



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



11

August 2, 1988

Budget and Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Termination of Contract for Sale of Land for Private
Redevelopment and Litigation for Revestment of the
Site for the Reconstruction of the City Market
Building, Old Sacramento Parcel No. 54

SUMMARY

The attached report is submitted to you for review and
recommendation prior to consideration by the Redevelopment
Agency of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolutions
approving termination of the contract and authorization to
commence litigation.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:

John Wiseman Jr.
For: JACK R. CRIST
Deputy City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



August 2, 1988

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Termination of Contract for Sale of Land for Private Redevelopment and Litigation for Revestment of the Site for the Reconstruction of the City Market Building, Old Sacramento Parcel No. 54

SUMMARY

Adoption of the attached resolution will reaffirm previous Agency action authorizing the termination of the contract for sale of land for private redevelopment and commencement of litigation for the revestment of the site for the reconstruction of the City Market Building, Old Sacramento Parcel No. 54., 118-120 J Street.

BACKGROUND

On June 23, 1981, the Agency approved an assignment of the Contract for Sale of Land for Private Redevelopment for the reconstruction of the City Market Building, 118-120 J Street, Old Sacramento Parcel No. 54, as a mixed use building for offices and retail to Mr. Charles L. O'Neal and Mr. Kenneth Kirby (see location map Attachment 1). On May 28, 1982, the redevelopers were formally notified of their default by reason of their nonperformance per the terms and conditions of the contract. On September 6, 1983, due to the redeveloper's continued failure to perform, the Agency adopted Resolution No. 83-064 which authorized the Executive Director to terminate the Contract for Sale of Land for Private Redevelopment for the City Market Building and authorized the Executive Director to commence litigation for revestment of Old Sacramento Parcel No. 54 (Attachment 2). Subsequent to this action, the redevelopers have attempted without success, to develop the parcel as a 12-room bed and breakfast.

At the time of the Agency's action, the provision related to revestment of ownership contained in Agency Contracts for Sale of Land for Private Redevelopment was untested as to its enforceability. The authorized actions were delayed pending the outcome of another Agency litigation for revestment of another Old Sacramento parcel. In that litigation, the lower court

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decided in the favor of the Agency. The decision was appealed by the redeveloper with the upper court upholding the ruling of the lower court thus establishing the enforceability of the revestment provision contained in Agency contracts. Resolution of that litigation and the subsequent appeal occurred in late 1987.

The Agency is now ready to proceed with the previously authorized actions to terminate the Contract for Sale of Land for Private Redevelopment related to the City Market Building and to initiate the litigation to revest the ownership of Old Sacramento Parcel No. 54 to the Agency. It is the opinion of the Agency's General Counsel that due to the period of time that has passed between the Agency's authorization and the initiation of the actions, it would be prudent for the Agency to reaffirm its previous action. Before commencing the litigation, the Redevelopers will be offered the opportunity to quitclaim their interest in the property to the Agency thus avoiding the cost of any defense against the Agency's litigation.

FINANCIAL DATA

The original Contract for Sale of Land for Private Redevelopment executed in August 1979 set the land purchase price at \$7,479.00. The present Redevelopers purchased the parcel from the Agency for this amount. Under the provision for revestment, should the Agency be successful in its litigation, the parcel would be readvertised at the current market value. The present Redevelopers would be entitled to reimbursement of the purchase price or any part thereof from proceeds remaining from a subsequent sale of the parcel after the Agency deducts its cost of revestment.

Based upon the most recent Old Sacramento appraisals of similar vacant properties, the current land value may be approximately \$13.00 per square foot for an estimated new market value of approximately \$33,000.

ENVIRONMENTAL REVIEW

Pursuant to the California Environmental Quality Act (CEQA) guidelines 15378(b)(3), actions approved by the adoption of the attached resolution do not require an environment review.

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POLICY IMPLICATIONS

Adoption of the attached resolution is consistent with previous Agency action and policy. No policy changes are recommended by this staff report.

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of August 1, 1988, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action. In the event they fail to do so, you will be advised prior to your August 2, 1988 meeting.

RECOMMENDATION

The staff recommends adoption of the attached resolution which reaffirms Agency actions previously authorized by the adoption of Resolution No. 83-064 on September 6, 1983 which:

- (1) Authorizes the Executive Director to terminate the Contract for Sale of Land for Private Redevelopment for the City Market Building, Old Sacramento Parcel No. 54 between the Agency and Charles L. O'Neal and Kenneth Kirby, and
- (2) Authorizes the Executive Director to commence litigation for revestment of Old Sacramento Parcel No. 54.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Theodore R. Leonard, 440-1320

1362M
7/21/88

RESOLUTION NO.

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

REAFFIRMATION OF TERMINATION OF CONTRACT FOR SALE OF LAND
FOR PRIVATE REDEVELOPMENT AND AUTHORIZATION
OF REVESTMENT OF THE CITY MARKET
BUILDING (OLD SACRAMENTO PARCEL NO. 54)

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

Section 1: The Executive Director's authorization to terminate the Contract for Sale of Land for Private Redevelopment for City Market Building, Old Sacramento Parcel No. 54, pursuant to Resolution No. 83-064 adopted September 6, 1983, is hereby reaffirmed.

Section 2: The Executive Director's authorization pursuant to Resolution No. 83-064 adopted September 6, 1983 to commence litigation for revestment of said parcel to the Agency is hereby reaffirmed.

CHAIR

ATTEST:

SECRETARY

1100WPP2(67)

RESOLUTION NO. **83-064**

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

September 6, 1983

TERMINATION OF CONTRACT FOR SALE OF LAND
FOR PRIVATE REDEVELOPMENT AND LITIGATION FOR
REVESTMENT OF SITE FOR RECONSTRUCTION OF THE
CITY MARKET BUILDING, OLD SACRAMENTO PARCEL 54

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

Section 1. The Executive Director is hereby author-
ized to terminate the Contract for Sale of Land for Private
Redevelopment for the City Market Building, Old Sacramento
Parcel No. 54.

Section 2. The Executive Director is hereby authorized
to commence litigation for revestment of said Parcel to the Agency.

R. Burnett Miller
CHAIRMAN

ATTEST:

William H. Flynn
SECRETARY

CERTIFIED AS TRUE COPY
REDEVELOPMENT AGENCY

of Res. 83-064

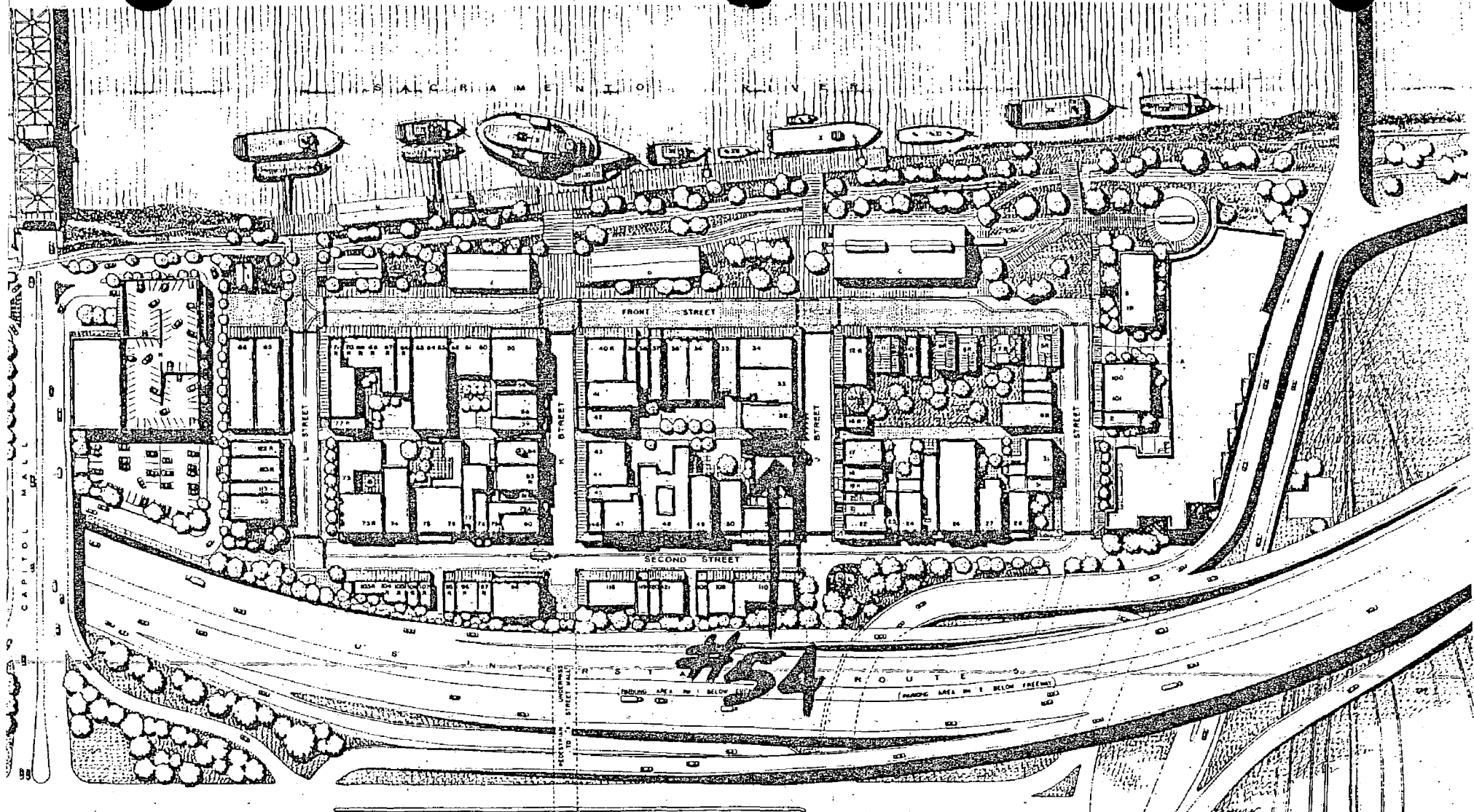
SEP 16 1983

DATE CERTIFIED

Anne J. Mason
Assistant Acting Secretary


RESOLUTION No. **83-064**

SEP 6 1983



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 SUFFIX 'A' ON PLAN INDICATES RECONSTRUCTION. ALL OTHER BUILDINGS ARE RESTORATION. * IN KEY INDICATES BUILDINGS TO BE DEVELOPED BY STATE DEPT. OF PARKS AND RECREATION

- | | | | | |
|----------------------------|---------------------------|-------------------------------|--------------------------------|----------------------------|
| 34A BOOTH BUILDING | 52 GREGORY BUILDING | 66 STROUSS & CO. | 84 ERMER'S HOTEL | 108 BIRTH BUILDING |
| 37 LEGGETT, A.L. HOUSE | 53 POWERS HALL AND BAKERY | 69 EAGLE MILLS | 87 STANFORD BROTHERS WAREHOUSE | 110 HETWOOD BUILDING |
| 38 UNITED STATES HOTEL | 54 CITY MARKET | 70 ADAMS MC NEAL & CO. | 88 CANTON BUILDING | 111 |
| 39 NEW YORK DRUG STORE | 55 WHAT CHEER HOUSE | 71 ADAMS MC NEAL & CO. | 89 LATHER BUILDING | 112 |
| 40 BOYD & DAVIS | 56 KING, BANBULL & CO. | 72 W.F. BROWN HOTEL | 90 CORNWALL BUILDING | 113 E.P. FRIG |
| 41 HOWARD HOUSE | 57 | 73 CLARENCE HOTEL | 91 FRY BUILDING | 114 |
| 42 LADY ADAMS BUILDING | 58 NATIONAL HOTEL | 74 PACIFIC STABLES | 92 FRATT BUILDING | 115 MALTO BUILDING |
| 43 HARPER BUILDING | 59 WHISKEY BAKERY | 75 WAGGAS BUILDING | 93 DOUG 'A' BUILDING | 116 BOWEN BUILDING |
| 44 WHOLE BUILDING | 60 STEVENS, CHESLEY & CO. | 76 SHARRS BUILDING | 94 DOUG 'B' BUILDING | 117 ST. CHARLES STORE |
| 45 LAMON HOTEL | 61 HILL, CLARK & CO. | 77 SACRAMENTO EMPH. CO. NO. 5 | 95 | 118 CARPENTER BUILDING |
| 46 BANK EXCHANGE BUILDING | 62 LAMARCA FLOUR MILLS | 78 GOODALL'S CARPENTER SHOP | 96 JESSUP BUILDING | 119 SADDLE ROCK RESTAURANT |
| 47 LINCOLN HOTEL | 63 SACRAMENTO CRACKER CO. | 79 RIVETT - FULLER BUILDING | 104 ALDRICH BUILDING | 120 |
| 48 OREGON HOTEL | 64 SACRAMENTO CRACKER CO. | 80 DEMOCRATIC STATE JOURNAL | 106 RODGERS BUILDING | 121 |
| 49 ALMANS EXPRESS BUILDING | 65 SACRAMENTO CRACKER CO. | 81 PENNSYLVANIA STORE | 108 OCHUFURGO BUILDING | 122 RABBITON SALOON |
| 50 ARCADE HOTEL | 66 BROOKLYN HOTEL | 82 | 107 STRL. CORNER & CO. | 123 DIANA SALOON |
| 51 HASTINGS BUILDING | 67 CLARK & CO. | 83 EMPH. HOUSE | 108 PIONEER TELEGRAPH BUILDING | |



OLD SACRAMENTO

A REGISTERED NATIONAL HISTORIC LANDMARK

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

- * CALIFORNIA STATE RAILROAD MUSEUM HISTORY BUILDING
- B CITY, COUNTY HISTORICAL MUSEUM
- C CASR ARCADE PASSENGER STATION MUSEUM
- D CENTRAL PACIFIC FREIGHT DEPOT
- E STEAM HEATING BUILDING
- F
- G HISTORIC STREET CAR BARN
- H SOUTH PASSES BARAGE
- I HISTORIC SCHOOL MUSEUM
- J THEODORE JOSHUA MONUMENT AND PLAZA
- K PEDESTRIAN UNDERPASS TO DOWNTOWN PLAZA AND 'Y' ST. MALL
- L SOME DOWNTOWN POINT EMPRESS MONUMENT AND PLAZA
- M CSNG / CPRR WORKSHOP - WAREHOUSE
- N CSNG / CPRR STEAMBOAT OFFICE

