

**Sacramento Business Journal - October 21, 2002**

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# SACRAMENTO Business Journal

From the October 18, 2002 print edition

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## Tsakopoulos closes in on new Folsom

Mike McCarthy Staff Writer

Leading local developer Angelo Tsakopoulos has bought 2,400 acres near Folsom, giving him control of a third of the land that the pro-growth city wants to annex south of Highway 50.

But efforts to block his strategy are gaining ground too. A group of slow-growth Folsom residents is preparing a referendum for 2003 that could crimp any plans to attach the land to the city.

Tsakopoulos seems to be corralling as much land as he can in the potential annexation zone, also known as the city's sphere of influence. This month he exercised his option to buy the 2,400-acre Mangini property, including 900 acres within the sphere.

Observers believe Tsakopoulos paid more than \$12 million for the tract and could easily parlay that into \$45 million on the 900 acres alone, if the land is annexed to Folsom and zoned for development. Tsakopoulos and other landowners south of the highway are quietly preparing a push to get the sphere of influence annexed.

And if he and other developers can extend development even farther south, which they also want to do, the remaining Mangini land could bring Tsakopoulos tens of millions of dollars more.

Opponents to pursue special election: Folsom Families First, previously the Alliance of Folsom Residents, is trying to limit construction on the land that Tsakopoulos and others want to develop.

"Tsakopoulos purchases land in the path of growth," said Bob Fish, a board member of the group. "He obviously feels development will be heading that way."

Fish's group believes future development in the sphere area would harm traffic, air quality and the city's water supply, so the group plans to field a referendum for a special election sometime next year. If voters approved it, the referendum would require:

- Any rezone for development south of Highway 50 must be approved by the city's voters.
- All of the traffic impact costs from a development would be paid by the developers, not by area residents.
- Any development must have a completely new source of water, and not rely on the city's existing water rights.

Folsom has no plans to annex the land and has not heard anything from the developers on annexation, said Martha Lofgren, Folsom's city manager. Folsom wanted the land in its sphere of influence so the city could have more control over any future development there, she said.

Eleni Tsakopoulos-Kounalakis, Angelo's daughter, is president of his company, AKT Development Corp. of Sacramento. "We really have no plans for the property at this time," she said, adding that it is "far too early," to have a plan for annexation.

Based on number of acres owned, AKT is Greater Sacramento's largest land developer. Tsakopoulos Investments of Carmichael, led by his brother George, is No. 2. Both firms date to 1960.

Folsom looks south: Tsakopoulos is a master of the local land game, and his maneuvers in the eastern area of Sacramento County between Folsom and Rancho Murieta are classic examples of how the game is played.

In 1993, Sacramento County created an urban services boundary to restrain urban sprawl. In the eastern county the boundary ended just east of Sunrise Boulevard, leaving about 30,000 acres of open space between the boundary, the El Dorado County line, Folsom and Rancho Murieta.

Not much later, Tsakopoulos and other developers began buying land in the east area. Tsakopoulos optioned the Mangini acreage several years ago. AKT Developments and other landowners began lobbying the county to extend the boundary to include their lands.

Other land investors joined in, including the family of George Tsakopoulos, which controls some 2,520 acres of the east county in its own right.

Meanwhile, pro-growth Folsom had zoned almost all of its vacant land for development and began pushing to increase its sphere of influence south of the city limit at Highway 50.

Last year, the city won regulatory approval to increase the sphere by 3,584 acres between Highway 50 and White Rock Road. If the city annexes the land, the urban services boundary would be eliminated on that land, leaving the door open for development.

No push forward till after Nov. 5? The environmental impact report that looked at expanding the sphere theorized that 70 percent of the land would be developed with up to 28 million square feet of commercial space, largely offices. The report also theorized an alternative development scenario of some 12,000 homes.

City officials have said that 30 percent of the land should remain open. Observers believe that landowners whose property falls within the open space preserve will be compensated by owners who get entitlements to develop.

Tsakopoulos has a commanding position if the city decides to annex. He already owned 400 acres inside the new sphere of influence. With close of escrow on Mangini, AKT now owns 1,300 acres or 36 percent of the land within the sphere, making Tsakopoulos easily the biggest single landowner there, said Dave Jarrette, a partner in the Roseville appraisal firm of Giannelli, Jarrette & Waters. The Mangini transaction was brokered by Eric Gragg, of Gragg Commercial, and Ramey Osborne of Camray Marketing.

Highway 50 from Bradshaw Road to El Dorado Hills is already the biggest suburban office market in the Sacramento region. But the 50 corridor is running short of space. So any landowner who can get zoning

for commercial use is likely to reap a bonanza.

Landowners in the sphere have been meeting quietly, to prepare the way for annexation. Some observers believe the landowners won't move toward annexation until after the November election, which is expected to strengthen the pro-development voice on the City Council.

To annex, the developers would first ask the city to prezone the area, said Peter Brundage, executive officer for the Sacramento Local Agency Formation Commission, an agency that rules on municipal border issues.

An environmental study would be needed, as well as a tax-sharing agreement with the county. The city could start the rezoning without a request from the landowners, but Folsom City Hall has said repeatedly it won't do that.

The city would then apply to LAFCO for the annexation.

After that, maybe even farther south: Tsakopoulos, his brother George's family, and other land investors own thousands of acres south of the sphere of influence which they want to see developed. AKT president Tsakopoulos-Kounalakis is a member of the county-appointed East County Open Space Steering Committee. She favored planning for the eventual development of the area, using some of the land as environmental preserves to balance the impact of that development.

The committee, which also included ranchers and environmentalists, came out with recommendations in June that mostly protected the east area's main current use: ranching. Developers on the committee wanted it to recommend that the county consider development in the area, at least so that development fees could help preserve open space. But the overall committee refused.

AKT and land investor Linda Clifford filed a minority report favoring the developers' ideas. The committee's report did include a comment that there are development pressures on the area.

County staff members are mulling over the committee report and plan to take it to the Board of Supervisors on Dec. 4 for a workshop to air the ideas further, said Marty Strauss, the county planner working with the committee.

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