

March 4, 1999

**MINUTES
SPECIAL MEETING OF THE
SACRAMENTO CITY EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATION, INVESTMENT AND FISCAL MANAGEMENT BOARD
March 4, 1999**

CALL TO ORDER AND ROLL CALL

The Administration, Investment and Fiscal Management Board met in special session in Conference Room 101, 921 Tenth Street, at 1:40 p.m. on March 4, 1999.

PRESENT: Sperling, Friery, DeCamilla

ABSENT: Nishimoto, Masuoka

REPORTS OF CONSULTANTS AND ADVISORS

PRESENTATION BY ALLEN GROUP REGARDING 1414 K STREET AND 1401 L STREET PROPERTIES

ACCEPTED AS INFORMATIONAL

Mr. Smith, of WJS Associates, system's real estate advisor introduced Mr. Tony Giannoni and Mr. Fritz Brown of the Allen Group.

The purchase price offered for 1401 L is \$2.5 million and the purchase price offered for 1414 K is \$4.0 million.

Mr. Giannoni informed the Board that the Allen Group is attempting to acquire all parcels between K and L and 14th and 15th Streets, except for 1400 K Street, League of California Cities building. The Allen Group will be completing escrow on the two Benvenuti properties which are adjacent to the SCERS properties and are currently in negotiations with the Kraus Family on the property located on 15th and L Streets.

Mr. Giannoni informed the Board that this project would be developed in three phases. Phase one, to begin in Spring of 2000, utilizing the 1401 L property and ½ of the adjacent

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Benvenuti property, would be an office complex, 12 stories (4 parking and 8 office). Phase two would be a major hotel and would utilize 1414 K. Phase three would be an identical office/garage of phase one. Phase three may proceed phase two depending on the final outcome of the proposed Sheraton Hotel.

The Board discussed their concerns about protecting 1414 K should it not be developed and returned to SCERS, providing parking for the tenants at 1414 K during the phase one development and the fact that 1414 K is designated as a historical building.

The Allen Group understands the Boards concerns regarding 1414 K Street and have similar concerns but feel that through further discussions with Mr. Smith a viable proposal can be achieved.

The Board accepted the presentation as informational and directed Mr. Smith to continue negotiations with the Allen Group.