

INTRODUCTION

The Economic Development Department's role is to market the City of Sacramento and facilitate private investment in accordance with established economic development priorities and adopted land use plans and policies. 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 available, for the improvement.

Projects are initiated by various City departments in coordination with the City's Economic Development Department, as well as the Sacramento Housing and Redevelopment Agency (SHRA).

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
- Redevelopment of blighted area.

Project Selection Criteria

- Leverage of private investment;
- Increase in public tax revenues;
- Job creation (includes number and salary levels);
- New business creation;
- Potential of business area/corridor improvement;
- Conforms to the City's General Plan;
- Meets health, safety, and welfare legal obligations; and
- Furthers 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 Tax Increment (TI).

The 36-month downturn in the economy has dramatically reduced General Fund dollars that once were available for capital projects. That reduction, along with a long term lending slow-down by the private



2010-2015 CAPITAL IMPROVEMENT PROGRAM

sector, has severely impacted construction in the area.

The second source of primary funding, TI, has been impacted by state budget deficits, has taken about \$2.05 billion from redevelopment TI resources statewide. This translates into to an unforeseen take-away 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 TI funding budgeted in the SHRA budget occurs on a calendar year. 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 Fiscal Year (FY)2010/11.

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 \$1.45 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.

2010-2015 Capital Improvement Program (SHRA funding is based on a calendar year)							
Project #	Title	CIP Section	Five-Year Programming				
			2010	2011	2012	2013	2014
102000000	Alkali Flat Development Asst.	KK	202,842	0	0	0	0
107000000	Army Depot Development Asst.	KK	382,383	0	0	0	0
101000000	Del Paso Heights Development Asst.	KK	866,191	0	0	0	0
Total:			\$1,451,416	\$ -	\$ -	\$ -	\$ -

The Pre-Development Services Richards-Downtown project (B18216501) was originally established as a sub-project to the Pre-Development Richards Boulevard project (B18216500), however to better track the activities related to Richards Boulevard and Downtown Development projects, a new project is being established for Downtown Development as reflected in the following chart.

2010-2015 Capital Improvement Program Tax Increment (Fund 3701)							
Project #	Title	CIP Section	Five-Year Programming				
			10/11	11/12	12/13	13/14	14/15
B18216501	Pre-Development Services Richards-Downtown	HH	(649,391)	0	0	0	0
B18217500	Pre-Development Services Downtown	HH	649,391	0	0	0	0
Total:			\$ -	\$ -	\$ -	\$ -	\$ -



2010-2015 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.



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.

Intermodal Transportation Facility

Located in the Railyards Redevelopment Area, the Intermodal Facility is the region's Number 1 transportation priority. The Intermodal Facility promotes the City's Smart Growth Principles by providing transit-oriented development opportunities and creating multi-modal transportation options for the region.

The City's Department of Transportation manages the planning and development of the transportation facilities with Economic Development providing support and overseeing the use of redevelopment tax increment funds. Future phases of the Intermodal Facility will include joint public-private development opportunities which Economic Development will lead the efforts in promoting the development of those sites.



Intermodal Transportation Facility



Intermodal Transportation Facility (Aerial View)

Jibboom Street Infrastructure

The Jibboom Street infrastructure improvements will facilitate the development of the Powerhouse Science Center at the proposed site situated along the Sacramento River, bounded on the south by the new Water Intake Structure, north by Discovery Park, and east by the elevated I-5 Freeway. The Powerhouse Science Center development proposes to renovate a former PG&E Power Station, and construct new facilities to accommodate the Powerhouse Science Center in a site adjacent to the Sacramento River. The project site will include the renovated former PG&E Powerhouse Station, a new planetarium, an educational center with restaurant, and a parking structure. It will also provide improvements to the Robert T. Matsui Waterfront Park including benches, a living machine, and new plantings. The Powerhouse Science Center is projected to create 400 construction jobs and 100 permanent jobs.



Robert T. Matsui Waterfront Park Improvements

Robert T. Matsui Waterfront Park (Park) Phase One developed 6.5 acres of the site surrounding the former PG&E powerhouse building and extends to the recently completed Sacramento River Intake Facility to the south. The Park acts as a destination attraction along the existing Sacramento River Parkway bicycle trail that connects Old Sacramento to Discovery Park. The Park promotes the development of Sacramento's waterfront, a long-standing goal of the City.

The project has been developed in phases, with the first phase completed in the southern half of the park. The northern half of the park situated around the former Jibboom Street Pacific Gas and Electric (PG&E) Powerhouse Station, remains undeveloped with future plans to relocate and expand the existing 20-year old Discovery Museum of Science, Space, and Technology to the historic, former PG&E Powerhouse Station, immediately adjacent to the Sacramento River. The PG&E Powerhouse Science Center will demonstrate that a historic structure can be adapted to meaningful public use, be made sustainable over the long-term, and can meet at a minimum Gold-Level Leadership in Energy and Environmental Design (LEED) certification. As the anchor in the River District, the Powerhouse Science Center and Park will serve as a: premier educational asset; prime tourist destination; community gathering place; and a major event venue. The Powerhouse Science Center is projected to create 400 construction jobs and 100 permanent jobs.



Robert T. Matsui Waterfront Park Improvements (Artist's Rendition)



Powerhouse Science Center Project

The City of Sacramento is working with the Powerhouse Science Center to relocate and expand the existing 20-year old museum of science, space, and technology to the historic, former PG&E Powerhouse Station, which is immediately adjacent to the Sacramento River. The beaux-arts building was constructed in 1911 and has been shuttered since the early 1960s. The private/public partnership between the City and the Powerhouse will demonstrate that a historic structure can be adapted to meaningful public use, be made sustainable over the long-term, and can meet Platinum-Level LEED certification. The \$45 million project cost includes the construction of a science center, planetarium, waterfront restaurant, and conference center. Construction is projected to begin in 2012. The project has many community benefits, such as:

- Teaching school children about science, the environment, and technology through hands-on exhibits;
- Teaching by example and featuring low-impact and sustainable green practices for water, energy, and resource conservation;
- Linking to the River Walk, Old Sacramento, the Railyards, adjacent tourism centers, and downtown, will make the new Powerhouse Science Center a destination not only for residents, but for visitors as well;
- Attracting a projected 200,000 visitors and 350,000 students interested in participating in hands-on and off-site science programming; and
- Creating a projected 100 permanent jobs and 400 construction jobs for the Powerhouse Science Center Site.



Powerhouse Science Center (Artist's Rendition)



PRE-DEVELOPMENT SVS RICHARDS-DOWNTOWN PROGRAM

Project Description Provide funding for pre-development projects in designated Redevelopment areas, including Downtown, Richards and Railyards.

Project Objectives This project was originally established as a sub-project to the pre-development Richards Boulevard project (B18217500), however to better track the activities related to Richards Boulevard and Downtown Development project, a new project (B18217500) is being established for Downtown Development.

Existing Situation Remaining Downtown funds are being moved to B18217500 to provide better financial tracking of the activities occurring in the Downtown Development area.

Operating Budget Impact None.

Fund	Fund Source	Budget through 6/2010	Est Balance 6/2010	2010/11	2011/12	2012/13	2013/14	2014/15
3701	TAX INCREMENT	\$2,677,705	\$1,392,423	-\$649,391	\$0	\$0	\$0	\$0
This Project Total		\$2,677,705	\$1,392,423	-\$649,391	\$0	\$0	\$0	\$0

2010 - 2015 Funding -\$649,391

Estimated Project Cost \$2,028,314

FY2010/11 Funding -\$649,391

Prior Year Expenditures \$1,285,282



Council District 1, 3, 4
Neighborhood Area 1
Planning Area 4
Project Location
Project Manager Economic Development , Leslie Fritzsche

Project Number B18216501
 KC67

PRE-DEVELOPMENT SVS DOWNTOWN PROGRAM

Project Description Provide funding for pre-development activities in Downtown redevelopment area. This project was originally established as a sub-project to the predevelopment Richards Boulevard project (B18217500).

Project Objectives Provision of funds for pre-construction activities and consulting fees related to redevelopment projects. These funds stimulate development, job growth opportunities and leverages additional public and private investment.

Existing Situation The need exists for ongoing resources for pre-development activities for Downtown economic development projects. Remaining downtown funds are being moved from B18217500 to provide better financial tracking of the activities occurring in the Downtown Development area.

Operating Budget Impact None.

Fund	Fund Source	Budget through 6/2010	Est Balance 6/2010	2010/11	2011/12	2012/13	2013/14	2014/15
3701	TAX INCREMENT	\$0	\$0	\$649,391	\$0	\$0	\$0	\$0
This Project Total		\$0	\$0	\$649,391	\$0	\$0	\$0	\$0

2010 - 2015 Funding \$649,391

Estimated Project Cost \$649,391

FY2010/11 Funding \$649,391

Prior Year Expenditures \$0



Council District 1, 3, 4
Neighborhood Area 1
Planning Area 4
Project Location
Project Manager Economic Development , Leslie Fritzsche

Project Number B18217500
 KC67