



Sacramento

DOWNTOWN SACRAMENTO

Re-imagining a Capital Destination District



Technical Assistance Panel Report | MARCH 6–8, 2024
Sacramento, California

© 2024 URBAN LAND INSTITUTE

THIS REPORT IS SPONSORED BY:
The Downtown Sacramento Partnership.

ON THE COVER: The Capitol Mall looking east toward the state
capitol building. (ULI)



Find this report and hundreds of others on Knowledge Finder,
the leading global resource of trends and best practices in real estate development and financing. Explore an
ever-expanding library and find recommended content related to your interests, including reading lists, case
studies, videos and webinars, books, and more.

knowledge.uli.org

About the Urban Land Institute

The Urban Land Institute is a global, member-driven organization comprising more than 48,000 real estate and urban development professionals dedicated to advancing the Institute's mission of providing leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and the Asia Pacific region, with members in 83 countries.

More information is available at uli.org. Follow ULI on [Twitter](#), [Facebook](#), [LinkedIn](#), and [Instagram](#).

About ULI Sacramento

ULI Sacramento is a district council of the Urban Land Institute, a global organization which for more than 80 years has been dedicated to improving the quality of urban areas. ULI is the sum of its members, who themselves deliver the ULI mission through programs and events and positively shape the future of real estate and land use disciplines across the region. Members include real estate developers, builders, finance and equity professionals, architects, engineers, urban planners, elected officials, engaged citizens, and more. ULI shares best practices through practical professional development education programs and ULI's research and publications. The organization sets the standard for high quality information on urban planning, real estate development, growth and land use. Simply put, ULI Sacramento's goal is a built environment that better serves more people.

ULI District Council Leadership

Timothy Denham

Principal, Land Planning Director, Wood Rodgers
District Council Chair, ULI Sacramento

Mary Clementi

Executive Director, ULI Sacramento

ULI Advisory Services

Since 1947, the ULI Advisory Services program has assembled well over 700 ULI-member teams to help sponsors find creative, practical solutions for complex land use challenges. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services. National and international panelists are specifically recruited to form a panel of independent and objective volunteer ULI member experts with the skills needed to address the identified land use challenge. The program is designed to help break through obstacles, jump-start conversations, and solve tough challenges that need an outside, independent perspective. Three- and five-day engagements are offered to ensure thorough consideration of relevant topics.

Learn more at americas.uli.org/programs/advisory-services.

Technical Assistance Panels

Urban Land Institute harnesses its members' technical expertise to help communities solve complex land use, development, and redevelopment challenges. Technical assistance panels (TAPs) provide expert, multidisciplinary, unbiased advice to local governments, public agencies, and nonprofit organizations facing complex land use and real estate issues in the region. Drawing from its professional membership base, ULI Sacramento offers objective and responsible guidance on various land use and real estate issues ranging from site-specific projects to public policy questions. The sponsoring organization is responsible for gathering the background information necessary to understand the project and present it to the panel. TAP panelists spend two days interviewing stakeholders, evaluating the challenges, and ultimately arriving at a set of recommendations that the sponsoring organization can use to guide development going forward.

Learn more at sacramento.uli.org.

Technical Assistance Panel and Project Staff

Panel Chair

Randy Sater

President, StoneBridge Properties

Panel Members

Kate Collignon

Managing Partner, HR&A Advisors

John Dangberg

Owner, Dangberg Consulting Services

Deana Ellis

Vice President of Land Resources, Cresleigh Homes Corporation

Allen Folks

Director of Design and Planning, Ascent Environmental (retired)

Kimberly Garza

Founder and Principal, ATLAS Lab

Jamie Gomes

Managing Director, Economic & Planning Systems

Jason Kenney

Chief Deputy Director, California Department of General Services

Paul Levy

Chairman of the Board, Philadelphia Center City District

Tom Murphy

Former Mayor of Pittsburgh

Nikky Mohanna

Mohanna Development

Project Staff

Mary Clementi

Executive Director, ULI Sacramento

Kelly Annis

Report Writer, Branch Communications

Acknowledgments

ULI Sacramento would like to thank the Downtown Sacramento Partnership for working with ULI Sacramento to envision the development of this technical assistance panel and inviting ULI to conduct this study. ULI would also like to thank Downtown Sacramento Partnership leadership, specifically Executive Director Michael Ault, Deputy Director Danielle Biller, and Economic Development Director Scott Ford for their leadership and support throughout the panel's work.



K Street in downtown Sacramento is a pedestrian and transit-friendly corridor lined with a number of buildings that are ready for a new use.

CONTENTS

Executive Summary	9
Introduction and Background	11
Vision and Framework	13
Placemaking	16
Development Strategies	21
Public Sector Role and Funding	24
The Panel	26



The Capitol Mall, linking the Tower Bridge and Sacramento River to downtown and the state capitol building, is a long expanse of green space flanked by trees and office buildings and intersected by roadways.

EXECUTIVE SUMMARY

Downtown Sacramento, like many downtowns across the United States, is in the midst of a seismic shift in the way it functions, who calls downtown “home,” and how it generates revenue for the rest of the city. Unlike many other downtowns, downtown Sacramento has benefited from the significant presence of tens of thousands of state employees populating its office buildings, eating in its restaurants, and helping bring its streets to life. Today, downtown is no longer the office location of choice for an estimated 40,000 state employees on any given weekday who have taken the State of California up on its offer to work from home. Permanently.

With the understanding that downtown can no longer rely on state employees to activate its downtown during the daytime and the impacts this is having on downtown’s viability as an office district, the Downtown Sacramento Partnership (DSP) turned to the Urban Land Institute Sacramento District Council (ULI) for guidance in shaping a new vision for downtown and identifying a new value proposition for the downtown district that would serve the region and its residents, draw visitors to the city and downtown, and provide the Capital Destination District specifically with opportunities for improved connections, activation, and economic vitality.

ULI, using its trusted technical assistance panel (TAP) program, convened a group of real estate professionals with the expertise needed to address these challenges for downtown Sacramento. The TAP panel, following a briefing, tour, and stakeholder interviews, refined the area of focus for the Capital Destination District, shifting to include the area bound by J Street to the north, the convention center to the east, the Capitol Mall (the Mall) to the south, and the waterfront to the west. With this revised geography in mind, the panel delivered the following recommendations to DSP.

Vision and Strategic Framework

The panel set forth a vision for the Capital Destination District that showcases culture, education, industry, housing, and innovation and creates more effective connections across downtown through the J, K, and L street corridors. Expanding downtown’s cultural institutions and re-stitching downtown to the riverfront are also key features of this vision.

The panel’s strategic framework, designed to underpin this vision and guide implementation, is built upon seven key recommendations:

- Maintain a clean and safe downtown.
- Establish priorities to focus investment.
- Prioritize leadership and capacity, not just projects.
- Start with arts and entertainment.
- Grow residential uses downtown.
- Attract visible academic, research, and technology-focused uses.
- Bring more opportunities for play downtown.

Placemaking

Placemaking is an important development and redevelopment tool, signaling civic value of space, helping define the cultural heart and soul of place, and giving residents and visitors alike a reason to visit, stay, and return.

For the Capital Destination District (the District), the panel identified key sites for development of potential additional cultural and arts destinations that would support the placemaking within the District. The addition of these facilities will further amplify the area as an important destination in Sacramento and California and could provide important additional performance venues for the city’s current cultural institutions.

The physical space along and within the Mall is ripe for placemaking interventions, and the City has landscape architecture and design professionals working with the community on a new vision for the Mall. Surrounded and

intersected by streets, the flat lawn space could—and should—turn into a grand park for the city. As a grand park, the central 2.5–3.5 acres of the Mall would be more accessible for pedestrians (the current street grid makes this daunting), easily programmed (the lack of permanent staging or supportive infrastructure creates a heavy lift for temporary programming), and a space that people want to linger within and businesses want to leverage by proximity. With this recommendation also comes a need for more active management and programming of this critical park space.

Development Strategies

Creating a Capital Destination District requires an intentional shift to a mixed-use urban environment replete with ample residential opportunities. The City of Sacramento (the City) and DSP can support residential conversions, redevelopment, and new construction, particularly along the J, K, and L street corridors, by first ensuring that downtown is clean, safe, and green for all residents—both existing and new.

Universities can be powerful development partners and the Capital Destination District would be an exciting location for new or expanded university uses. The panel identified K Street specifically as a compelling location for a university outpost or relocation. The pedestrian scale of the street, the transit and retail opportunities that line the corridor, and scale of the buildings support this recommendation.

Clustering civic amenities downtown will also support visitation and use as well as spark additional activation. Civic amenities are presently scattered and remain generally disconnected, particularly for visitors not familiar with downtown Sacramento. By clustering these amenities (cultural and arts institutions, performance spaces, and retail), mass can be more easily achieved, creating a gravitational pull for visitors and facilitating visitation across a number of venues instead of visiting just one and calling it a day.

Sacramento's waterfront, cut off from downtown by the interstate highway, is an enviable amenity that deserves improved connections to downtown. Improved lighting, more visible access points, and more frequent connections

would serve both Old Sacramento Waterfront and downtown well. Providing more appealing and safer active transportation (bike and pedestrian) connections to West Sacramento would also be welcome.

Within this broader development conversation, there is also an opportunity to rethink spaces within the public realm that are typically underutilized. Utility easements, park borders, and other edge spaces can become interesting public spaces, trails, or even viable commercial locations.

Public Sector Role and Funding

The public sector has critical roles to play in the planning, implementation, and funding of the Capital Destination District. DSP should lead the visioning and planning work for the creation of this new district. By setting the stage, DSP can then rally key partners to collaborate on the implementation efforts. Spread across downtown, no one entity can be responsible for all of the work, but one entity championing the vision, waking every day to consider what needs to be done, will be required.

The future composition of the Property and Business Improvement District (PBID) should be reconsidered in light of the panel's recommendations. Adjustments may be needed, including expansion of the PBID's functions, broadening its footprint, or increasing its assessments to better support the improvements required. Other financing avenues could include augmenting the existing tax increment financing district, exploring a potential mitigation grant from the State of California, or other more creative solutions DSP could explore with its partners in support of the vision for the Capital Destination District.

Downtown Sacramento is ready to write the next chapter in its storied history. DSP and its public and private sector partners should focus on a vision that centers the arts, education, industry, and innovation, which will leverage the city's strengths, build on its existing firm foundation, and provide room for downtown to evolve into the type of district that becomes a rich amenity for existing and new residents and a draw for visitors from far and wide.

INTRODUCTION AND BACKGROUND

Like many cities across the United States, Sacramento is debating what is next for its downtown. In an environment largely dominated by office buildings, downtown Sacramento is in the midst of a seismic shift as office workers no longer spend five days of each week commuting to, working in, and dining around downtown. Compounding this shift is the fact that downtown Sacramento was, in retrospect, overly reliant on just one industry with roughly 100,000 office workers employed by the State of California. Those workers remain employed by the State, yet easily 30 percent of them are now permanently working from home every day of the week. This loss of roughly 30,000 employees downtown has left office buildings semi-vacant, restaurants struggling to fill seats, and retailers closing shop in the face of weak sales.

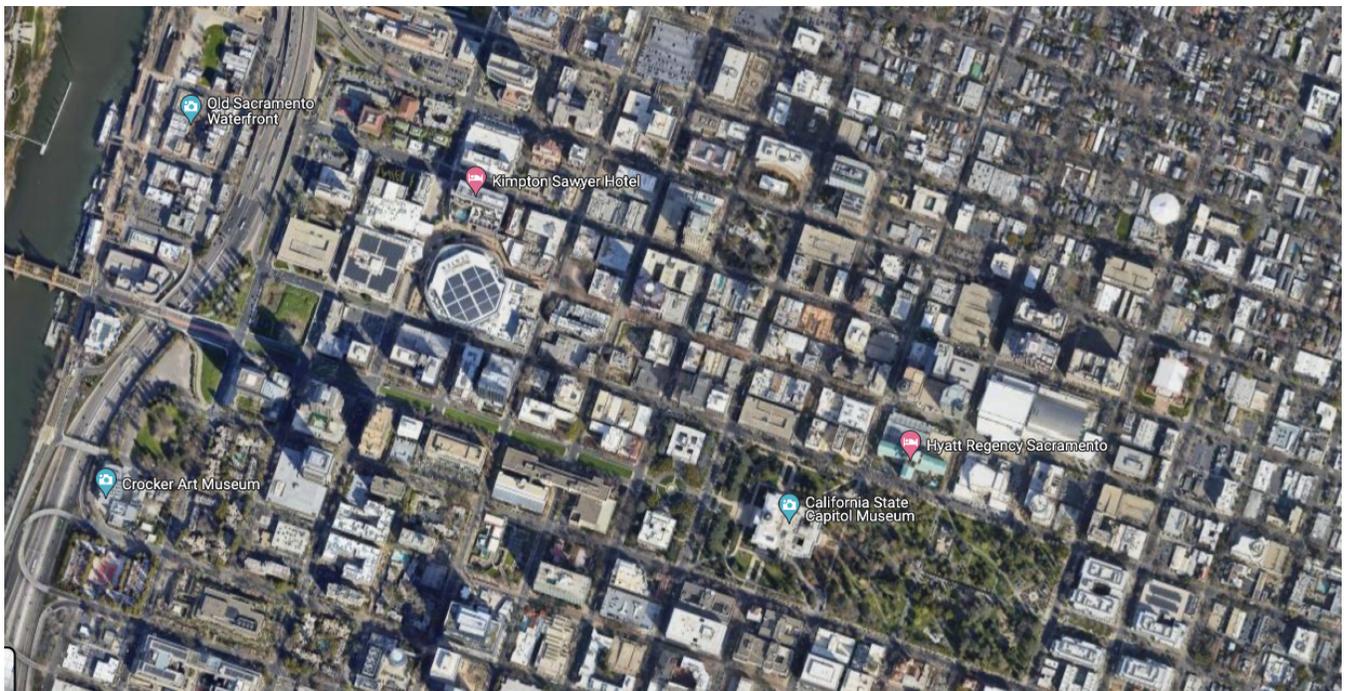
For many in Sacramento, the shift in where and how people work has created a crisis for the city that feels quite similar to the closing of key federal military bases in the 1990s, but with the impact focused on downtown. The community and civic leaders rose to the challenge then and can do so again.

Downtown Sacramento is Important

As the seat of the state government, the City of Sacramento is an economic engine, and its downtown provides much of the revenue that helps fund City operations across all of Sacramento's neighborhoods. Within the city, 46

percent of all property tax is generated within the 66 blocks that comprise the Downtown Sacramento Partnership's footprint, and property tax represents one-third of the City's total revenue. Strategic investment in downtown is an exponential value creator for the entire city.

With this clear and recognizable understanding of the continued importance of downtown Sacramento, as a place of business, employment, opportunity, and more, the Downtown Sacramento Partnership (DSP) turned to the Urban Land Institute Sacramento District Council (ULI) for guidance in re-imagining certain aspects of the



Downtown Sacramento is marked by the presence of the state capitol building and the Capitol Mall connecting west to the Tower Bridge. Commercial buildings, the Golden 1 Center, the SAFE Credit Union Convention Center, the Crocker Art Museum, and Old Sacramento add further life to downtown.

city's downtown and the area around the Capitol Mall in particular. DSP's interests centered around potential redevelopment opportunities, the additive value of a vision and leveraging partnerships, potential supportive funding strategies, and the prospect of the Capitol District serving as a catalyst for additional downtown development.

Questions for the Panel

The Downtown Sacramento Partnership asked ULI to answer the following five questions.

1. What is the new value proposition for Downtown Sacramento, and what is the vision for a Capital Destination District?
2. Which sites in the study area offer key redevelopment opportunities? What are the highest and best uses for these site(s), and what civic amenities are necessary to support the vision of a Capital Destination District?
3. How can the DSP and federal, state, and local public and private stakeholders best partner to provide significant and sustainable resources to create a Capital Destination District?
4. Funding and Partnership Strategies: What are the potential sources of funding and new resources to create a new Capital Destination District strategic financing plan?
5. How can the Capital Destination District be leveraged as a catalyst for the greater Sacramento region?

Using its trusted and objective technical assistance panel (TAP) process, ULI assembled a team of real estate professionals to address DSP's questions. With expertise in the areas of development, finance, urban design, landscape architecture, and public sector management, the panel toured the study area, interviewed stakeholders, and deliberated the best next course of action for DSP and downtown Sacramento. Following the intensive one-and-a-half-day TAP process, the panel arrived at a series of recommendations DSP can embrace in the coming months and years as downtown moves into this new chapter where office uses may no longer dominate the downtown scene.

Takeaways from the Stakeholder Interviews

Through the course of an afternoon, the panel interviewed over 30 stakeholders representing the business community, downtown developers, cultural and arts organizations, community development organizations, real estate brokers, and city agencies. The following key themes emerged from those interviews.

- Capitol Mall is a celebration venue (and largely underutilized)
- Downtown Commons and Golden 1 Center are proven successes
- Old Sacramento Waterfront is a draw for visitors and some residents
- Riverfront has great opportunity but remains highly disconnected
- J, K, and L streets form downtown's spine; need investment; J is a gateway to downtown
- State is willing to partner—but given the magnitude of the crisis, the Governor's priorities for downtown should expand beyond a primary focus on affordable housing
- Downtown housing leads to greater worker return to downtown and drives retail
- Need (more) venues for play downtown
- Loss of 30,000 state employees who chose not to return downtown for work is impactful
- Downtown development is difficult to pencil without incentives/subsidies
- Need to deliver clean and safe neighborhoods
- Downtown's economy and land-use needs to diversify; components of this can be new market rate and affordable housing as well as a focus on arts, culture, higher education and research, as well as entertainment venues.
- Opportunities for additional cultural venues; leverage Crocker Art Museum's success

VISION AND FRAMEWORK

Moving downtown Sacramento from a single-use office district highly dependent on state office workers to something new and more economically viable requires a new vision for what downtown can become. Through conversations with stakeholders and its own professional evaluation, the panel identified a particular core of downtown as being critical to the future success of the broader downtown neighborhood. Bound loosely by the Capitol Mall to the south, the riverfront to the west, the J Street corridor to the north, and the convention center to the east, this more narrowly defined downtown core can become the backbone for the Capital Destination District.

Recognizing that downtown Sacramento has good building stock within this core, strong private and public sector leadership, and entities with strong professional expertise and capacity, the panel set forth the following vision and strategic framework for the Capital Destination District—a vision for a softer, more pedestrian-friendly, and welcoming district for residents, employees, and visitors alike.

The Vision for Downtown

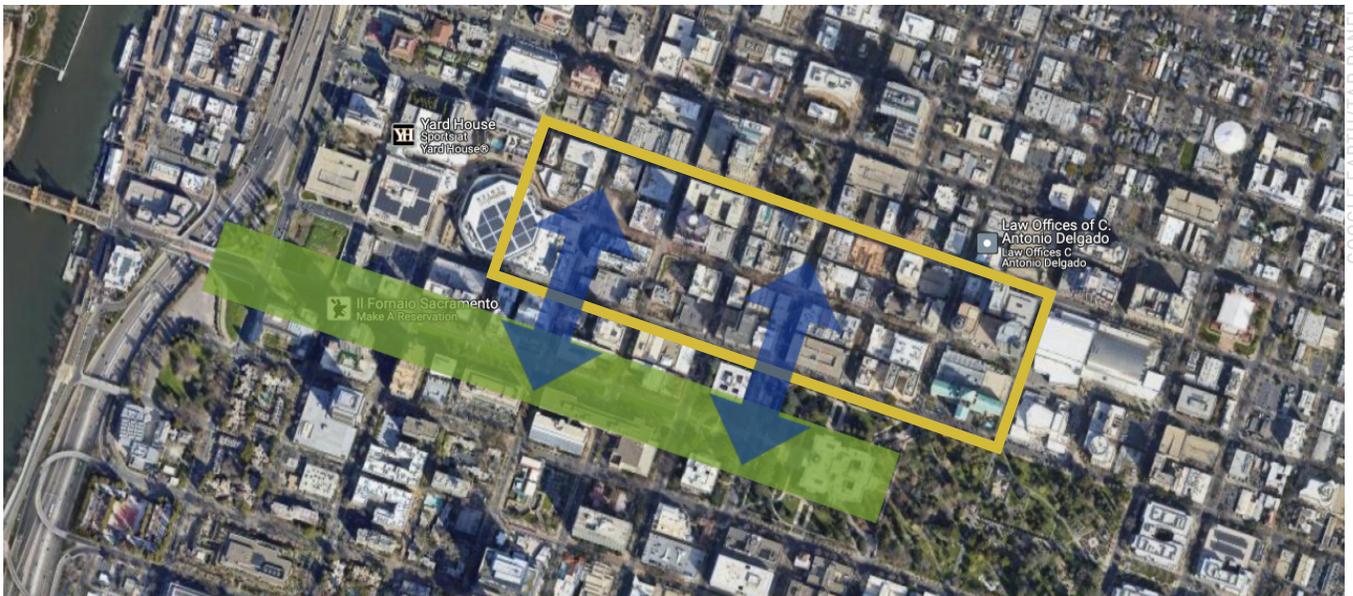
The Capital Destination District will be a showcase of California’s culture, education, history, industry, and innovation. Expanded attractions and research activity

will draw visitors, residents, and a talented workforce to a greener, inclusive downtown and diversify Sacramento’s economy.

This envisions the Capitol Mall as a civic destination for visitors and Sacramento residents, connected closely to a revitalized urban mixed-use core through the corridors along J, K, and L streets, and ultimately strengthening connections to the waterfront.

Strategic Framework

The framework needed to bring this vision into reality relies on seven core actions taken over the course of the next



The panel identified the core of Sacramento’s downtown as running east from the waterfront to the convention center, including the Capitol Mall and the J, K, and L streets. Further refining this definition, the panel then considered how to best facilitate movement around the core and specifically between the Mall and the redevelopment opportunities along the commercial corridors of J, K, and L streets.

several years. These actions should be taken concurrently as DSP has capacity.

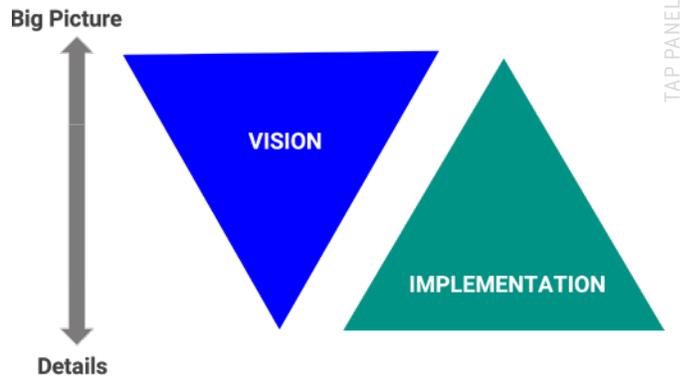
Maintaining a clean and safe downtown must be a priority. None of the suggestions recommended by the panel will happen, find success, or endure if downtown is not clean and safe. This important step is Downtown Management 101, and Sacramento leadership and the DSP must understand and deliver what it takes or the city and downtown will be left to simply manage its decline.

Establish priorities to focus investment. Clearly communicated and easy-to-understand priorities are needed to help the City, DSP, and private sector partners focus investment downtown and achieve critical mass. A vision for downtown is needed to help inspire and maintain partner alignment over the long term. At the same time, near-term wins, even small incremental advancements that advance the vision, are critical to maintaining forward momentum, sustaining motivation, and keeping everyone on track.

Across downtown, there are a host of opportunities for improvement and advancement. DSP will need to evaluate and prioritize these opportunities based on feasibility and potential impact. Starting with downtown’s strengths, including the Golden 1 Center, the riverfront, the Crocker Art Museum, the SAFE Credit Union Convention Center, existing green space, and civic institutions, DSP should consider how these strengths align with each asset’s ability to connect to other opportunities, including publicly-owned sites, privately-owned, shovel-ready sites, and those with minimal connective infrastructure needs. Prioritizing and building on existing connections will speed implementation success and impact.

Prioritize leadership and capacity, not just projects. Prioritization of projects is critical. Just as critical is the prioritization of leadership and clear organizational mandates for execution. Leadership and capacity should drive the execution of the prioritized projects, all based upon an achievable vision that is supported by dedicated and sustained funding.

Show a Vision, Prepare for Implementation



The big picture for the district is encapsulated in the vision, which drives implementation and helps define the details that will bring the vision to life across all aspects of the district.

Start with arts and entertainment. Across the United States, downtowns that have vibrant and successful hospitality industries tend to recover faster following economic shocks as demonstrated most recently in the aftermath of the COVID-19 pandemic. Arts and entertainment uses often create additional value and investment potential for the buildings and uses that surround the venue or attraction.

More broadly, entertainment is frequently viewed as a viable differentiating factor, separating a vibrant downtown scene from the outlying suburbs and bedroom communities often found in the city and region. In addition to helping further distinguish downtown from the suburbs, the vibrancy of an entertainment scene can also attract residents to an urban lifestyle and further promote downtown living.

Cultural attractions can also differentiate Sacramento from other travel destinations. Using these venues to reflect Sacramento’s identity as the seat of the world’s fourth largest economy and sharing its unique history and present-day story can help rebrand the city, strengthening its identity as a compelling tourism destination.

Grow residential downtown. Attracting new residents downtown creates multiple benefits for the district. Residents add vitality to the environment and support retail businesses, which is particularly beneficial with the reduced

population of daily downtown workers. Data has illuminated a correlation between the proximity between one's home and office and the likelihood that a worker will choose to go to the office to work: the closer the office is to home, the greater the chance that the office will be used and used frequently.

Building owners and civic leaders across the U.S. are working hard to determine how and where vacant office towers can convert to residential uses. While these office-to-residential conversions are financially challenging and suitable only for certain buildings, removing vacant office stock will help stabilize the real estate market more broadly and support a more vibrant downtown.

Downtown Sacramento presently offers affordable urban living for those who enjoy a more active neighborhood. At the same time, downtown still needs to deliver more robust amenities, entertainment, and retail attractions in order to support long-term and sustainable growth.

Attract visible academic, research, and technology-focused uses. Sacramento possesses a number of unique economic strengths that should be highlighted and amplified to help grow its downtown economy and diversify beyond its base of government office uses. Although more established companies are still resisting a move to downtown, newer companies have started relocating to downtown Sacramento for its affordable rents and, in the case of those locating to Old Sacramento Waterfront, a unique building environment that appeals to creative and technology-focused workers.

Sacramento has a strong foundation in technology and policy advances around agriculture, food, and health issues. Leaning into this market position further, institutions like the University of California–Davis and Sacramento State could prove to be interesting potential partners in additional downtown development and sector expansion. By situating related academic and/or research uses in close proximity downtown, this sector can grow and expand higher wage jobs, further shape Sacramento's brand and identity for

these workers and employers and create reuse potential for vacant office buildings.

Bring play downtown. Throughout the stakeholder interviews, the panel heard calls for more opportunities for play downtown. The parks and open spaces found across the district and particularly along the Capitol Mall are ripe for enhancements. By sustainably enhancing these existing open spaces and greening Sacramento's streets with planters, street trees, and other green infrastructure, a more welcoming environment is created for those living, working, and visiting downtown. Environmentally sustainable improvements to parks and open spaces can also go a long way toward showcasing the city's leadership in sustainable agriculture while also providing a critical amenity for those living and working downtown. No matter the improvement, these investments must be tied to a financially sustainable operating and maintenance strategy to ensure long-term viability and success.

Programming downtown's parks can also go a long way toward supporting a more active, engaging, and inviting—playful—district. Attractive, distinctively programmed open spaces hold significant value and can help create unique urban places that draw people and fuel new and additional investments.

While focusing on singles and young professionals who are more easily attracted to downtown, especially if adding in new academic, research, and innovation opportunities, families can also play a critical role of shifting the character of downtown. An environment that caters to office workers will provide a much different environment than one that welcomes families, singles, visitors, and other Sacramento residents to play. While families may not yet view downtown as a residential neighborhood of choice, attracting families to downtown to play and providing programming for families can change the perception that downtown is only for business—and seeing these families out enjoying all that downtown has to offer creates a culture shift, demonstrating that downtown is for everyone.

PLACEMAKING

In addition to its focus on industry, education, and industry, the vision for the Capital Destination District is heavily influenced by the availability of existing and the potential for future arts, culture, and entertainment venues in and around the city's downtown core.

Sacramento has a unique opportunity to leverage its history and build on its foundation of existing cultural institutions. The nexus of the California Automobile Museum, the Sacramento History Museum, the museums around the Capitol building, and a number of museums in various stages of concepting could combine in downtown Sacramento to create a unique cultural draw for city or even the state. These museums appeal to a wide population and are of significant regional interest. At present, however, connections between these destinations are tenuous or missing altogether. In other areas, there are significant gaps, largely in the form of vacant parcels, that could be put to use to create greater density and connectivity across downtown amenities.

There is also an opportunity to create an even more significant draw to downtown by creating something in the area that is closer to the museum district that lines the Mall in Washington, D.C. The addition of a Smithsonian-style institution, a museum of Native American or Hispanic heritage, a museum articulating the Californian experience, or another similar institution of national interest could significantly elevate the Sacramento Capital Destination District and put the experience on the bucket list of many.

Through conversations with arts community members during the stakeholder interviews, the panel also learned of a gap in the market for a 1,000- to 1,500-seat performance venue. The Sacramento Ballet and the Sacramento



The current and proposed museums across downtown Sacramento could create a unique cultural draw the institutions were better connected.



The parcels at the western gateway to the Mall are of particular interest and have proven uniquely challenging to development.

Philharmonic and Opera both noted a strong interest in having both an indoor and outdoor performance venue to complement their existing offerings downtown.

Potential Development Sites

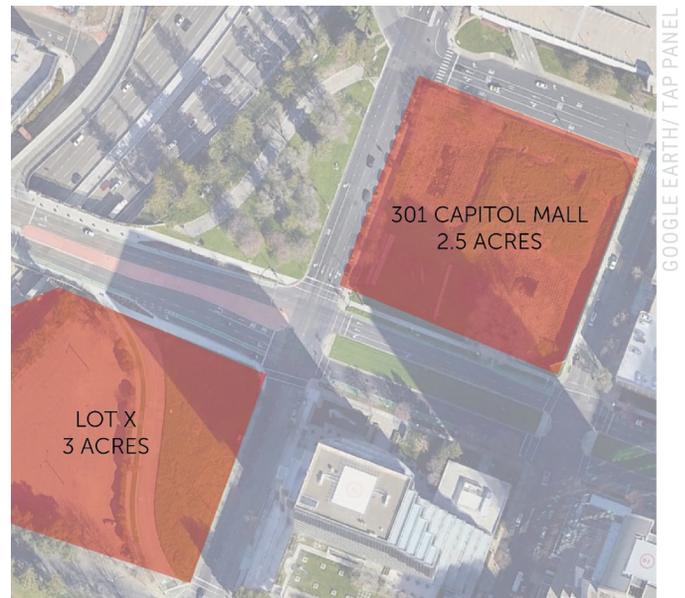
There are sites downtown that could provide compelling opportunities for the development of new cultural arts venues. At 301 Capitol Mall, a vacant lot sits at the entrance to downtown and is surrounded by screening and fencing to limit trespassing and dangerous activity. This very visible site is creating a very unappealing welcome to those entering downtown from the west. Redeveloped into interim, pop-up uses and cultural activations, the site could provide an interesting visual and performance opportunity. These temporary uses can activate the site while plans for a permanent performance or other cultural venue at this site evolve.

The vacant lot directly north of and adjacent to the Crocker Art Museum is also ripe for activation. The panel was made aware of plans and funding already in place to transform the lot into a sculpture park and expansion of the Crocker's current footprint. Every effort should be made to facilitate this transformation and finally realize the plans for this open space, which will help tie this important civic and cultural asset to the broader Capitol Mall.

Finally, the lot at the southwest corner of Capitol Mall and 3rd Street is also an important parcel that should be factored into this broader destination district vision. At three acres, the lot would be appealing to an arts institution, would receive enviable visibility from both the Mall and the adjacent interstate, and would help welcome those driving across the Tower Bridge and those walking along the Mall and enjoying the riverfront and Old Sacramento.

Placemaking along the Mall

The Capitol Mall was designed to serve as the grand entrance to Sacramento. In the present day, however, the Mall is under-performing in this role. The wide expanse is green in the early spring and quickly turns brown as the summer heat pulls moisture from the ground. Streets line the Mall to the north and south, interrupting any potential



GOOGLE EARTH/ TAP PANEL

The vacant lots just east of the Tower Bridge present compelling development opportunities for arts and cultural organizations.



ADOBE



ADOBE



ULI

Additional indoor and outdoor performance venues would be welcome additions to the Capital Destination District.

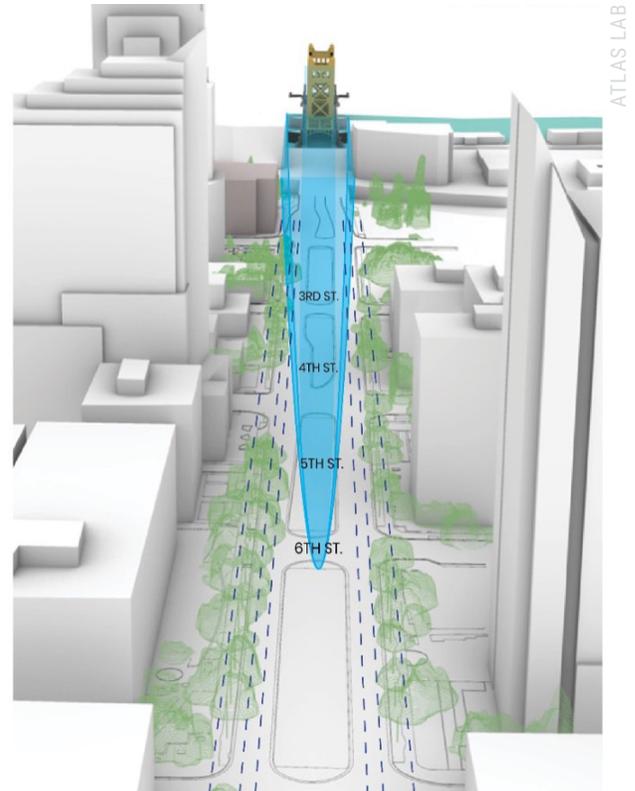
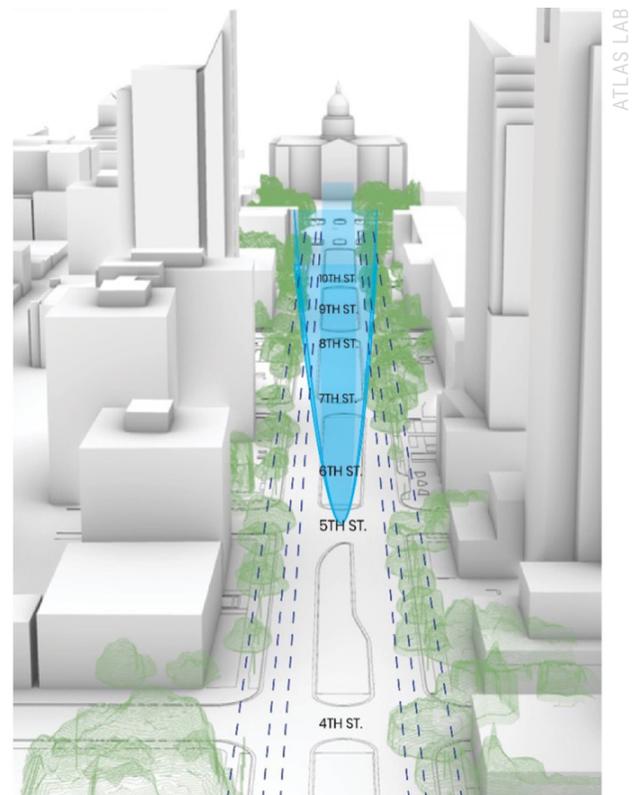
outflow from the adjacent buildings onto the Mall. North-south streets also regularly interrupt the green expanse, providing important automobile connectivity into and out of downtown but again interrupting pedestrian flow.

The city is in the midst of a re-imagining of the Mall itself, and landscape architects and urban designers are hard at work, in conversation with the community, to begin to understand how the Mall can function better as a community gathering space, a venue for play and fun, and a destination for residents, employees, and visitors alike.

The view corridor along the Mall should be considered an asset and amplified. From the west, the view down the Mall to the Capitol building is impressive and beautiful. Unfortunately, it is a view designed to be experienced from a car and pedestrians are given little access or opportunity to enjoy the vistas safely. The same holds true for the view looking west to the Tower Bridge.

Through the stakeholder interviews, the panel gained additional insights into the present use of the Mall by festival organizers and event programmers. The expanse of the Mall provides a compelling blank slate for events, yet the surrounding and often competing uses (*i.e.*, events at the Golden 1 Center) and the connectivity of the north-south streets makes hosting large events, which would benefit from temporary road closures, challenging. By way of example, the panel learned that the highly popular Farm-to-Fork Festival will no longer be hosted at the Mall for reasons related to conflicting traffic and difficulties with street closures.

The present moment provides an incredible opportunity to re-envision the Capitol Mall as an active grand park for Sacramento. Events happen on the Mall today, but these events are temporary, pop-up affairs that require significant efforts to put the necessary infrastructure in place to support the activities (*e.g.*, electrical service, staging, road closures, etc.). To become the grand park the city deserves it to be, Capitol Mall would benefit from an active management structure to ensure a clean and safe environment as well as permanent programming infrastructure within the park. It may also be necessary to adjust the street access around and through the park, either shifting lanes, reducing lanes, or closing connecting streets altogether in some areas.



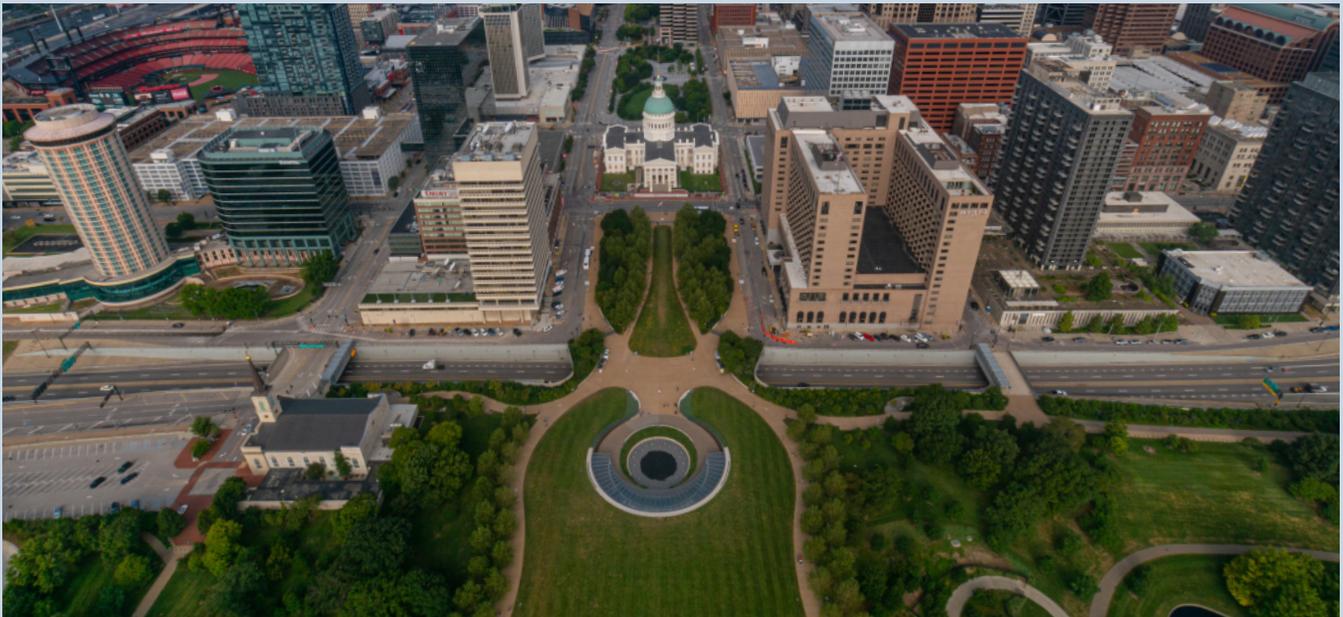
The open space along the Mall was designed to provide impressive view corridors, showcasing the Capitol building and the Tower Bridge.

Case Study: St. Louis, Missouri

Gateway Arch National Park and the Gateway Mall

Along the Mississippi River in downtown St. Louis, the Gateway Arch National Park was recently renovated to create better connections with downtown St. Louis and the Gateway Mall beyond. The Arch grounds, formerly cut off from downtown by several lanes of below-grade interstate highway, are now better connected to the downtown core through a park that sits atop the capped

highway system. The capping of the interstate provides pedestrians with unencumbered access to the park, provides a more natural flow between the Arch grounds and the expanse of the Gateway Mall stretching west into downtown, and provides grand vistas of the Arch, the river, the Old Courthouse building, and the parkland that stretches into the downtown core.



The Arch grounds and circular museum entrance in the foreground are now better connect to downtown by parkland situated atop the capped interstate. The Gateway Mall is seen in the center distance, invites visitors from the Arch grounds to explore further west, into the downtown core.



A view of the Capitol Mall looking east from a vantage point above the Tower Bridge. While not a view easily gained, this perspective demonstrates the design thinking behind the long expanse of the Mall and how it was designed to connect into downtown.



This map depicts the interconnected nature of downtown Sacramento and how its green spaces—the riverfront, Mall and Capitol Park—provide a welcome green respite from the hard scrabble of downtown’s block, concrete, and brick. Initially pulling that greening north along 4th, 5th, and 6th streets, one can see how greener, more welcoming streetscapes could facilitate and encourage more pedestrian movement from the J, K, and L street corridors, particularly around the Golden 1 Center to the Mall and back.



The potential for creating a grand park in the middle of the Capitol Mall, encompassing two to three acres or more, would provide the city with ample space to create a world-class destination, amplifying the city’s natural beauty, celebrating its tree canopy, and providing a backdrop for additional nature-based experiences, arts and entertainment opportunities, or other must-visit spaces for residents and visitors.

Case Study: The ROI for Parks

Investment in parks and greening generates significant return for cities as demonstrated by the parks and greenways delivered by the cities listed here.

Source: HR&A Advisors; New York Times



Highline New York

\$2 Billion

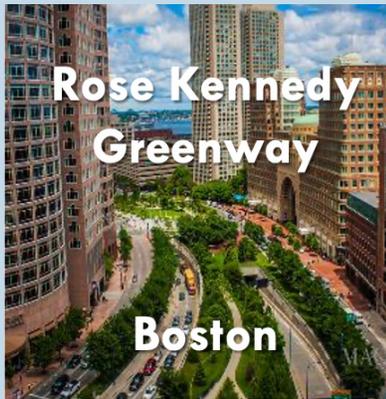
in private real estate investment



Discovery Green Houston

\$1 Billion

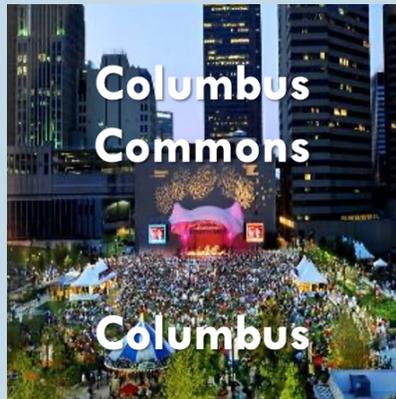
in private real estate investment



Rose Kennedy Greenway Boston

1.4 x Increase

in pace of development



Columbus Commons Columbus

1.75 x Increase

in pace of development



Millennium Park Chicago

30-40% Premium

on park-adjacent blocks

DEVELOPMENT STRATEGIES

The questions posed to the panel by DSP relating to redevelopment strategies sparked a new perspective and thinking about Sacramento's downtown core. While many might view the Capitol Mall as forming the spine from which the rest of downtown emanates, the present-day activity patterns and redevelopment potential shifted the panel's attention more closely to the streets to the north, the J, K, and L streets in particular, and how redevelopment in those areas might best support future downtown growth and sustainable vibrancy.

Corridor Urban Revitalization

The seismic shift in the office market is forcing developers, building owners, and the public sector to re-evaluate downtown environments and pursue a mix of more economically resilient uses into the future. This shift for downtown Sacramento and its future success as a district lies in its ability to provide mixed-use urban residential opportunities. The following recommendations will support the pursuit for downtown.

Support residential development. As one panelist noted, "Home is the new office." This mentality recognizes that a significant population of city residents no longer commute to work and instead work primarily from home. At the time of the TAP, the City estimates that 74,000 state office workers are now working from home at least one day per week, and 30,000 state workers will no longer be coming to the office to work at all. By bringing residents downtown and filling the upper floors of buildings with residential activity, the groundfloor spaces of those same buildings and other commercial spaces nearby stand a better chance of finding success once again. The investment it might take to encourage people to live downtown, to relocate closer to their sometimes-office, will pay off in the long run. This encouragement could come in the form of incentives for state employees choosing to move downtown. Residential uses populate downtown at all hours of the day—not just from 9am-5pm. Residents moving downtown need places to eat, groceries to buy, and retail and convenience stores to frequent. Adding housing downtown is important and missing middle and workforce housing, in particular, will

be critical to ensure that downtown remains an attainable neighborhood for all.

Prioritize clean and safe. In order to attract future residents, downtown must be clean and safe. Regardless of their age, family demographic, or socio-economic status, people will not choose to visit, let alone live in areas that do not feel cared for and in which they cannot relax. Creating and maintaining a clean and safe environment is the most basic, fundamental place to start in re-invigorating downtown and must remain a priority into the future. DSP must keep up the good work and is encouraged to only increase and expand its efforts.

Incorporate GREEN into the clean and safe mantra. In a state that prides itself on enacting sustainable policies and supporting measures to create a more resilient and sustainable future for its residents, Sacramento, as the state capital, has an opportunity to stake a claim as a green city or having a green downtown, exemplifying all of the "green" measures policymakers hold so dear. Green infrastructure, such as bioswales, can begin to replace impervious stormwater management systems. Additional street trees and planters can add to the city's already impressive tree canopy, literally adding green-colored elements while helping to cool the environment in the summer. Using natural elements in this manner can also help soften downtown's hard concrete and brick edges and create a more welcoming, livable environment for residents and visitors alike.

Explore creating a university center. The universities that call the greater Sacramento area home might find interest in expanding to or relocating within a downtown



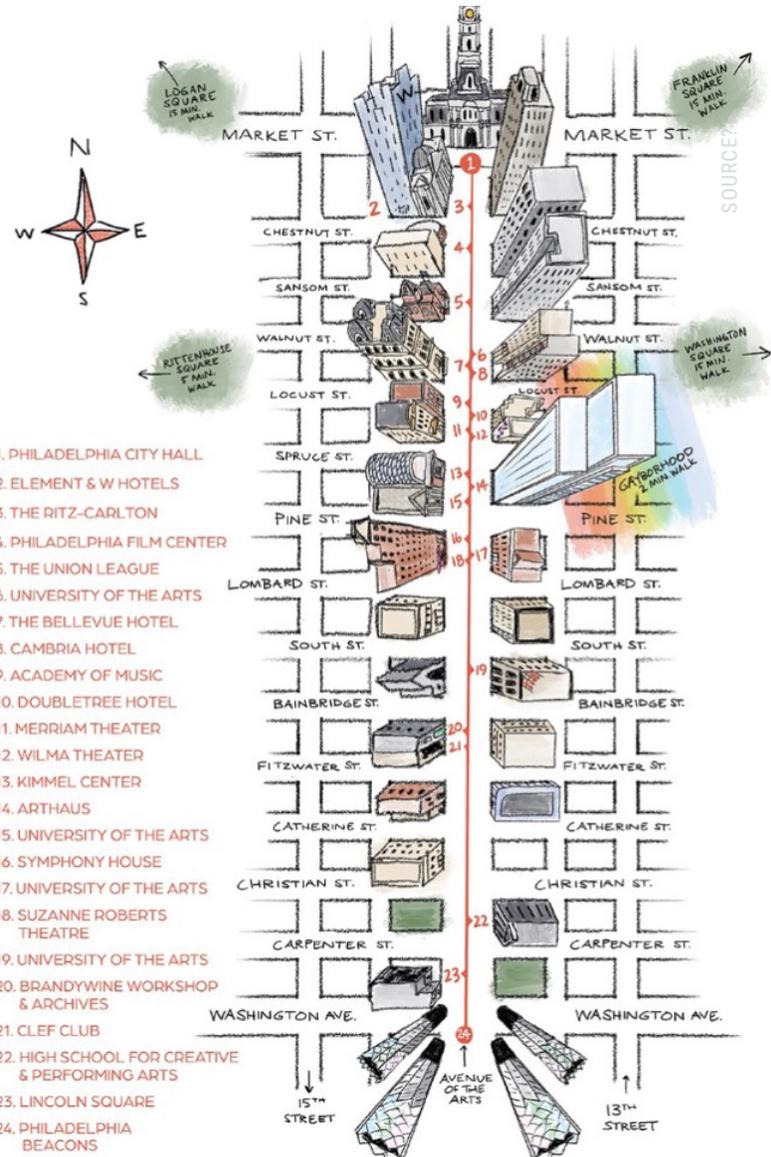
University Village, in Seattle, provides university students with housing and a variety of services in close proximity within the downtown core.

environment. The K Street corridor, for example, with its transit access, walkable environment, and buildings with potentially convertible space, would make an interesting and attractive urban university campus. Adding university programs and housing to the K Street streetscape would completely transform the corridor, bring vibrancy to the streetscape, and help to infuse the surrounding streets with student life at all hours of the day and night. There is also the potential that, upon graduation, these same students may find employment in downtown Sacramento and choose to continue to call downtown home.

Cluster civic amenities downtown. The city has a good foundation in place, providing proximate access to a variety of civic amenities, including the Golden 1 Center, the Crocker Art Museum, Old Sacramento, and more. Adding to this list and striving to center these amenities around the Capitol Mall will help position downtown Sacramento as a regional draw and support the city's tourism and destination economy. The clustering approach encourages additional spontaneous visits and makes visiting multiple amenities in one trip much easier.

Waterfront

Founded as a river city at the confluence of the Sacramento and American rivers, Sacramento quickly built up around



Downtown Philadelphia has clustered a number of impressive civic amenities along a corridor, creating the Avenue of the Arts, which connects north to City Hall.

its riverfront and then, like many cities in the 1950s laid its highway system alongside, effectively cutting the city off from the waterfront. Mitigating this highway intrusion is front of mind for civic leaders across the country and the federal government has recognized the benefits of supporting these efforts with certain infrastructure funding mechanisms. In the meantime, as the city wrestles with larger highway infrastructure issues, smaller steps can be taken to better connect downtown—and its residents and visitors—to the waterfront and its associated activities.

Improve pedestrian access to the river. Pedestrian access to the river from downtown needs improvement.

- K Street. The current K Street walkway that connects Old Sacramento Waterfront to the Golden 1 Center is comfortable in the middle of a sunny day and surrounded by a group of friends. Walking alone, at dusk, or at night in this space would be a far different experience and one that does not feel safe. Public access to the river via connections like this deserves intense attention, increased or enhanced lighting, and a plan to add public uses or private activation to the area.
- Capitol Mall. The pedestrian connection to the riverfront from the Mall also warrants improvement. Presently, pedestrians walking from downtown to the Embassy Suites, Tower Bridge, and waterway are limited to the narrow sidewalk perched alongside the current four-lane roadway, separated from the interstate below by a concrete barrier topped by cyclone fencing. Nothing about this walk is appealing.

Create separate active transportation linkages across the river. Like the Capitol Mall, pedestrian access over the highway, the only way a person walking or biking can cross the river, is found by navigating the narrow sidewalk along the roadside on the Tower Bridge. Other cities have met this challenge by creating safe, accessible, and appealing trails and walkways across, alongside, and even over



This floating walkway in Portland, Oregon, could provide inspiration for a unique crossing for non-automotive traffic over the Sacramento River (one that would still allow waterway navigation for vessels).

their rivers. As a navigable waterway, the solution for the Sacramento River may require additional innovation, but better connecting Sacramento and West Sacramento for non-automotive uses, facilitating exploration by visitors from both sides of the river, makes good economic sense.

Continue to make the riverfront a priority. Repairing the damage to downtown’s urban fabric through interstate construction and reconnecting downtown to the riverfront will take time but should remain a civic priority. The panel learned that a reconnection plan was envisioned at one time and received approvals. The City should revisit this plan and integrate it into the scope of plans for downtown.

Leveraging the Public Realm

Like many downtowns, there is a significant amount of open space held in the public realm. Parks and streets, of course, but utility easements and other underutilized spaces dot downtown. Cities are creatively leveraging these public spaces and expanding use by loosening control of those spaces. For example, the City could grant fee title of sidewalks to a property owners association (POA), which loosens the city’s maintenance responsibilities, gives the property owners the ability to make improvements as they see fit, and ensures that the sidewalk remains publicly accessible. Similarly, allowing for private ownership of areas on the edge of public parks, trails, and other open spaces can help activate the areas by allowing commerce to take place. An example could be activation by the private property owner in a space right next to the riverfront trail or Capitol Mall, using the space for a market tent and selling goods or refreshments to people using the trail or open space.

While some of these ideas relinquish control and maintenance to private entities, it would be wise for the City to create a citywide entity to oversee the maintenance of public space and private open space that adjoins those public spaces. This type of oversight can help ensure that the spaces are maintained well, kept safe for visitors, that laws are being followed, and that the operations are generally additive to the visitor’s experience in the public space.

PUBLIC SECTOR ROLE AND FUNDING

This is an all-hands-on-deck moment for Sacramento. That said, the work required and the recommendations put forth by the TAP panel require a leader, a champion to set the vision, rally the partners, drive the implementation, and hold everyone accountable to the effort.

Planning and Implementation

The public sector and DSP should lead the charge. The public sector, with DSP acting as the catalyst, should take the lead in the visioning process. As a broad-based, quasi-public entity, the DSP has excellent existing relationships with both the public sector agencies and the private sector partners who will be critical to the realization of a new Capital Destination District.

With a clearly articulated vision in hand, DSP should also be prepared to drive implementation of the plans that will transform the vision into reality. It cannot do this work alone, however, and will need to lean heavily on its existing partners and be prepared to build and nurture new relationships to help get the work done.

Partner for implementation. DSP's relationships across the board—with community organizations, business owners, real estate developers, civic leaders, and City agencies—will come into play in this work. This is not just a real estate play, nor is it only a policy matter. A holistic approach, with State, City, and County partners at the table, along with other public agency stakeholders, will help ensure that the vision continues to be clear, that the path forward is unencumbered, and that everyone understands how their unique expertise, perspective, or professional tools will help advance the goals for the Capital Destination District.

Examine an expanded Property and Business Improvement District (PBID) role. Organized as a PBID, DSP benefits real property within its defined geography, offering services such as cleaning public rights of way, economic development, advocacy, marketing, promotion, and more. In addition to its current responsibilities, the

panel recommends DSP examine the potential to expand its role to include measures to support the cleanliness of the district, district safety, and greening measures that can help soften the urban hardscape while also cooling the environment. This expansion could include greater operations functions, such as the addition of streetscape and park maintenance, and could also include a greater role in streetscape and amenities investments downtown. These expanded measures will require additional staffing and supportive funding, so careful examination of the benefits and potential issues is critical.

Investment and Reinvestment

The expanded PBID measures noted above and the host of other recommendations set forth by the panel will require additional funding, whether that funding goes to or through DSP or a related partner or partners.

Explore a potential best practices demonstration grant. The impact of the state government on the city of Sacramento has been and continues to be significant for the city. While previous impacts of a large number of state workers provided net benefits to the downtown economy, the reverse is now also impactful. The City of Sacramento and its partners should seek a best practices demonstration grant from the State of California to help lead the transformation and diversification of the downtown economy, creating a national model for other state capitols and for the nation's capitol as well, all of which have been hard hit by the loss of state and federal workers.

Explore a larger PBID geography and property assessment. The revenue currently funding the DSP is

generated from fees assessed on the property owners and business owners within its current footprint. By expanding the PBID geography, and thus encompassing additional property owners that would be subject to the PBID assessment or retaining the current geography but raising the fee, DSP would be able to generate additional annual revenue to support some of the recommendations posed by the panel. The panel also suggests exploring a combination of operations and capital assessments to help fund the recommended efforts and improvements.

Augment the existing tax increment financing district.

Tax increment financing (TIF) has proven to be a powerful funding tool for downtown redevelopment and related improvements. Through strategic expansion of the geography included in the TIF district, the TIF district would be able to generate additional funding for public realm improvements, business assistance, and economic development. The recommendation is to expand or enhance TIF revenue generation beyond an enhanced infrastructure financing district (EIFD) and community revitalization and investment authorities (CRIA) tools, which should be explored further with key stakeholders.

There is a great deal of work to be done to chart a new path for downtown Sacramento. Under the careful guidance of the Downtown Sacramento Partnership and its steadfast leaders, Sacramento can build on its impressive foundation of culture, arts, and innovation and shape the next chapter for this city.

Case Study: Philadelphia Center City District

In Pennsylvania, business improvement districts were originally authorized under the Municipality Authorities Act as “special services districts” with private-sector boards representing the property owners, business, institutions, and residents in a defined geographic area. The Philadelphia Center City District (CCD) was authorized in 1990 and began operating in 1991, providing services including marketing and ensuring cleanliness and public safety.

In 1994, CCD created a comprehensive plan for capital improvements (Investing in a Walkable City) and went back to the property owners for expanded authority—essentially a reauthorization—and received City Council approval for an extended legal life and the authority to make capital improvements, which gave CCD the authority to finance capital improvements. CCD included a “budget for capital” section showing a debt service line extending beyond the five-year approved operating budget.

CCD has completed two rounds of financing—the original \$21 million bond issue in 1996 and a subsequent \$15 million financing for Dilworth Park in 2012.

The ability to finance public realm improvements gave CCD the leverage to secure other funding—city, state, federal, and foundation—through approaches involving match funding to CCD funding commitments. The improvements that CCD has financed are focused on the public realm.

<https://centercityphila.org>

THE PANEL



DOWNTOWN SACRAMENTO PARTNERSHIP

The TAP panel toured the study area with leadership from the Downtown Sacramento Partnership. Pictured from left: Kimberly Garza, Nikky Mohanna, Randy Sater, Michael Ault, Allen Folks, Tom Murphy, Jason Kenney, Paul Levy, John Dangberg, Jamie Gomes, Timothy Denham, Kate Collignon, Scott Ford, and Deana Ellis.

Randy Sater, Panel Chair
President, StoneBridge Properties

Kate Collignon
Managing Partner, HR&A Advisors

John Dangberg
Owner, Dangberg Consulting Services

Deana Ellis
Vice President of Land Resources, Cresleigh Homes Corporation

Allen Folks
Director of Design and Planning, Ascent Environmental

Kimberly Garza
Founder and Principal, ATLAS Lab

Jamie Gomes
Managing Director, Economic & Planning Systems

Jason Kenney
Chief Deputy Director, California Department of General Services

Paul Levy
Chairman of the Board, Philadelphia Center City District

Tom Murphy
Former Mayor of Pittsburgh

Nikky Mohanna
Mohanna Development



acramento

ULI Sacramento
P.O. Box 19901
Sacramento, CA 95819

sacramento@uli.org

sacramento.uli.org



knowledge.uli.org