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Blight fight gets new test near Capitol

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Redevelopment is supposed to be the means by which local governments, cities mostly, cure urban decay.

They float bonds to raise cash, buy or seize property deemed to be blighted - often an elastic designation - and repackage it for private development, usually with subsidies.

The original notion of concentrating on blight has, over the years, given way to a more commercial attitude. Cities often use redevelopment powers and subsidies to underwrite auto malls, big box retailers, hotels and other projects that officials hope will generate new tax revenues for their coffers.

Nevertheless, redevelopment is supposed to be a way to improve living and business conditions in targeted neighborhoods. But does it? Or has it evolved into just a way of funneling subsidies to private developers? By happenstance, the question is framed neatly on a two-block section of city street just north of the state Capitol in downtown Sacramento.

A few decades ago, that stretch of 10th Street was thriving, with a couple of office buildings housing lobbyists and other Capitol-connected tenants, a major department store, a much-beloved bookstore, several other retail businesses and restaurants, and a very large bank. The only problem was a liquor store on one corner that attracted panhandlers who hassled passersby.

That, however, was before the city of Sacramento decided to improve it through redevelopment in the 1990s and dumped - there is no other word that adequately describes it - more than \$6 million into reconfiguring two ready-to-fall-down fleabag hotels into an 80-room housing project for those, shall we say, on the lower reaches of polite society.

It was an enormously expensive project, about \$81,000 a room, and within weeks of its opening, the congregation of down-and-outers along 10th Street was noticeably larger. One by one, businesses began to shut down, including the bookstore, which sat vacant for years until being reopened recently as a coffeehouse.

The city is intervening on 10th Street again, spending somewhere between \$15 million and \$20 million to underwrite the conversion of one shuttered business, a variety store, into an upscale dinner theater and restaurant called the Cosmopolitan Cabaret and an elderly office building into a boutique hotel called Citizen Hotel. The former is now open, and the latter will open soon.

They are part of the city's new effort to convert downtown Sacramento, which has deteriorated steadily through the years, into an entertainment-dining-tourist locale. But will it work? A previous move in that direction, a city-subsidized IMAX theater, is struggling, as are many other downtown businesses.

Any visitor who wants to walk between the Citizen and the Cosmopolitan, a block away, will still

have to run the gantlet of panhandlers and other street people attracted by the city's flophouse and the liquor store that survived other closures - the two faces of redevelopment.