



THE RIVER DISTRICT

THE RIVER DISTRICT: ITS FUTURE IS NOW

By Johan Otto

(Johan Otto, president of Carson Development Company, Inc., is the current president of The River District Board of Directors)

As many of you have noticed over the past few years, the city of Sacramento has been expanding—mostly, inward. Even as the housing economy has taken a momentary pause, residential development within and around the central city has intensified. Condominium projects, lofts, work/live spaces, cottage homes and a variety of redevelopment projects have begun to dot the interior landscape.

This is a wonderful time to be a Sacramentan. Our city is evolving into something more than just a center of government offices: it's coming into its own as a lively metropolis of arts and culture, restaurants and retail, business and manufacturing.

One of the most significant areas to keep an eye on is The River District (formerly known as the Capitol Station District and still widely referred to as the Richards Boulevard area). I truly believe that this area has the potential of becoming one of the most exciting mixed-use communities in Sacramento. Its vision includes everything from single- and multi-family homes to entertainment and retail, from offices and affordable housing to parks and river recreation. It's been planned to be not only self-sustaining but a real economic engine for the region. It also presents one of the last (and best) opportunities to develop downtown Sacramento.

But the best part is we don't have to wait years for its vision to be realized: its future, and its fiscal promise, can begin to be realized right now.

The River District is on downtown Sacramento's northern rim, just blocks from California's State Capitol. Its boundaries are the Sacramento River on the west, American River on the north, Union Pacific Railyards and mainline tracks on the south, and Sutter's Landing Park near Business I-80 on the east. The River District is an officially designated Property & Business Improvement District (PBID), a self-imposed and self-governed property assessment district.

While my cheerleading about The River District can be chalked up to my being privileged to serve as president of its all-volunteer board of directors, I've been in the development

business long enough to know the difference between an idea and a mere possibility. Since founding Carson Development Company, Inc., nearly 27 years ago, I've developed hundreds of thousands of square feet of commercial, industrial and residential properties, including affordable housing and senior communities.

Put simply, I don't wear rose-colored glasses when I look at The River District's future. And neither should you—particularly now.

As you've no doubt heard, a local group of businesspeople has proposed creating a regional park throughout The River District (and along the riverfront). It's a difficult idea to dislike—until you ask some of these important questions:

1. What's the price tag—and who's going to pay it? A conservative estimate is that it will cost upwards of \$700 million just to acquire the hundreds of acres of land proposed for the park (as envisioned by its promoters—and based on a recent transaction which saw a property in The River District selling for \$1 million an acre). It could then cost several million more dollars to design and build the park's infrastructure and facilities. Operation and maintenance would add millions more on an annual basis. That money has to come from somewhere. The promoters of the park have repeatedly said it will all come from the private sector, that it will not be publicly financed. Sounds a little too good to be true, doesn't it?

2. What would be lost and what would be gained by building a regional park? The second part of that question is a little too easy to answer: Who wouldn't like to have a great big regional park in Sacramento? If someone offered to put a beautiful new swimming pool in your backyard at no cost to you, wouldn't you be tempted to say yes? But then you need to answer the first part of the question. If a regional park were to be built, hundreds of acres of property tax generating private property would shift into the public tax-exempt category. Millions of dollars annually in sales tax, thousands of downtown jobs, the opportunity for thousands of transit-oriented market-rate and affordable homes would be lost. So would the urban density of jobs and housing that are required to allow for the funding of a light rail line from the area to the airport.

Our vision for The River District is inclusionary.

As you know, Sacramento's downtown is poised to grow by at least 20,000 residents in the next decade. People will need affordable, convenient places to live near their jobs, with access to transportation, entertainment, services and other lifestyle amenities. The River District's vision is eclectic: a true mixed-use community of homes, businesses, schools, parks, restaurants, theatres and cultural attractions—a community within the central city where you can live, work and play.

Regional parks are wonderful—in regions where they're needed. They're best created and enjoyed in areas devoid of backyards or nearby parks—which is why Central Park in New York City and Golden Gate Park in San Francisco make sense for their venues.

But Sacramento is surrounded by and filled with private homes with yards and

nearby, neighborhood parks—as well as large, regional parks such as McKinley, William Land, Miller, Ancil Hoffman and the American River Parkway, offering thousands of acres for recreation.

Regional parks may stimulate wealth, as some of its promoters claim, but not for the masses. True, they invariably increase surrounding land values. But this means that homes and businesses that spring up around them are targeted to affluent individuals and companies—not exactly the ideal conditions to continue Sacramento’s recognized status, per the 2002 Harvard study, as the most diverse city in the U.S.

Property owners in The River District are vested in its future— and some have been for generations. The River District is the backbone and back-office of the greater Sacramento region. Things are made here. Orders are filled and shipped, work is processed and the wheels of industry turn unobtrusively. In The River District’s vision, this quality will only expand: a workforce tired of commuting will be able to live near its jobs.

Finally, The River District’s vision is actually "greener" than that of a regional park. When people are able to walk or take public transportation to their workplaces, and to stores, plays, restaurants and parks, there will be fewer cars on the road and less pollution. A regional park, by design, is a destination: while some people *may* take public transportation, the greater likelihood is that they’ll drive—from all around the six-county area—to and from the park, and through the park, creating traffic snarls, noise and pollution.

My hope is that the more you learn about The River District’s vision, the more you’ll support its future as Sacramento continues to expand—upward and inward.