

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 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 remaining redevelopment funds provided through the Successor Agency (as explained below).

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. The secondary source of primary funding, redevelopment funds, has likewise been impacted by the downturn in the economy and a recent court decision. Under the State Assembly Bill (AB) 1X 26, which was upheld by the California Supreme Court in the case of



California Redevelopment Assn v. Matosantos (# S194861), over 400 redevelopment agencies in California, including the Redevelopment Agency of the City of Sacramento (“Agency”), were dissolved as of February 1, 2012.

The Agency managed two distinct programs with its property tax increment proceeds, development programs to eliminate blight, and to provide affordable housing. By operation of law pursuant to AB 1X 26 and by a ratification action taken by the City Council on January 31, 2012, the City of Sacramento became the “Successor Agency” for the non-housing assets and functions of the Agency for the 11 project areas within the City. The Successor Agency is responsible for the administrative close-out functions of the Redevelopment Agency and the disposal of all the assets and properties. The Housing Authority of the City of Sacramento became the Successor Housing Agency to retain the housing assets and functions previously performed by the Agency.

There are no new Economic Development projects programmed for FY2012/13.

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.

Chrysler

On February 23, 2011, the City Council approved the sale of approximately 5.1 acres of land to Chrysler Realty Group (CRG) for the development of a new Chrysler, Dodge, and Jeep dealership. This land is located south of the Mel Rapon Dealership along Business 80 and Fulton Avenue. The new dealership is approximately 31,000 square feet and is anticipated to be completed in spring 2012. 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 K Street

The City Council unanimously approved the redevelopment proposal for the 700 block of K Street that will transform the current vacant storefronts on the south side of the block into a vibrant mixed use complex with retail, housing, and commercial uses. The anchor tenant, a signature live music venue, along with boutique retail and restaurants, is expected to draw an additional 5,000 people to the downtown weekly. Construction is expected to be completed by December 2013. The selected development team, D&S Development and CYF Development, will revamp this section of K Street by adding 65,000 square feet of retail space and 14 new businesses. The project, expected to generate 400 new jobs, has been designed to preserve the historic fabric of the storefronts along this stretch of K Street and will feature a six-story residential complex along the alley that includes parking.

Cars on K Street

On November 12, 2011, after a 42-year absence from K Street, cars once again rolled along the former pedestrian mall between 8th and 12th Streets. Nearly 1,500 spectators watched as more than 50 old and new cars made the inaugural drive. The street conversion/economic development project, which cost more than \$2 million, includes an upgraded streetscape, traffic circulation improvement, and increased visibility for K Street businesses.



River District Greyhound Bus Station Terminal

The new Greyhound bus terminal broke ground in the River District in June 2010. The 10,000 square foot, state of the art facility was completed in July 2011. The downtown bus terminal was moved to its new location and replaced by a 10,000 square foot facility with six bus bays, a modern façade, and an onsite restaurant serving hot meals and snacks. The new terminal is self-certified as a silver LEED (Leadership in Energy and Environmental Design) building for its environmental enhancements, including improved energy and water efficiencies and CO² emissions containment. This multi-million dollar project was funded by impact fees and redevelopment/capital improvement funds.

