

# Folsom City Council Staff Report

<b>MEETING DATE:</b>	11/8/2022
<b>AGENDA SECTION:</b>	Old Business
<b>SUBJECT:</b>	Underutilized and Vacant City-Owned Properties and Direction to Staff
<b>FROM:</b>	City Manager's Office

## **RECOMMENDATION / CITY COUNCIL ACTION**

Staff is seeking direction on the following recommendations.

Recommendation 1: Vacant City-Owned Parcels is:

- Remove Site 12 from the list of consideration as it is not a viable option for sale or alternative use. The remaining sites (0, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11) have various merits that require some additional evaluation to get a better idea of which ones are most suited to either sell, rezone, retain/activate, and/or explore or develop.

Recommendation 2: Einstein Café (in order of preference):

- Offer the space to the Friends of Folsom Library as an extension or replacement for their current sales space. In the Commission’s vision, along with book sales, the space would offer a seating area equipped with high end vending machines. The City would receive revenue directly from the vending machines, and indirectly from the Friends, who would anticipate selling more items and discontinue paying rent for offsite storage.
- Open a Request for Proposal (RFP) process to operate the space as a café & seating area.
- Make the space available for rent to community members as a meeting space.

Recommendation 3: Zittel Family Amphitheater and the Dan Russell Rodeo Arena:

- Maintain branding/focus of fun, free, family (Zittel Amphitheater)
- Maintain youth sports schedule and their use of fields (Dan Russell Rodeo Arena)
- Continue current events at Arena (Rodeo/Rodeo Cross/Renaissance Faire)

- Continue current events at Amphitheater (Ice Rink/Farmer’s Market)
- Recover staff costs associated with supporting events
- Recover costs associated with damage/repairs
- City staff to continue managing the master calendar of events at both facilities
- Follow up with the additional considerations as listed below in Analysis

**BACKGROUND**

On February 27, 2022, the City Council created an Ad-Hoc Subcommittee to review City properties. The purpose of the Ad-Hoc Subcommittee was to “Identify and evaluate underutilized city-owned properties and recommend their sale, lease, use, repurpose, or other disposition as an economic development tool for the City.”

The Ad-Hoc subcommittee consisted of:

- Sarah Aquino, City Councilmember
- Rosario Rodriguez, Vice Mayor
- Jennifer Cabrera, Resident
- Robert Goss, Resident
- Lance Klug, Resident
- Todd Speelman, Resident
- Clark Whitten, Resident
- Will Kempton, P&R Commissioner
- Brian Wallace, P&R Commissioner
- Joe Gagliardi, Choose Folsom

At the August 23, 2022, City Council meeting, City Councilmember Aquino and Vice Mayor Rodriguez made a presentation of their evaluation and recommendations.

The Ad-Hoc Subcommittee reviewed and visited 13 vacant city-owned parcels and arrived at various recommendations for selling, rezoning, retaining/activating, or exploring development opportunities.

In addition, the Subcommittee looked at three other city-owned properties:

- Vacant space at the Georgia Murray Library – previously occupied by café uses (Einstein Café)
- Zittel Family Amphitheater in Folsom Historic District
- Dan Russell Rodeo Arena

The direction for the above three city properties was to refer the Einstein Café space to the Library Commission and the Zittel Family Amphitheater and Dan Russell Rodeo Arena to the Parks and Recreation Commission. In general, however, the request of those commissions was to discuss how best to activate the spaces, generate revenue, consider outsourcing and public-private partnerships, and discuss other uses, if desired.

The City Council requested to hear back from staff and the Commissions within 90 days.

## ANALYSIS

### Vacant City-Owned Parcels

A City staff team consisting of the City Manager, City Attorney, Parks and Recreation Director, Public Works Director, Community Development Director, and Environmental Water Resources Director evaluated and reviewed the 13 vacant city-owned parcels.

Using the table included in the City Council presentation (Attachment 1), the team discussed and evaluated the Ad-Hoc Subcommittee's recommendations for each site. Staff arrived at various suggestions and/or conclusions based on the site's environmental constraints (i.e. wetlands, dense protected trees, etc.), future uses planned for the site (i.e. affordable housing, park/trail, etc.), existing arrangements (i.e. identified for tree mitigation), detailed parcel information such as its zoning, general plan, and surveyor notes (i.e. too small/too irregular to develop), and whether the site's development would be subject to the Surplus Land Act. Staff's review and analysis is included in Attachment 2. A few of the sites had multiple recommendations, such as "rezone" and "retain/activate" and as such, they are discussed in multiple scenarios below.

Staff provides the following overview as shown in Attachment 2:

***Sell.*** The recommendation was to sell four properties (Sites 0, 10, 11,12). Property 12 is not likely sellable, as the piece on the north side of Glenn Drive has jurisdictional wetlands and the piece on the south side is within a future park site. Staff suggests exploring the sale of three additional properties (Sites 3, 7 and 8) as shown in Attachment 2. All sites for sale would be subject to the Surplus Land Act. There is total of 6 sites that could be considered for sale (Sites 0, 3, 7, 8, 10, and 11).

***Rezone.*** The recommendation was to rezone two properties (Sites 4 and 5) to park/open space. If this is done, it is recommended that this be presented to the Parks and Recreation Commission. After that, it would go to Planning Commission and City Council. Both sites are heavily covered in tree growth and would likely require environmental review to change its current use, even if passive, such as a connection to the historic district. Making these sites more accessible would likely translate into increased maintenance and oversight costs.

***Retain/Activate.*** The recommendation was to retain/activate six (6) properties (Sites 1, 2, 3, 7, 8, 9). For sites 1 and 2 retention and activation are possible with the need for tree mitigation and/or future road improvements. These sites were not seen as future housing or commercial development due to their irregular size. Adding to the Johnny Cash Legacy Park didn't seem beneficial due to the roadway in between the sites. For Site 3, the City site is located next to a privately owned piece. This site could either be sold to that entity or the City could buy the adjacent private site. The site by itself could yield about 10-12 parking stalls and if combined with the adjacent site, another 20-30 parking stalls. Future uses on the site could be explored more. For Sites 7 and 8, these are between Diamond Glen Homeowners Association (HOA) and Kikkoman. They are irregular site shapes and not likely suitable for development. As mentioned above, Sites 7 and 8 could be considered for sale. For Site 9, this site is currently occupied partially

by Placerville Sacramento Valley Railroad (PSVRR), includes some city items that have been stored there, and also houses the vacant historic Railroad Superintendent's house. A historic analysis of the Superintendent's house will provide guidance on maintenance of the structure which, if funded, could become a tourism location. More analysis is required to explore what is possible for Site 9.

***Explore Development Opportunity.*** The recommendation was to explore development opportunity for five properties (Sites 1, 2, 3, 9, 10). Sites 1, 2, 3, and 9 are discussed above. Site 10, the RT Parking Lot at the Glenn Station, is on the City's site for future housing which includes preserving some parking for RT use. There is no applicant or application for development of this site.

In summary, staff suggests that Site 12 be removed from the list of consideration as it is not a viable option for sale or alternative use. The remaining sites (0, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11) have various merits that require further evaluation and/or additional steps to get a better idea of which ones are most suited for either sell, rezone, retain/activate, and/or explore or develop.

### **Underutilized City-Owned Properties**

Attachment 3 summarizes the review and recommendations described below.

#### **Georgia Murray Library/Vacant Space**

On October 18, 2022, the Library Commission met to discuss the potential future use of the space recently vacated by the Einstein Café. The vision of the Commission is to offer a seating area where library visitors could relax with a drink or food and socialize while visiting the Library (think of a café at Barnes & Noble). The Commission recognized that it may be challenging for a business to be successful in that location as well as staffing it if the business doesn't attract a large number of customers. As such, they suggested installing high end vending machines to dispense food and drink.

With that in mind, their recommendations in order of preference are:

1. Offer the space to the Friends of Folsom Library as an extension or replacement for their current sales space. In the Commission's vision, along with book sales, the space would offer a seating area equipped with high end vending machines. The City would receive revenue directly from the vending machines, and indirectly from the Friends, who would anticipate selling more items and discontinue paying rent for offsite storage.
2. Open a Request for Proposal (RFP) process to operate the space as a café & seating area.
3. Make the space available for rent to community members as a meeting space.

#### **Zittel Family Amphitheater and Dan Russell Rodeo Arena**

The Parks and Recreation Commission formed an Ad-Hoc Subcommittee on September 6, 2022, to evaluate these two properties. The Ad-Hoc Subcommittee met four times with staff, and separately on a few occasions with Folsom Historic District Association (FHDA) and Historic Folsom Resident's Association (HFRA). Staff provided rental and revenue history for

each property along with information about year-round and occasional uses of both sites. On November 1, 2022, the Parks and Recreation Commission met to take action on the Ad-Hoc Subcommittee's evaluation and recommendations. The recommendations for Zittel and the Arena are similar in some cases and unique in others. A combined list of these recommendations with distinctions where appropriate, is provided below:

- Maintain branding/focus of fun, free, family (Zittel Amphitheater)
- Maintain youth sports schedule and their use of fields (Dan Russell Rodeo Arena)
- Continue current events at Arena (Rodeo/Rodeo Cross/Renaissance Faire)
- Continue current events at Amphitheater (Ice Rink/Farmer's Market)
- Recover staff costs associated with supporting events
- Recover costs associated with damage/repairs
- City staff to continue managing the master calendar of events at both facilities

The Ad-Hoc Subcommittee provided the following additional considerations moving forward for Zittel Family Amphitheater and the Dan Russell Rodeo Arena:

- Review and discuss increased activation with FHDA and Choose Folsom (Zittel)
- Review and discuss increased activation with Choose Folsom and others (Arena)
- Review and discuss new improvements needed to modify each venue (i.e., fencing, additional shading, ADA enhancements, etc.)
- Consider laddering improvements or changes to incrementally bring about new ideas
- Consideration should be given to neighborhood impacts with intensification and/or new uses
- Connect with potential promoters for additional programming while respecting master calendar
- Determine (with help of promoters) factors that make the amphitheater less desirable (fees, no fencing, etc.)
- Consider public-private partnerships for individual events
- Gain an understanding of what is necessary to drive additional use/programming
- Ensure costs incurred by the city are covered even in partnerships in which the city is waiving hourly fees

## **ATTACHMENTS**

- At-A-Glance: Underutilized City-Owned Properties (From City Council Presentation 8/23/2022)
- Undeveloped City-Owned Properties
- Underutilized City-Owned Properties

Submitted,

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Elaine Andersen, City Manager

# ATTACHMENT 1



**At-a-Glance:***Underutilized city-owned properties*

Number	Location / Address	Sell	Rezone	Retain & Activate	Explore Development Opportunity
0	End of Fong Street	✓			
1	E. Natoma & Folsom Lake Xing			✓	✓
2	E. Natoma & Briggs Ranch			✓	✓
3	906 Leidesdorff			✓	✓
4	Figueroa @ Rodeo Park		✓	✓	
5	200 Mormon		✓		
6	N/A				
7	Behind Diamond Glen			✓	
8	Behind Diamond Glen			✓	
9	Wye Property			✓	✓
10	RT Parking Lot @ Glenn Station	✓			✓
11	Parkshore Drive	✓			
12	Glenn Drive	✓		✓	




## ATTACHMENT 2

***Undeveloped city-owned properties***  
***Staff Evaluation of City Council Suggestions***

Number	Location / Address	Sell	Rezone	Retain & Activate	Explore Development Opportunity	Subject to Surplus Land Act	Staff Comments
0	End of Fong Street	x				•	<ul style="list-style-type: none"> <li>• Would need to process parcel map.</li> <li>• Would be subject to affordable offering first.</li> </ul>
1	E. Natoma & Folsom Lake Xing			x	x		<ul style="list-style-type: none"> <li>• May need some property for future roundabout</li> <li>• Use for tree mitigation</li> <li>• Create path to existing open space/park on Porto</li> <li>• GP: Community Commercial</li> <li>• Zoning: R-1-M/A-I-A</li> </ul>
2	E. Natoma & Briggs Ranch			x	x		<p>Same as above for #1</p> <ul style="list-style-type: none"> <li>• GP: Community Commercial</li> <li>• Zoning: A-1-A</li> </ul>
3	906 Leidesdorff	✘		x	x		<ul style="list-style-type: none"> <li>• City could acquire adjacent lot or City sell</li> <li>• Up to 12 parking stalls on City site</li> <li>• Up to 30 parking stalls on adjacent site</li> <li>• GP: HF (Hist Folsom Mixed Use)</li> <li>• Zoning: HD</li> </ul>
4	Figueroa @ Rodeo Park		x				<ul style="list-style-type: none"> <li>• Would need to go to P&amp;R Commission for recommendation</li> <li>• Then to PC and CC for approval</li> <li>• Parcel has dense tree coverage-some protected</li> <li>• Not a flat site</li> <li>• Parcel is landlocked but adjacent to Digger and Sharon Williams Park</li> <li>• Could be good connection to Historic District with constraints</li> <li>• GP: MLD</li> <li>• Zoning: R-4 (General Apartment)</li> </ul>
5	200 Mormon		x				<p>Same as above for #4</p> <ul style="list-style-type: none"> <li>• Limited access off Mill St.</li> </ul>
6	N/A						
7	Behind Diamond Glen	✘		x		•	<ul style="list-style-type: none"> <li>• Reach out to Diamond Glen HOA and Kikkoman</li> <li>• Maybe sell lot</li> <li>• Parcel has tree coverage-some protected</li> <li>• Surveyor notes: too small/too irregular</li> <li>• Landlocked</li> <li>• GP: MLD</li> <li>• Zoning: R-M (PD)</li> </ul>
8	Behind Diamond Glen	✘		x		•	<p>Same as above for #7</p> <ul style="list-style-type: none"> <li>• Limited Glenn Drive access</li> </ul>

***Undeveloped city-owned properties***  
*Staff Evaluation of City Council Suggestions*

Number	Location / Address	Sell	Rezone	Retain & Activate	Explore Development Opportunity	Subject to Surplus Land Act	Staff Comments
9	Wye Property			x	x		<ul style="list-style-type: none"> <li>• Waiting for Historic Analysis report for maintenance recommendations</li> <li>• HistoriCorps is an organization that assists with repairs</li> <li>• Addressing clean up from lessee</li> <li>• Moving city storage to other location</li> <li>• Could have environmental constraints</li> <li>• Need to evaluate opportunities of site</li> <li>• GP: Industrial</li> <li>• Zoning: M-1 (PD) light industrial</li> </ul>
10	RT Parking Lot @ Glenn Station	x			x	•	<ul style="list-style-type: none"> <li>• On the City's list of potential housing sites</li> <li>• No applicant for project yet</li> <li>• Would need to maintain some Light Rail parking</li> <li>• GP: MHD</li> <li>• Zoning: R-4 General Apt</li> </ul>
11	Parkshore Drive	x				•	<ul style="list-style-type: none"> <li>• Landlocked within WAPA</li> <li>• Protected trees</li> <li>• Will reach out to WAPA for sell/interest</li> <li>• GP: Industrial</li> <li>• Zoning: M-1 (PD) light industrial</li> </ul>
12	Glenn Drive	x					<ul style="list-style-type: none"> <li>• Parcel split by Glenn Drive.</li> <li>• Southern section has city trail and park on it</li> <li>• Northern section has jurisdictional wetlands</li> <li>• GP: Industrial</li> <li>• Zoning: M-1 (PD) light industrial</li> </ul>

 Staff suggested addition

**ATTACHMENT 3**



## ***Underutilized city-owned properties***

### *Staff and Commission Evaluation*

Number	Location	Retain & Activate	Ad-Hoc Recommendation	Staff and Commission Comments
1	Einstein Café-Library	x	<b>Refer to Library Commission for their input on how best to activate the space and generate revenue with potential uses not limited to food vendors</b>	Went to Library Commission on Tuesday, October 18, 2022.  Commission Recommends (in order of preference): 1. Offer space to Friends of Library. Include high end vending machines 2. Open an RFP to operate space as café and seating area 3. Make space available for rent to community members as a meeting space
2	Zittel Family Amphitheater	x	<b>Refer to Parks &amp; Rec Commission for their input on how best to activate the space and the surrounding district and possibly generate additional revenue</b>  <b>Consider whether it would be better to outsource all operations to a third party, or continue existing partnership with FHDA with possible limitation on the number of free uses per year</b>	Went to P&R Commission on Sept. 6. Formed an Ad-Hoc Subcommittee that met September 13, October 3, October 10, and October 21. Met with full commission on November 1, 2022:  A <b>summary</b> of the Ad-Hoc Subcommittee's direction is as follows: <ul style="list-style-type: none"> <li>• Maintain branding/focus of fun, free, family (Zittel Amphitheater)</li> <li>• Continue current events at Amphitheater (Ice Rink/Farmer's Market)</li> <li>• Recover staff costs associated with supporting events</li> <li>• Recover costs associated to damage/repairs</li> <li>• City staff to continue managing the master calendar of events at both facilities</li> </ul> <p>The Ad-Hoc Subcommittee provided the following <b>additional considerations</b> moving forward for Zittel Family Amphitheater and the Dan Russell Rodeo Arena:</p> <ul style="list-style-type: none"> <li>• Review and discuss increased activation with FHDA and Choose Folsom (Zittel)</li> <li>• Review and discuss new improvements needed to modify each venue (i.e. fencing, additional shading, ADA enhancements, etc.)</li> <li>• Consider laddering improvements or changes to incrementally bring about new ideas</li> <li>• Consideration should be given to neighborhood impacts with intensification and/or new uses</li> <li>• Connect with potential promoters for additional programming while respecting master calendar</li> <li>• Determine (with help of promoters) factors that make the amphitheater less desirable (fees, fencing, etc.)</li> <li>• Consider public-private partnerships for individual events</li> <li>• Gain an understanding of what is necessary to drive additional use/programming</li> </ul> <p>• Ensure costs incurred by the city are covered even in partnerships in which the city is waiving hourly fees</p>

# *Underutilized city-owned properties*

## *Staff and Commission Evaluation*

Number	Location	Retain & Activate	Ad-Hoc Recommendation	Staff and Commission Comments
3	Dan Russell Rodeo Arena	x	<p><b>Refer to Parks &amp; Rec Commission for their input on how best to activate the space and generate revenue</b></p> <p><b>Consider a public/private partnership or issuing an RFP for promoter to manage and operate venue</b></p> <p><b>Explore other uses</b></p>	<p>Went to P&amp;R Commission on Sept. 6. Formed an Ad-Hoc Subcommittee that met September 13, October 3, October 10, and October 21. Met with full commission on November 1, 2022:</p> <p>A <b>summary</b> of the Ad-Hoc Subcommittee's direction is as follows:</p> <ul style="list-style-type: none"> <li>• Continue current events at Arena (Rodeo/Rodeo Cross/ Renaissance Faire)</li> <li>• Recover staff costs associated with supporting events</li> <li>• Recover costs associated to damage/repairs</li> <li>• City staff to continue managing the master calendar of events at the facility</li> </ul> <p>The Ad-Hoc Subcommittee provided the following <b>additional considerations</b> moving forward for Zittel Family Amphitheater and the Dan Russell Rodeo Arena:</p> <ul style="list-style-type: none"> <li>• Review and discuss increased activation with Choose Folsom and others (Arena)</li> <li>• Review and discuss new improvements needed to modify each venue (i.e. fencing, additional shading, ADA enhancements, etc.)</li> <li>• Consider laddering improvements or changes to incrementally bring about new ideas</li> <li>• Consideration should be given to neighborhood impacts with intensification and/or new uses</li> <li>• Connect with potential promoters for additional programming while respecting master calendar</li> <li>• Determine (with help of promoters) factors that make the amphitheater less desirable (fees, fencing, etc.)</li> <li>• Consider public-private partnerships for individual events</li> <li>• Gain an understanding of what is necessary to drive additional use/programming</li> </ul> <p>• Ensure costs incurred by the city are covered even in partnerships in which the city is waiving hourly fees</p>