax increments received by the Agency after the amount required to be deposited in the Low and Moderate Income Housing Fund has been deducted.

(2) Commencing with the 11th fiscal year in which the Agency receives tax increments and continuing through the last fiscal year in which the Agency receives tax increments, the Agency shall pay to the affected taxing entities, in addition to the amounts paid pursuant to item (1) above and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 21 percent of the portion of tax increments received by the Agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the first adjusted base year assessed value. The first adjusted base year assessed value is the assessed value of the Project Area in the 10th fiscal year in which the Agency receives tax increment.

(3) Commencing with the 31st fiscal year in which the Agency receives tax increments and continuing through the last fiscal year in which the Agency receives tax

increments, the Agency shall pay to the affected taxing entities, in addition to the amounts paid pursuant to items (1) and (2) above and after deducting the amount allocated to the Low and Moderate Income Housing Fund, an amount equal to 14 percent of the portion of tax increments received by the Agency, which shall be calculated by applying the tax rate against the amount of assessed value by which the current year assessed value exceeds the second adjusted base year assessed value. The second adjusted base year assessed value is the assessed value of the Project Area in the 30th fiscal year in which the Agency receives tax increments.

The tax sharing payments that are required to be made to the affected taxing entities have not been included on Table IV-1, since such payments are a function of the amount of tax increment the Agency receives. The payments have been included as an off-set to gross tax increment on Table IV-6, Project Cash Flow, under the heading "Mandatory Tax Sharing," and therefore have been included in the analysis of the economic feasibility of the Project.

PROJECT RESOURCES

General Financing Methods Available to the Agency

The proposed Redevelopment Plan authorizes the Agency to finance the Project with financial assistance from the City of Sacramento and other local public entities, State of California, federal government, tax increment funds, special assessment districts, donations, interest income, Agency bonds, loans from private financial institutions, the lease or sale of Agency-owned property, participation in development or any other available sources, both public and private.

The Agency is also authorized to obtain advances, borrow funds and create indebtedness in carrying out the Redevelopment Plan. The principal and interest on such advances, funds and indebtedness may be paid from tax increments or any other funds available to the Agency. The City, as it is able, may also supply additional assistance through loans and grants for various public improvements and other Project costs.

Potential Revenue Sources Other Than Tax Increment

Other than tax increment receipts, which are discussed later, the potential revenue funding sources for the anticipated Project costs include: loans, grants and contributions from the City of Sacramento, other local entities, State or federal government or from Project developers; proceeds from the sale or lease of Agency-owned property; repayment of Agency loans and advances; financing proceeds based upon revenues from special assessment or special tax districts; and developer fees.

Property Disposition Proceeds

The Agency's redevelopment program for the Project Area includes the possible acquisition of property. Such property is intended for disposition by the Agency to private sector participants in the revitalization efforts in the Project Area. In most instances the disposition of property will result in the realization of resources in the form of sale proceeds or the realization of a stream of lease revenue. Such resources will be available for use in funding components of the Agency's program. Typically such resources are employed in the realization of the program component from which they are generated but occasionally are created in sufficient amount to assist in other Agency activities. The cash flow analysis of the Agency's program for the Project shown on Table IV-6 includes approximately \$5.7 million of proceeds assumed to be derived from the disposition of property acquired by the Agency.

Repayment of Loans and Advances

Resources available as a result of the repayment of loans and advances must, of course, be preceded by the Agency's expenditure of other resources in the creation of the loan or advance that is to be repaid. Such expenditures are planned for some portion of the Industrial Rehabilitation Program for the Project Area. A portion of the expenditures to be made under this program will be in the form of loans made to property owners. The repayment of these loans will constitute a resource that can fund other expenditures of the Agency. Based on the estimates and assumptions of the cash flow analysis, income from repayment of loans could be substantial. In the Project Cash Flow it is estimated that approximately \$4.0 million in loan repayment resources will be available over the term of the Redevelopment Plan.

The Agency may be able to provide advances to other public or private participants in the revitalization of the area. The Agency could, for example, advance the funds necessary to enable the implementation of needed public improvements on the understanding that the public entity otherwise responsible for the installation of the improvement or facility would reimburse the Agency at or over a future time. No instances of such advances have been incorporated into the cash flow.

Loans, Grants, Contributions From City, County, State and Federal Government and from Project Developers

It is anticipated that various revenue sources from public agencies as well as the private sector will be necessary in order to fund public improvements and administrative operating costs. Advances, grants or loans from government agency funds or private sector developers could be effectively used to realize timely implementation and completion of the identified redevelopment activities and programs for the Project Area. In preparing the cash flow analysis, no specific loan or grant amounts have been shown.

Special Assessment or Tax Districts

The Agency may consider the creation of special assessment or tax districts to assist in the financing of anticipated Project activities and programs. Other assessment or special tax districts, as permitted under existing state law, could be utilized as a method for financing deficits anticipated as a result of the implementation of the public improvements or private development activity within or of specific benefit to the district. Under this financing alternative, the Agency could be responsible for the partial or total funding of improvements originally financed by the special district through the sale of Agency bonds in future years or through use of tax increment reimbursements. The proceeds of such bonds, as well as tax revenues in excess of corresponding debt service, could reimburse the district for costs and reimburse developers for all or a portion of assessments paid in the interim. Such other districts are not specifically included in the cash flow analysis but could be the source of deficit funding in some years of Project implementation.

Development Fees

The City currently charges fees for building permit processing and administration and for other similar activities. These fees are levied to recover the cost of such processing and are not expected to provide a means of assisting in the financing of redevelopment or any other activities.

For new residential development, the City also charges a fee for connection to the water and sewer system. However, these fees only cover the cost to connect to the system and do not provide any funding for overall improvements to the water and sewer system.

It should be noted, however, that future commercial and residential development contemplated in the Project Area will be subject to development fees of \$0.27 per square foot and \$1.68 per square foot, respectively, per AB 2926 (Statutes of 1986, Chapter 887) which may be levied by local school districts to assist in building new and renovating existing schools.

Tax Increment Revenue

Reasons for Including Tax Increment Financing in the Proposed Redevelopment Plan

The redevelopment program anticipated for the Project Area will provide a method of securing desired revitalization, new developments and public improvements in the Project Area which would, in turn, benefit from the infusion of new capital. The redevelopment program and subsequent development activity in the Project Area would also provide a viable financing tool by means of tax increment revenue generation. As discussed in the previous section, it is assumed that the City and Agency will continue to consider other legally permissible alternative sources of funding available to finance Project activities and programs, prior to the use of tax increment revenues. However the Agency and the City must look to and rely upon this source of funding as a primary means of resolving the Project Area's various problems.

Neither the City, other public entities, nor private sector developers will be able to fully assume the combination of costs associated with rehabilitation, new development, site assembly, or the costs of infrastructure improvements, anticipated and needed in the Project Area, apart from the participation of the Agency. As described below in the subsection entitled Tax Increment Use Limitations and Requirements, the Agency must examine other methods available to the community to fund public improvements before tax increment is utilized. The program of redevelopment activities discussed above in fact anticipates a substantial portion of such costs to be funded by sources other than tax increment. The provision for tax increment in the Redevelopment Plan is necessary to cover the currently estimated shortfall between cost and other funding sources and to be available in the event that other funding sources are not fully realized. In the case of the City and other public entities, without the creation of the Project Area and the use of tax increment funding, capital improvements in other parts of the City would have to be diverted in order to fund needed improvements in the area. In the case of the private development market, once the anticipated investment return on a property is reduced below a rate comparable to alternative investments, the economic feasibility of developing the given parcel is jeopardized. The Agency intends to maximize private investment through the use of various economic development assistance activities.

Finally, even though a number of financing methods and sources are available and will be utilized to fund some of the types of programs proposed by the Agency, such sources are insufficient to finance all program costs. Alternative financing sources also present limitations and drawbacks that are not presented by tax increment financing. For example, the availability of tax increment revenue is ongoing, measurable and determinable, unlike assistance and grants from different levels of government which must be applied for an annual basis, subject to budgetary revision, and therefore not guaranteed. Furthermore, the limitations of the use of tax increment are not as restrictive as those for other types of funding, such as assessment districts. Assessment districts also increase the cost of development for the private sector and can act as a barrier to investment, particularly in blighted areas. Development fees have similar problems, and also are normally set at levels sufficient to cover the cost of a particular service or infrastructure need. Such fees do not and cannot be set at levels sufficient to generate excess revenue for use in a general revitalization effort, as is envisioned in the Project Area. For each of these reasons, tax increment revenues are necessary to resolve the significant blight problems in the Project Area.

Indebtedness and Tax Increment Limitations

The CRL requires that a redevelopment plan that includes the use of tax increment must include specified time limits on the receipt of tax increment. The Army Depot Redevelopment Plan includes the following limits:

- i. A time limit of 20 years from the date of adoption on the establishment of loans, advances or indebtedness to be paid with the proceeds of tax increment. (This limit does not apply to debt incurred in order to fulfill the Agency's housing obligations.) Such loans, advances or indebtedness may be repaid over a period of time longer than this time limit.
- ii. A time limit of 30 years from the date of adoption of the Plan on the effectiveness of the Plan.
- iii. A time limit of 45 years from the adoption of the Plan to receive and use tax increment revenue to repay indebtedness.

In addition to the above limits, the CRL requires that a redevelopment plan specify the maximum amount of bonded indebtedness to be repaid from tax increment that will be outstanding at any time. The calculation of this limit is shown on Table IV-3.

The determination of the bond limit is based on the schedule of combined costs of the components of the Agency's intended program for the Project as shown on Table IV-1. As was indicated earlier, the costs shown on Table IV-1 exclude any estimate of inflationary or financing (interest) costs which may be incurred in the implementation of the Agency's program. The table also excludes any factor for contingencies which may have to be addressed in the course of program implementation. To take into account adjustments to the cost estimates and other, unforeseen events, a contingencies factor has been included and the product of such factor equates to an assumed additional cost totaling approximately \$13.4 million. Together with previously estimated project costs, the program costs total approximately \$58.1 million.

To determine the bonded indebtedness limitation for the Project, this total of program expenditures is assumed to be financed as a single borrowing. The total expenditure amount is adjusted for financing costs (debt service reserve requirements and assumed underwriter's discount and fees) and rounded to \$67.0 million. This amount is the principal amount of bonded indebtedness that may be outstanding at any one time for the Project.

Estimate of Potential Tax Increment Revenues

Revenues resulting from the annual incremental assessed valuation of the Project Area are based upon transfer of property ownership and new construction activities within the Project Area. Table IV-4, Assumed Agency Engendered New Development, summarizes the type and scope of development that could potentially occur in the Project Area over the life of the Project. Given the physical and economic conditions existing in the Project Area, it is believed that this level of activity will not occur without redevelopment activities. The square footage of development shown on the table reflects new development square footage without reduction for removal of existing uses.

A projection of annual tax increment revenues that could be realized over the 45-year period during which the Agency is eligible to receive the tax increment is summarized on Table IV-5, Projection of Incremental Tax Revenues. It should be noted that the total amount of tax increment revenue shown on Table IV-5 reflects the potential universe of revenue that the Agency could receive, given the assumptions that underlie the

Table IV-3
Redevelopment Agency of the City of Sacramento
Army Depot Redevelopment Project Area

BONDED INDEBTEDNESS LIMIT

(000's Omitted)

Total Project Costs (From Table IV-1)	\$44,668
Plus: Contingencies @ 30%	13,400
Total Estimated Project Costs	<u>\$58,068</u>
Plus: Finance Costs (1)	8,710
Round to Bonded Indebtedness Limit	<u>\$67,000</u>

(1) Financing costs are the costs of issuance included as 15% of Program Costs assuming deposits to reserve fund, underwriters discount and miscellaneous costs associated with the issuance of bonds.

Source: Katz Hollis, 1995

Table IV-4
 Redevelopment Agency of the City of Sacramento
 Army Depot Redevelopment Project Area

dev

ASSUMED AGENCY ENGENDERED NEW DEVELOPMENT
 (000's Omitted)

<u>Type of Development</u>	<u>Square Footage</u>	<u>Value Added (1)</u> <u>(000's Omitted)</u>
Inside Army Depot		
Packard Bell Lease and Improvments (2)	N/A	\$43,800
Industrial Development	1,110,780	44,431
Outside Army Depot		
Industrial Development	766,994	42,711
Grand Total		\$130,942

(1) Reflects 1995 dollars.

(2) Based on Sacramento County Assesor estimate of lease value.

Source: Sacramento Housing and Redevelopment Agency and Katz Hollis.

Table IV-5
Redevelopment Agency of the City of Sacramento
Army Depot Redevelopment Project Area

PROJECTION OF INCREMENTAL TAX REVENUE
(000's Omitted)

Plan Year	Fiscal Year	Real (1) Property	New (2) Development	Total New (3) Development	Total Real Property	Total Other (4) Property	Total Value	Value Over Base Of (5) \$352,464	Gross (6) Tax Increment	Property Tax Admin. Fees	Mandatory Tax Sharing (7) Revenue	Net Tax Increment
	1994 - 1995	N/A	N/A	N/A	\$305,000	\$47,484	\$352,464	N/A	N/A	N/A	N/A	N/A
1	1995 - 1996	311,100	43,800	43,800	354,900	48,413	403,313	N/A	N/A	N/A	N/A	N/A
2	1996 - 1997	317,322	0	44,876	361,998	49,381	411,379	58,916	589	13	87	489
3	1997 - 1998	323,668	7,394	52,964	376,632	50,369	427,001	74,537	745	16	111	618
4	1998 - 1999	330,142	21,848	75,871	406,013	52,627	458,639	106,175	1,062	23	158	881
5	1999 - 2000	336,745	23,281	100,669	437,414	54,967	492,381	139,917	1,399	31	208	1,161
6	2000 - 2001	349,923	10,970	113,853	463,576	57,072	520,649	168,185	1,682	37	250	1,395
7	2001 - 2002	363,710	16,833	132,759	496,469	59,905	556,374	203,910	2,039	45	303	1,892
8	2002 - 2003	378,259	7,114	142,528	520,787	61,778	582,564	230,100	2,301	51	342	1,909
9	2003 - 2004	392,704	2,664	148,043	540,747	63,166	603,913	251,449	2,514	55	373	2,086
10	2004 - 2005	407,564	3,957	154,981	562,525	64,749	627,274	274,810	2,748	60	408	2,280
11	2005 - 2006	423,489	2,893	160,953	584,443	66,275	650,718	298,254	2,983	66	443	2,474
12	2006 - 2007	440,356	2,219	168,391	606,747	67,775	674,522	322,059	3,221	71	508	2,642
13	2007 - 2008	457,832	1,495	171,214	629,046	69,273	698,319	345,855	3,459	76	573	2,810
14	2008 - 2009	478,146	307	174,945	651,091	70,690	721,780	369,317	3,693	81	637	2,975
15	2009 - 2010	495,192	0	178,444	673,635	72,104	745,739	393,275	3,933	87	702	3,144
16	2010 - 2011	514,999	0	182,013	697,012	73,548	770,558	418,094	4,181	92	770	3,319
17	2011 - 2012	535,599	0	185,653	721,252	75,017	796,269	443,805	4,438	98	840	3,500
18	2012 - 2013	557,023	0	189,366	746,389	76,517	822,906	470,442	4,704	103	913	3,688
19	2013 - 2014	579,304	0	193,153	772,457	78,047	850,505	498,041	4,980	110	988	3,882
20	2014 - 2015	602,476	0	197,016	799,493	79,608	879,101	526,637	5,266	116	1,067	4,084
21	2015 - 2016	626,575	0	200,957	827,532	81,200	908,732	556,268	5,563	122	1,147	4,293
22	2016 - 2017	651,638	0	204,976	856,614	82,824	939,439	588,975	5,870	129	1,231	4,509
23	2017 - 2018	677,704	0	209,075	886,779	84,481	971,260	618,796	6,188	136	1,318	4,734
24	2018 - 2019	704,812	0	213,257	918,069	86,171	1,004,239	651,775	6,518	143	1,408	4,966
25	2019 - 2020	733,004	0	217,522	950,526	87,894	1,038,420	685,956	6,860	151	1,502	5,207
26	2020 - 2021	762,325	0	221,872	984,197	89,652	1,073,849	721,385	7,214	159	1,598	5,457
27	2021 - 2022	792,818	0	226,310	1,019,127	91,445	1,110,572	758,108	7,581	167	1,699	5,716
28	2022 - 2023	824,530	0	230,836	1,055,366	93,274	1,148,640	796,176	7,962	175	1,803	5,984
29	2023 - 2024	857,512	0	235,453	1,092,964	95,139	1,188,104	835,640	8,356	184	1,910	6,262
30	2024 - 2025	891,812	0	240,162	1,131,974	97,042	1,229,016	876,552	8,766	193	2,022	6,550
31	2025 - 2026	927,485	0	244,965	1,172,450	98,983	1,271,432	918,968	9,190	202	2,138	6,849
32	2026 - 2027	964,584	0	249,864	1,214,448	100,963	1,315,411	962,947	9,629	212	2,295	7,123
33	2027 - 2028	1,003,167	0	254,862	1,258,029	102,982	1,361,011	1,008,547	10,085	222	2,457	7,406
34	2028 - 2029	1,043,294	0	259,959	1,303,253	105,041	1,408,294	1,055,830	10,558	232	2,626	7,700
35	2029 - 2030	1,085,026	0	265,158	1,350,184	107,142	1,457,326	1,104,862	11,049	243	2,800	8,005
36	2030 - 2031	1,128,427	0	270,481	1,398,888	109,285	1,508,173	1,155,709	11,557	254	2,981	8,321
37	2031 - 2032	1,173,564	0	275,870	1,449,434	111,471	1,560,905	1,208,441	12,084	266	3,169	8,649
38	2032 - 2033	1,220,506	0	281,388	1,501,894	113,700	1,615,594	1,263,130	12,631	278	3,364	8,989
39	2033 - 2034	1,269,327	0	287,016	1,556,342	115,974	1,672,316	1,319,852	13,199	290	3,566	9,342
40	2034 - 2035	1,320,100	0	292,756	1,612,856	118,294	1,731,149	1,378,685	13,787	303	3,776	9,708
41	2035 - 2036	1,372,904	0	298,611	1,671,515	120,660	1,792,174	1,439,710	14,397	317	3,993	10,087
42	2036 - 2037	1,427,820	0	304,583	1,732,403	123,073	1,855,476	1,503,012	15,030	331	4,219	10,481
43	2037 - 2038	1,484,933	0	310,675	1,795,607	125,534	1,921,142	1,568,678	15,687	345	4,453	10,889
44	2038 - 2039	1,544,330	0	316,888	1,861,218	128,045	1,989,263	1,636,799	16,368	360	4,695	11,312
45	2039 - 2040	1,606,103	0	323,226	1,929,329	130,606	2,059,935	1,707,471	17,075	376	4,947	11,752
CUMULATIVE REVENUE									\$319,141	\$7,021	\$76,799	\$235,320

- (1) Real property, less acquisition and demolition, is trended at an assumed annual rate of 2 percent for 1995-96 through 1999-2000 and 4 percent through the remaining years of the Project.
- (2) See Table IV-4, "Assumed Agency Engendered New Development".
- (3) Includes prior year new development trended at 2 percent per year plus the value of current new development.
- (4) Includes the taxable value of personal property trended at 2 percent annually plus the value of new construction.
- (5) Assumes 1994-95 base year value, as reported by Sacramento County.
- (6) Reflects gross tax increment less property tax administrative fees assumed to be collected by Sacramento County.
- (7) Mandatory tax sharing payments calculated pursuant to the provisions of AB 1290.

projections. However, due to the 20-year time limit on incurring debt, it is unlikely that the Agency would be able to receive the total amount of tax increment shown on Table IV-5.

Estimated tax increment revenues shown on Table IV-5 are based upon future Project Area valuation increases attributable to transfer of ownership and assumed new construction activities; allowable inflationary increases as permitted under Article XIII A of the California Constitution; and assumed trended valuation increases in future fiscal years as a result of miscellaneous reappraised ownership transfers and development activities not presently identified, but anticipated once redevelopment activities have been established. Assumptions regarding other trending factors utilized in this projection are noted in the footnotes for Table IV-5. The timing of specific new development activity is based on the cash flow analysis of Project implementation presented later in this Report.

Total cumulative gross tax increment revenues are projected to be \$319.1 million. This amount has been reduced by property tax administration fees that are collected by Sacramento County pursuant to SB 2557 (Chapter 466, Statutes of 1990) and the amount of mandatory tax-sharing payments, leaving net projected tax increment of \$235.3 million. The Cash Flow Analysis shown on Table IV-6 indicates that the Agency will have incurred sufficient debt at the end of 20 years to be able to receive approximately \$120.7 million of the total projected tax increment revenue.

The estimated tax increment revenue projections are based on the general assessment and revenue allocation practices of Sacramento County. General assessment and revenue allocation practices, however, are subject to policy and legislative changes, which could result in actual tax increment revenues being different from what has been projected for the cash flow. To the extent development activities do not take place based on the scope and schedule assumed, tax increment will also be other than what is shown on Table IV-6. However, the level of development assumed is consistent with that which is possible through a progressive redevelopment program.

Tax Increment Use Limitations and Requirements

In addition to the limits discussed above, there are several other statutory requirements relating to the Agency's use of tax increment funds. The Agency is aware of such requirements and intends to adhere to them to the extent they are applicable to the Agency and/or the Project Area. A summary of these requirements is presented below:

i. Prior to paying all or part of the value of land for and the cost of installation and construction of any publicly owned building, facility, structure, or other improvement within or outside the Project Area, the Agency will request the City Council to consent to such payment and to determine:

that such building, facility, structure or improvement is of benefit to the Project Area or the immediate neighborhood;

that no other reasonable means of financing the building, facility, structure or improvement is available to the community; and

that the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the Project Area.

ii. Prior to committing to use tax increment funds to pay for all or part of the value of the land for, and the cost of installation and construction of, a publicly owned building (other than parking facilities) the Agency will request the City Council to hold a public

Table IV-6
 Redevelopment Agency of the City of Sacramento
 Army Depot Redevelopment Project Area

PROJECT CASH FLOW
 (000's Omitted)

	Total Escalated 1995 \$	1 1995-1996	2 1996-1997	3 1997-1998	4 1998-1999	5 1999-2000	6 2000-2001	7 2001-2002	8 2002-2003	9 2003-2004	10 2004-2005
Revenues											
Beginning Balance	N/A	\$0	\$0	\$0	\$80	\$0	\$2,824	\$188	\$2,688	\$714	\$0
Net Tax Increment	150,203	N/A	576	729	1,038	1,368	1,645	1,994	2,250	2,459	2,688
Less: Net Housing Set-Aside	(27,853)	0	(115)	(146)	(208)	(274)	(329)	(399)	(450)	(492)	(538)
Less: Mandatory Tax Sharing	(29,472)	0	(87)	(111)	(158)	(208)	(250)	(303)	(342)	(373)	(408)
Net Bond Proceeds (1)	28,859	0	0	0	0	4,418	0	6,186	0	0	3,687
Land Sale Proceeds	5,683	0	0	0	0	857	1,316	1,040	727	370	688
Inv Earnings @	4,944	0	0	0	4	0	141	31	156	87	52
Rehab. Loan Repayments	3,963	0	0	0	0	10	20	30	41	52	63
Total Revenues	\$136,328	\$0	\$374	\$473	\$757	\$6,171	\$5,368	\$8,768	\$5,070	\$2,817	\$6,232
Expenditures											
Bond Debt Service	\$70,969	\$0	\$0	\$0	\$0	\$0	\$431	\$431	\$1,034	\$1,034	\$1,034
Land Assembly	8,119	0	0	0	0	1,224	1,881	1,485	1,039	529	983
Relocation	1,218	0	0	0	0	184	282	223	156	79	147
Site Preparation	2,390	0	0	0	0	122	317	1,204	379	53	98
Public Improvements	35,436	0	0	42	43	820	994	735	881	566	37
Industrial Rehabilitation Program	5,900	0	0	0	113	116	295	304	313	322	332
Business Attraction / Retention	5,414	0	279	293	555	578	602	1,304	279	287	296
Administration and Operations	5,937	50	50	50	100	247	377	395	277	155	160
Total Expenditures	\$135,382	\$50	\$329	\$384	\$811	\$3,291	\$5,179	\$6,080	\$4,356	\$3,026	\$3,087
Balance Available	\$946	(\$50)	\$45	\$88	(\$54)	\$2,881	\$188	\$2,688	\$714	(\$209)	\$3,145
Annual Deficit		(50)	0	0	(54)	0	0	0	0	(209)	0
Cumulative Deficit (Including Interest @ 5%)		0	(53)	(8)	0	(56)	0	0	0	0	(219)
Less: Balance Available		0	45	88	0	2,881	188	2,688	714	0	3,145
Ending Balance		(\$50)	(\$8)	\$80	(\$54)	\$2,824	\$188	\$2,688	\$714	(\$209)	\$2,926

(1) Assumes escrow bond issue in year 20 of the Plan leveraged against year 23 tax increment.
 Release of proceeds is assumed in year in which increment is sufficient to allow release.

Table IV-6
Redevelopment Agency of the City of Sacramento
Army Depot Redevelopment Project Area

PROJECT CASH FLOW
(000's Omitted)

	11	12	13	14	15	16	17	18	19	20	21	22
	2005- 2006	2006- 2007	2007- 2008	2008- 2009	2009- 2010	2010- 2011	2011- 2012	2012- 2013	2013- 2014	2014- 2015	2015- 2016	2016- 2017
Revenues												
Beginning Balance	\$2,926	\$1,409	\$347	\$2,708	\$1,421	\$0	\$1,217	\$848	\$227	\$0	\$2,697	\$1,240
Net Tax Increment	2,917	3,150	3,382	3,612	3,846	4,089	4,340	4,601	4,871	5,151	5,440	5,741
Less: Net Housing Set-Aside	(583)	(630)	(676)	(722)	(769)	(818)	(868)	(920)	(974)	(1,030)	(1,088)	(1,148)
Less: Mandatory Tax Sharing	(443)	(508)	(573)	(637)	(702)	(770)	(840)	(913)	(988)	(1,067)	(1,147)	(1,231)
Net Bond Proceeds (1)	0	0	3,212	0	0	3,018	0	0	0	4,533	0	2,438
Land Sale Proceeds	562	123	0	0	0	0	0	0	0	0	0	0
Inv Earnings @	198	140	87	205	156	85	146	142	111	100	235	184
Rehab. Loan Repayments	74	86	99	111	124	138	152	166	181	196	211	217
Total Revenues	\$5,651	\$3,771	\$5,878	\$5,277	\$4,077	\$5,743	\$4,147	\$3,924	\$3,428	\$7,883	\$6,348	\$7,440
Expenditures												
Bond Debt Service	\$1,394	\$1,394	\$1,394	\$1,707	\$1,707	\$1,707	\$2,001	\$2,001	\$2,001	\$2,001	\$2,443	\$2,443
Land Assembly	803	175	0	0	0	0	0	0	0	0	0	0
Relocation	120	26	0	0	0	0	0	0	0	0	0	0
Site Preparation	199	18	0	0	0	0	0	0	0	0	0	0
Public Improvements	848	989	959	1,580	1,867	2,064	772	1,121	1,154	2,144	2,236	2,303
Industrial Rehabilitation Program	342	352	363	374	385	396	408	421	433	446	186	0
Business Attraction / Retention	305	314	323	0	0	0	0	0	0	0	0	0
Administration and Operations	231	156	132	195	225	246	118	154	159	259	242	230
Total Expenditures	\$4,241	\$3,423	\$3,170	\$3,856	\$4,184	\$4,413	\$3,299	\$3,696	\$3,747	\$4,850	\$5,108	\$4,977
Balance Available	\$1,409	\$347	\$2,708	\$1,421	(\$107)	\$1,330	\$848	\$227	(\$320)	\$3,032	\$1,240	\$2,464
Annual Deficit	0	0	0	0	(107)	0	0	0	(320)	0	0	0
Cumulative Deficit (Including Interest @ 5%)	0	0	0	0	0	(113)	0	0	0	(336)	0	0
Less: Balance Available	1,409	347	2,708	1,421	0	1,330	848	227	0	3,032	1,240	2,464
Ending Balance	\$1,409	\$347	\$2,708	\$1,421	(\$107)	\$1,217	\$848	\$227	(\$320)	\$2,697	\$1,240	\$2,464

(1) Assumes escrow bond issue in year 20 of the Plan leveraged against year 23 tax increment.
Release of proceeds is assumed in year in which increment is sufficient to allow release.

Table IV-6
 Redevelopment Agency of the City of Sacramento
 Army Depot Redevelopment Project Area

PROJECT CASH FLOW
 (000's Omitted)

	23	24	25	26	27	28	29	30	31	32	33	34	35
	2017-	2018-	2019-	2020-	2021-	2022-	2023-	2024-	2025-	2026-	2027-	2028-	2029-
Revenues	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Balance	\$2,464	\$2,513	\$1,409	\$330	\$140	\$118	\$224	\$466	\$251	\$337	\$408	\$465	\$507
Net Tax Increment	6,052	6,374	6,709	7,055	7,414	7,787	8,173	3,859	3,865	3,258	3,302	2,436	2,489
Less: Net Housing Set-Aside	(1,210)	(1,275)	(1,342)	(1,411)	(1,483)	(1,557)	(1,635)	(772)	(538)	(451)	(456)	(335)	(341)
Less: Mandatory Tax Sharing	(1,318)	(1,408)	(1,502)	(1,598)	(1,699)	(1,803)	(1,910)	(634)	(639)	(550)	(568)	(426)	(442)
Net Bond Proceeds (1)	1,366	0	0	0	0	0	0	0	0	0	0	0	0
Land Sale Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0
Inv Earnings @	245	260	211	141	141	141	141	141	141	141	120	120	90
Rehab. Loan Repayments	206	195	183	171	159	146	133	120	106	91	77	62	46
Total Revenues	\$7,804	\$6,658	\$5,668	\$4,688	\$4,673	\$4,832	\$5,126	\$3,180	\$3,186	\$2,827	\$2,883	\$2,322	\$2,348
Expenditures													
Bond Debt Service	\$2,681	\$2,814	\$2,829	\$2,829	\$2,829	\$2,829	\$2,829	\$2,829	\$2,829	\$2,398	\$2,398	\$1,795	\$1,795
Land Assembly	0	0	0	0	0	0	0	0	0	0	0	0	0
Relocation	0	0	0	0	0	0	0	0	0	0	0	0	0
Site Preparation	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Improvements	2,373	2,214	2,281	1,562	1,569	1,616	1,665	0	0	0	0	0	0
Industrial Rehabilitation Program	0	0	0	0	0	0	0	0	0	0	0	0	0
Business Attraction / Retention	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration and Operations	237	221	228	156	157	162	166	100	20	20	20	20	20
Total Expenditures	\$5,291	\$5,250	\$5,338	\$4,548	\$4,556	\$4,607	\$4,661	\$2,929	\$2,849	\$2,418	\$2,418	\$1,815	\$1,815
Balance Available	\$2,513	\$1,409	\$330	\$140	\$118	\$224	\$466	\$251	\$337	\$408	\$465	\$507	\$533
Annual Deficit	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Deficit (Including Interest @ 5%)	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Balance Available	2,513	1,409	330	140	118	224	466	251	337	408	465	507	533
Ending Balance	\$2,513	\$1,409	\$330	\$140	\$118	\$224	\$466	\$251	\$337	\$408	\$465	\$507	\$533

(1) Assumes escrow bond issue in year 20 of the Plan leveraged against year 23 tax increment.
 Release of proceeds is assumed in year in which increment is sufficient to allow release.

Table IV-6
 Redevelopment Agency of the City of Sacramento
 Army Depot Redevelopment Project Area

PROJECT CASH FLOW
 (000's Omitted)

	36	37	38	39	40	41	42	43	44	45
Revenues	2030- 2031	2031- 2032	2032- 2033	2033- 2034	2034- 2035	2035- 2036	2036- 2037	2037- 2038	2038- 2039	2039- 2040
Beginning Balance	\$533	\$543	\$553	\$563	\$573	\$583	\$593	\$603	\$613	\$623
Net Tax Increment	2,496	1,976	2,008	2,014	1,555	1,582	1,586	1,151	1,175	0
Less: Net Housing Set-Aside	(341)	(269)	(273)	(273)	(210)	(213)	(213)	(154)	(157)	0
Less: Mandatory Tax Sharing	(450)	(361)	(371)	(377)	(294)	(302)	(306)	(224)	(231)	0
Net Bond Proceeds (1)	0	0	0	0	0	0	0	0	0	0
Land Sale Proceeds	0	0	0	0	0	0	0	0	0	0
Inv Earnings @	90	90	72	72	72	56	56	56	41	41
Rehab. Loan Repayments	30	30	30	30	30	30	30	30	30	30
Total Revenues	\$2,358	\$2,008	\$2,018	\$2,028	\$1,725	\$1,735	\$1,745	\$1,461	\$1,471	\$694
Expenditures										
Bond Debt Service	\$1,795	\$1,436	\$1,436	\$1,436	\$1,122	\$1,122	\$1,122	\$828	\$828	\$0
Land Assembly	0	0	0	0	0	0	0	0	0	0
Relocation	0	0	0	0	0	0	0	0	0	0
Site Preparation	0	0	0	0	0	0	0	0	0	0
Public Improvements	0	0	0	0	0	0	0	0	0	0
Industrial Rehabilitation Program	0	0	0	0	0	0	0	0	0	0
Business Attraction / Retention	0	0	0	0	0	0	0	0	0	0
Administration and Operations	20	20	20	20	20	20	20	20	20	20
Total Expenditures	\$1,815	\$1,456	\$1,456	\$1,456	\$1,142	\$1,142	\$1,142	\$848	\$848	\$20
Balance Available	\$543	\$553	\$563	\$573	\$583	\$593	\$603	\$613	\$623	\$674
Annual Deficit	0	0	0	0	0	0	0	0	0	0
Cumulative Deficit (Including Interest @ 5	0	0	0	0	0	0	0	0	0	0
Less: Balance Available	543	553	563	573	583	593	603	613	623	674
Ending Balance	\$543	\$553	\$563	\$573	\$583	\$593	\$603	\$613	\$623	\$674

hearing and to make the above determinations, including the determination that the publicly owned building is of primary benefit to the Project. In connection with such public hearing a summary will be prepared to:

show the estimated amount of tax increment funds proposed to be used to pay for such land and construction (including interest payments);

set forth the facts supporting the Council's determinations; and

set forth the redevelopment purposes for which such expenditure is being made.

iii. The Agency will not, without prior consent of the City Council, develop a site for industrial or commercial use so as to provide streets, sidewalks, utilities or other improvements which the owner or operator of the site would otherwise be obligated to provide.

iv. Prior to entering into any agreement to sell or lease any property acquired in whole or in part with tax increment funds, the Agency will request the City Council to approve such sale or lease after holding a public hearing. In connection with such public hearing the Agency shall make available a summary describing and specifying:

the cost of the agreement to the Agency;

the estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the Redevelopment Plan;

the estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants and development costs required by the sale or lease; and the purchase price or the sum of the lease payments, and, if the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased determined at the highest and best use consistent with the Redevelopment Plan, an explanation of the reasons for such difference; and

an explanation of why the sale or lease of the property will assist in the elimination of blight.

PROPOSED FINANCING METHOD AND ECONOMIC FEASIBILITY OF THE PROJECT

Table IV-6, Project Cash Flow, provides an example of the Project's implementation on a cash flow basis. The cash flow projection presented and described in this Report should not be construed, however, as the only method of financing the Agency's redevelopment program for the Project Area under existing redevelopment law. The projection does show that the Project is feasible under the assumptions explained in this section and within the following general parameters: that actual timing and costs of the redevelopment program are as projected; and, that subsequent new development activities will occur as projected once necessary Agency assistance is made available.

In implementing the redevelopment program of the Project Area, it is assumed that the City and Agency will consider and utilize legally permissible funding sources, like those described earlier. However, given the Cash Flow's estimated redevelopment program cost (including administration, but excluding housing programs) of approximately \$135.4 million to complete the Agency's revitalization objectives, it is likely that tax increment revenues will be required to finance program activities. It is also assumed in the Cash Flow that the program of redevelopment cannot be financed without the infusion of capital in the form of tax allocation bond proceeds.

The prioritization of program implementation is based on funding those items most likely to engender new development at the earliest feasible date. The sequence of implementation as portrayed in the Cash Flow should not be construed, however, as the actual or only potential sequence of implementation for the Agency's program. To a large degree, the timing of events for program implementation is dependent upon external factors, over which the Agency may have little or no control. To the extent these externalities impact the Agency's ability to implement the program, the actual sequence of implementation may be other than what is assumed in the Cash Flow.

Implementation of activities requiring significant Agency assistance is assumed to occur as tax increment revenues accruing to the Agency achieve annual amounts necessary to fund such assistance or to be capitalized in the form of tax allocation bonds. The capitalization of the annual tax increment flow is essential, given the assumed timing of projects and the Agency's participation therein, to the timely implementation of the Agency's program. The application of bond proceeds is assumed to facilitate the Agency's revitalization efforts and therefore serve as the catalyst for private sector involvement. This is portrayed in the Cash Flow through the increased private sector development activities assumed to occur in years two through 14 of program implementation.

Due to the 20 year time limit on incurring debt, it is assumed that the Agency will issue tax allocation bonds in year 20 of the Project. The bond issue is assumed to be sized from projected tax increment revenues in year 23, with a portion of the proceeds deposited into an escrow fund until revenues are sufficient in years 21 through 23 to allow the funds to be released. It is also assumed that the Agency would incur additional debt in year 20 through borrowing from the City.

All Agency programs that are to be financed through tax increment are expected to be completed by year 29 and program costs in years 21 through 29 are assumed to be incurred as debt as part of the tax allocation bond issue from year 20 or through borrowing from the City.

Agency receipt of tax increment in years 30 through 45 of the Cash Flow is limited to the amount needed to repay all outstanding debt. This includes debt service on tax allocation bond issues, required deposits to the housing set aside fund and mandatory tax sharing payments to the affected taxing entities. The existence of cash balances at the end of the 45th year of the Plan is largely a product of the repayment of various loans assumed to be made by the Agency during the course of program implementation.

The Cash Flow shows that the Agency will be able to finance all proposed redevelopment projects and activities within the prescribed time limits allowed by the CRL. Due to this, it can be concluded that the Project is economically feasible given the assumptions underlying the Cash Flow.

PART V. DESCRIPTION OF HOW PROJECTS PROPOSED BY AGENCY IN PROJECT AREA WILL IMPROVE OR ALLEVIATE CONDITIONS DESCRIBED IN PART II OF THIS REPORT

The projects and programs outlined in Part III of this Report have been developed to encourage and assist private sector development in the redevelopment and reuse of the Sacramento Army Depot Redevelopment Project Area, specifically to facilitating expansion and development of new industrial businesses. The Agency's land assembly efforts for properties outside of the Army Depot site will directly confront some of the more serious blighting conditions in the Project Area. The negative effect of buildings suffering from deterioration and parcels of inadequate size can be removed. Small lots under multiple ownership can be acquired at market value prices, deteriorated buildings can be removed or rehabilitated, and vacant lots and deteriorated buildings can be replaced with, or rehabilitated to house, more productive development. New businesses will create new jobs and preserve and upgrade existing jobs for City residents.

The site preparation program will result in the removal of the most physically blighted structures within the Project Area. On the Army Depot, the program will likely eliminate those buildings which exhibit substandard design characteristics. In the balance of the Project Area, site preparation, in conjunction with the land assembly program, will result in the reduction of such blighting conditions as deterioration and dilapidation and faulty utilities.

Industrial rehabilitation projects will enable existing business owners to upgrade their properties to not only eliminate structural problems stemming from deterioration but also to expand and/or modernize their facilities so that they are no longer obsolete and can effectively compete in the marketplace.

Development of new, and rehabilitation of existing, commercial businesses will substantially enhance the appearance of the Project Area and will assist in eradicating the climate in which crimes against people and property are problematic. In addition, the use of the business attraction and retention program should alleviate such economic blighting characteristics as high vacancy rates and low lease rates.

The public improvements program will ameliorate current and potential future traffic circulation problems within and through the Project Area, making both pedestrian and vehicular traffic safer and more pleasant. Sewer, storm drain and water system improvements will remove existing impediments to reuse of the Army Depot. The installation of upgraded public infrastructure is essential if the Depot is to be utilized by the private sector.

APPENDIX A

Information Sources

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