



MEMORANDUM

To: Mayor and City Council

From: Neil C. Krutz, P.E., Deputy City Manager for Community Services

Date: September 11, 2012

Subject: City Council Retreat: Review, discussion and possible direction to staff regarding real property assets in Redevelopment Area 1

BACKGROUND:

In Redevelopment Area 1 (RDA 1), the Redevelopment Agency and City of Sparks have acquired numerous properties in the area, a majority for the purpose of assembling the Victorian Square project site in the area bordered by Victorian Plaza Circle and Victorian Avenue. While some of this property has been disposed of to advance the RDA 1 redevelopment plan (most notably the land for the Century Theaters site), or been used for public facilities (including the two parking structures), the majority continues to be owned by either the City of Sparks or Sparks Redevelopment Agency.

ANALYSIS:

The purpose of this agenda item is to review and discuss the Agency's real property assets and solicit direction regarding their possible use or disposition from the Redevelopment Agency's Board of Directors. Staff will initiate a discussion with the City Council based on the following outline:

RDA 1

1. Review Agency/City land holdings and property ownership patterns within the Victorian Square project area. As reflected in the attached map entitled "Victorian Square Property Ownership", the Agency's past site assembly efforts have resulted in the Agency/City becoming the largest landholder in the project area. The (Sparks) Nugget Inc. and Ascuaga family own many of the remaining parcels.
2. Review possible options for seeking development or disposition of the Agency's land holdings. These options, which in some cases could be employed concurrently, include:
 - a. Staff-reliant marketing approach – e.g., post "for sale" signs and publicize the availability of the Agency's property through staff outreach and marketing efforts.

Some of the same considerations as for “2.b” (i.e., achieving the right mix of uses, development standards, etc. apply).

- b. Engage a broker to market our property – could be done for properties as a group or individually. Considerations include:
 - i. Conventional compensation agreement versus fee plus incentives arrangement; latter will result in out of pocket cost to Agency.
 - ii. If parcels are to be conveyed individually, determine how to control/select for right mix of uses.
 - iii. Development standards/controls

- c. Once again seek a master developer. Decide if to be pursued in conjunction with Nugget. Identify potential developer candidates then:
 - i. Use RFQ or RFP process; or
 - ii. Advertise for interested parties and consider them serially or concurrently with goal of an Exclusive Negotiating Agreement (ENA) then a Disposition and Development Agreement (DDA).

- d. Other options include marketing land, especially larger parcels (e.g., block west of theater), through EDAWN for the “right” project (e.g., creates assessed value and quality jobs) or continuing to hold property until demand for land strengthens.

If disposition of land is to occur for uses that are not encompassed by the Victorian Square Development Plan (the one adopted in 2005), the plan may need to be updated and amended.