

INTRODUCTION

The Economic Development Department's role is to both facilitate private investment in accordance with established economic development priorities and adopted land use plans and policies, as well as market the City of Sacramento. This section summarizes the Capital Improvement Program (CIP) projects that support the economic development goals and objectives adopted by the Mayor and City Council. Funding is provided from a variety of funding sources depending on the nature of, and funding availability, for the improvement.

ECONOMIC DEVELOPMENT CIP PROJECT SELECTION GOALS AND CRITERIA

Program Goals

- Facilitate the development of "key" development opportunities;
- Use public funds to facilitate private development and leverage new private sector investment;
- Attract targeted industries, headquarters, businesses, and commercial/retail uses;
- Retain and expand existing industries and businesses;
- Provide for appropriate infrastructure to serve the operational and aesthetic needs of the citizens and businesses of Sacramento; and
- Redevelop blighted areas.

Project Selection Criteria

- Leverage of private investment;
- Increase in public revenues;
- Create jobs (includes numbers, salaries, and benefit levels);
- Create new business;
- Improve potential of business area/corridor;
- Conforms to the *2030 General Plan*;
- Meet health, safety, and welfare legal obligations; and
- Further redevelopment goals.

SOURCES OF ECONOMIC DEVELOPMENT CIP FUNDING

Economic Development Department: The Economic Development Department has two primary funding sources for CIP projects: the City's General Fund and redevelopment funds.

The downturn in the economy has dramatically reduced General Fund dollars once available for capital projects. That reduction, along with a long term lending slow-down by the private sector, has had a severe impact on construction in the area.



2011-2016 CAPITAL IMPROVEMENT PROGRAM

The second source of primary funding, redevelopment funds, has likewise been impacted by the downturn in the economy. State government, in an effort to partially offset its reduced General Fund revenue has made several attempts to “shift” redevelopment funds to the state’s coffers. In FY2009/10 and FY2010/11, \$2.05 billion of redevelopment monies were identified statewide to be permanently shifted from local redevelopment agencies. This translates into to an unforeseen reduction of funding to the City of Sacramento of \$20.8 million dollars (i.e., funds that are no longer available for capital projects).

The General Fund support is allocated through City Council resolution. New Redevelopment Tax Increment funding budgeted in the Sacramento Housing and Redevelopment Agency (SHRA) budget occurs on a calendar year basis. The funding is then conveyed to the City through Individual Project Agreements (IPA) subject to the Master Project Agreement adopted by the Mayor and City Council on December 18, 2001 (Resolution No. 2001-224). No Economic Development projects have been programmed with SHRA funding for FY2011/12.

SHRA Funding: SHRA is a joint City and County Agency and is responsible for administering the Community Development Block Grant (CDBG) program, the Home Investment Partnerships (HOME) program, and the Grow Sacramento Business Loan program. All of the programs have funding allocated for economic development purposes.

A total of \$5.8 million in SHRA funds has been programmed for projects that support economic development activities.

The following chart details the funding levels for the various SHRA projects. Please see Section KK for further project detail information.

2011-2016 Capital Improvement Program (SHRA funding is based on a calendar year)							
Project #	Title	CIP Section	Five-Year Programming				
			2011	2012	2013	2014	2015
111000000	Del Paso Heights Development Asst.	KK	276,119	0	0	0	0
112000000	Alkali Flat Development Asst.	KK	320,889	0	0	0	0
112100000	Mack Road Improvements	KK	90,000	0	0	0	0
113000000	Oak Park Development Asst.	KK	379,499	0	0	0	0
114000000	Franklin Blvd. Development Asst.	KK	3,022,417	0	0	0	0
115000000	Stockton Blvd Development Asst.	KK	122,433	0	0	0	0
116000000	Auburn Blvd Development Asst.	KK	178,376	0	0	0	0
117000000	Army Depot Development Asst.	KK	654,179	0	0	0	0
118000000	N. Sacramento Development Asst.	KK	702,562	0	0	0	0
119000000	65 th Street Development Asst.	KK	85,240	0	0	0	0
Total			\$5,831,714	\$ 0	\$ 0	\$ 0	\$ 0



2011-2016 CAPITAL IMPROVEMENT PROGRAM

PROJECT HIGHLIGHTS

The Economic Development Department aligns its resources to match City Council priorities for capital formation and utilization. Accordingly, the department directly supports both individual gap-funded capital projects directly, as well as indicator projects that the department supports in a secondary manner to match Council priorities, programs, and locations.

Army Depot Redevelopment Area (RDA) Development Assistance Program

The Sacramento Army Depot (the “Depot”) is located within the Army Depot Redevelopment Area. The Depot occupies 485 acres, of which 259 acres are developed. The site has 76 permanent buildings with almost 3 million square feet of industrial/warehouse and office space.



Army Depot (Redevelopment Area)



Army Depot (Redevelopment Area)

The Base Realignment and Closure Act of 1990 (BRAC II) proposed and ratified closure and realignment of 36 military bases. One of the 36 military bases slated for closure in the BRAC was the Sacramento Army Depot. In response to the anticipated closure, the City of Sacramento applied for and received Economic Development Conveyance (EDC) of the Army Depot property in August of 1994.

Concurrent with the EDC application was the City’s attraction of Packard Bell Electronics to the site. In 1994, City Council approved a Master Lease with Packard Bell Electronics, Inc. By 1999, Packard Bell was facing difficult financial issues and dissolving as a corporation. As a result, Packard Bell requested the City consent to assignment of the Master Lease to U.S. National Leasing. The City approved the transfer, with some additional requirements, and U.S. National Leasing now operates the site under the Master Lease.

Since then, the City and U.S. National Leasing have successfully worked together to transform the former Army Depot site into a bustling industrial business center, known as Depot Park. Depot Park is currently at 85% occupancy, with over 120 commercial and industrial tenants, and has an employment count of nearly 2,000.



In 2010, Economic Development helped facilitate the approval of a 2.5 megawatt ground-tracking solar power system. The installation will reduce power use by approximately 40 percent at the revitalized industrial park. U.S. National Leasing is installing this system on 18 acres of the park and construction is expected to be completed by March 2011. This solar power system is expected to generate power equivalent to about 380 homes.

Economic Development continues to work with U.S. National Leasing in seeking commercial and project development opportunities for the former Army Depot site. Further investments to Depot Park support redevelopment efforts and strengthen the economic base of the Redevelopment Project Area by stimulating new commercial expansion, employment and economic growth.

Chrysler

On February 23, 2011, the City Council approved the sale of approximately 5.119 acres of land to Chrysler Realty Group (CRC) for the development of a new Chrysler, Dodge and Jeep dealership. This land is located south of the Mel Raptan Dealership along Business 80 and Fulton Avenue. The new dealership will be approximately 31,000 square feet and is anticipated to begin construction in late spring or early summer 2011 and hopes to be completed in winter 2011/12. It is anticipated that this new dealership will generate approximately 100 new jobs and about \$40 million in sales per year.



Chrysler (Artist's Rendition)

Downtown Projects

700 Block of K Street

In the summer of 2010, the City's Redevelopment Agency Board entered into exclusive negotiating agreement for the 700 block. The developer will retain and revitalize the historic storefronts along K Street and re-tenant with retail and commercial uses. This project will introduce approximately 150 new residential units along the alley and add approximately 350 new jobs. The project is estimated to cost approximately \$45 million.



2011-2016 CAPITAL IMPROVEMENT PROGRAM

800 Blocks of K/L Streets

In July 2010, the City's Redevelopment Agency Board selected a development team to revitalize the 800 blocks of K and L Streets. The project will include approximately 134 units north of the alley and 66 south of the alley including renovation of the historic BelVue Apartments, more than 22,000 square feet of retail, and parking. The project is estimated to cost approximately \$60 million.

Cars on K Street

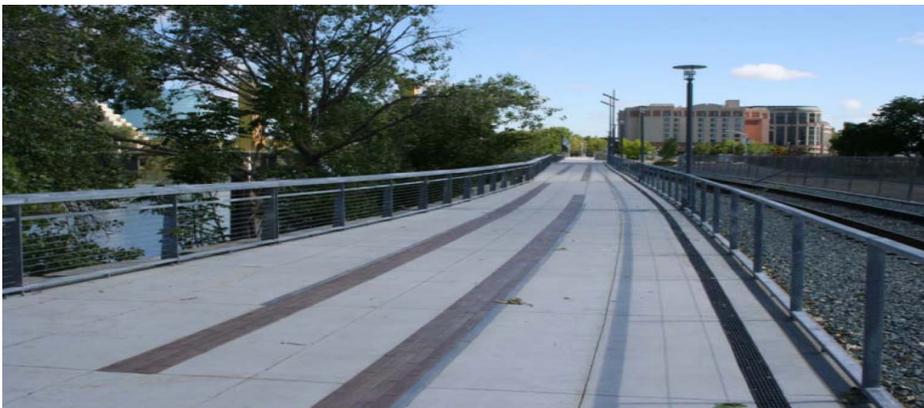
In November, City Council approved this project that will ultimately bring slow moving vehicular traffic to the K Street corridor from 8th to 12th Streets. The estimated \$2.7 million project will be completed by the end of 2011.

River District Greyhound Bus Station Terminal

The new Greyhound bus terminal broke ground in the River District June 2010. The 10,000 square foot, state of the art facility will be completed in 2011. The estimated cost of this project is \$6.0 million.

Riverfront Promenade Extension

In the Summer 2010, Economic Development, along with the City's Parks and Recreation and Transportation Departments, commemorated the first phase extension of the Docks Riverfront Promenade. This \$5.4 million project provides 3.4 acres of additional recreational opportunities along the Sacramento River. Design plans for the second phase are completed, and the City is actively pursuing funding opportunities for future phases.



Riverfront Promenade (near Embassy Suites)



Powerhouse Science Center

Economic Development staff has been working with non-profit partner, Powerhouse Science Center, to redevelop the former PG&E Power Station, located on Jibboom Street in the River District. In 2010, the project made significant steps forward that included completion of CEQA and NEPA review, the approval of the former PG&E Power Station nomination for National Register of Historic Places, and continued work toward completing their entitlements.



Powerhouse Science Center (Artist's Rendition)

