

RESOLUTION NO. 88-056

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

July 5, 1988

APPROVAL OF A BUSINESS AGREEMENT WITH
STAGEN REALTY AND MANAGEMENT GROUP FOR DEVELOPMENT OF
AGENCY-OWNED OLD SACRAMENTO PARCELS 113, 115, 122 & 123
AND AUTHORIZATION FOR THE EXECUTIVE DIRECTOR
TO PREPARE A DISPOSITION AND DEVELOPEMENT AGREEMENT
FOR SAID PARCELS AND
AN OWNER PARTICIPATION AGREEMENT REGARDING
PROPERTY OWNED BY STAGEN REALTY AND MANAGEMENT GROUP

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO:

Section 1: The business agreement with Stagen Realty and Management Group related to the sale and development of Agency-owned Old Sacramento parcels 113, 115, 122 & 123 in conjunction with the development of Stagen Realty and Management Group-owned parcels attached hereto is hereby approved as stated in Exhibit "A" attached hereto.

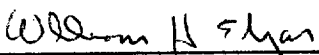
Section 2: The Executive Director is authorized to prepare and execute a Disposition and Development Agreement with Stagen Realty and Management Group for the development of the Agency-owned parcels in a form approved by the general counsel reflecting the basic provisions of the business arrangement.

Section 3: The Executive Director is authorized to prepare and execute an Owner Participation Agreement with Stagen Realty and Management Group for the development of the Stagen Realty and Management Group-owned parcels located as shown on Exhibit "B" attached hereto.



CHAIR

ATTEST:



SECRETARY

1100WPP2(84)

RESOLUTION 88-056

JUL 5 1988

MEMORANDUM OF UNDERSTANDING

For Business Agreement between the
Redevelopment Agency of the City of Sacramento
and Stagen Realty and Management Group

Background

Developer has requested the inclusion of Agency owned parcels 113-115 and 122-123 into the proposed project at 111 Capitol Mall. As consideration for the inclusion of the Agency's parcels into the project the following shall be incorporated into the Disposition and Development Agreement and Owner Participation Agreement.

I. Short Term Public Parking for Old Sacramento

150 public spaces within the parking structure will be set aside and dedicated for short term public parking only and not be decreased by monthly parking permits, assignments or leases. The 150 spaces would be available for short term public parking during the day, night and weekends. All of the remaining spaces which are available for office users would be available to the general public on evenings and weekends.

It is understood that these 150 spaces are among those to be provided over and above those required by City Code.

RESOLUTION No. 88-056

JUL 05 1988

38

24

II. Service Businesses

There is a desire and willingness on behalf of the developer to carry out the intent of the Halcyon Report by placing "service businesses" in the subject parcels. The types of businesses not desired are "T-shirt" shops, fast food establishments, souvenir shops, limited menu restaurants, free standing bars or liquor stores, new sweet shops.

III. Child Care

The developer wishes to put a child care facility into the project. Both developer and Agency realize the difficulties of placing a child care program into an urban area that does not have the usual outdoor space. The developer would like to place the child care in the northwest corner of the existing office building and request a waiver with Agency staff support from appropriate authorities if necessary to utilize the existing waterfront park and playground for child care children.

IV. Public Transportation

The developer is willing to provide a minibus running in a circular route generally from 111 Capitol Mall to the Capitol, back through the courthouse area to 111 Capitol Mall. This minibus would be for the use of the building's occupants.

RESOLUTION No. 88-056

JUL 0 5 1988

V. Art in Public Places

The developer is willing to put up to \$100,000 of the total amount payable under the Public Art Program towards a performing arts program in Old Sacramento. This money would be matched on a 4:1 basis with monies coming from other sources. The funds would be placed in trust and the interest used to provide for a performing arts program. Program and trust would be administered by a nonprofit organization made up of various appropriate representatives.

The major portion of the remaining art in public places monies would go towards the establishment of a small properly equipped theatre to be located in the reconstructed historic buildings on Agency Parcel Nos. 113-115, 122-123 in Old Sacramento. The size, design and function to be determined at a later time.

VI. Payment for Agency Land

The land purchase price shall be \$127,000 and as stated herein shall be reduced by ten percent (10%) per year for a period of ten (10) years at which time the Agency shall forgive the purchase price of the land. Should the development entity, propose to sell, assign or otherwise transfer, liquidate or diminish its ownership interest to less than fifty-one percent (51%) in the subject property within the stipulated ten (10) year period the purchase price of the land as then established by proration would be due and payable to the Agency. In the advent of a sale or other transaction diminishing Developer's ownership as stated, Developer agrees as a condition of the sale or transaction to place into an escrow account for payment to the Agency funds in the amount of the then determined purchase price.

RESOLUTION No. 88-056

JUL 05 1988

(3)

40

26

VII. Participation in Business Improvement Area and Maintenance Benefit Area

The Business Improvement Area for Old Sacramento includes this project. The developer will participate in the continued maintenance and improvement of Old Sacramento. The Old Sacramento Maintenance Benefit Area excludes the new office building; however, developer agrees to voluntarily participate in the benefit area related to the new office building based on front footage of land and gross land area factors at the same rate as that computed for Agency owned parcel. The estimated cost is \$2,395 per year.

VIII. Conveyance of Agency Land

Conveyance of the Agency's parcels shall occur after evidence of equity and debt financing and completion of 3% of the construction of the office project.

IX. Other Conditions

The City Planning Commission and Design Review Board in their consideration and approval of the proposed project may recommend other conditions on the proposed sale of Agency owned property. These conditions may be included into the subject agreement with the Agency.

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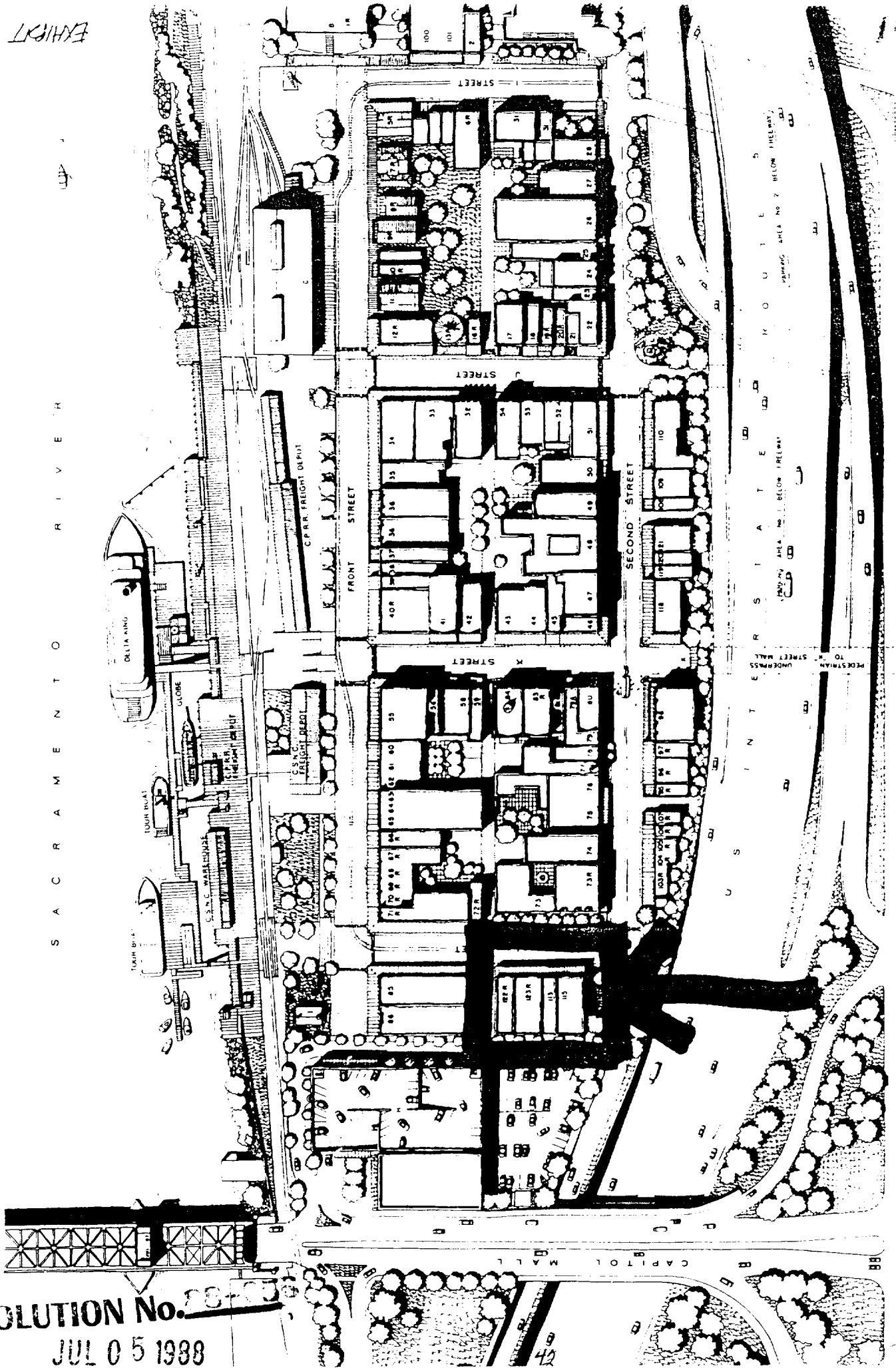
RESOLUTION No. 88-056

JUL 05 1988 (4)

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EXHIBIT B

S A C R A M E N T O R I V E R



RESOLUTION No.
 JUL 05 1988

...INDICATES BUILDINGS TO BE RESTORED BY STATE DEPT. OF HIST. AND RECON. ...INDICATES BUILDINGS ARE RESTORATION ...INDICATES BUILDINGS ARE RESTORATION ...INDICATES BUILDINGS ARE RESTORATION