



SUNRISE MARKETPLACE  
PBID RENEWAL STEERING COMMITTEE/BOARD MEETING  
THURSDAY, OCTOBER 28, 2021-1:00 PM

Join Zoom Meeting

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**Board Members**

**Present:** Travis Kimball- Chair, Tiffany Clement- Vice Chair & MARCOM Chair, Don Tollefson- Treasurer, Christy DeCelle, Andrew Gianulias, Kim Kelley, Ted Mitchell, Wayne Wasulko, Natalie Worstein

**Absent:** Greg Bazarnik, Colby Young

**Guests**

CHPD: Sgt. Seth Cimino, Officer Jeff Schouten

City: Meghan Huber, Economic Development and Communications Manager Casey Kempenaar, Community Development Director

Mason Asset Management: Jim Coleman

**Staff**

Kathilynn Carpenter, Mikhaila Freas

**CALL MEETING TO ORDER ..... Travis Kimball**

The meeting was called to order at 1:03 by Travis Kimball.

Meghan Huber introduced Casey Kempenaar, e, who is part of the Economic Redevelopment team for Sunrise Tomorrow. Megan also introduced Jim Coleman, Director, Redevelopment & Government Relations for Mason Asset Management. Mr. Coleman thanked the board for inviting him and said that Namdar and Mason are very excited about the Sunrise Tomorrow project. He noted that he mentions this project as an example of best practices regarding public/private collaboration.

**PUBLIC COMMENTS ..... Travis Kimball**

None.

**ADMINISTRATIVE ..... Travis Kimball**

- **Action/Approve: June 24, 2021, August 19, 2021, board meeting minutes. (ROLL CALL VOTE)**  
*A motion to approve June 24, 2021, and August 19, 2021, board meeting minutes was (M/S/A Tiffany Clement/Natalie Worstein).*

**Staff Update:** Lisa Cordell is our latest employee; she is replacing Julie DePrada; her title is Marketing & Special Projects Manager. Lisa has great marketing experience and has worked at several PBIDs in the region, which is very beneficial. Her first day will be November 15th.

**CITY OF CITRUS HEIGHTS.....Meghan Huber**

- Sunrise Tomorrow Project: Sunrise Mall Specific Plan and EIR
  - PowerPoint was shared (contact Kathilynn for a copy of the presentation.)

Meghan Huber (MH): We are coming to the last milestone of the Sunrise Tomorrow project. The draft Specific Plan and EIR have been reviewed and unanimously recommended by the planning commission to move onto the next step. The goal today is to make sure all SMP stakeholders are informed and answer any questions about the Specific Plan.

The Sunrise Mall economic impact has decreased over time. It is the city’s goal to be proactive. We know that trips to the Sunrise Mall have decreased locally and regionally, and that Citrus Heights shopping overall is not decreasing. Other centers such as Marketplace at Birdcage are thriving.

Casey Kempenaar (CK): Most drivers in the area are just driving through the area and not stopping and shopping.

MH: We started the Specific plan project in 2019 and received substantial community and stakeholder feedback during the planning process. The City held 43 stakeholder interviews, in-person community workshops with 300+ attendees, and virtual community workshops with 200+ attendees.

The top priorities from the community workshops and stakeholder interviews included: central public space, neighborhoods with mixed housing, mix of retail, dining, entertainment, and employment.

CK: This plan is the maxed-out option of what the site could look like after development. The plan is flexible and what is shown, is not entirely what has to be done. Key features include: Main Street shopping, Sunrise Commons, Employment Anchors, Entertainment Anchors, Hotels, Residential Neighborhoods, Open Space and a Transit Center. The plan includes maximum density allowed per CEQA, so a developer will not have to amend or do another EIR.

MH: The development options can include 20-25 new restaurants, 2+ acres of central open space for 100+ events, up to 960,000 square feet office space, up to 480 hotel rooms, 2,200 units of housing and the transit center on Sunrise Blvd.

CK: This plan is built to be flexible with an evolving market and factor in COVID and post COVID impacts. We can make minor administrative modifications (MAM) at a staff level, but also able to amend the plan if needed via planning commission and council approval.

Jim Coleman: I would like to say that flexibility is a very important part of the plan. We have enjoyed every part of the plan. Listening to our feedback has been crucial and the flexibility on the EDA (land use allocations) portion has been extremely important to future partners.

**Questions:**

Kathilynn: What is the percentage of the EDA, percent of allocations that can be revised?

CK: There is not a set percentage. In this case, traffic is the driving force.

Kathilynn: could a developer exchange office for retail?

CK: Yes, you could. You would just have to do a quick equation to figure it out if affects the traffic impacts calculated in the EIR.

MH: We do not want to limit or restrict the land usage.

Tiffany Clement: I understand that there is an option to pivot some of the uses in the plan. My biggest concern is the hotel space. Yes, it will provide jobs, but typically people stop at a hotel closes to the airport or freeway. We don't have a lot of hotels in Citrus Heights, and there is a reason for it. Also, the event space is a great draw, but the amount of event space is concerning. Who will run the events? Will it be Namdar, Sunrise MarketPlace or the City? Is there a proposal for this? How will the space be secured? Sacramento in general has a big homeless issue, so who will be securing this large space?

MH: Citrus Heights is 96% built out. This would be the only spot to build a hotel in Citrus Heights if we wanted to. The Sunrise Mall would also be the best place for a hotel based off where Citrus Heights sits, between Roseville and Rancho Cordova which are two of the largest employment sub-centers. If there is a market for a hotel, yes, we want to get it in there. If we see that COVID has completely changed the landscape, then we will use the land in a different way. You will see in the plan that the Event Center doesn't come until later. After businesses and jobs come with the prior development, it will create a compelling business case for the Event center.

Don Tollefson: The Transit Center seems like a good idea, but the location is not feasible. The target demographic for this project will not be riding buses. Employees ride buses and they are important for that reason. Students and those in the at-risk and homeless population ride buses. Creating a very visible transit center on Sunrise Blvd. for employees and homeless doesn't make sense. Buses lined up on the street is not the best way to introduce the project on Sunrise. Can the transit center be moved to the back of the project?

Kathilynn: noted that the City's homeless navigator distributes hundreds of bus passes to the at-risk community. Additionally, buses can have a significant impact on an area (gas, fumes) asphalt degradation and noise- with all of it next to the main event center. RT does not do a good job of maintaining their existing transit shelters and stops which are generally trash strewn, dirty, full of graffiti, etc.

CK: Sac Regional Transit is engaged in the project. And may be able to bring rapid bus program to Sunrise. The City believes this is the best place the center. RT has committed to maintaining the transit center better than are currently doing with existing shelters. The plan includes other traffic improvements, including a new traffic signal near Elephant Bar and a new 3<sup>rd</sup> left turn lane for Northbound Sunrise/Greenback.

## Development Phasing

MH: The Specific Plan is projected to be built in four phases over 20 years. Phase one to include Sears redevelopment into dining, entertainment, retail, and housing.

Natalie Worstein inquired as to the impact of the site's existing Reciprocal Easement Agreement (REA). Casey and Meghan advised that they are talking to highly regarded, well-funded developers who have indicated that while this has been the main issue restricting development in the past, it would not be an issue moving forward.

Natalie also asked about timing of the infrastructure improvements. All infrastructure at the mall is connected throughout the 100-acre site. Most of it is very old and in need of repairs. Casey explained that infrastructure improvements would be confined to each planning area, except for the additional traffic signal and third turn lane on Sunrise. All owners will pay a prorated share of those costs.

Travis Kimball questioned the market demand for three hotels. \ Meghan referred to the plan's pre-Covid market analysis as supporting the use. She also noted that these would most likely be built toward the last phases of the project when more uses like residential, office and entertainment are in place.

Kim Kelley noted a concern regarding drive thru use ban. In the past nearly two years, restaurants in InterCal shopping centers really suffered, except those with drive thru options. Disasters and pandemics may occur again, is it a good idea to ban this use. Meghan admitted this was a major cause for concern for Namdar.

Jim Coleman told the board that they would like to do drive thru uses; but completely trusted the City that this use may be allowed in the future. He also noted that the process working with the City has been very positive and he has enjoyed working with Meghan, Casey, and the City. Namdar and Mason are excited to move the project forward. He noted that the flexibility language was very important, and they were very pleased with it. He also advised he is still working on complete owner support.

- **Action/Approval:** *Provide direction to staff as to the board's support level for the project and whether to provide written and verbal comments to City staff and Council. (ROLL CALL VOTE)*
  - *Andy- a tremendous improvement for the project/ unqualified support*
  - *Tiffany and Don should include our concerns in letter of support*

*A motion to direct staff to provide the City with a letter of support to include the concerns listed above was (M/S/A Andy Gianulias/Tiffany Clement).*

**SECURITY/MAINTENANCE UPDATE ..... Officer Jeff Schouten**

- 3<sup>rd</sup> Quarter Crime Report - *reference stats in report- previously distributed*

Jeff noted that some stats are up, but the numbers are relative. There was a 600% increase in assaults when the number went from 0 to 6. This was due to a few instances at Best Buy, Target, and the Spirit store. He noted he has been very busy. Homeless and transient calls are down. Kathilynn is interviewing private security companies and will present information at the November meeting.

**FINANCIAL REPORT..... Kathilynn Carpenter**

- **Action/Approval: Accept YTD Financial Report and 2021 Forecast- (ROLL CALL VOTE)**

Kathilynn noted that the forecast includes a large carrying over number of more than \$300,000. This is due to carrying over \$249,000 from last year, the effects of the very lengthy renewal process, COVID and being short staffed. These issues limited staff's bandwidth to carry out events and other projects. The carry over is also to ensure sufficient funding for security.

*A motion to accept YTD Financial Report and 2021 Forecast was (M/S/A Tiffany Clement/Don T).*

**CO-WORKING SPACE PROPOSAL ..... Kathilynn Carpenter/Natalie Worstein**

Kathilynn advised that she has been working on a proposal for an SMP owned and operated coworking space at Sunrise Mall in the former Lane Bryant space which is 6,000 square feet. Proposed lease terms include \$1,000 per month plus utilities, etc. with a three-year term. Namdar will provide the equivalent of 10 months free rent. The space is in good condition, ADA compliant and sprinklered for fire throughout. HVAC units are in good shape. Some of the components of the space would include working area for SMP staff, Conference Room for SMP use and for rental income, office and meeting pods, and open workspace.

Build out and FFE will most likely be \$50,000-\$60,000 or more. Some of this cost can be covered through workforce development grants. Meghan has encouraged SMP to apply for an Economic Development grant from the City. County TOT and SMUD Shine grants are also opportunities for funding. Unfortunately, due to our limited term we can only amortize the cost over three years.

By law SMP must generate non-assessment income of about \$44,000. This is always a challenge as there are not a lot of ways, outside event tickets and sponsorship to generate that income.

There was consensus among all board members that this was a good idea and well worth exploring. Kathilynn will provide more detailed information at the November meeting.

- **Action/Approval: Provide direction as to exploring adding co-working business to new office space. (ROLL CALL VOTE)**

*A motion to approve exploring co-working business to new office space was (M/S/A Travis Kimball/Tiffany Clement).*

**MARKETING COMMITTEE REPORT .....Tiffany Clement**

Tiffany referenced the previously distributed 3rd Quarter marketing report. As the meeting has gone long, Kathilynn will distribute update on fourth quarter activities.

**MEETING ADJOURN MEETING.....Travis Kimball**

The meeting was adjourned by Mr. Kimball at 2:44PM.

Submitted by Kathilynn Carpenter: \_\_\_\_\_

Approved by Travis Kimball: \_\_\_\_\_

BROWN ACT

*Government Code 54950* (The Brown Act) requires that a brief description of each item to be transacted or discussed be posted at least 24 hours prior to a special meeting. Action may not be taken on items not posted on the agenda. Meeting facilities are accessible to persons with disabilities.

NOTICE TO PUBLIC

You are welcomed and encouraged to participate in this meeting. Public comment is taken (three minutes' maximum per person) on items listed on the agenda when they are called. Public Comment on items not listed on the agenda will be heard at the meeting as noted on the agenda. Comments on controversial items may be limited and large groups are encouraged to select one or two speakers to represent the opinion of the group. The order of Agenda items is listed for reference and may be taken in any order deemed appropriate by the Board of Directors. The Agenda provides a general description and staff recommendations; however, the Board of Directors may take action other than what is recommended.