



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 9, 2020

TO: Mayor and City Council Members
Christopher W. Boyd, City Manager

FROM: Colleen McDuffee, Community Development Director
Casey Kempenaar, Planning Manager
Alison Bermudez, Associate Planner

SUBJECT: **Sylvan 40 Property Market Research and Planning Goals**

Summary and Recommendation

The city acquired a strategically located piece of property, known as Sylvan 40 property, in September 2019. The ownership of the property provides an extraordinary opportunity for the city to leverage its local land use authority over the market. The city's consultant, James Simon with RSG, completed the market research which evaluated the construction trends, current rental/sale rates of the nearby housing market, and demographics for the area surrounding the Sylvan 40 property. The consultant will present the information and discuss how it may be used when exploring developer interest in the site.

At the city's October 2019, Strategic Planning Retreat, the development of Planning Goals for the Sylvan 40 property was identified as a strategic goal. In December 2019, the draft Planning Goals were presented to the City Council and posted to the city's website for public review. Tonight's action will include the adoption of these goals.

Staff recommends the following motion:

Motion 1: Move to adopt Resolution No. 2020-___ a resolution of the City Council of the City of Citrus Heights, adopting the Planning Goals for the Sylvan 40 Property.

Motion 2: Direct staff to meet with the cemetery district to engage in discussion regarding their interest in purchasing a portion of the Sylvan 40 property.

Motion 3: Direct staff to proceed with exploring market interest in the property and offer the Sylvan 40 property for sale.

Fiscal Impact

There is no direct fiscal impact from this project. Fiscal impact will be reviewed upon the sale of the Sylvan 40 property.

Background and Analysis

In September 2019, the city finalized the purchase of the property located at 7137 Auburn Boulevard (former Sylvan Middle School site). The property, now referred to as “Sylvan 40”, is strategically located along Auburn Boulevard and its future development will serve as a catalyst for the revitalization of the Auburn Boulevard corridor. The city purchased the land not to retain ownership or develop the property, but to sell it to a developer who can help carry out the city’s vision.

On December 12, 2019, a study session was held with the City Council which provided an overview of the Sylvan 40 project. The overview included a presentation of the draft planning goals which are intended to guide the future sale and development of the Sylvan 40 property.

Presentation of Market Study

James Simon, with RSG, will present an overview of the market area surrounding Sylvan 40. A summary of the findings include:

- A strong labor force exists within Citrus Heights and the surrounding area;
- There has been a growth in population;
- The residential vacancy rate in Citrus Heights is the lowest in the area; and
- The site can accommodate a variety of development options.

Planning Goals

In an effort to guide the Sylvan 40 property’s future development, staff crafted Planning Goals that reflect the city’s vision for the property. The Planning Goals will be shared with potential buyers when the city places the property on the market. The draft goals were presented to the City Council in December 2019, and were also placed on the city’s website for public review. Based upon input received, the Planning Goals were slightly revised.

Below are the updated Planning Goals for review and consideration.

Concept Goals

The Sylvan 40 property is a place of cultural and social significance for Citrus Heights. The development of the property shall meet the following concept goals:

- Represent the city’s continued commitment to reinvest in Sylvan Corners and Auburn Boulevard.

- Support uses compatible with surrounding land uses without detracting from the nearby Stock Ranch retail center.
- Enhance Sylvan Corners as the geographical center of the city and reestablish the area as a cultural and social hub.

Design Goals

The Sylvan 40 property is a gateway to the Boulevard and its future development will serve as a catalyst for continued revitalization of the area. Development of the property shall meet the following design goals:

- Activate the area by fronting all buildings, including residential units, outward toward Sylvan Plaza and Auburn Boulevard frontage.
- Include enhanced pedestrian connections to connect the property to nearby businesses, Sylvan Plaza and the adjoining school.
- Provide well-designed parking and service areas to screen these areas from Auburn Boulevard and the Sylvan Plaza.
- Incorporate Sylvan Plaza into the project design.

Land Use Goals

The Sylvan 40 property is essential to the continued improvement of the Boulevard. The property may be developed with a variety of land uses which complement the area and the surroundings. Proposed use(s) shall consider the following overall land use goals:

- Consider the property's adjacency to the school and the cemetery.
- Encourage commercial uses such as cafes with outdoor dining, offices which incorporate outdoor areas and other similar uses that will connect to the public spaces. Prohibit automotive intensive uses such as gas stations and drive-throughs.
- Housing types may consist of for-sale and rental units, be a mixed-use concept, or designed for specific needs such as work-force housing, teacher housing, or similar product type.

Financial Goal

The city purchased the Sylvan 40 property to play an active role in its future development. The city has long recognized Sylvan Corners as a pivotal piece to attracting private investment in the area. The following is the city's key financial goal when considering development of the property:

- The development shall be financially feasible and provide long-term fiscal benefits to the city.

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Next Steps

The goal is to begin marketing the property to the development community in the near future. Prior to placing the property on the market, staff feels it's important to meet with the cemetery district to determine their interest since the overall size of the property may change should the cemetery district and the city reach an agreement.

When the site is offered for-sale, staff anticipates the property to be listed for a minimum of 90 days. Developers interested in the property will submit their formal offerings addressing topics such as proposed land use, understanding of the site and market conditions, financial capacity, public benefits offered, anticipated timetable, and experience.

Staff will updated the City Council as this process progresses.

Attachments

1. Resolution 2020-___ a resolution of the City Council of the City of Citrus Heights, adopting the Planning Goals for the Sylvan 40 Property.

RESOLUTION NO. 2020-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, ADOPTING PLANNING GOALS TO HELP GUIDE THE FUTURE DEVELOPMENT OF THE SYLVAN 40 PROPERTY

WHEREAS, on October 22, 2019, the City Council held a strategic planning retreat to prioritize the city’s policies, programs and services for the coming year;

WHEREAS, during this retreat, the Council directed staff to create Planning Goals which will help guide the future development of the Sylvan 40 property;

WHEREAS, on December 12, 2019, the Council reviewed and discussed the draft Planning Goals in regard to the development concepts, design, land uses, and financial goals for the Sylvan 40 property; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the City Council of the City of Citrus Heights adopts the Planning Goals provided as Exhibit A, to help guide the future development of the Sylvan 40 property.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 9th day of April 2020, by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**
ABSTAIN: **Council Members:**
ABSENT: **Council Members:**

Jeff Slowey, Mayor

ATTEST:

Amy Van, City Clerk

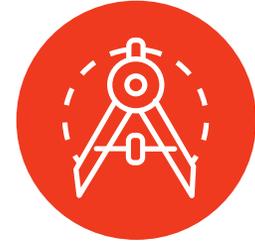
Exhibit A: Planning Goals



CONCEPT GOALS

THE SYLVAN 40 PROPERTY IS A PLACE OF CULTURAL AND SOCIAL SIGNIFICANCE FOR CITRUS HEIGHTS. THE DEVELOPMENT OF THE PROPERTY SHALL MEET THE FOLLOWING CONCEPT GOALS.

- Represent the city's continued commitment to reinvest in Sylvan Corners and Auburn Boulevard.
- Support uses compatible with surrounding land uses without detracting from the nearby Stock Ranch retail center.
- Enhance Sylvan Corners as the geographical center of the city and reestablish the area as a cultural and social hub.



DESIGN GOALS

THE SYLVAN 40 PROPERTY IS A GATEWAY TO THE BOULEVARD AND ITS FUTURE DEVELOPMENT WILL SERVE AS A CATALYST FOR CONTINUED REVITALIZATION OF THE AREA. DEVELOPMENT OF THE PROPERTY SHALL MEET THE FOLLOWING DESIGN GOALS.

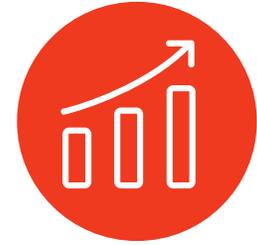
- Activate the area by fronting all building, including residential units, outward toward Sylvan Plaza and Auburn Boulevard frontage.
- Include enhanced pedestrian connections to connect the property to nearby businesses, Sylvan Plaza and the adjoining school.
- Provide well-designed parking and service areas to screen these areas from Auburn Boulevard and Sylvan Plaza.
- Incorporate Sylvan Plaza into the project design.



LAND USE GOALS

THE SYLVAN 40 PROPERTY IS ESSENTIAL TO THE CONTINUED IMPROVEMENT OF THE BOULEVARD. THE PROPERTY MAY BE DEVELOPED WITH A VARIETY OF LAND USES WHICH COMPLEMENT THE AREA AND THE SURROUNDINGS. PROPOSED USE(S) SHALL CONSIDER THE FOLLOWING OVERALL LAND USE GOALS.

- Consider the property's adjacency to the school and the cemetery.
- Encourage commercial uses such as cafes with outdoor dining, offices which incorporate outdoor areas and other similar uses that will connect to the public spaces. Prohibit automotive intensive uses such as gas stations and drive-throughs.
- Housing types may consist of for-sale and rental units, be a mixed-use concept, or designed for specific needs such as work-force housing, teacher housing or similar product type.



FINANCIAL GOALS

THE CITY PURCHASED THE SYLVAN 40 PROPERTY TO PLAY AN ACTIVE ROLE IN ITS FUTURE DEVELOPMENT. THE CITY HAS LONG RECOGNIZED SYLVAN CORNERS AS A PIVOTAL PIECE TO ATTRACTING PRIVATE INVESTMENT IN THE AREA. THE FOLLOWING IS THE CITY'S KEY FINANCIAL GOAL WHEN CONSIDERING DEVELOPMENT OF THE PROPERTY.

- The development shall be financially feasible and provide long-term fiscal benefits to the city.