



CITY OF SANTA BARBARA

REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: June 10, 2008

TO: Chairperson and Boardmembers

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Request For Proposals For Development Of Agency-Owned Property At 125 South Calle Cesar Chavez

RECOMMENDATION:

That the Redevelopment Agency Board authorize the Agency Deputy Director to release a Request for Proposals for leasehold disposition and development of Agency-owned property located at 125 South Calle Cesar Chavez.

BACKGROUND:

The Agency-owned property is located at 125 South Calle Cesar Chavez, directly north of the railroad tracks and south of the concrete batch plant and Marborg's metal roll-off container storage yard. The 2.4-acre site, comprised of four parcels, has frontage on both Calle Cesar Chavez and Quarantina Street and is zoned M-1/SD-3 (Light Manufacturing/Coastal Overlay). An aerial photo of the site is attached to this report.

The RDA purchased the property for \$2.87 million in April 2001 from Spumoni Holding Company, LLC as an opportunity acquisition for a future redevelopment project that would benefit from assembling four smaller parcels and to eliminate visual blight in the waterfront area. The parcels were part of a larger land area held by Union Pacific Railroad Company for many years and have historically been occupied by various light industrial uses, including bulk oil storage and distribution facilities.

Proposed Uses

Since 2001, numerous potential uses have been suggested for the property. No formal solicitation of proposed uses has occurred to date. The public knowledge that the property could be available for redevelopment has generated a significant amount of interest from several organizations. One such use was a Community Arts Workshop, which has since found a permanent facility on RDA-owned property at 631 Garden Street. Other suggested uses include relocation of Old Spanish Days' Carriage Museum and float materials from Pershing Park, relocation of the School District's maintenance and operations facilities from Ortega/Garden Streets, recreational facilities, additional light industrial uses, a business incubator, additional City offices, and an Art from Scrap facility with studio space. Residential uses are not permitted on the property due to its M-1 zoning designation.

The future use of the property was also discussed at several meetings of the Eastside Study Group in 2001 and at a workshop in 2002. Ideas expressed at that workshop included developing the site with community-serving uses, including versatile open space and a non-traditional road (with removable bollards) through the site, and the potential for a farmers' market and overnight RV parking on the property.

In 2007, Redevelopment Agency staff met with representatives of Old Spanish Days and were informed that their relocation from Pershing Park to the project site was unlikely. As a result, Staff is prepared to release a Request for Proposals (RFP) to interested parties for the leasehold disposition and development of the site. The proposed RFP is the subject of this Agenda Report.

Site Constraints

A Land Use Evaluation was prepared by Paul Poirier & Michael David Architects in September 2007 to analyze the development potential of the property. This analysis was provided to the Agency Board in October 2007. Pursuant to Measure E, potential nonresidential development could encompass up to 39,340 square feet of building space on the site. The analysis also includes three conceptual site plans to understand the range of uses, building sizes, and number of parking spaces that could potentially be accommodated on the site.

Biological Resources Reports were prepared by URS Corporation to evaluate the on-site drainage channel in the southwest portion of the property for its potential to be an Environmentally Sensitive Habitat Area (ESHA) per the California Coastal Act. Although it was found to be in a degraded state and not considered an ESHA, the channel does serve as a natural filter for run-off from the site and surrounding area. Therefore, a setback of at least 25 feet from the top of bank of the channel is expected to be required as part of any development proposal.

Since 1994, Public Works Staff had contemplated extending Cacique Street through the site, connecting Quarantina Street and Calle Cesar Chavez. After numerous public meetings, and considering funding limitations to implement the street extension project, Public Works Transportation Planning Staff have more recently suggested limiting the public right-of-way to a 16-foot wide multi-use pathway for bicycle and pedestrian traffic and for emergency vehicle access as necessary.

Two site investigations have been completed to determine the type and extent of hazardous waste contamination on the site. Heavy-end petroleum hydrocarbons are known to exist in some areas and it is likely that any development on the site would require future soil testing and special treatment of excavated material.

The subject property is conditioned, per Planning Commission Resolution 051-04, to provide 20 off-site parking spaces for use by the staff of Casa Esperanza, which must be incorporated into any development proposal.

DISCUSSION:

The purpose of the RFP is to garner interest in the site and identify an interested entity with whom to enter into a Memorandum of Understanding (MOU) or an Exclusive Negotiating Agreement (ENA) to develop an appropriate project for the site.

The RFP contains general information about the site and basic parameters for possible development, including site description, development goals, development standards and guidelines, site constraints, proposed project feasibility, financial strength of proposing interested organization/development team, as well as submission requirements and selection procedures.

There are no identified RDA projects or programs for the site and the RFP is therefore general in nature. However, it does state that the RDA is particularly interested in proposals from local non-profit organizations or public agencies that would provide recreational, educational, cultural, social services, or economic development opportunities, and also identifies the RDA's interest in receiving proposals involving joint uses of the site by complementary community-serving users. Any proposal considered would need to be of general benefit to the Central City Redevelopment Project Area.

NEXT STEPS:

After receipt of proposals, a review committee of City Staff will select an interested organization/development team to recommend to the Agency Board for entering into either an MOU or an ENA (depending on the complexity of the proposal and the anticipated project) to develop the site. Staff anticipates returning to the Board in Fall 2008 to receive authorization to enter into negotiations with an interested development team. The approximate timeline is as follows:

Request for Proposals Released.....	June 18, 2008
Pre-submittal Conference.....	July 8, 2008
Proposals Due.....	August 21, 2008
Development Team Selected by Board--MOU/ENA Process Begins....	October 2008

A draft copy of the RFP has been delivered to the Agency Board separately and is available for public review in the City Clerk's Office and the RDA Offices at 630 Garden Street. Upon authorization by the Board to release the RFP, the RFP will be directly mailed to individuals and firms who may have an interest in the site and to professional organizations. It will also be posted on-line, including the websites of the City, the California Redevelopment Association, and the American Planning Association.

ATTACHMENT: Aerial photo of the project site and surrounding area

PREPARED BY: Dave Gustafson, Housing and Redevelopment Manager/ RLB

SUBMITTED BY: Paul Casey, Deputy Director

APPROVED BY: City Administrator's Office



Calle Cesar Chavez

Quarantina Street

Cacique Street

Union Pacific RR

Project Site

Fess Parker's
DoubleTree Hotel

Cabrillo Boulevard



125 South Calle Cesar Chavez

ATTACHMENT