

MINUTE ITEM

This Calendar Item No. 41
was submitted for information
only, no action thereon
being necessary.

INFORMATIVE
CALENDAR ITEM

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04/23/87
W 20936
A. Scott

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REPORT ON SACRAMENTO WATERFRONT DEVELOPMENT
CITY OF SACRAMENTO
STATE LANDS COMMISSION

Informational item concerning the status of various projects along the Sacramento River within the City of Sacramento.

BACKGROUND:

The area of this report covers the Sacramento River between the "I" Street bridge on the north and the Pioneer Bridge (Interstate 80) on the south. The area is further separated into two sections: 1) "Old Sacramento", "I" Street Bridge to Tower Bridge, and 2) "The Docks", Tower Bridge to Pioneer Bridge. Each section has different characteristics and has been treated separately.

The "Old Sacramento" area has been used to recreate the waterfront of Sacramento as it appeared in the era of the 1870's to 1890's, emphasizing public access and visitor serving facilities. Because of the need to keep the improvements along the river historically correct, the City of Sacramento, through its Redevelopment Agency, built the wharf along the river for access to the water. This investment of public money has allowed the development of the remaining water area to occur without a large investment by the private sector. If private developers had been required to invest the cost of these public improvements then the project in "Old Sacramento" would not have been built to exacting standards of historical accuracy as it has been, because the cost to a private developer would have been prohibitive.

In order to allow the City to recover its investment the Staff of the Commission and the City reached an agreement whereby the City would enter into a Master Lease with the State for the

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area of sovereign land in front of "Old Sacramento". This Master Lease would require less than market rent to the State for a period of time to allow the City to recover its investment in the wharf and other historic improvements along the waterfront used as access to the State leased area. Additional consideration would be furnished by the enhanced public access. The Master Lease also provided a method for the approval by the State Lands Commission of subleases issued by the City to private parties.

During the time that this Master Lease was being negotiated the Staff and the City also discussed the need for a Master Lease covering the waterfront area at "The Docks". The need for a Master Lease at that location at the time was secondary to the need for a Master Lease at "Old Sacramento" because the City was in the process of selecting a developer for the upland at the "Docks" area and had not completed its selection process. Also the type of development proposed for the "Docks" area was not the type that would require the investment of public money into the water side improvements, therefore, the lease from the State would require some modification from the lease form used in "Old Sacramento".

CURRENT SITUATION:

The City has completed the process of selecting the developer of the upland at "The Docks" area and has, as part of that process, prepared plans for the type of development along this section of the river. The plan for this area includes the placement of docks at various locations for the use of commercial boats and for the use by the public of some docking facilities on a transient basis. The proposed berthing in the "Docks" area is not intended to be a commercial marina offering permanent long term berthing. The City has made a formal application for a lease in the Docks area and it is the intent of the staff and the City to enter into a Master Lease similar to that of "Old Sacramento". The only thing that would differ between the two leases would be the rental provisions. The State would receive a greater share of any income from the Docks area because the City would not be required to invest large amounts of money into access as it did in "Old Sacramento". This lease would also include a provision requiring the approval of the Commission of all subleases issued by the City.

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The Commission has an active lease with the City for the area between the "I" Street and Tower Bridges, as noted above. The staff has conducted ongoing negotiations, for the past two years, for a Master Lease for the area between the Pioneer Bridge and the Tower Bridge. The staff has also received several applications from private parties for leases of portions of the area between the Pioneer and Tower Bridges. Section 6223 of the P.R.C. provides that the Commission shall give priority consideration to an application filed by a city, county, or State agency, no matter when filed. Section 6223 does not obligate the Commission to actually grant the request of the public agency, but merely requires it to consider the application before private applications for the same area.

The staff believes that the negotiations with the City are proceeding in good faith, and that only those private applications which are compatible with future City plans, and which are approved by the City should be favorably considered by the Commission until a final lease with the City is worked out. The staff will recommend that nonconforming private applications be denied.

The specific plan for the area calls for the development of the area at the "River Lines Dock" as a location for Tour Boat operations and for some limited transient docking. Other proposed uses include public fishing areas, potential restaurant decks and more public transient docking for access to "Old Sacramento" by the boating public.

Staff of the City and the State Lands Commission believe that they can work together to reach an agreeable level of development in this area which will be of benefit to the general public and particularly to the users of the Sacramento River.

AB 884: N/A.

EXHIBIT: A. Location Map.

(ADDED 04/17/87)

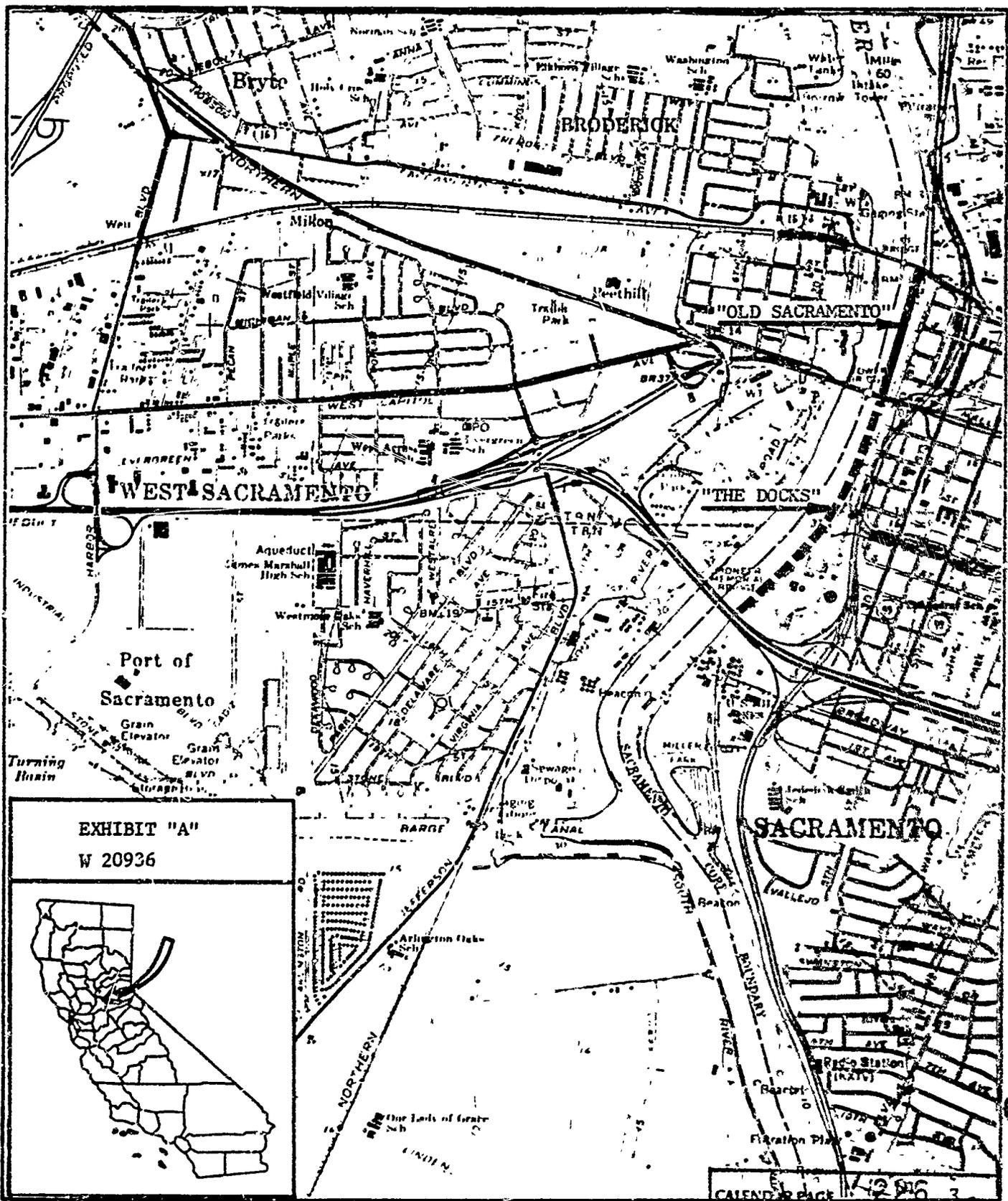


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