

# The Economic Benefits of Redevelopment

A Case Study of Ten Downtown Sacramento Projects

<p><b>Barriers to Development</b></p> <ul style="list-style-type: none"> <li>⊖ Antiquated infrastructure</li> <li>⊖ Inability to assemble sites</li> <li>⊖ Costs exceed rents</li> <li>⊖ Historic preservation</li> <li>⊖ Unproven market</li> </ul>		 <p>Ping Yuen Mixed Use Project</p>
<p><b>Redevelopment Tools</b></p> <ul style="list-style-type: none"> <li>✦ Site assembly</li> <li>✦ Gap financing</li> <li>✦ Site marketing</li> <li>✦ Developer recruitment</li> <li>✦ Expedited approvals</li> </ul>	<p><b>Before Redevelopment</b></p>	<p><b>After Redevelopment</b></p>

Project Impact: Ten Downtown Projects 1993-2003	With Redevelopment
Permanent Jobs	Increased from 1005 before projects to 3,375
Construction Jobs	1,869
Retail square footage	Increased from 830,000 to 1,435,6000
Office square footage	Increased from 40,000 to 296,400
Parking Spaces Added	215
Private Investment	\$363,330,000
Public Investment	\$42,999,000
Property Tax (annually)	Increased from \$836,801 to \$2,838,615
<sup>1</sup> Economic benefit during construction	\$707,808,163
<sup>2</sup> Economic benefit ongoing	\$441,810,383

Benefits
☛ Leveraged 8 private dollars for every public dollar invested
☛ Created jobs, generated wages, increased consumer buying power
☛ Brought 52 new businesses to Downtown
☛ Increased property tax by over \$2 million
☛ Provided over \$550,000 for affordable housing
☛ Contributed over \$700 million in economic impact during project construction with over \$440 million in annual impact
☛ Preserved historic buildings
☛ Added over \$7 million in public improvements
☛ Supported State commitment to healthy cities

Projects include: 16th & J Elliot building; 16&J Lucca's restaurant; Sheraton Hotel; 1029 K St; 1201 K St (Esquire Theatre); Waterfront restaurant; Embassy Suites; Downtown Plaza mall renovation; Crest Theatre; Chops Restaurant.

<sup>1</sup> Estimated economic activity resulting from projects while under development

<sup>2</sup> Estimated annual contribution to gross regional product