

Reaching New Heights in Del Paso Heights



Sacramento, CA SDAT Report

AIA Communities by Design 
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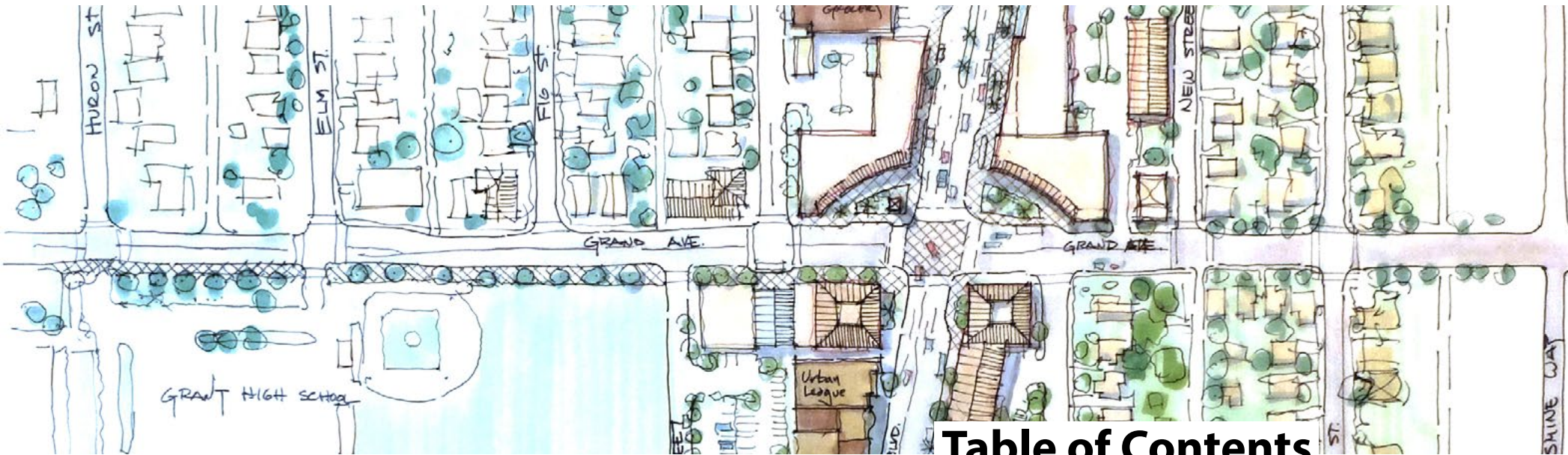
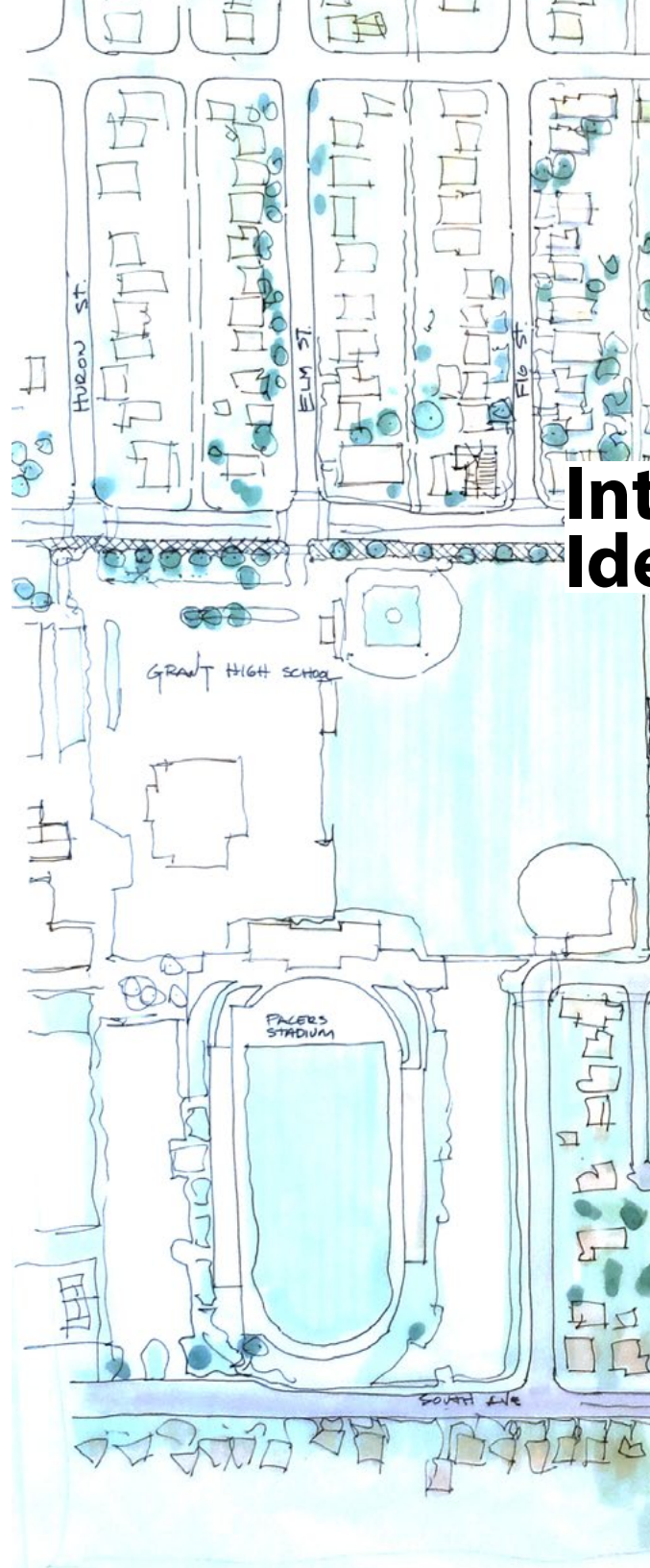


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Intro & Identity

INTRODUCTION AND IDENTITY

Del Paso Heights, Sacramento, has wonderful strengths and opportunities. These include affordable housing and land, a rich agriculture and human history, diverse, welcoming and accepting residents, rich agricultural soils, water features and desirable parks, a high school and football team that help unify the neighborhood, a generally safe environment, a diverse and committed institutional, religious and non-profit community, strong community pride, and the bones of what can be a much stronger community. People move to and stay in Del Paso Heights because of strong family and community ties and low housing prices. Many members of the community are engaged and committed to their community. Residents report that it is “a place worth staying in” and that they remain by choice.

At the same time, Del Paso Heights is clearly struggling. By almost any measure its level of social and economic deprivation is among the highest in Sacramento. It has some of the highest rates of poverty, unemployment, high school dropout, and crime rates in Sacramento, and some of the lowest salaries and educational attainment. It lacks some basic retail and services that most other neighborhoods have and it lacks a clear commercial center that can help reinforce the sense of place. Some residents stressed that with generational change the neighborhood is losing a generation of nurturing grandparents, replaced by a lost generation who were deeply scared by childhood and adult drug use and multiple generations of despair. There is clearly some strong community frustrations and a sense that the rest of the city doesn't care about their plight.

Yet, even with these challenges, those Del Paso Heights strong bones and many of its residents provide a sense of hope and opportunity. Del Paso Heights appears to be at a tipping point. A combination of community commitment, city action, and private investment can revitalize the community.

The City of Sacramento, through its Office of Economic Development and with the strong support from the City Councilmember representing Del Paso Heights (District 2), applied to the American Institute of Architects (AIA) for a Sustainable Design Assessment Team (SDAT) to help them work with the community to jointly make strategic changes needed to revitalize Del Paso Heights. In their application, the City requested a Del Paso Heights SDAT to help them:

... Coordinate sustainable revitalization initiatives... developing a broad spectrum plan that addresses public policy, revitalization, economic development, and investment in sustainable growth...success-proven implementation strategies... In Del Paso Heights, there are many dedicated people who have the passion to make things happen. There are also organizations who are willing to take lead roles for implementing action.

...Explore ways to move forward expeditiously and attract private investment while creating an environmentally, economically, and socially sustainable community.

...Serve as a demonstration community that teaches Sacramento how to replicate its lessons in other economically underserved communities in the city. As Del Paso Heights is working to reinvent and revitalize its role in the 21st century economy, the SDAT can help to educate key leaders and government officials about the opportunities that lie ahead when taking a comprehensive, inclusive, grassroots approach to creating a sustainable future.

...The City of Sacramento and the Del Paso Heights community is fortunate to have momentum toward revitalization of the neighborhood and commercial corridor. An SDAT will reinforce and build upon this momentum and enable us to define a larger vision for the community.

AIA was excited to hear of Sacramento's commitment to help serve this under-invested-neighborhood. They found both a city and neighborhood commitment to change and the opportunity for private investment made this a project that could make a difference in the lives of Del Paso Heights residents.

AIA held a preliminary visit (February 4-5, 2015), during which AIA staff and the Del Paso Heights SDAT team leader toured the site and met with city, neighborhood, and non-profit leaders. During the visit it was clear that the neighborhood has enormous potential. The initial team observed an under-invested neighborhood, but one with clear civic, institutional, residential and commercial investment opportunities. There is significant poverty, blight and social deprivation, but Del Paso Heights still has largely intact neighborhoods with many long term and committed residents. Urban neglect is present but so are groups of committed city and institutional, worship, non-profit, and neighborhood partners.

Based on that, AIA identified a creative and problem-solving multidiscipline team that would work collaboratively on urban revitalization, housing and commercial investments, urban design improvements, and physical and land use improvements. The team included an architect/landscape architect, two other architects, an economic development expert, and a land-use planner, along with AIA design assistance staff.

Prior to the full SDAT, team members reviewed Sacramento's SDAT application, relevant past and current Sacramento and Del Paso Heights plans. This included Sacramento's general plan and strategic plans, Del Paso Heights Redevelopment Plans, Del Paso Heights design standards, traffic counts, census, demographic, and economic data, land use, cadastral, and vacancy mapping, social equity, health and social deprivations data, media reports, and history.

The full Sustainable Design Assessment Team (June 3-5, 2015) included a tour, site visits, community and civic leaders stakeholder meetings, a town-hall style public workshop, intense team charrette work time, and a final presentation to the community. This report summarizes the DART's findings and final presentation.

Del Paso Heights Identity

Del Paso Heights has a long and rich history which strengthens the community today and will remain a key part of its future. Some communities attract investment and lose their unique soul, but in Del Paso Heights there is the opportunity to build on and honor this history. Originally developed as ranch land in the nineteenth century, the discovery that the soils and geography made this land richer than much of the other grasslands and semi-arid deserts in the region led to large-scale agricultural use and water development.

The development of horse farms and race horse (thoroughbreds) breeding at the turn of the twentieth century left a history, pride and identity that are still honored today, and the development of the rich agriculture potential of the area. Residents remain proud of both the history and the ability of their land to grow food in their backyards. Some of the development patterns today owe their genesis to this era.

The early twentieth century development of Del Paso Heights for residential development and more limited, but important, commercial and industrial development, left behind a street grid, a development pattern and some buildings that remain today. New development can build on the best of Del Paso Heights' architectural and development history, especially the gems along commercial corridors, and in doing so can both honor the heritage and build a valuable local brand.

In addition to the physical traits, Del Paso Heights culturally became more diverse. African American migration from the south and white flight changed the neighborhood, first to a heavily African American community and then to the extremely diverse community it is today. The diversity of Del Paso Heights is one of its strengths, a mix that residents highly value, and one of its most exciting features.

By the post-World War II period and with the merger of Del Paso Heights and North Sacramento into Sacramento, Del Paso Heights grew into the community it has become today. Early efforts to address urban blight, poverty, and disinvestment, proposed in an optimistic era but without strong community involvement and consensus were not always effective. The combination of diminished private capital, the shrinking of federal government anti-poverty programs, the end of Urban Redevelopment in California as a funded program (coupled with the stress of the Recession) reduced stable long-term homeownership, increased rental units for less stable transitory residents, and led to new community blight and reduced public investment.

Today, Del Paso Heights has new opportunities that provide new promise. It provides an attractive opportunity for private investment, there are clear opportunities for city action, and a critical mass of residents, houses of worship, and non-profit groups are ready to work together. It needs a clear unifying vision, action agenda, and action. This report attempts to provide the outline of that vision and action agenda. Obviously, the community needs to fill in the vision, and needs to act quickly to build momentum.



Ranch Del Paso subdivision/development c. 1910



Liberty Iron Works, Del Paso Blvd. c. 1918



Early Del Paso Heights area map c. 1924



Local theater c. 1930s



Farmer's market c. 1950s

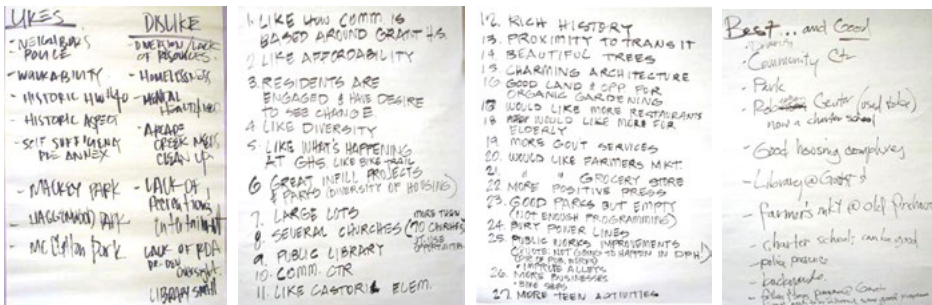
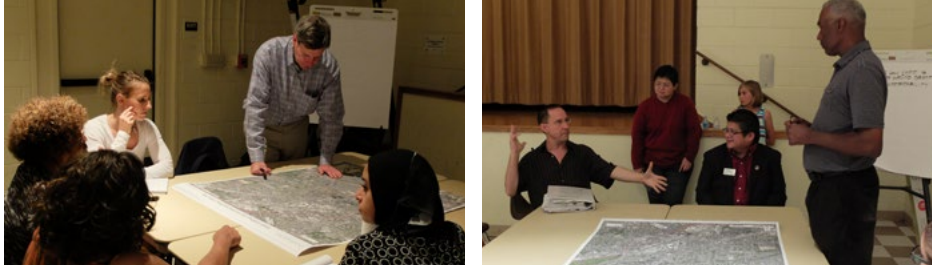


Del Paso Heights Redevelopment Plan c. 1970s



DEL PASO HEIGHTS SPEAKS

The City of Sacramento invited diverse stakeholders to afternoon stakeholders' focus groups and an evening town-hall public workshop, attracting almost 100 people. The effort helped the SDAT better understand strengths, weaknesses, and opportunities for Del Paso Heights. Del Paso Heights residents and institutions are quick to identify the challenges, but they are loyal to their neighborhood and see great promise and hope.



When we asked participants about “the strengths of Del Paso Heights,” we knew that this was a proud neighborhood that understood their special place. The adjacent word clouds summarize what we heard, with the size of the print representing the emphasis and consensus from the community (larger print indicates greater support, for example.) Community revitalization needs to build on the diversity, sense of community, history, community anchors and pride, all other community strengths.



Del Paso Heights Speaks: Strengths of the neighborhood, from SDAT focus groups and community workshops.



Del Paso Heights Speaks: Community needs, from SDAT focus groups and community workshops.

Workshop participants also shared what they felt where the community needs. Besides the above word cloud, however, we heard participants stress over and over again that the only way to get these needs met is for the residents, civil society, and business community to work together to get these needs met.

Community Values

The SDAT identified five clear values in Del Paso Heights. These values that are at the core of the community and should be at the core of all revitalization efforts:

- Diversity
- Complete neighborhood
- Place
- Opportunity
- Pride

Diversity came up in every community conversation about Del Paso Heights, as a descriptive fact, as a point of pride, and as one of the attractions of the neighborhood. Participants spoke of cultural diversity, ethnic diversity, economic diversity and housing diversity. Diversity keeps the neighborhood vibrant and interesting. A diverse neighborhood is a core value of Del Paso Heights.

Race and Ethnicity	% of Del Paso Heights
White	23%
Black	24%
Asian	23%
Hispanic of any race	30%

Clearly, Del Paso Heights has strong cultural and ethnic diversity. One participant told us that it is not only the most diverse neighborhood in Sacramento but one of the most diverse in California and the nation.

Economic diversity is important, but not quite as well represented in Del Paso Heights. Although there are residents of a very wide variety of incomes and means, median wages are far lower in the neighborhood than elsewhere in the city and the range is skewed in a range from middle income to low income, with very few upper middle class and wealthy residents.

Likewise, while there is some housing diversity, housing opportunities are skewed to the lower half of the market and rentals tend towards more transitional populations and not rentals that might attract more stable populations.

The community clearly identified the needs for more services and the ability of Del Paso Heights to serve more of residents' needs. A **complete neighborhood** is one in which the basic goods and services, amenities, opportunities for healthy living, and rich experiences are all readily available nearby, with strong transit, bicycle, and pedestrian network connections.



A complete neighborhood serves economic, social, environmental, and health needs.

A strong sense of **place** means that there is a “there there.” A place to call home that provides a sense of community, a sense of place. For Del Paso Heights this means strengthening the neighborhood center, to create a node that people identify with, connecting that center with a strong Grant High School, and continuing to strengthen parks and open space. Del Paso Heights should build the urban fabric so urban areas tell an attractive story and are not just a random collection of buildings and streetscapes, and creating a **place** that we can define as a neighborhood.

Opportunities are critical to allow all residents, but especially young people, a chance to improve their lives and to provide hope, not despair. Opportunities include keeping housing affordable, improving K-12 education, strengthening a local focus on adult and vocational education, encouraging entrepreneurship and investment opportunities, creating a clear vision that will attract resources, and providing the opportunity to break cycles of violence, poverty, and drug use.

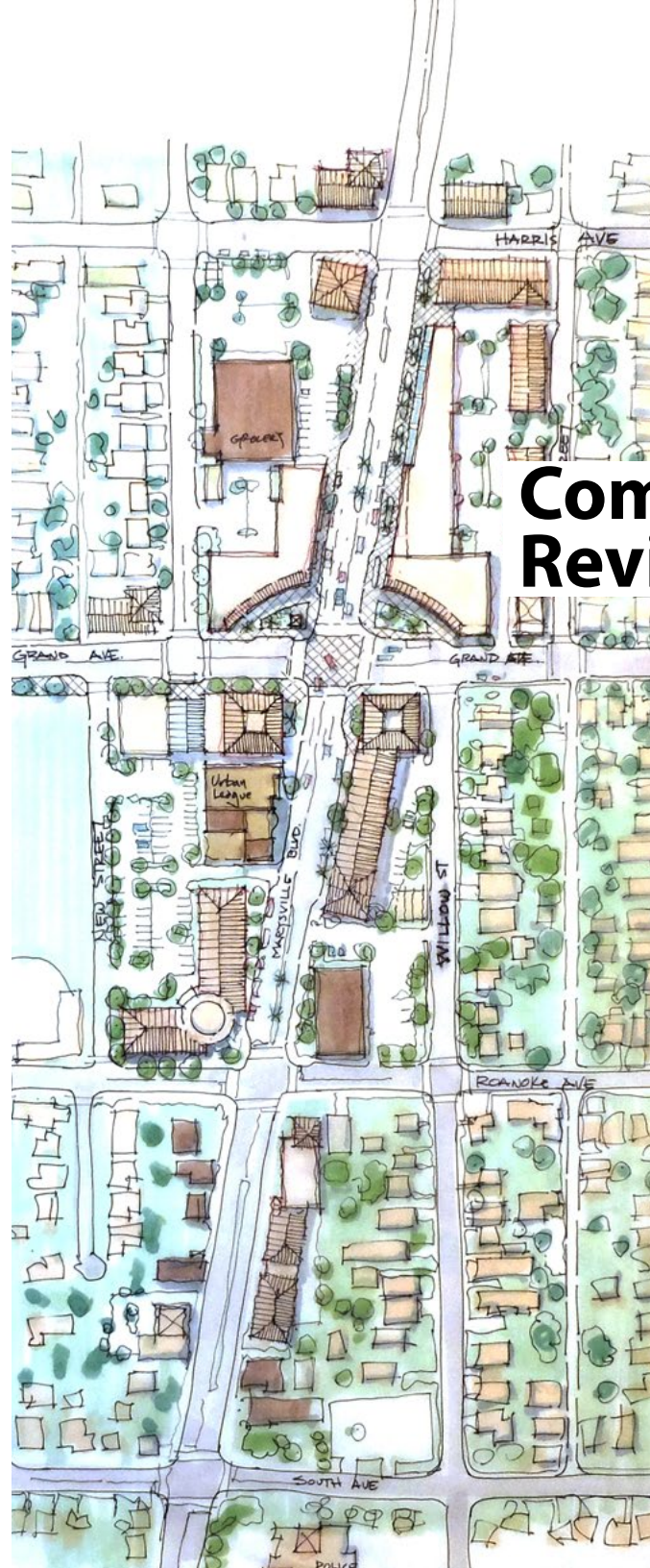
Del Paso Heights pride is clear when residents talk about Grant High and the Pacers. It is clear when they talk about cultural and ethnic diversity. It is clear when they talk about the cultural history of the area.

Sharing that pride with the rest of the neighborhood, the City of Sacramento, and the region is not as strong. A search of media and web coverage is dominated by crime stories, with a few scattered stories of hope and pride (Grant High School, the Pacers, the Multi-Cultural Festival, and the SDAT). The community needs to share its pride to show the city what a great neighborhood it is.

Del Paso Heights values of diversity, complete neighborhood, place, opportunity, and pride need to be remembered, valued, and enhanced to make revitalization and new investments work for Del Paso Heights. A focus on community and social revitalization, economic revitalization, and strengthening the built environment and community design can develop these values and make a much stronger neighborhood.

Revitalization is not a series of isolated projects, no matter how important. It is a value-driven process.

Revitalization is not simply City or private sector investments. Nor is it a neighborhood living in the past waiting for help. Revitalization is the neighborhood working to create an environment that welcomes and embraces positive changes, that shares its vision and its values and empowers its own residents.



Community Revitalization

CIVIC EMPOWERMENT

Build Power

The existing wealth of community groups must develop a shared voice based on the mutual Self-Interest of building Power and Relevancy with a goal of getting a seat at the table. This core group must create a call to action for a new or existing entity OR form a Group Council to organize Del Paso Heights through its 80 community stakeholders, specifically Churches, Schools and Community Benefit Organizations.

The goal of community organizing is to cultivate a diverse power base and become a relevant voice whenever community improvement is discussed in Sacramento, including regular interface with City officials and similar centers of power and influence.

Create Events

There is an existing framework for community policing which can be expanded to create Block Captains or persons who will be the first to report suspicious activity to the Sacramento Police Department.

Partner with national non-profit organizations such as KaBoom! and Rebuilding Together to organize neighborhood beautification projects as a way to establish presence via a fun, non-controversial event.



DEVELOPMENT RESOURCES

Create and Support a CDC

While community organizing provides a social framework for empowerment, a Community Development Corporation will organize the economic aspects of the Del Paso Heights renaissance.

The CDC will develop an economic identity for the region and can promote its viability to the city as a whole including business attraction and incubation, technical assistance, strategic planning and action as a resource clearing house



ACTION ITEMS

Create a database of non-profit, government and corporate resources that can be used by both residents and business including organizations that have a vested interest in Del Paso Heights, specifically those that attended the SDAT community input meetings.

Lead the charge in streamlining the process for business licensing, building and construction permitting at the City of Sacramento. Also take an active advocacy role for applicants lost within the system.

Establish and actively market a brand new community identity that is promoted to the City of Sacramento. What are the top five Del Paso Heights businesses? What business product is Del Paso Heights known for? Why move to Del Paso Heights? What's in the works? Ask the question and provide the answer.

HOUSING CHOICES

Promote Housing Stock

The CDC can promote home ownership and act as a matchmaker between responsible landlords & renters, as well as progressive developers and prospective home owners. Established non-profit developers already vested in Del Paso Heights include Habitat for Humanity and Mutual Housing Coalition, both of whom attended the SDAT.



The CDC can take an active role in promoting a diverse housing stock composed of 2-story single family homes, multi-family in-fill development, senior housing and veteran housing as a means to attract a new resident base.

Non-profit led and government financed development should give way to a more entrepreneurial-based development and selling of homes to single home buyers.

Address Homelessness

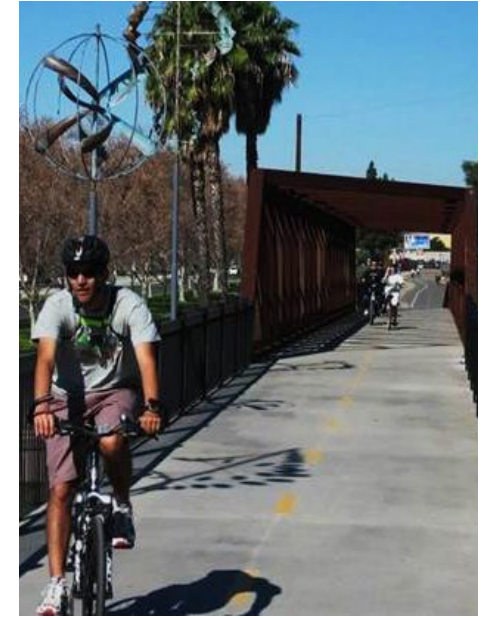
Homelessness was listed as a primary concern for DPH residents. This issue cannot be addressed without the strong presence of a mental health organization. This may or may not be addressed by the Housing First Organization and the Coalition to End Homelessness, both of which were referenced at the DPH meeting but were not present during the SDAT.

TRANSIT ACCESS, PEDESTRIAN-FRIENDLY STREETS, & ENHANCED BIKE ROUTES

TRANSIT ACCESS

A real and perceived lack of access to transit can be addressed by promoting any free circulator bus routes within the area and existing public transportation routes with a focus on connection to the existing light rail stop. Creation of bike lanes and routes to promote a partial bike and train/bus commute is also recommended. This can be combined with a plan to create an enhanced bike and creek trail.

The City should submit annual applications for federal funding from the National Safer Routes to School and Community Development Block Grant Programs in order to improve walking and biking routes within in the Del Paso Heights community.



Public Private Partnerships (PPP) should be formed in order to add new street furniture, bus shelters and information panels; case studies for these endeavors can be found in Chicago, Los Angeles, San Francisco and Boston (in partnership with JC Decaux.)

HEALTH AND WELLNESS

Urban Agriculture

Del Paso Heights has a unique opportunity to promote the lost art of localized, home-based agriculture and simultaneously create a new industry of larger scale agriculture for "Agro-prenuers". This was an idea promoted by members of the Del Paso Heights community, which complements the highly arable nature of the local soil.



A new agriculture based identity can be promoted by the CDC and partnered with the Sacramento Tree Foundation (which sent representatives to the Del Paso Heights SDAT stakeholder meetings.) Additionally, an indoor agriculture facility can be located within the Twin Rivers Adult Learning Campus which can serve as an incubator, permanent location and training center for skills and techniques required by the emerging industry.

Health and Wellness within Del Paso Heights will ultimately be improved by enhanced bike and walk routes, increased choices for healthier foods from retail and self planting and civic engagement which promotes the usage of parks and programs within a safe community

COMMUNITY DESIGN

New Retail Infill

Food Deserts are an unfortunate reality within urban environments, and can be improved only by risk-taking business owners or national chain stores. It is evident that the Del Paso Heights community wants a quality supermarket, but community members were willing to hold out from value based retailers until Viva Supermarket committed to a new store. The demand for quality produce and food can grow within Del Paso Heights and may support both the new Viva Supermarket as well as an additional location.



New Residential Infill

Several infill opportunities exist along the Marysville corridor, and while they are not in close proximity to the geographical center of Del Paso Heights, they present viable opportunities to create infill housing and increase the housing stock diversity. Single-family, single story ranch homes are typical of the Del Paso Heights community. While this tradition should be preserved and celebrated, 2-story single family homes, either detached or townhouse-style, should be encouraged along Marysville Blvd.

Multi-family and mixed use developments would create interesting “walls” and “streetscapes” along the corridor, which would help to create a new community identity. The corridor has several underutilized single story storefronts that cannot function without the added stability of a steady residential use above.



Outdoor Basketball Arena

The program for this infill opportunity was created by a local resident that identified the site at Dry Creek Road and Grand Av as an opportunity to create an outdoor basketball arena. This is a call to create more than the typically found outdoor basketball court which is a part of many urban parks and schools.

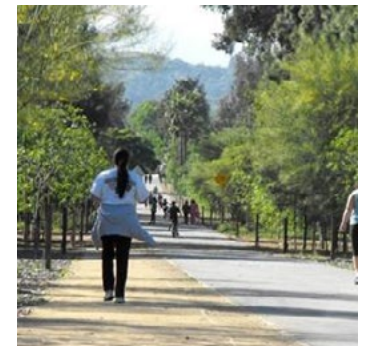
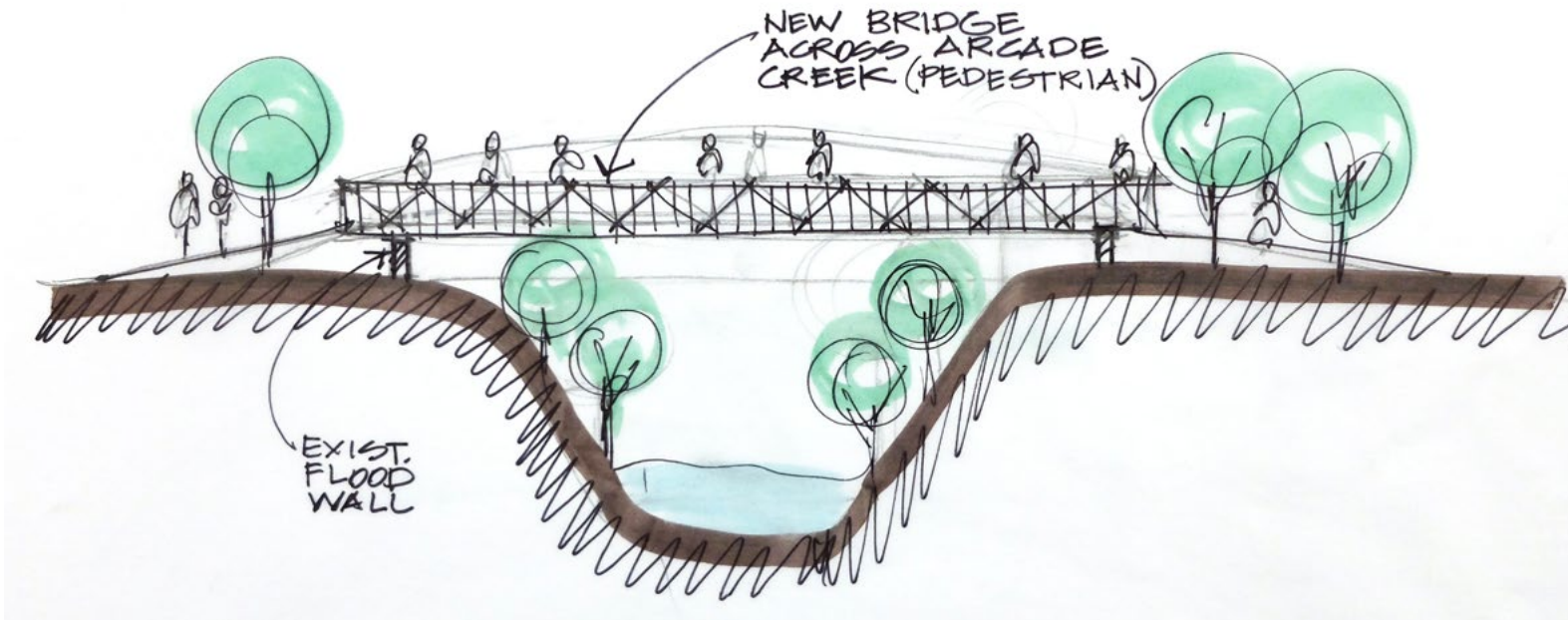
The arena, which would be a place for organized competition, is an entrepreneurial venture and will generate revenue, jobs and most importantly a dynamic space to showcase local basketball talent skills and activities. With the proper promotion and management, the arena could be a city-wide venue that is open only during these special events and shows.

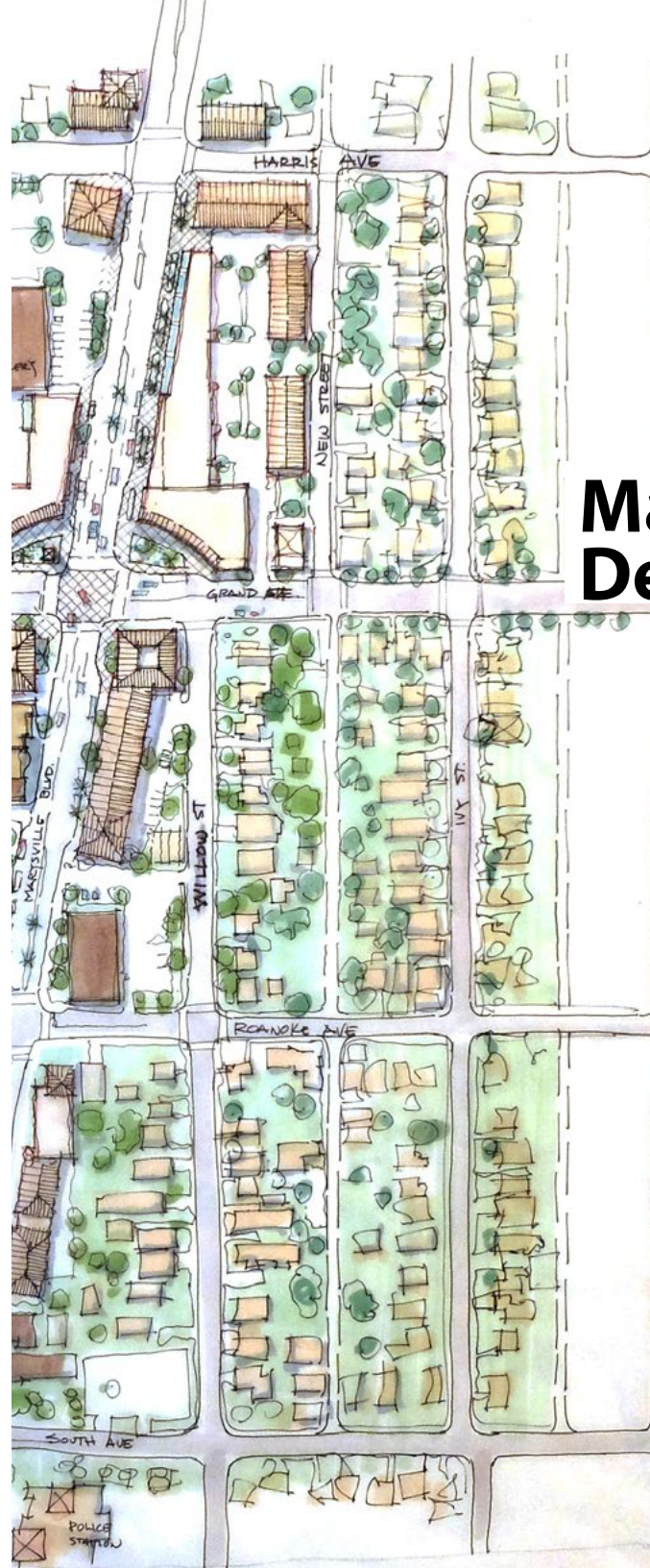


Enhanced Bike and Creek Trail

The Sacramento Northern Bike Trail (SNBT) can be enhanced with local art sculptures and cardiovascular exercise stations, and could be connected to a newly created bike and walk trail along the existing creek continuing. The bike and walk route would connect SNBT to the Hagginwood Community Center located to the east.

Altos Avenue and Marysville could be connected by a pedestrian friendly route which would encourage increased use of the community center and the newly created retail opportunity located at the Ben Ali Shrine location. A new north-south pedestrian bridge would link the communities on either side of the creek, further promoting pedestrian and bike activity.



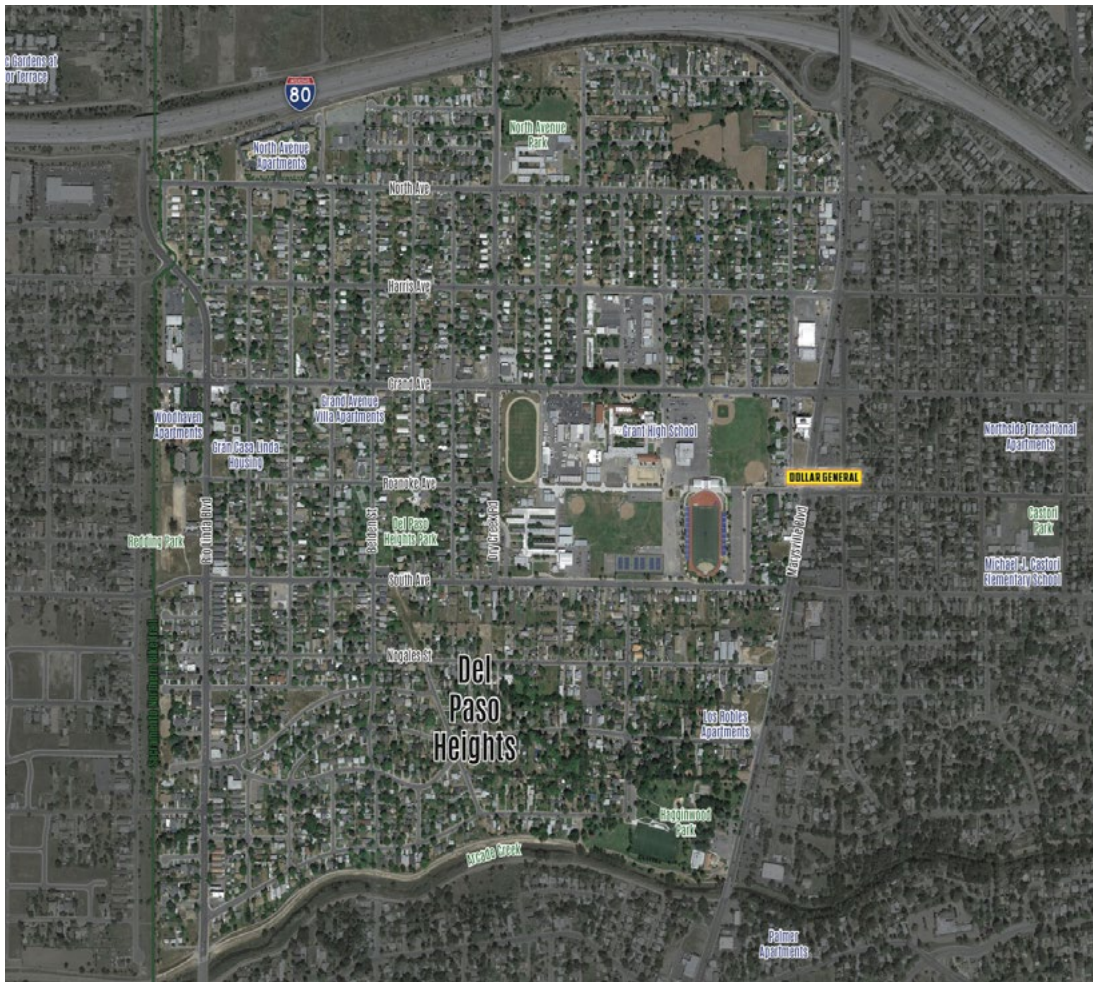


Market Demand

OVERVIEW

Catalyst has completed a baseline market analysis for the Del Paso Heights area within the greater Sacramento, CA area. Included in this analysis is an examination of demographic characteristics, housing trends, and the retail landscape of the Del Paso Heights area. Comparisons of Del Paso Heights to surrounding geographies, such as the greater Sacramento MSA have also been included.

Del Paso Heights is an area of Sacramento located north of the American River, roughly nine miles north of downtown Sacramento. The Del Paso Heights area is loosely defined as the area bordered by Interstate 80 to the north, Roseville Road to the east, Arcade Creek to the south, and Norwood Avenue to the west. The area is primarily residential with some small format retail along Grand Avenue and Marysville Boulevard. The residential in the area is a mix of single family and multifamily, and Grant Union High School – located in the center of the neighborhood – services Del Paso Heights and the surrounding neighborhoods.



OBJECTIVES

There are a few main objectives of this market analysis. The first of these is to explore the demographics, housing trends, and greater market characteristics of the Del Paso Heights area. The second objective is to analyze the residential mix in the area, and outline potential strategies for infill options. The final objective is to identify existing retail in the area and to help plan a merchandising strategy to catalyze future retail and residential in the area.

EXISTING CONDITIONS

Population

As of 2015, Del Paso Heights has an estimated population of 7,939 (STI Popstats). The area's 2010 population was recorded at 6,863, and the projected 2020 population is 8,827. The estimated 2015 population for the Sacramento MSA is 2.23 million, and the city of Sacramento population is over 476,000 (STI Popstats). Between 2015 and 2020, the Del Paso Heights population is expected to grow 11.2% (STI Popstats). This growth is anticipated to be faster than the growth rate of the Sacramento MSA, which is expected to grow 6.2% over the same time period.

Population Comparison (STI Popstats)				
	2000	2010	2015	2020
Sacramento City	408,375	460,532	476,671	502,281
Sacramento MSA	1,796,833	2,149,102	2,236,227	2,375,517
Del Paso Heights	6,435	6,863	7,939	8,827

Income

The estimated 2015 median household income for the Sacramento MSA is \$65,118 which is higher than the median household income for the city (\$53,748) and the Del Paso Heights area (\$26,369) (STI Popstats). The 2015 average household income for the Sacramento MSA (\$78,698) is well above the average household income for the city of Sacramento (\$66,657) and the Del Paso Heights area (\$35,714).

The largest percent of households (60% of all households) in Del Paso Heights earn less than \$34,999 (STI Popstats). The second largest percent (15%) earn between \$50,000 and \$74,999, and the third largest percent (14%) earn between \$35,000 and \$49,999 (STI Popstats). The

2015 household income distribution chart shows the percent of households sorted by household income distribution for Del Paso Heights, the Sacramento MSA, and the city of Sacramento.

2015 Income Comparison (STI Popstats)		
	2015 Median Household Income	2015 Average Household Income
Sacramento (City)	\$53,748	\$66,657
Sacramento MSA	\$65,118	\$78,698
Del Paso Heights	\$26,369	\$35,714

2015 Household Income Distribution (STI Popstats)							
	\$0 - \$34,999	\$35,000 - \$49,999	\$50,000 - \$74,999	\$75,000 - \$99,999	\$100,000 - \$124,999	\$125,000 - \$149,999	\$150,000+
Sacramento (City)	36%	14%	19%	12%	7%	5%	8%
Sacramento MSA	29%	13%	18%	13%	9%	6%	11%
Del Paso Heights	60%	14%	15%	8%	2%	1%	0%

Age

The median age for Del Paso Heights is considerably lower than the median age for the city of Sacramento (36.2) and the Sacramento MSA (39.2) (STI Popstats). In regards to generational composition, the largest percent of the Del Paso Heights population (30.4%) belongs to the 0 – 18 age group, also known as “Generation Z” (STI Popstats) The second largest percent (29.7%) belongs to the 18 – 35 age group, also known as Millennials. These two age groups combine to form over 60% of the total Del Paso Heights population. With 19.9%, the “Baby Boomer” generation (ages 51 – 75) makes up the third largest percent of the population (STI Popstats). The following chart outlines the generational breakdown by geography.

Generational Breakdown (STI Popstats)					
	Generation Z (Ages 0 - 18)	Millennials (Ages 19 - 35)	Generation X (Ages 36 - 50)	Baby Boomers (Ages 51 - 75)	Silent Generation (75+)
Sacramento (City)	24.6%	26.0%	19.6%	24.6%	5.1%
Sacramento MSA	23.7%	23.8%	18.9%	27.7%	5.8%
Del Paso Heights	30.4%	29.7%	16.8%	19.9%	3.2%

Workforce

The Del Paso Heights area is largely comprised of a blue-collar workforce. According to ESRI, there are a total of 131 businesses in Del Paso Heights, and a total of 1,354 employees based on 2015 statistics. The largest industry based on number of businesses is Other Services, except Public Administration with 33 establishments. The second largest industry is Health Care and Social Assistance, with 19 establishments and Retail Trade with 13 establishments. The industry with the greatest number of employees is Public Administration, with 673 employees (ESRI). The second largest is Health Care and Social Assistance with 265 employees, followed by Administrative & Support & Waste Management & Remediation with 95 employees (ESRI).

Residential

The Del Paso Heights area differs significantly from both the Sacramento MSA and the city of Sacramento in many housing metrics. As of 2015, there are 2,214 estimated households in the Del Paso Heights area, and an average household size of 3.6 (STI Popstats). The city of Sacramento has 179,270 households and the Sacramento MSA has 819,745 households, both of which average out to a household size of 2.7 (STI Popstats).

The largest percent of homes in Del Paso Heights (40%) is valued between \$100,000 and \$199,999 (ESRI). The second largest percent (27%) is valued less than \$100,000, and approximately 15% are valued between \$200,000 and \$299,999 (ESRI). The remaining 19% are valued greater than \$300,000 (ESRI). The following chart compares home values in Del Paso Heights to the Sacramento MSA and the city of Sacramento.

Residential Demand

Single Family Residential Demand

Catalyst completed a single family residential demand analysis for the Del Paso Heights area. The single family residential demand analysis takes into consideration annual household growth for the county and then assesses the number of new owner households annually. A capture rate for Del Paso Heights was then applied to determine potential

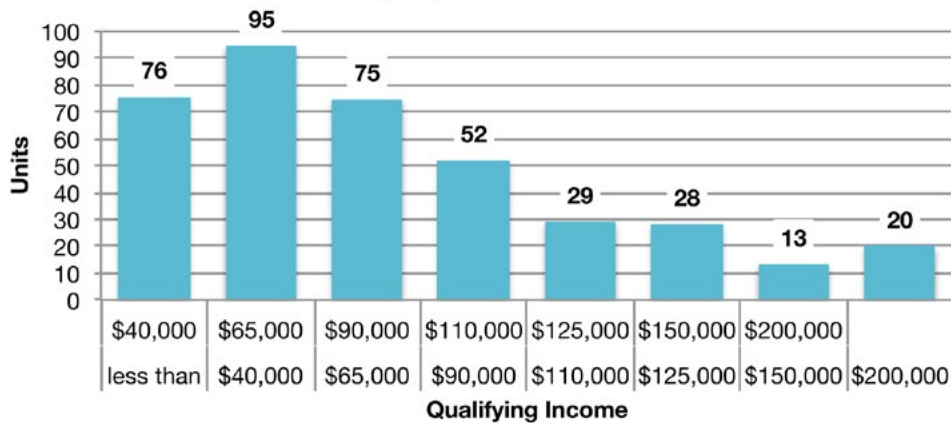
for single family residential units based on qualifying incomes. In total, there is an estimated demand for 389 single family residential units in Del Paso Heights, assuming a 2% capture rate for the area. The majority of the demand (77%) is generated from qualifying incomes less than \$110,000.

Multifamily Residential Demand

Catalyst also completed an analysis for multifamily residential demand. The demand analysis found demand for a total of 151 units in the Del Paso Heights area, based on a 10% capture rate. The majority of units (46%) would generate monthly rents between \$500 and \$750; 39% of the estimated demand would likely generate rents greater than \$1,000 per month.

2015 Home Value Distribution			
	Sacramento MSA	Sacramento (City)	Del Paso Heights
\$0 - \$99,999	7%	11%	27%
\$100,000 - \$199,999	18%	28%	40%
\$200,000 - \$299,999	26%	27%	15%
\$300,000 - \$399,999	21%	16%	6%
\$400,000 - \$499,999	12%	8%	4%
\$500,000+	17%	10%	9%

Potential Annual Demand for Single Family Residential By Qualifying Income Levels



Potential Annual Demand for Multifamily Residential By Monthly Rent



Retail Demand

Catalyst completed a retail demand analysis based on a leakage analysis utilizing bands that were 0-1 miles, 1-2 miles, and 2-3 miles. These bands are exclusive of one another, meaning the larger bands do not aggregate the previous bands. The analysis found a total of over 168,000 SF of retail supportable within the Del Paso Heights area. This demand total is very similar to the total retail demand discussed during the early summer 2015 charrette which found demand for 168,000+ SF of retail using a 5 minute customer shed rather than bands.

These demand totals suggest that the Del Paso Heights area is underserved by some retail categories. The retail categories with the largest retail gap (e.g. the demand minus the supply for the category) were Health & Personal Care Stores (\$11.4 million in unmet demand), Department Stores and Other General Merchandise Stores (\$7.4 million and \$6.7 million), and Full-Service Restaurants (\$3.2 million in unmet demand). The \$2 million in unmet demand for Grocery Stores is also considerable and highlights the lack of ample grocers in the area.

Catalyst also forecasted the estimated retail demand for 2020 and 2025, assuming a 3.75% growth rate. The demand totals show significant demand for Grocery Stores (\$28.9 million by 2020 and \$30.0 million by 2025) and General Merchandise Stores (\$19.4 million by 2020 and \$20.1 million by 2025). When combined, Full-Service Restaurants and Limited-Service Restaurants total over \$17.9 million in demand by 2020 and \$18.7 million in demand by 2025.

The retail categories discussed above show an unmet demand for some crucial, everyday services in the Del Paso Heights area. Additionally, these retail categories – especially Grocery Stores and General Merchandise Stores – have the potential to serve as catalytic anchors for local areas. The implications of such retail uses will be discussed in an application section at the end of this document.

DEL PASO HEIGHTS OVERVIEW

Del Paso Heights hasn't performed as a strong market over previous years, but the area does exhibit some potential for development. Underutilization of parcels is a common thread in many of the neighborhood's areas, but potentially catalytic features such as Interstate 80, Marysville Boulevard, the Sacramento Northern Bike Trail, and the potential for incorporation of greenspace make the area an interesting prospect for further development.

The areas surrounding Del Paso Heights –Oak Knoll to the west, East Del Paso Heights to the east, and South Hagginwood to the south– are also primarily single family residential with some multifamily. Along Interstate 80 to the west is a mix of large-scale industrial uses and some large regional retail in two regional power centers. Directly across I-80 to the north of Del Paso Heights are large vacant parcels of land.

As part of a charrette completed in early summer 2015, a sustainable design assessment team (SDAT) identified strengths, weaknesses, opportunities, and threats (or a SWAT analysis) for the Del Paso Heights area.

Strengths

Walkability

Historic aspects

Abundance of parks

Affordable residential in the area

Opportunities

Ability to infill underutilized parcels

Large lots enhance redevelopment potential

The area's proximity to transit and other thoroughfares (i.e. Sacramento Northern Bike Trail) enhance walkability, transit options

Residents in the area are engaged and participation in public good projections would likely be high

Weaknesses

Lack of job opportunities

Absence of supermarket and/or more food options

Arcade Creek needs attention

Need for restaurants in the area

Stigma from press and media

Threats

Development around Interstate 80 could stymie development in the heart of the neighborhood

Large retail developments west of Steelhead Creek may limit the possibility of large format retail to develop in or around Del Paso Heights area

This SWOT analysis – as defined in the summer 2015 SDAT – shows the ample opportunities for development and revitalization within the Del Paso Heights area.

APPLICATION OF FINDINGS TO DEL PASO HEIGHTS AREA

The Del Paso Heights area has a unique opportunity to capitalize on its strategic position along the Interstate 80 corridor, as well as in the heart of the neighborhood along thoroughfares such as Marysville Boulevard and Grand Avenue. A strategic plan to integrate varying degrees of uses such as retail, a "Makerspace", infill residential, and perhaps a small office development depending on the area's market velocity. The following text includes a list of recommendations based on the market analysis and input collected during the early summer charrette.

POTENTIAL DEVELOPMENT SCENARIOS FOR DEL PASO HEIGHTS

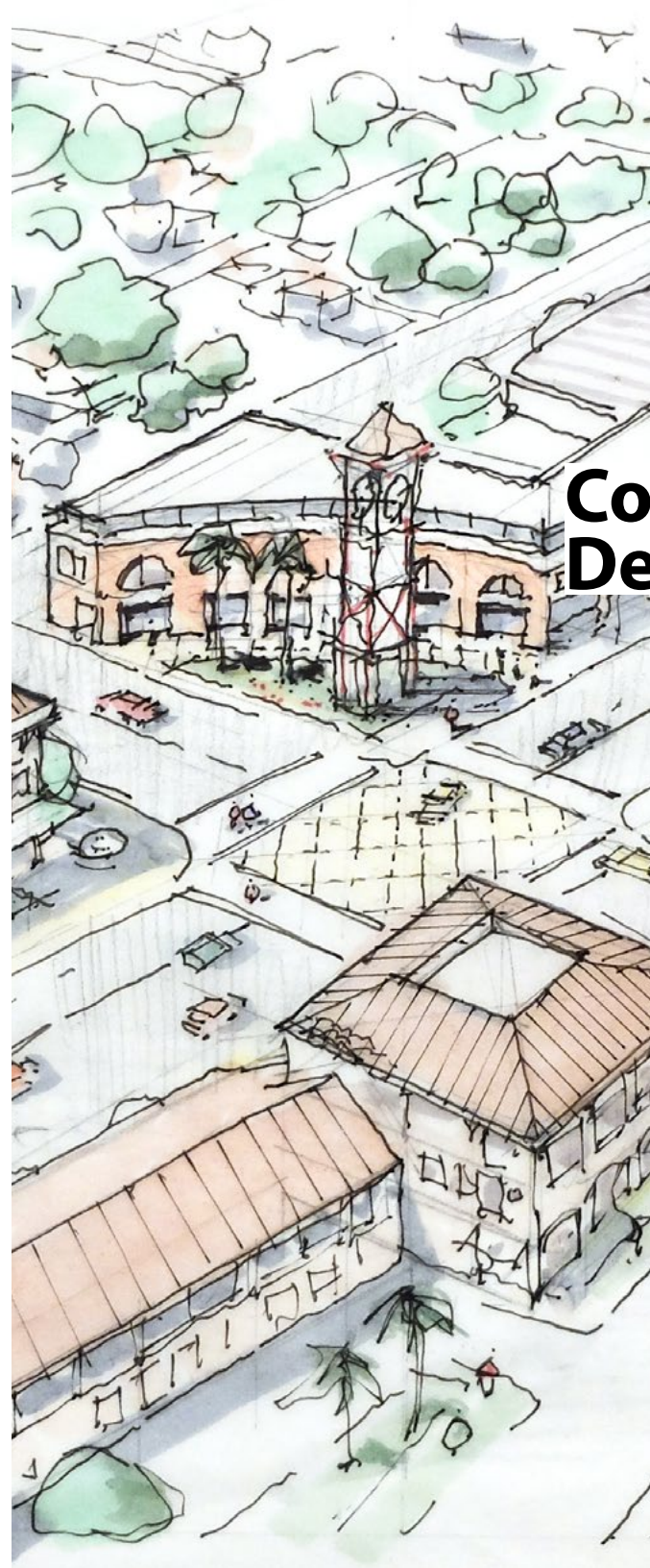
Retail development within Del Paso Heights would need to be strategic and have more definition than the existing merchandising mix in the area. Although large format retail at the site is not likely, there is potential for restaurants, grocery stores, and other quality neighborhood-oriented retail development. Quality food services – especially a grocery store – would help catalyze further retail development, as a grocery store would create greater gravity than most types of retail suitable for the area. The lack of many restaurants in the area also creates a potential for restaurants to capture a vastly underserved market.

Potential sites for quality retail development would be along Marysville Boulevard, Grand Avenue, and the intersection of the two streets. The intersection of North Avenue and Marysville Boulevard is another potential quality retail development site. Marysville Boulevard already features some retail, although additional and added retail should strive for higher quality and more intense use than the existing operators in the area.

The development of employment drivers would help propel further retail development in the Del Paso Heights area. As identified by the SWOT analysis and the charrette discussion, there is a desire to create more local jobs around Del Paso Heights. The creation of a small business park – perhaps with a “Makerspace” that is infill in the area would help catalyze employment near the neighborhood. As identified during the charrette, the abundance of large vacant space already provides the needed space for such a use.

Another important approach for development in Del Paso Heights would be a continuous beautification project. As identified in the SWOT analysis, the historical aspect of Del Paso Heights is already seen as a strength of the area, and efforts to clean up areas such as Arcade Creek and other greenspace in the area. The beautification could serve as a community event as well as improving the aesthetics of the area.

The final component to discuss is the potential for residential development. As evidenced by the demand analyses, there is demand in the area for both multifamily and single family development in Del Paso Heights. A strategy that takes advantage of infill residential on underutilized parcels would help drive further retail in the area. Furthermore, the creation of a local employment node would drive further residential development.



Community Design

COMMUNITY DESIGN STRATEGY FOR DEL PASO HEIGHTS

A common scenario plays out repeatedly across the country. A developer shows up to community with a vision. He has the financing and the equity tied up. He has hired the right architects. He even has the anchor tenants on board. Choice restaurant and retail operators are now knocking on his door. He has done this repeatedly before. He shows up with his nicely rendered plans at a public hearing, but the community is tired of it. This corridor is already too traffic congested, he hears. The number of stories is too high. Not so fast, says the Planning Department, we don't want you to build that here because of this plan here. And here. You will have to go to Council without our support for your rezoning.

A second scenario is just as common. A community lies dormant at the crossroads of travel in the city. Traffic may stack up but not many vehicles peel off to visit. The vacant gaps in the blocks invite neglect. Grass begins growing through the cracks of emptied parking lots. No loitering signs and iron bars go up on a few of the store fronts. Those passing through recognize these signs of deterioration, and, understandably, hurry on as best as they can. In addition to this, often times excessive requirements within the City permitting process discourage potential developers from taking on challenging projects. And the surrounding communities wonder why few quality food stores and sit-down restaurants are in their vicinity.

These two curious conditions exist at the same time in almost all cities of the country. Invariably, some of the once neglected communities in the second category will suddenly find themselves the objects of developer affections. Del Paso Heights is one the communities in the nation suddenly poised for resurgence from neglect. This is because your community has the ability to say, "Yes, we can support your development, we need it... Here we are!"

The great power that communities that desire to attract development always have at their fingertips is the ability to get ahead of the developer. Many communities in the position of Del Paso Heights often do not realize exactly the kind of power they have to channel vital benefits to themselves in the early stages of transformation. They have immense ability to steer the city's growth and economic potential. Developers actually dream about working in communities like this! One of the most powerful ways neighborhoods can rapidly initiate the process of transformation and attract new investments is to pave the path to redevelopment. When developers are able to secure support for their efforts from a wide coalition of neighborhood leadership during the processes of development entitlement, their level of risk and heartache goes down. They consider working in older communities that invite development rare opportunities. Moreover, developers know that the best way to mobilize municipal attentions is to have a politically savvy community ahead of them demanding it.

But developers need to know the dreams of a community. They don't want to harm the longevity and aspirations of the communities that invited them in either. There needs

to be a strategy that invites the long-term questions about growth - the questions that ask how we develop and why. Resilient development in California depends on communities like Del Paso Heights understanding alertly where they are at the crossroads of change. The long-term prosperity of all Sacramento actually depends on the kind of decisions your community is about to make. The "on-switch" for that kind of reflective transformation is a Community Design Strategy. This is what this effort is about.

The strategies below are optimal ways to achieve the most impact with cost-effectiveness and an eye on the future. While these strategies are mindful of new trends and modes of thinking in transportation and urban planning, they are specifically adapted for the long-term and resilient growth of Del Paso Heights.

A Comprehensive Approach to Enhance Connections

Continue Adding Bike Lanes: Growth in American cities today is more often generated not by costly investment, but cost-effective solutions that enable all income groups the ability to enjoy a higher quality of life. A bucket of paint can create a bike lane. It turns out that those are exactly the kind of investments that are "low hanging fruit" in facilitating a local economy. Bike lanes are like abandoned schools quasi-renovated to allow startups to nest in them. They are like abandoned storefronts adaptively reused as entrepreneurial fair-trade coffee shops. These are "low overhead" resources that enable persons to plug more personal wealth back into the local economic streams. That is how bike lanes should be thought about. Bike lanes and sidewalks enable local value generation by shifting the revenue of a household back into wealth generation instead of devoting as much as a third of it (on average per household) to automobile use.

Improve Pedestrian/Bikeway Links: Currently, Arcade Creek poses many barriers to access which can be improved by adding trails and pedestrian crossings along the creek. Connection points to the Creek can create more bikeable and walkable options to enhance pedestrian access to parks and the Hagginwood Community Center. Improving the trail crossing at major boulevards will turn the greenways into viable bike commuting routes. Currently the streets leading from the Marconi/Arcade Blue Line Station have very poor conditions for pedestrian and bike safety. Del Paso Boulevard, in particular, has a wide section with few safe crossing points. Consider encouraging the addition of a midblock crossing near its intersection with Eldridge Avenue. Utilizing pedestrian refuge islands along the middle of Del Paso Boulevard would do much to enhance safe access and options to access the station.

Courageously Press Forward for Walkability: Because so much of the character of a neighborhood is determined by how well buildings address the street, continued efforts to improve sidewalks, allowing on street parking and improving the character of existing and new storefronts along the street will help the Del Paso Heights

community. These efforts will help slow down vehicular traffic, allow for more convenient shopping and for more people from the neighborhoods nearby to visit these areas via foot and bike. These sorts of changes require a level of cooperation from the City, business owners and developers. Coordination will be required but once worked through, they will enable higher utilization of existing and new businesses for economic activity. It turns out that these sorts of business improvements inevitably attract new customers to them whose needs are currently being captured elsewhere.

Consider Incentives for Improving Walkable Neighborhood Design: An intriguing strategy is for the community itself to apply for LEED for Neighborhood Development (LEED-ND) certification for an area of walkable conditions near transit and many neighborhood businesses. Communities such as the SALT District in Syracuse, New York have actually done this, achieving Stage I certification largely in their existing state. Not only have they rebranded themselves as sustainable communities but they invite the attention of inventive people who look for the changes in lifestyle enabled by such development. Communities can achieve the certification by doing such simple things as adding bike lanes, starting vegetable gardens, planting street trees, creating recycling centers and community deposit points for batteries and the like. Sometimes you just need a threshold set to mobilize and compel the community to achieve a goal. Most communities would have difficulty achieving some criteria, such as completing sidewalks and adding street connections, but the smaller blocks along Marysville Boulevard between North and South Avenue have good qualities with a lot of potential. The continuous sidewalks, improved intersections with crosswalks, the good existing street frontages in some of the blocks, and the new developments, like the Urban League building, which pay excellent heed to the public realm, may actually make Del Paso Heights an ideal candidate to evaluate for potential LEED-ND certification for this area with the development of the empty lots. Even if LEED-ND certification is not pursued, a preliminary LEED-ND evaluation may also help determine where the current gaps and needs of the neighborhood may lie, identifying challenges for new development to overcome.

Opportunity for New Infill Development

When many communities begin the process of regeneration, gentrification often becomes a great concern. When this happens, communities commonly mobilize to oppose infill development, especially multifamily development out of character with the neighborhood. The inevitable result is those communities actually do get gentrified to some extent because the ensuing scarcity in housing in a locale that is becoming more attractive to outsiders drives the rents and tax values up. As a result, those who can no longer afford to live in the neighborhood may be displaced. When housing is allowed to be added instead with new development, the property appreciation in values is slowed to a point because new residents are able to find housing options. This allows existing residents to remain while enjoying the new opportunities in jobs and education. As they undergo transformation, communities have to be proactive in adding diverse housing options to meet the demand for new housing,

both for new and existing residents.

Therefore, allowing the right kind of housing development to be added in the right places will enable the community to more resiliently weather the effects of rising values. Rather than opposing new residential development, the community should focus instead on setting standards for development that provide attainability for existing residents and to provide forms of housing that reflect the character and values of the community. We propose a vision for infill development that should begin by addressing all the vacant opportunities along the Marysville Boulevard Corridor, Del Paso's main mixed use opportunity. Enhancing the pedestrian and cycling access to and along the corridor will increase the viability of forms of development that enhance economic growth along business corridors.

Residential and commercial infill opportunities should to be studied throughout the remainder of Del Paso Heights neighborhoods in order to support growth that is not too intensive yet provides options for new residents and businesses to land in the neighborhood. One option to do this is for the neighborhoods to actually collaborate with local architects and urban designers to identify parcels ahead of time for infill opportunities and to provide sketches of the proposed development so that prospective developers understand both the character and the quality of development that the community will support. Ask AIA Central Valley to pitch in. Many architects are often looking for pro bono consulting opportunities to improve communities. Design – especially high-quality design – is a long lever stick. It sets the stage. It sketches the parameters. It generates the conversation and makes the vision clear. It finds its own proponents and financing. A drawing to point to is always worth the investment it took to pen it.

Achieving higher quality of results is a two-way street. The community should be diligent in rewarding developers that deliver in addressing the community's needs and standards during the entitlement process. This means supporting their efforts with local leadership, making phone calls to your elected body representatives, showing up to public hearings to speak on behalf of their petitions, and so forth. Sometimes, it means that the higher standards of development that the community wants are actually able to be implemented despite zoning regulations that make them impossible or onerous. In those instances, the community should become a developer's "best ally" to ensure that certain unproductive requirements, such as parking minimums that are set way out of proportion to other community needs, do not get in the way. That kind of support will not only ensure that high-quality development will occur, but that repeat projects are able to expand the area enjoying the results beyond just an odd rezoned here and there.

Del Paso Heights Town Center at Marysville and Grand

The intersection of Marysville Boulevard and Grand Avenue is one of the most strategic

areas to catalyze growth. Transforming one corner can spark the process. Part of the realization about the potential of Del Paso Center is its critical nexus of crossroads in the geographic center of Del Paso Heights. Grand Avenue is the central continuous east-west avenue and it travels along the entire extent of the extremities of Del Paso Heights. Marysville Boulevard is the central north-south route that leads directly to the Downtown Sacramento.

As northern areas of the Sacramento region develop further and strengthen with infill development, Marysville Boulevard will become a strong transit and bikeway corridor connecting employment centers such as the Raley Industrial Park to residential areas. Even though transit is currently not traversing the entire extent of Marysville Boulevard, geographically it is poised to do so. A primary reason for this is that there are many chokepoints in the street fabric because of Arcade Creek, and Marysville Boulevard is one of the few direct north-to-south streets to cross it.

Another reason that Del Paso Center is critical to the future of Del Paso Heights is that a new method for planning transit lines is currently sweeping the country from Los Angeles to Houston and now on to Raleigh, N.C. These highly effective system redesign efforts emphasize high-frequency corridors crisscrossing at important transfer nodes. These redesigned networks are highly effective since they build up ridership by cutting down wait times and increasing system reliability. Moreover, they cut down trip times across a wider geography, connecting more people to more jobs and making the transit network competitive with the automobile. Due to its location at the central crossroads of thoroughfares, Marysville and Grand is an ideal connection point for Sacramento's expanding northern transit market. Already two transit lines serve the center, but in the future, both thoroughfares will most likely strengthen into high ridership transit ways served by high-frequency bus routes with average wait times less than 10 minutes.

This means Del Paso Center will become an important future connection center as growth comes to northern Sacramento and the transit network improvements work their way through. It will become more important to Sacramento and frequented by more people. The potential success of the future transit network will depend on the ability of the transit rider to conveniently transfer between two future lines that meet at the intersection. For this Del Paso Heights node to succeed as a future landmark destination, the area will need to be made more comfortable and accommodating to the pedestrian. This means that crossing the street should remain convenient and that the new development that comes in should avoid automobile-dependent formats to serve instead the pedestrian and cyclist. More shading devices, such as trees, awnings and shelters, will be welcome additions to transit users. The bike lanes should remain and all new shops should provide adequate sidewalk space and dedicated areas for bike racks.

For all of the above reasons, human scale plazas at the corners of Del Paso Center are recommended in order to improve the resilience of new development and to serve

the future needs of Sacramento. Sacramento needs this intersection to succeed for the pedestrian! The entire transportation network, in supporting transit and improving commuting by attracting more ridership away from the auto, will depend on the success of this juncture and others like it to become attractive and safe pedestrian environments.

Adaptive Reuse of Existing Facility for Adult Learning and Business Incubator

The future success of the Del Paso Heights community will require that both new and existing businesses provide quality services and products to residents and visitors. To ensure this success, we recommend the creation of a business incubator within the community. An incubator will help create and grow young businesses by providing them with an array of business support resources and services that include networking opportunities, capital, physical space, financial and technical services, etc. A possible location for such a facility is the site across from Grant High School on Grand Avenue between Fell Street and Huron Street. This location could also serve as an adult learning and resource center to ensure that current residences are provided with the necessary resources and tools to grow and empower themselves to become a part of their changing community.

Develop New Outdoor Basketball Facility at corner of Grand Avenue and Dry Creek Road

Allen Chapel AME Church has expressed interest in developing a new outdoor basketball facility at the corner of Grand Ave. and Dry Creek Rd. We believe this is an excellent opportunity to develop active recreational opportunities for young people within the Del Paso Heights community. Research has confirmed a link between physical activity that takes place outdoors and improved physical and psychological health. An outdoor recreational facility will create a retreat from the daily stresses and allow for leisure activity, open outdoor play and group interaction for young people within the community. This outdoor recreation facility could also provide a space for special events in the community.

DEL PASO HEIGHTS: THE SHAPE OF THE FUTURE

The Benefits of Design

The physical form of a district is integral to its quality as a place to live, work and visit. Distinctive places and public spaces merge into a civic identity for a district. Buildings, streets and open spaces that are well designed bring substantial economic value and attract new investment. Community revitalization in Del Paso Heights will benefit greatly from the contributions that will be made through thoughtful, artful design of the components of change. Architectural design should bring new life to old buildings

and shape additions so that they reinforce the fine-grained character of the district. Innovative architecture should draw ideas from the historic buildings that are here – like Grant High School and its Spanish Mission inspirations. Buildings should frame and face the streets and sidewalks to help make Del Paso Heights a great place to walk, rather than retreating behind rows of cars.

The landscape of Del Paso Heights will benefit from emerging practices that are finding new ways to use drought-tolerant native plants and ways to channel and conserve water to sustain a healthy environment. There are many opportunities to add trees to add shade and define the streets and corridors.

The art of assembling all of the pieces of a district is called “urban design”. The City and the neighborhood should collaborate to provide guidelines and project review processes to ensure that reinvestment in buildings, open spaces, and streets complement one another and reinforce the underlying qualities of Del Paso Heights, including:

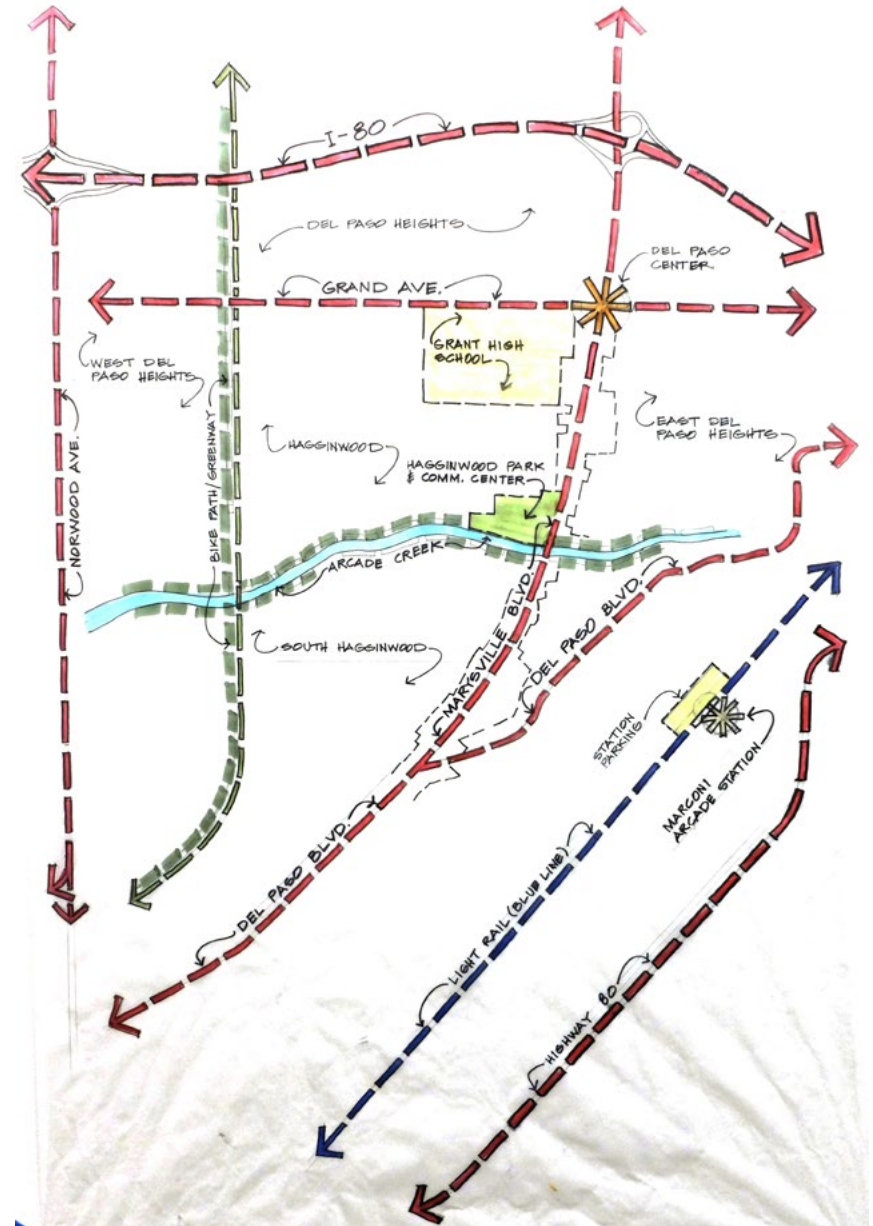
- **Retaining the scale and continuity of the typical residential blocks, streets and housing in Del Paso Heights** – The typical streets in the area are lined by relatively small houses and lots with front and backyards. Improvements, additions and new infill housing on available lots should be encouraged. Some increase in the densities of housing can provide important additional housing choice but the sites should be chosen judiciously and the design of new housing should reflect the scale and styles of the housing nearby.
- **Focus on the corridors and crossings** – New development with larger scale buildings can line the transportation corridors and their crossings. These buildings will need to be shaped to accommodate a range of neighborhood-serving shops, offices, institutions and housing. But a consistent attention to the landscape and streetscape along these corridors will make them more pleasant, attractive, walkable – and from a real estate perspective – more valuable.

Of Corridors and Crossings

Del Paso Heights is a district of gridded streets punctuated by meandering and cross-cutting corridors formed by the railway, waterways and traffic arteries linking it to the City and region. The professional team recognized that there are many opportunities to enhance each of these corridors and bring new investment, open space and circulation links along them. Where the corridors cross, there are special opportunities to create significantly improved places.

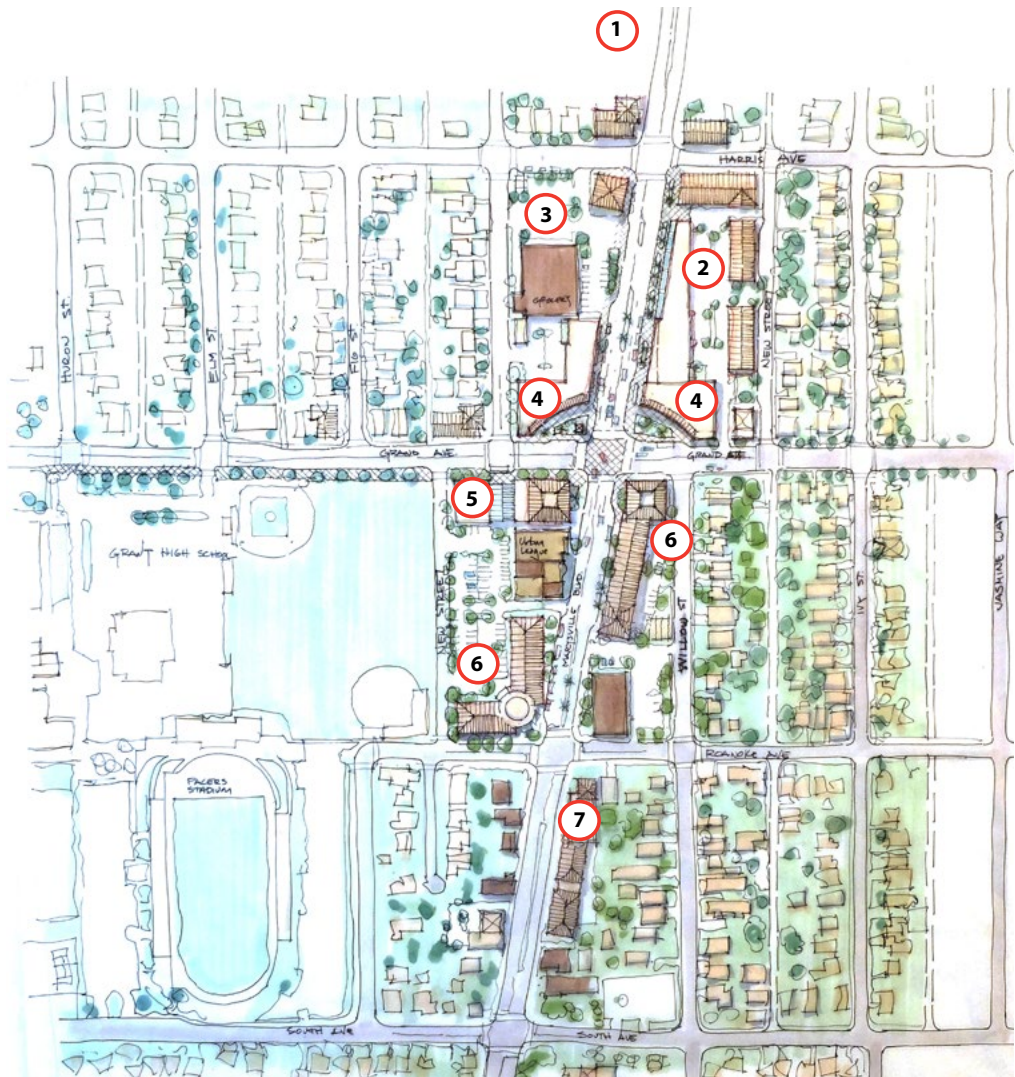
Revitalization along these corridors and crossings should be a consistent strategic focus over time. By bringing new uses, buildings, landscapes and transportation links, everyone’s experience moving to, through, and from Del Paso Heights will be substantially enhanced. Perceptions of the entire district will improve, and value will be everywhere.

This sketch expressed the relationships among some of the key corridors that help define Del Paso Heights.



- **The highway framework** – Del Paso Heights has outstanding regional access along the major highways that frame the district, including I-80 to the north and Highway 80 to the east. The interchange of I-90 and Marysville Boulevard is the most direct and important gateway to the neighborhood, and deserves special landscaping and attention to the signage, storefronts, buildings and streetscape.

- **The rail corridor** – Sacramento’s light rail corridor passes along the eastern edges of Del Paso Heights and will bring substantial long-term benefit to the district; some of the residential neighborhoods and commercial areas are within a reasonable walking distance of the stations. It will make sense to promote more dense multi-family buildings that are close to the stations on larger parcels and land that may come available in the future.
- **The avenues and boulevards** – The arterials are the great streets of Del Paso Heights, and should be the focus of neighborhood-oriented redevelopment to add mixed-use vitality with multi-story buildings and attractive streetscapes that connect them.
- **Arcade Creek** – The long term value of Arcade Street as a natural design feature and corridor should not be overlooked. It can provide a park-like alternative route for pedestrians and bicyclists. It may also serve as an excellent amenity facing new buildings and developments in strategic locations along its length. Arcade Creek today has a combination of paved walkways and unpaved, informal paths along its edges as it passes through Del Paso Heights. The design of the corridor could include enhanced tree plantings to provide additional shade and low scale lighting fixtures to enhance the sense of safety and visibility from surrounding areas. Additional and improved access points could be created at several locations.



The Marysville Corridor

Marysville Boulevard is Del Paso Heights’ Main Street. For a variety of reasons, many of the parcels and buildings along it have been vacant or underutilized. The market evaluations prepared by the team indicates that there will be adequate economic demand to convert the corridor’s edges to more a more robust mix of uses that can take advantage of the traffic access and serve unmet neighborhood needs. But what form should this redevelopment take?

The team recognized that redevelopment can be encouraged where existing parcels are underutilized or could be assembled to provide adequate land for moderate scaled development that would be consistent with the residential neighborhood that are nearby. However, the characteristics of the uses and buildings should not be uniform. Retail uses should not stretch along the entire length of corridor, but be clustered in several segments where the land and the circulation patterns are most favorable. In between these clusters, multi-family housing development can gradually replace low density, auto-oriented commercial uses and other available parcels. Site design and the allocation of parking will be a significant challenge. It is best to have landscaped front yards and courtyards facing Marysville Boulevard, and provide parking in the rear or partially under multi-story buildings with landscape buffers between new development and the single family houses near them.

- 1 Available parcels near Harris Ave. are appropriate for housing
- 2 Moderately scaled housing could be located at the neighborhood edges
- 3 A convenient small grocery store is a priority for the district
- 4 Mixed use retail and commercial uses should flank the intersection
- 5 Redevelopment -perhaps with community health facilities- can fill a corner
- 6 Housing with some ground level retail might be created in this location
- 7 Infill multi-family housing can be created on available sites south of Roanoke Ave.

Shaping the Center

The civic and economic opportunities associated with developing a mixed use center at the intersection of Marysville Boulevard and Grand Avenue have been discussed in preceding sections of this report. The team translated their ideas into urban design concepts to illustrate how a complete, pedestrian-oriented cluster of stores, services, housing and open space can be assembled here.

The team began by considering some design principles that can be used to guide the revitalization in this area. These included:

- **Pedestrian orientation** – Make sure that the sidewalks are pleasant and lined with stores and landscaping as much as possible, and limit the amount of parking between sidewalks and uses.
- **Civic open space** - Create a plaza that can be used for civic events, or for simply pausing, sitting, or talking to neighbors.
- **Multiple use buildings** – Provide multiple-story buildings that will have a variety of uses to add vitality
- **Housing as a development component** – Add a reasonable amount of multi-family housing in some locations, including the upper levels of some of the buildings close to the intersection.
- **Ground level retail** – Provide ground level retail uses, particularly along Marysville in the immediate proximity of the intersection with Grand Avenue that will serve this community with groceries, pharmacies, restaurants and other shops that many people can walk to.
- **Development of all four corners**– A coordinated effort will be required, but there are many advantages to having a complete center with a combination of new buildings and public open space on all four corners of the intersection.
- **Limiting the visual impact of parking and sharing it among the uses** – It will be important to provide enough parking to support all of the uses, but it should be shared among the multiple uses in the center. Large expanses of asphalt and cars will detract from the overall design and the economic success of the center.

- **Well-designed neighborhood transitions** – The scale of development should become smaller as it approaches the single family neighborhoods and avoid large parking lots in favor of smaller, landscape lots in multiple locations.
- **Linking the Center to Grant High School** – The streetscape and infill development should “fill in the blanks” and create a pleasant, continuous corridor that links the emerging Del Paso Center to Grant High School

One of the major constraints for revitalization at the Center is the configuration of the streets and parcels near the intersection. Marysville Boulevard passes at an angle through the rectangular grid of streets in Del Paso Heights. This creates oddly shaped parcels in some locations. Willow Street extends northwards across Grand Avenue and meets Marysville at a sharp angle, creating a narrow triangular block. Similarly, Balsam Street extends southward of Grand Avenue, resulting in another triangular block with some very narrow parcels.

Our team’s urban designers recognized an opportunity that previous planners in Sacramento had also noted. If the northerly segment of Willow Street is closed, the land can be contributed to more spacious lots. If the southerly segment of Balsam Street can be closed and contribute to more generous parcels and parking, then redevelopment will be more easily accomplished.

By re-organizing the land in this manner, the City can also play a principal role in managing and directing the type of development and its design that would occur on this block. In addition, the City may be in a position to contribute other parcels that it controls and re-organize traffic circulation and parking to best serve the revitalization of the Center.



1 This block between Willow St. and Marysville is very narrow.

2 This block between Balsam St. and Marysville tapers at the south end, and is bordered by a half-block that lies between Balsam Street and the high school athletic fields.



3 By abandoning a one block stretch of Willow St., a well-proportioned block can be formed that could be adapted to a variety of uses and new development.

4 By abandoning a one block stretch of Balsam St., a large block of land could be assembled that would better support a mix of uses and still have area for surface parking with interior portions of the new block.

The illustration prepared by the team envisions three-story buildings at all four corners of the center, organized around two civic plazas that would be created by setting the buildings back from street. Deep overhangs and an arcade would provide shade for the lower levels and the shops at the base of the buildings. These lower levels should be designed as a comfortable edge would invite pedestrians, and shade outdoor seating for restaurants.

Trees should be planted in the plazas and – over time – become a grove with a leafy canopy to shade the open spaces and seating within it. The plazas should host local events and community art. A landmark campanile is depicted where banners, announcements and information about events and accomplishments could be displayed – including the sports, academic and cultural news from Grant High School.



The design team emphasized that many communities have accomplished similarly important revitalization initiatives and created new district centers much like the one pictured here. Other sections of this report provide insights on the tools and actions that can be assembled. Particular keys to the successful architecture, landscape architecture, and urban design of Del Paso Heights will include:

- Leveraging publicly-owned land – The City can help assemble key parcels by leveraging municipal land and streets.
- Establishing public/private/non-profit partnerships – Special organizational methods must be used to assemble and implement development projects.
- Reconfiguring streets and parking to aid development – The City must help by reorganizing the circulation and streets at key locations while ensuring that the improvements are attractive and add value through excellent streetscape and landscape design.
- Incentives and zoning – Much discussed within the team, the City can provide innovative zoning and other incentives to encourage excellent development and designs.
- Design guidelines – Integral to achieving good design will be the preparation of design guidelines for the community that provide ideas, inspirations and standards for the incremental change that will steadily transform Del Paso Heights to meet its vision for the future.





AIA Design Assistance

THE DAT PROGRAM

For almost 50 years the American Institute of Architects has provided design assistance as part of its public service work to assist communities across the country. AIA's Center for Communities by Design provides Design Assistance Programs to help communities and civic society address design and sustainability challenges. Through these public service programs, over 1,000 professionals from more than 30 disciplines have provided millions of dollars in professional pro bono services to more than 200 communities across the country, engaging thousands of participants in community driven planning processes. Its projects have helped spark some of the most recognizable places in America, such as San Francisco's Embarcadero, Portland's Pearl District, and the Santa Fe Railyard Park.

Created in 1967, the AIA's Regional and Urban Design Assistance Teams (R/UDAT) pioneered the modern charrette process by combining multi-disciplinary teams in dynamic, multi-day grassroots processes to produce community visions, action plans and recommendations. In 49 years, the R/UDAT program has worked with over 150 communities.

In 2005, as a response to growing interest and concern about local sustainability planning, the AIA launched Sustainable Design Assessment Teams (SDAT), a companion program to the R/UDAT that allowed it to make a major institutional investment in public service work to assist communities in developing policy frameworks and long-term sustainability plans. In 11 years, SDAT program has worked with over 72 communities and regions.

Through collaborations, conferences, workshops, pilot efforts, and other dissemination efforts, AIA's Center for Communities by Design has also supported and catalyzed other new design assistance efforts. These range from trans-Atlantic conversations on remaking cities to resiliency-focused efforts in New England to urban-design efforts in Brazil, Ireland and beyond.

The Center's Design Assistance Teams operate with three guiding principles:

- 1. Enhanced objectivity.** The design assistance team programs provide communities with a framework for action. Each project team is constructed with the goal of bringing an objective perspective to the community that transcends and transforms the normal politics or public dialogue. Team members are selected from geographic regions outside of the host community and come from a wide variety of professional and community settings. Team members to serve pro bono and do not engage in business development activity in association with their service. They do not serve a particular client. The team's role is to provide an independent analysis and unencumbered technical advice that serves the public interest.
- 2. Public participation.** The AIA has a five decade tradition of designing community-driven processes that incorporate substantial public input through a multi-faceted format that includes public workshops, small group sessions, stakeholder interviews, formal meetings and presentations. This approach allows the national team to build on the substantial local expertise already present and available within the community and leverage the best existing knowledge available in formulating its recommendations.
- 3. Multi-disciplinary expertise.** Each project is designed as a customized approach to community assistance which incorporates local realities and the unique challenges and assets of each community. As a result, each design assistance team includes an interdisciplinary focus and a systems approach to assessment and recommendations, incorporating and examining cross-cutting topics and relationships between issues. Teams are multi-disciplinary, combining combine a range of disciplines and professions in an integrated assessment and design process.





Team Roster & Thanks



WAYNE FEIDEN, FAICP- TEAM LEADER

Wayne is Director of Planning and Sustainability for Northampton and adjunct lecturer at the University of Massachusetts. He helped lead Northampton to the nation's first 5-STAR Community sustainability rating, the highest score in Massachusetts' former Commonwealth Capital smart growth program, and "Bicycle-Friendly," "Pedestrian-Friendly," "APA Great Streets," and "National Historic Trust Distinctive Communities" designations.

Wayne's German Marshall Fund fellowship (Northern Ireland, England and Denmark), Fulbright Specialist fellowships (South Africa and New Zealand) and Eisenhower Fellowship (Hungary) all focused on urban revitalization and sustainability. Wayne has authored American Planning Association monographs on Management of Local Government Planning, Assessing Sustainability, Planning Issues of Onsite and Decentralized Wastewater, and Performance Guarantees.

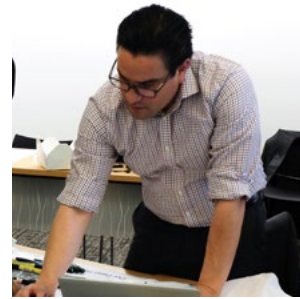
Wayne has served on 24 AIA design assistance teams on community revitalization projects around the United States.



STEVEN G. CECIL, AIA, ASLA

Steve is the founding principal of The Cecil Group, Inc., a multi-discipline team that helps clients realize the potential of their towns, cities, developments, buildings, institutions, parks and open space. Steve brings over twenty-five years of professional experience to the firm, including urban design, planning, landscape architecture, and architecture projects throughout the United States and abroad. His practice brings creative solutions to planning and design challenges that are attentive to

their cultural, environmental and community context. Steve brings a commitment and special skills in community participation as a dimension of the firm's successful planning and design projects. Prior to forming The Cecil Group, he was a founding principal of Cecil & Rizvi, Inc. and served as Director of Urban Design and Landscape Architecture at both CBT Architects and SOM/Boston. Steve's academic contributions include teaching assignments in the urban design and urban planning programs at Harvard's Graduate School of Design.



CESAR SANTOY, AIA

Mr. Santoy, a licensed architect, has over 15 years' professional experience in architectural design, association management, and procurement services with not for-profit organizations. While at the United Neighborhood Organization (UNO), he assisted in developing and constructing their multi-campus, 160,000 square foot, \$40 million school, which was completed in 2008. He also oversaw capital improvements for nine charter school campuses, representing over 500,000 square feet of building space and site acreage.

Mr. Santoy is an alderman for the City of Berwyn (5th Ward) and a board member of Arquitectos – The Society of Professional Hispanic Architects and the City of Berwyn Coalition of Homes. He is also active in the American Institute of Architects, Metropolitan Leadership Institute and the Hispanic-American Construction Industry Association



JASON CLAUNCH

Jason Claunch is President of Catalyst, a retail consulting and recruiting firm based in Dallas, Texas. Catalyst has recently completed market analysis and recruitment projects with many communities including Arlington, Farmers Branch, Kyle, Edmond, Red Oak, Midlothian, Colleyville, Northlake, Trophy Club and DFW International Airport. Jason is currently working on projects that included Panera, Whole Foods, HEB and Wal-Mart as well as over 100 local and regional tenants. Jason

has consummated over 1,000,000 square feet of leases and closed over 190 raw land transactions. Jason is experienced with the full lifecycle of real estate from initial market strategy, planning, entitlements, due diligence, design, vertical development and disposition using his extensive relationships with owners, developers, vendors, end users, and the brokerage community. Prior to Catalyst Commercial, Jason directed Billingsley's retail division, consisting of over 4,000 acres of raw land and portfolio value of over \$1B. Prior to joining Billingsley Company, Jason was a partner of a Dallas based development company and was responsible for site/market planning, acquisition and development of projects in Colorado, Oklahoma, Arkansas, Louisiana, Georgia, and Texas for national tenants. Jason also worked as a National Accounts Broker on multiple projects in Dallas, exclusively representing national accounts such as Wachovia Bank, Valvoline, Taco Bueno, CVS Pharmacy, Walgreens. Additionally, he completed projects for Target, Albertson's, Wendy's, Brinker, Eckerd's, Home Depot, Ross, PetsMart, Pier One, Staples and many other national concepts. He also developed additional business opportunities with third parties, and was responsible for internal development projects. Jason is an active member of the North Texas Commercial

Association of Realtors (NTCAR), International Conference of Shopping Centers (ICSC), Certified Commercial Investment Manager (CCIM), Urban Land Institute (ULI), National Association of Industrial and Office Professionals, (NAIOP), Texas Municipal League (TML), Oklahoma Municipal League (OML), Texas Economic Development (TEDC) and NTCAR Young Professionals. Jason has previously served on national design assistance teams in Georgia, Illinois, and Utah.



DARREL J. WILLIAMS, FAIA

DARREL J. WILLIAMS, FAIA, is a founding partner and the Owner of Neighboring Concepts, a multidisciplinary design firm established in Charlotte, North Carolina in 1996. Under his leadership, the firm has successfully improved the quality of life in urban communities through thoughtful urban planning, innovative architectural design, and responsible real-estate development projects.

Williams is motivated by the desire to influence positive change and is driven to help sustain and revitalize urban communities. For him, “transforming communities through architecture” is not simply a firm tagline, it is a calling. An accomplished and award-winning architect, in 2006 he was elevated to the College of Fellows for the American Institute of Architects (AIA). The fellowship program was developed to elevate those architects (less than 4% of the profession) who have made significant contributions to architecture and society on a national level.

His firm, Neighboring Concepts, has been involved in the design of several award-winning projects, including CATS Lynx Blue Line Light Rail Stations, Harvey B. Gantt Center for African-American Arts and Culture, Stratford Richardson YMCA, Romare Bearden Park and Revolution Park Sports Academy, Mecklenburg County Park & Recreation’s first facility designed to LEED standards. The firm is currently involved with The Renaissance, the redevelopment of former Boulevard Homes into a new cutting edge educational village concept which will seek both LEED and EarthCraft certifications. In 2012, the firm served on the Design and Construction Management team selected to upfit Time Warner Cable Arena and Bank of America Stadium for the 2012 DNC. Neighboring Concepts designed Mosaic Village in 2013, a multi-million dollar mixed-use project, which includes student apartments, retail space and a 400 car parking structure for Johnson C. Smith University. This project, led by the Griffin family and Dr. Carter of JCSU, will be a catalyst to help transform the West Trade Street / Beatties Ford Road Corridor.

From 1994 to 2002, Williams was elected and served four terms as a County Commissioner in Mecklenburg County, North Carolina. Among his many accomplishments, Darrel encouraged his colleagues on the County Commission to include a 220 million-dollar Land Purchase Bond on the ballot in 1999. The successful passing of the bonds

has allowed Mecklenburg County to acquire land for public facilities such as schools; libraries, parks, greenways and open space; this included land for Central Piedmont Community College to expand its Central Campus and land for the County to develop Little Sugar Creek Greenway.

A proven leader, Williams has chaired several national committees for the National Association of Counties (NACO) (i.e. smart growth, housing, community/economic development, etc.). As an architect and former elected official, he has proven successful in bridging the gap between the physical and social challenges facing urban communities.

Williams is an active member of several professional organizations, including the American Institute of Architects (AIA), AIA North Carolina, and AIA Charlotte, where he formally served as president. He is a member of the National Council of Architectural Registration Boards (NCARB) and licensed to practice in the states of NC, SC, GA, VA, LA and AL. Williams currently serves on the boards of several civic organizations that include Charlotte Mecklenburg Library Foundation Board, The Committee to Preserve and Restore Third Ward, and North Carolina Nature Conservancy. Most recently, he is serving on the Executive Committee of Charlotte Center City Partners. Williams also co-chaired Crossroads Charlotte to help build trust among a growing and diverse population in Charlotte-Mecklenburg and is past chair of Charlotte-Mecklenburg Library Board of Trustees.

Williams, a recipient of numerous awards both professionally and for outstanding community service, grew up in Baton Rouge, Louisiana and received his Bachelor of Architecture degree from Southern University. He is married to District Court Judge Karen Eady-Williams and has four sons.

JOEL MILLS (AIA STAFF)

Joel Mills is Director of the American Institute for Architects' Center for Communities by Design. The Center is a leading provider of pro bono technical assistance and participatory planning for community sustainability. Its processes have been modeled successfully in the United States and across Europe. The Center has been the recipient of a numerous awards recognizing its impact. In 2010, the Center was named Organization of the Year by the International Association for Public Participation (IAP2) for its impact on communities and contributions to the field. In 2013, the Center received a Power of A Award from the Center for Association Leadership, and a Facilitation Impact Award, given by the International Association of Facilitators.

Joel's 20-year career has been focused on strengthening civic capacity and civic institutions around the world. This work has helped millions of people participate in democratic processes, visioning efforts, and community planning initiatives. In the United States, Joel has worked with over 100 communities, leading participatory initiatives and collaborative processes that have facilitated community-generated strategies on a host of issues. During the past five years, this work has catalyzed over \$1 billion in new investment. His past work has been featured in over 1,000 media stories, including ABC World News Tonight, Nightline, CNN, The Next American City, Smart City Radio, The National Civic Review, Ecostructure Magazine, The Washington Post, and dozens of other sources. He has served on numerous expert working groups, boards, juries, and panels focused on civic discourse and participation, sustainability, and design. He has also spoken at dozens of national and international conferences and events, including the World Eco-City Summit, the Global Democracy Conference, and many others.

ERIN SIMMONS (AIA STAFF)

Erin Simmons is the Director of Design Assistance at the Center for Communities by Design at the American Institute of Architects in Washington, DC. Her primary role at the AIA is to provide process expertise, facilitation and support for the Center's Sustainable Design Assistance Team (SDAT) and Regional and Urban Design Assistance Team (R/UDAT) programs. In this capacity, she works with AIA components, members, partner organizations and community members to provide technical design assistance to communities across the country. Through its design assistance programs, the AIA has worked in over 250 communities across 47 states. In 2010, the Center was named Organization of the Year by the International Association for Public Participation (IAP2) for its impact on communities and contributions to the field. In 2013, the Center received a Power of A Award from the Center for Association Leadership, and a Facilitation Impact Award, given by the International Association of Facilitators. In 2015, the Center received the Outstanding Program Award from the Community Development Society.

Erin is a leading practitioner of the design assistance process. Her portfolio includes work in over 100 communities across the United States. A frequent lecturer on the

subject of creating livable communities and sustainability, Erin contributed to the recent publication "Assessing Sustainability: A guide for Local Governments". Prior to joining the AIA, Erin worked as historic preservationist and architectural historian for an environmental and engineering firm in Georgia, where she practiced preservation planning, created historic district design guidelines and zoning ordinances, conducted historic resource surveys, and wrote property nominations for the National Register of Historic Places. She holds a Bachelor of Arts degree in History from Florida State University and a Master's degree in Historic Preservation from UGA.

THANK YOU!

Many thanks to the residents, business owners, and City staff and officials who participated in the Sacramento SDAT and worked with the team to develop the vision expressed within this report. The SDAT particularly appreciates the efforts of Professor John Ellis, AIA, of Cosumnes River College, who helped coordinate student participation in the project. We offer special thanks to Megan Lester, Vanessa Gutierrez, Brian Snowden, Alison Renison, and Katie Kelleher for taking time away from their studies and work to help the team with graphics and recommendations.



Appendix

Mixed Use Development with Innovation Center Anchor - Del Paso
10 Year Pro-Forma Financial Analysis

Building Square Footage	27,000
Value in Current State (per sqft)	\$ 25.00
Current Value of property	\$ 675,000.00

Estimate of Upgrade Costs

To whitebox: (per sqft.)	\$ 30.00
Total Upgrade Costs	\$ 810,000.00

Property Capital Cost (post upgrade)	\$ 1,485,000
Additional Equity Required	\$ 100,000
Total Invested Capital	\$ 1,585,000
Property Value Equity	\$ 675,000
Contributed Equity	\$ 100,000
Total Equity Contribution	\$ 775,000
Annual Rent Escalation	2.00%
OPEX Costs Escalation	2.00%
Baseline Rental Rate --Per sq. ft. (Average)	\$ 12.54

Occupancy Type	Occupancy Sq. Ft.	Annual Rent Per Sq. Ft.	Annual TI Costs Per Sq. Ft.	Total Rent plus TI
Innovation Center	7,500	\$ 6.00	\$1.78	\$ 7.78
Retail/Restaurant	13,500	\$ 10.00	\$3.95	\$ 13.95
Small Office Space	6,000	\$ 12.00	\$3.33	\$ 15.33
Total	27,000	\$ 9.33	\$ 3.21	\$ 12.54

Rent Escalation		Revenues	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
0.00%	Innovation Center	\$	58,322	\$ 58,322	\$ 58,322	\$ 58,322	\$ 58,322	\$ 58,322	\$ 58,322	\$ 58,322	\$ 58,322	\$ 58,322
2.00%	Retail/Restaurant	\$	188,290	\$ 192,056	\$ 195,897	\$ 199,815	\$ 203,811	\$ 207,887	\$ 212,045	\$ 216,286	\$ 220,612	\$ 225,024
2.00%	Small Office Space	\$	91,984	\$ 93,823	\$ 95,700	\$ 97,614	\$ 99,566	\$ 101,557	\$ 103,589	\$ 105,660	\$ 107,774	\$ 109,929
	Total Revenues	\$	338,596	\$ 344,201	\$ 349,919	\$ 355,751	\$ 361,700	\$ 367,767	\$ 373,956	\$ 380,269	\$ 386,708	\$ 393,275
	less: vacancy	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Net Revenues	\$	338,596	\$ 344,201	\$ 349,919	\$ 355,751	\$ 361,700	\$ 367,767	\$ 373,956	\$ 380,269	\$ 386,708	\$ 393,275

Per Sq. Ft.	Operating Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
\$ 1.30	Property Tax	\$	35,100	\$ 35,802	\$ 36,518	\$ 37,248	\$ 37,993	\$ 38,753	\$ 39,528	\$ 40,319	\$ 41,125	\$ 41,948
\$ 0.50	Utilities	\$	13,500	\$ 13,770	\$ 14,045	\$ 14,326	\$ 14,613	\$ 14,905	\$ 15,203	\$ 15,507	\$ 15,817	\$ 16,134
\$ 0.55	Insurance	\$	14,850	\$ 15,147	\$ 15,450	\$ 15,759	\$ 16,074	\$ 16,396	\$ 16,724	\$ 17,058	\$ 17,399	\$ 17,747
\$ 0.40	Repair/Maint.	\$	10,800	\$ 11,016	\$ 11,236	\$ 11,461	\$ 11,690	\$ 11,924	\$ 12,163	\$ 12,406	\$ 12,654	\$ 12,907
\$ 0.75	Mgt. Fees	\$	20,250	\$ 20,655	\$ 21,068	\$ 21,489	\$ 21,919	\$ 22,358	\$ 22,805	\$ 23,261	\$ 23,726	\$ 24,201
\$ 0.70	Funding Costs	\$	18,900	\$ 19,278	\$ 19,664	\$ 20,057	\$ 20,458	\$ 20,867	\$ 21,284	\$ 21,710	\$ 22,144	\$ 22,587
\$ 4.20	Total Operating Costs	\$	113,400	\$ 115,668	\$ 117,981	\$ 120,341	\$ 122,748	\$ 125,203	\$ 127,707	\$ 130,261	\$ 132,866	\$ 135,523
	Operating Cash Flow	\$	225,196	\$ 228,533	\$ 231,938	\$ 235,410	\$ 238,952	\$ 242,564	\$ 246,249	\$ 250,008	\$ 253,841	\$ 257,752

Debt Service		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Loan Amount	\$ 850,000.00	\$	113,241	\$ 113,241	\$ 113,241	\$ 113,241	\$ 113,241	\$ 113,241	\$ 113,241	\$ 113,241	\$ 113,241	
Cash Flow		\$	111,955	\$ 115,293	\$ 118,697	\$ 122,169	\$ 125,711	\$ 129,323	\$ 133,008	\$ 136,767	\$ 140,600	\$ 144,511

Monthly TI Payment (10 year Amortization)		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$ 1,110	Innovation Center	\$	13,322	\$ 13,322	\$ 13,322	\$ 13,322	\$ 13,322	\$ 13,322	\$ 13,322	\$ 13,322	\$ 13,322
\$ 4,441	Retail/Restaurant	\$	53,290	\$ 53,290	\$ 53,290	\$ 53,290	\$ 53,290	\$ 53,290	\$ 53,290	\$ 53,290	\$ 53,290
\$ 1,665	Small Office Space	\$	19,984	\$ 19,984	\$ 19,984	\$ 19,984	\$ 19,984	\$ 19,984	\$ 19,984	\$ 19,984	\$ 19,984
	Total TI Costs	\$	86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596
	DSCR	\$	2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2

Loan to Cover TI	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$650,000.00	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596	\$ 86,596
Cash Flow post TI Pmt.	\$ 25,359	\$ 28,697	\$ 32,101	\$ 35,573	\$ 39,115	\$ 42,727	\$ 46,412	\$ 50,171	\$ 54,004	\$ 57,915

Investment Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Return on Invest. Capital	1.60%	1.81%	2.03%	2.24%	2.47%	2.70%	2.93%	3.17%	3.41%	3.65%
Return on Equity Capital	3.27%	3.70%	4.14%	4.59%	5.05%	5.51%	5.99%	6.47%	6.97%	7.47%

(Note: ROIC and ROE are based on net cash flows annually, exclude Yr. 10 cash inflow from assumed sale.)

Total Equity Contribution	\$ (775,000)									\$ 3,400,000
Net Post Debt Pmt CFs	\$ (749,641)	\$ 28,697	\$ 32,101	\$ 35,573	\$ 39,115	\$ 42,727	\$ 46,412	\$ 50,171	\$ 54,004	\$ 3,457,915
IRR	21.25%									
NPV	\$1,196,933									
Assumed Cap Rate	7.50%									
Building Value Year 10	\$ 3,436,690									
Avg. Annual Asset Value Increase	11.60%									