



**ARMY DEPOT  
REDEVELOPMENT ADVISORY COMMITTEE**

**Meeting Minutes**  
Thursday, October 19, 2006  
George Sim Community Center, 6207 Logan Street  
Sacramento, CA 95824

**1. Call to Order and Roll Call**

Chairman Lien called the meeting to order at 5:45 p.m. Roll Call was conducted.

**RAC Members Present:** Jose G. Chacon, Don Colquitt, Joseph Hensler, Tim Lien, Constance Slider, Exer Toney, Steve Vourakis

**RAC Members Absent:** John Healey, Bernardo Hubbard, Burnie D. Lenau

**Staff Present:** Celia Yniguez, SHRA

**2. Introductions**

RAC Members introduced themselves to the new RAC member, Ms. Exer Toney.

**3. Approval of Minutes**

The minutes of the September 21, 2006 RAC meeting were continued to the November 16<sup>th</sup> meeting through a motion by Mr. Hensler that was seconded by Ms. Slider.

**4. General Comments**

A member of the public, Jay Narayan, provided an update of the South East Neighborhood Association's (SENA) recent activities. The SENA boundaries include Logan Street, 65<sup>th</sup> Street, Lemon Hill Avenue and the City limit. SENA is interested in improving Camellia Park located next to Camellia Elementary School at 6600 Cougar Drive including improvements to the soccer field, additional lights and regular maintenance of the lawn area. Another interest is the installation of speed humps on Ring Drive, Pantano Drive and Sunrise Drive. He reported that the City's Neighborhood Traffic Management Program will be evaluating a portion of Elder Creek Road in six months and the remaining portion later. He submitted to the City, as part of the Park's Master Plan process, a request that Camellia Park and Camellia School be combined to allow for increased access to the School's facilities. Mr. Colquitt commented that, due to the soft soil, the lawn tractor is not used frequently because it creates large pot holes in the lawn. This is the reason the grass is long and does not appear to be maintained. Mr. Narayan also said he submitted a request to the City for Danny Nunn Park. Finally, he made an announcement that a community meeting on the Library Master Plan would be held at the George Sim Community Center on October 23.

**5. SHRA Staffing Update**

Celia Yniguez reported that a new staff person had not been hired and requested the RAC let others know about the vacant position.

## **6. Redevelopment Items**

### **a. Elder Creek Rd/Sun River Dr Landscape Project Implementation**

Ms. Yniguez stated that she is continuing to research the past work that the City prepared to improve the landscape strips and that she made contact with Regional Transit (RT) to investigate the potential for a bus shelter and a bus turn out area at this location. For those at the meeting unfamiliar with the item, Ms. Yniguez provide background information describing how at the September RAC meeting, staff recommended the allocation of \$60,000 for a consultant to study design alternatives for the paved landscaped sections on both sides Elder Creek Road near Sun River Drive. She further explained that several RAC members expressed concern with the cost of the study. Additionally, a community member, Germaine Gill, stated that, as part of the Weed and Seed effort, this same area was studied and determined infeasible to landscape due to costs. Mr. Colquitt suggested that this area be a location for a bus shelter and a bus turn-out. Ms. Yniguez summarized that she was asked to research the past work prepared by the City and to contact RT.

### **b. Commercial Revitalization Program Funding**

Ms. Yniguez described the current Commercial Revitalization Program (Program) that is currently limited to properties on Fruitridge Road and one property on Elder Creek Road. The program provides exterior rebates of up to \$50,000. Originally, the program funding was \$200,000, but due to the number of applications, the RAC approved an additional allocation of \$100,000 last month. At the September meeting, the RAC requested staff review and make a recommendation to add properties on Power Inn Road to the Program. Ms. Yniguez recommended that the entire length of Power Inn Road in the Redevelopment Area be added to the Program, and an additional \$200,000 be allocated to the Program. Staff would notify all property owners and business owners of the program, but the section between 14<sup>th</sup> Avenue and 21<sup>st</sup> Avenue would receive additional contact by staff as the area needs more attention.

Mr. Lien expressed his support for the Program. Mr. Hensler made a motion to approve the recommendation and Mr. Lien seconded the motion. Ms. Slider asked if the funds were exclusive to Power Inn Road and how the focus area was determined. Ms. Yniguez responded that the additional \$200,000 would not be exclusive to the Power Inn Road properties. The location for more focused outreach was determined by staff through a visual survey of the properties along Power Inn Road.

The motion was approved unanimously.

### **c. Project Prioritization**

Ms. Yniguez provided background information for the Project Prioritization item. In the fall of last year, the RAC prepared a project list included in the report. At this time, Ms. Yniguez did not feel there was sufficient project information to prioritize the projects, but wanted to review the budget and funding requirements. An overview of tax increment financing was provided by Ms. Yniguez. She explained that when a redevelopment project area is established, a geographic area is designated and the amount of property taxes paid in the area is identified. The amount of property taxes paid is called the "base year." The next year, the amount of property tax paid increases. The increase above the base year is called the increment or "tax increment." SHRA uses these for projects and administrative costs. SHRA does not receive all of the increment, the County Assessor is paid a percentage for collecting the funds and there are other taxing entities which continue to receive funds by way of "pass through agreements," such as the school districts. Generally, SHRA receives 40% of the funds. SHRA can use tax increment funds to issue bonds.

It was suggested that the RAC review the 2007 budget included in the report. Ms. Yniguez explained that there are \$1.7 million in current tax increment flow and \$239,000 in Low and Moderate (L/M) Housing Funds. There are \$4 million in Tax Exempt Bond Funds and \$6 million in Taxable funds. There is an estimated \$1.9 million in tax increment that will be received in 2007. The L/M Housing Funds that will be generated by the Army Depot RDA in 2007 will be aggregated into one pot with 8 other City redevelopment project areas. The decision to aggregate funds was done with adoption of the Five Year Implementation Plans. The Army Depot's contribution is estimated at \$1.1 million. There is a total of \$13.6 million in funding for the Redevelopment Project Area.

Mr. Hensler requested staff explain the funding requirements. Ms. Yniguez distributed a handout which outlined the uses of tax increment funds. She elaborated that tax increment flow is the most flexible type of funds. It can be used to fund infrastructure or the financial gap in a private development project. For example, a developer wants to build a retail center, but the rents are insufficient to pay for the project, if it was determined that it is an appropriate redevelopment project, tax increment funds could be used to fill the financial gap. The L/M Housing Funds must be spent on affordable housing projects.

Ms. Yniguez continued by saying that there are two types of bonds issued, tax exempt and taxable. The difference between the two types is the interest rate with the tax exempt bond having the better interest rate. SHRA must not be repaid by the recipient for the non-taxable bond funds; therefore these funds are spent on infrastructure such as curb gutter and sidewalk, or on expanding a community center. These funds must be spent in 3 years from issuance (June 2009). The taxable bond funds can be paid back, but it is not required; therefore, SHRA can loan these funds to assist a developer and get paid back. In response to a question, Ms. Yniguez clarified that the 20% L/M Housing Funds were not bonded against; therefore, none of the \$10 million in proceeds must be spent on housing. The funds could be spent on housing, but it is not required.

Mr. Hensler expressed his concern regarding the June 2009 deadline for spending the tax exempt funds. Specifically, he mentioned the difficulty of having a project designed and constructed within that time frame. He asked how staff could move forward on developing housing projects and using the tax exempt bond funds. He concluded by stating that the RAC had thought that private developers would bring forward projects. As that is not happening, staff should identify sites and consider rehabilitating them.

Ms. Yniguez described the fact that, in the other redevelopment project areas, SHRA pays for early planning work for infrastructure projects, such as on the commercial corridors. This allows the project to be listed in the City of Sacramento's Transportation Planning Guide (TPG) and thereby, be eligible for funding. The planning makes the project more competitive for other funding sources such as the Sacramento Area Council of Governments' (SACOG) community planning grants. As a result, we do not have to limit ourselves to spending money on projects that must be completed 3 years.

There are several different ways used to create housing projects. Properties could be acquired or staff may release a notice of availability of funds. Staff could recommend a strategy to acquire property by looking at vacant property and properties for sale and return next month with that information.

RAC members expressed concern that the housing funds were aggregated and wanted to know how much Army Depot tax increment funds were put into the aggregate fund this year. Ms. Slider commented that other redevelopment project areas have private developers and non-profit housing developers that are actively pursuing projects and members are concerned that, the Army Depot may lose out. Staff was requested to add a footnote on the Army Depot Redevelopment Project Area Budget 2007 sheet that would show the amount of 2006 and 2007 Low/Moderate Housing funds that were put in SHRA's aggregate housing fund. Ms. Slider stated that developers have not come around due to the challenges in the area, and that the land prices are too high. They are unable to purchase property and then come to the Agency for assistance. Mr. Vourakis questioned how we could be successful if others have not. Mr. Lien stated that we could buy the land at market prices and then contribute the land to a developer with a worthy project.

Several RAC members did not recall being informed about the aggregation of housing funds. Mr. Colquitt stated that Chris Pahule did mention it in the past. The RAC requested staff look into the available property at Lemon Hill and 65<sup>th</sup>.

Mr. Lien suggested that the RAC discuss the Project Priority List, and identify those projects that could be funded by the tax exempt bond funds. Staff will obtain additional information on these projects in preparation for further discussion at the next meeting. He stated that 1, 2, and 3 should be on the list. As a group, the RAC and Ms. Yniguez went through the list and identified the following to be discussed next month. The projects included: 4, 5, 6, 7, 9, 10, 11, 16, 17, 18, and 19. The description for Max Baer Park will be changed to reflect the current project description which is to replace the play structure, construct a new play structure and develop a park master plan. Project 19 requires staff to conduct research as to the details of the project.

Ms. Yniguez suggested that the Elder Creek Road at Sun River landscape project and undergrounding of SMUD lines be added to the list.

Mr. Lien requested staff inquire as to what could be done for projects 2 and 3 that would move them up on the City's list (Transportation Planning Guide). Ms. Slider requested staff look at what could be done sooner rather than later for the corner of Lemon Hill and Power Inn Road. She explained that school children use the corner and there is very little buffer. Mr. Hensler expressed concern that staff did not spend time on the Power Inn Road widening project if it is 10 or more years out and the funds would be wasted.

Mr. Chacon expressed concern that the RAC was using this process to remove and add projects to the list that was previously approved by a consensus of the RAC. Mr. Colquitt commented that the Elder Creek at Sun River project relates to project 1, pedestrian improvements. Mr. Lien agreed that new projects should be fully discussed and voted on by the RAC. Ms. Yniguez suggested that Elder Creek could be added to the list at the end and noted that it was included as a request from a community member.

There was discussion between Mr. Hensler and Mr. Lien as to whether the Power Inn widening (14<sup>th</sup> Ave to Fruitridge) should be included on the list if the timeframe is too far out.

The RAC members discussed the L/M Housing Funds and requested additional information. In response to the discussion, Ms. Yniguez stated that she would footnote the amount of Army Depot L/M funds from 2006 and 2007 that went and will go into the aggregate housing fund and the time frame in which the tax exempt bond funds must be spent. The RAC also

expressed the desire to proceed on a housing development program. Ms. Yniguez committed to presenting, at the next meeting, an aerial map of the Redevelopment Project Area with vacant parcels and zoning. There will be a discussion to identify properties to investigate for potential purchase.

Ms. Yniguez stated that, for the next meeting she would revise the project list, in accordance with this evening's discussion, in preparation for a project prioritization discussion in relation to the tax exempt bond funds.

## **7. Information Items**

### **a. P06-107 Elder Creek Market, Planning Application**

Ms. Yniguez described the project and the entitlements as the following: Located at the corner of Ring Drive and Elder Creek Road, the proposed project is the construction of a 15,340 square foot retail/commercial building. The project would include a basement for storage, first floor for the market, 2<sup>nd</sup> floor for office and residential on the 3<sup>rd</sup> floor, although floor plans in the application have office on the 3<sup>rd</sup> floor. The proposed project requires a Community Plan Amendment, a rezone and Special Permits for the residential, 24-hour business operation and sales of alcoholic beverages for off-site consumption. Ms. Yniguez reported that the project planner is working with the applicant to change the project design and scale.

Ms. Slider commented that the Avondale Glen Elder Neighborhood Association, prior to her moving into the neighborhood, did not support the applicant's previous Alcohol and Beverage Control (ABC) application. Currently, the Neighborhood Association does not support the ABC license or the 24 hours of operation.

Mr. Colquitt asked if Ring Drive would be widened because it is a narrow street and the increased activity may create traffic issues. Additionally, the street does not have curb gutter and sidewalk the full length. He recommended that the City consider widening the street. Mr. Hensler stated that the City will require the street be fully improved.

### **b. Redevelopment Updates**

Ms. Yniguez provided a verbal update on several projects. City staff is proceeding with a design-build process for the Sim Center Expansion. The project will be presented next month to the RAC. SHRA and City Department of Transportation (DOT) staff are meeting to discuss the long term plan to widen Power Inn Road and if and how to improve the area where the Union Pacific Railroad crosses Power Inn Road. For the Bicycle Facilities projects, staff has discussed with DOT staff, specifically Ed Cox the Bicycle Coordinator, the approach to proceed with a study in two phases. First, a demand study would be conducted and if there was demand, the consultant would proceed with the feasibility phase. Staff will bring this to the RAC next month. Ms. Yniguez distributed a new RAC roster. Ms. Slider and Mr. Vourakis requested changes.

Ms. Slider provided an update of the Max Baer Park project. She stated her support of the current approach to rebuild the burned play structure now, next build a new structure for the tots and prepare a master plan of improvements for the entire Park. A community meeting will be held on November 11<sup>th</sup> to discuss the Park improvements.

Mr. Lien inquired about the status of the Affinito project. Ms. Yniguez reported that SHRA met with Mr. Affinito and his broker. All parties agreed that it was necessary, in order to

have the best project possible, to control the parcels on Elder Creek Road. Mr. Affinito is pursuing those property owners.

Ms. Yniguez reminded the RAC members of the required Ethics Training and distributed letters from the City Clerk announcing classes.

**8. RAC Member Project Status Reports**

Mr. Chacon provided an update of Caina Court. There is very little activity and it appears to be near completion. There is a problem with cars not operating. He expressed his hope that the City consider the recommendation to install large boulders and that the wood fence would disappear in the long term.

**Adjournment**

The meeting was adjourned at 7:35 p.m. after approval of a motion by Mr. Chacon and a second by Mr. Vourakis.