

SACRAMENTO BUSINESS JOURNAL

Week of **January 29, 1990**

After Two Years, R Street Rumble is Far from Over
Consensus building and tinkering with proposals don't placate opponents.
By STEVE MARTARANO

After two years of debate the future of Sacramento's R Street corridor still hangs in limbo. The corridor, which includes Q to S Streets from 2nd to 29th Streets, is currently zoned mainly for warehouses, and many residents there want to keep it that way. But two planned large office/retail projects are threatening to change the area's personality and turn it into a "corridor for office speculation," and not homes opponents claim.

A citizen's advisory committee has been working with city planning staff since late 1988 to come up with a workable development plan for the corridor, one that satisfies both residents and developers who have purchased property with the hopes of turning a profit.

The top objective for the committee, which last met Jan. 3, is "to create an environment that is conducive to future residential development and in harmony with existing commercial development," the committee draft reads.

But harmony hasn't been easy to come by and sweet music likely isn't in the offing. Opponents of development don't sound the least bit placated by governmental efforts.

"The underlying problem is that (government) people aren't recognizing we need a housing resource for downtown," said **David Mogavero**, a board member of the Environmental Council of Sacramento, criticizing two large developments proposed for the corridor. *"The regulatory process has to be set up that will allow the marketplace over the long run to come up with the housing."*

The citizens' committee's final recommendations are behind schedule but should be ready for City Council review sometime in February, said Sharon Caudle, and associate planner with the city.

"We didn't make our goal (for finishing the plan) of last September," Caudle said. *"We haven't yet agreed on the major issues."*

Those issues still in question include the height of buildings in the corridor's areas currently zoned for office/retail use and the final density of residential units per acre, Caudle said.

Current zoning requires the neighborhood consist mostly of warehouses in which 25 percent could be used for offices. Controversy over the corridor's future was sparked in mid-1988 when an environmental report was released determining the impact along the corridor of two planned large construction projects.

The Environmental Council of Sacramento, along with the Sacramento Old City Association, clamored for the redraft of the combined EIR on a 1.5 million square foot Union Pacific Realty Co. complex, bounded by Q, R, 3rd and 7th Streets, and a 300,000-square foot office complex at 7th and Q Streets, planned by developer Joseph Benvenuti.

Steve Sanders, a spokesman for the Old City Association, called the 1988 EIR "fatally flawed" because it failed to show the projects' impacts if the surrounding area was developed according to current zoning.

Those groups opposed massive office building in the area, claiming it would thwart their hopes of making the corridor a residential area for employees of downtown businesses.

Real estate developers who paid top dollar for land in the corridor - speculating that zoning would eventually change - feared they would lose their investment should pro-residential forces win out.

In September of 1988, the City Council placed a one-year moratorium for new construction in the corridor inconsistent with the area's current zoning.

Last summer, opponents of the office/retail developments scored another big victory when the city ordered a revamped study of the projects, concluding that high-rises would have more of an effect on the area than previously thought. The planned projects also were inconsistent with existing city planning policy.

Since then, however, Union Pacific has sold the project to developer Roger Duke, who has recently revised the project proposal.

The new project calls for a 13-story building, instead of the originally planned 39 stories, and about 250,000 less square- footage of total space. The project would also have 99,000 square feet of outdoor public area and is scheduled to be called Pacific Plaza.

That proposal is currently being studied by city planners, who will meet with Duke representatives on Jan. 30, said assistant environmental planner Joe Broadhead.

“It’s just a proposal, but the changes seem to recognize the concerns expressed by the city and public regarding liveability,” Broadhead said.

Sanders, however, said scaling the project down doesn’t make a difference - it’s still 11 stories above a desired two-story building.

“People are focusing on the wrong thing. It’s still the same kind of proposal,” he said. *“It will still be helping raise land prices and still be generating a carbon monoxide problem. It will still be over 1 million feet of office space that should be housing.”*

“If they had proposed this project on Capitol Mall, we’d have a different response,” said Sanders.

They’re making a big deal about it, but all that’s changed is the configuration,” said Mogavero. *“The impact hasn’t changed at all.”*

Developer Duke and his representatives failed to return repeated phone calls, as did Benvenuti, developer of the proposed Golden State Towers at 7th and Q Streets.

“The Golden State developer also recently submitted an EIR for city review, but it has not substantially changed from earlier drafts,” said city planner Carol Brannon.

She said the purpose of the new document was to separate it from the Duke project.

“Before both projects were submitted as one EIR,” she said.

Mogavero said the Environmental Council never favored Golden State Towers. He said of the new document: *“If nothing’s changed, the nothing’s changed.”*

Opponents of R Street corridor commercial development believe last November’s City Council elections will eventually work in their favor.

In those elections, incumbent David Shore, who represented the corridor and downtown areas and was considered pro-development by the Sacramento Old City Association, was defeated by Heather Fargo. Also, Doug Pope retired and Jose Pane now occupies his seat.

“The assumption is no longer held by developers that there is a certain five-vote majority for major projects,” Sanders said. *“The context is not the same as it was. It indicates to us there will be a much more critical eye on these types of projects.”*