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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

February 24, 1982

APPROVED

SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

CITY MANAGER'S OFFICE

RECEIVED

MAR 10 1982

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

MAR 16 1982

SUBJECT: Amendment to Contract for Sale of Land for Private
Redevelopment, Old Sacramento Parcels 103-107 -
Robert C. Cook, Redeveloper

SUMMARY

Mr. Cook, the developer of Old Sacramento Parcels 103-107, has cured his default related to the submittal and approval of evidence of financing inasmuch as Cache Creek Bank has made an unconditional loan commitment. However, there exists a deficiency in the Agreement's performance schedule which requires construction of this project to commence before April 1975. Without an amendment to the Contract's performance schedule, Mr. Cook will remain in default for nonperformance per the existing schedule. Mr. Cook has proposed a new schedule for performance.

BACKGROUND

On November 2, 1981 the Commission approved a thirty (30) day time extension for Mr. Cook, in which he was to cure his default for non-performance per the terms and conditions and the Schedule of Performance of the Contract (dated December 26, 1969) for the Sale of Land for Private Redevelopment. Mr. Cook was afforded a time extension through December 2, 1981 from Mr. Gerard H. Davis, President and Chairman, Cache Creek Bank, the Agency was notified that Mr. Cook had an unconditional loan commitment in the amount of \$750,000 which has been determined to be sufficient funding.

Per the Schedule of Performance, the Agency is required to approve or disapprove the evidence of financing within two (2) weeks. By letter dated December 16, 1981, after evaluation, Mr. Cook's financing was approved. By letter dated July 10, 1981 to Western Title Insurance Company, Mr. Cook has deposited the amount of \$13,196.00 as and for payment for the purchase of the property within the thirty (30) day Agency requirement. Thus, escrow has been opened by Mr. Cook.

3-16-82
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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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However, the Agency has not proceeded with the deposit of the deed and the close of escrow as there is a deficiency in the Land Disposition Agreement. The Schedule of Performance states that construction upon Parcels 103-107 shall start within sixty (60) days after the completion of construction on Parcels Nos. 79 and 80, or by April 1, 1975, whichever occurs first. As Mr. Cook has not completed the construction upon Parcels Nos. 79 and 80 (nor upon Parcel No. 31A), and as the April 1, 1975 date has long passed and there is no new date established for the start and completion of the construction upon Parcels Nos. 103-107, without an amendment to the Agreement setting new dates Mr. Cook will remain in default per the existing schedule.

Mr. Cook was informed, by letter dated December 16, 1981, of the need to amend the existing Schedule of Performance of the Agreement. Staff proposed that the contract be amended so as to require the start of construction within sixty (60) days of the close of escrow. Not having received an acknowledgment of the December 16, 1981 letter or agreement for the proposed amendment, by certified letter dated January 8, 1982, Mr. Cook was noticed that he had until January 22, 1982 to respond with dates agreeable to the Agency. Mr. Cook acknowledged, by telephone on January 12, 1982, receipt of both the December 16, 1981 and the January 8, 1982 letters and stated he would reply to the Agency prior to the January 22, 1982 date. Mr. Cook responded on January 22, 1982 with a proposed new Schedule of Performance. Staff is agreeable to Mr. Cook's proposed schedule which requires that construction be started within thirty (30) days after the close of escrow. Should Mr. Cook fail to perform per the new Schedule of Performance, staff shall proceed to process the termination of the Agreement.

FINANCIAL

Should the Agency terminate the Agreement after the sale of the property, the Agency will incur related legal expenses necessary to reacquire the property plus normal staff time and advertising cost for the sale of the property. Advertising may exceed \$1,000.00, depending upon the extent and frequency of advertising.

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VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of February 22, 1982, the Sacramento Housing and Redevelopment Commission recommended that the above action be taken. The votes were recorded as follows:

AYES: Coleman, Fisher, Knepprath, Luevano, A. Miller,
Teramoto, Walton

NOES: None

ABSENT: B. Miller

VACANCY: One

RECOMMENDATION

Staff recommends that the Contract for Sale of Land for Private Redevelopment be amended incorporating a new Schedule of Performance.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slupe

WALTER J. SLUPE, City Manager

Contact Person: Theodore R. Leonard

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RESOLUTION NO. 82-017

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

March 16, 1982

AUTHORIZING EXECUTION OF AMENDMENT TO
CONTRACT OF SALE WITH ROBERT C. COOK
OLD SACRAMENTO PARCELS 103-107

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

Section 1. The Executive Director is authorized to
execute an amendment to the Contract for Sale of Land for
Private Redevelopment relating to Parcels 103-107 in the Old
Sacramento Historic Area with Robert C. Cook as redeveloper,
for the purpose of incorporating a new Schedule of Perform-
ances as attached.

CHAIRMAN

ATTEST:

SECRETARY

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

MAR 16 1982

ROBERT C. COOK
ATTORNEY AT LAW
912 - 2ND STREET
SACRAMENTO, CALIFORNIA 95214

TELEPHONE
444-8200

January 22, 1982



Mr. Theodore R. Leonard
SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY
P.O. Box 1834
Sacramento, CA 95809

Re: Old Sacramento Parcels #103-107

Dear Mr. Leonard

Pursuant to your letter of January 9, 1982, I set forth herein a proposed schedule of performance on the above-referred to project. That schedule of performance is as follows:

- | | |
|---|---|
| 1. Redeveloper shall deposit the Purchase Price into escrow. | Within 30 days after the Agency approves the Final Construction Plans and Evidence of Financing. |
| 2. Agency shall deposit the Deed into escrow. | Within 30 days after the Agency approves the Final Construction and Evidence of Financing. |
| 3. The Deed shall be delivered to the Redeveloper, the Purchase Price paid to the Agency, and escrow shall be closed. | Within 30 days after the Deed and the Purchase Price have been deposited into escrow, and a Deed has been delivered to Redeveloper. |
| 4. Redeveloper shall commence the reconstruction, restoration and remodeling work. | Within 30 days after the close of escrow. |
| 5. Redeveloper shall complete the reconstruction, restoration and remodeling work. | Within eighteen months after the commencement of such reconstruction, restoration and remodeling work. |

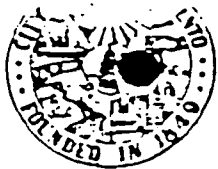
I trust this meets with your approval.

Sincerely,

Handwritten signature of Robert C. Cook in cursive.

ROBERT C. COOK

RCC/pjn



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

November 4, 1981

Mr. Robert C. Cook
918 Second Street
Sacramento, CA 95814

Re: Default, Evidence of Financing
Jessup, Aldrich, Rodgers, Cienfuego, and
Still, Conner & Company Buildings
Old Sacramento Parcels Nos. 103-107

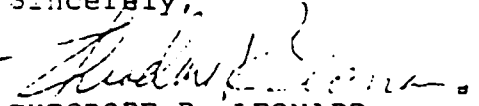
Dear Mr. Cook:

Please be advised that at its November 2, 1981 meeting, the Agency's Advisory Commission approved a thirty (30) day time extension to your Schedule of Performance to afford you additional time in which to satisfy the conditions of the Cache Creek Bank and the Agency.

Under the recently approved delegation of authority between the City and the Agency, this matter need not go to the Agency for concurrence. Therefore, the Commission's action extends your Performance Schedule to December 2, 1981. In order for you to cure your default and avoid termination of your agreement it is necessary that you satisfy the conditions of Cache Creek Bank and that Cache Creek Bank so notify the Agency on or before December 2, 1981 of your satisfactory performance. It is the Agency's understanding, per conversation with Mr. Gerard H. Davis, President and Chairman, Cache Creek Bank, that the release of construction funds is conditional upon your providing the Bank with evidence, in form of bids, verifying that the project can be completed within the limits of the construction loan commitment of a maximum of seven hundred fifty thousand dollars (\$750,000).

It is recommended that your most immediate and serious attention be given to satisfy the Bank's and thus the Agency's requirement before the December 2, 1981 date.

Sincerely,


THEODORE R. LEONARD
Agency Architect
Old Sacramento Project Manager

TRL/gf

455 Capitol Mall
Sacramento, California
95814

Phone
916-441-6050

Cache Creek Bank

December 1, 1981

Mr. Theodore Leonard
Sacramento Housing & Redevelopment Agency
PO Box 1834
Sacramento, CA 95809



RE: Commitment and Evidence of Financing Sacramento
Parcels No. 103-107 to Robert C. Cook

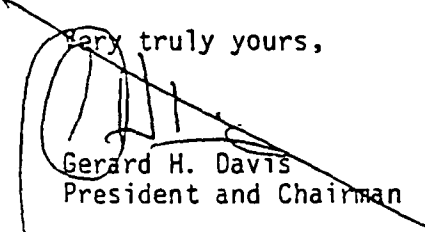
Dear Mr. Leonard:

This Bank's commitment referred to in my letter to the Redevelopment Agency on October 16, 1981, was not and is not conditional.

Please be advised that the Bank has reviewed the project on a cost basis, and we are satisfied that the project will be completed within our loan commitment.

Therefore the Bank's requirements as set forth in your letter to Mr. Cook on November 4, 1981, a copy of which is attached, has been satisfied.

Very truly yours,


Gerard H. Davis
President and Chairman

GHD:mc1
Att.
cc: Robert C. Cook

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

MEMORANDUM

TO: Bob Smith
 Brent Blaker
 Leo Goto

FROM: Ted Leonard

SUBJECT: Cure of Default, Commitment and Evidence of Financing
 Old Sacramento Parcels Nos. 103-107
 Robert C. Cook, Redeveloper

Handwritten notes:
 follow up
 Leo (circled)
 Please see return etc.
 750,000 is amount to do the job
 we need to get back on track
 DATE: 12/3/81
 12/10/81
 make specific amendments

Attached please find copy of a letter dated December 1, 1981 from Gerard H. Davis, President and Chairman, Cache Creek Bank, indicating that the Bank's requirements have been satisfied and that the loan commitment was not and is not conditional. As Mr. Cook's time extension extended through December 2, 1981 and the letter was received by the Agency on that date, Mr. Cook has satisfied the Agency's requirement per the Schedule of Performance and the extension, and thus cured the default.

Per the Schedule of Performance, the Agency shall approve or disapprove the Redeveloper's evidence of financing within two (2) weeks after submission. This will be by December 16, 1981. Within thirty (30) days after the Agency's approval, Mr. Cook is required to deposit the purchase price for the property into escrow and the Agency shall deposit the deed. By letter dated July 10, 1981 to Western Title Insurance Company (copy attached), Mr. Cook has deposited the amount of \$13,146.00 as and for payment for the purchase of the property. Thus, "the ball is in our court." As the Bank is satisfied and Mr. Cook has already opened escrow, the Agency should immediately proceed with the sale per the terms of the Agreement.

Of concern is Mr. Cook's construction performance on his other projects. Per the Schedule of Performance for this project, construction is to start within sixty (60) days after completion of construction on Parcels Nos. 79 and 80, or by April 1, 1975, whichever occurs first. Mr. Cook still hasn't completed the construction of Parcels Nos. 79 and 80, nor of Parcel No. 31A. I foresee a similar rate of progress upon this project. The schedule calls for construction to be completed within twelve (12) months. Also of concern is the fact that as the time stipulated for the start of construction has long passed and/or tied to a "whichever occurs first" date, no new stated date for the start of construction exists. This needs to be established and the Contract amended.

(Signature)
 THEODORE R. LEONARD
 Agency Architect
 Old Sacramento Project Manager

Old Sacramento Parcels Nos. 103-107 -
Robert C. Cook Redeveloper
12/14/81 - Page Two

I know of no formal Agency action required in regard to the approval of the evidence of financing. However, as a change of the Schedule of Performance is an amendment to the Agreement, formal approval may be required subject to the opinion of the Legal Department. Please be reminded that the Agency's date for approval of evidence of financing is December 16, 1981.



TED LEONARD, Agency Architect/
Old Sacramento Project Manager

TRL:mem
Attachment (1)



103-107

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

December 16, 1981

Mr. Robert C. Cook
918 Second Street
Sacramento, CA 95814

Re: Evidence of Financing
Old Sacramento Parcels Nos. 103-107

Dear Mr. Cook:


This letter is to inform you that your evidence of financing for the subject project is approved by Agency staff.

Review of your contract's schedule of performance indicates that "construction is to start within sixty (60) days after completion of construction on Parcels Nos. 79 and 80 or by April 1975, whichever occurs first." Obviously, these dates are past. Therefore unless your contract is amended you remain in default per the schedule of performance. For this reason your contract needs to be amended to establish a new date for the start of construction and completion of same.

It is proposed that the contract be amended so as to require the start of construction within sixty (60) days of the close of escrow. Until your contract is amended the Agency cannot close escrow.

Your earliest reply is requested.

Sincerely,


THEODORE R. LEONARD
Agency Architect
Old Sacramento Project Manager

TRL/gf

103-107

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

MEMORANDUM

TO: Ted Leonard

FROM: Brenton A. Bleier, Chief Counsel

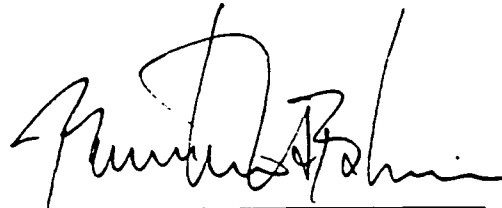
SUBJECT: Deficiencies in the Land Disposition Agreement with Robert Cook, Parcels 103-107

DATE: December 17, 1981

File No.

Confirming our conversation of Wednesday morning, you have informed me that in your judgment the evidence of financing submitted by Mr. Cook is now satisfactory, but that the Agreement provides that the construction was to begin at the latest, in April, 1975.

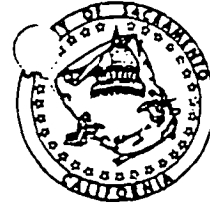
Inasmuch as this is clearly impossible and that Mr. Cook should be allowed a reasonable time following close of escrow to begin construction, you will advise Mr. Cook that the Agency wishes to amend his Agreement to provide for a start of construction date, as well as a completion date 12 months hence, and that the start of construction date will be established as 60 days following the close of escrow. We can prepare such an amendment for you as soon as Mr. Cook is agreeable to signing it. If Mr. Cook should indicate that he does not agree to sign such an amendment, I believe that the Agency is within its rights in refusing to deed the land to Mr. Cook on the grounds that he remains in default of the existing Agreement. In view of Mr. Cook's unblemished record of nonperformance, we would be foolhardy to deed the property to him without a date to begin construction.



BRENTON A. BLEIER
Chief Counsel

BAB.bj

cc: Robert E. Smith
Leo Goto



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

January 8, 1982

Mr. Robert C. Cook
918 2nd Street
Sacramento, CA 95814

Re: Default, Termination of or
Amendment to Agreement,
Old Sacramento Parcels Nos.
103-107

Dear Mr. Cook:

By letter dated December 16, 1981 you were advised of the need to amend your Agreement by establishing new dates for the start and completion of construction. It is the Agency opinion that you have been afforded a reasonable and sufficient period in which to provide the Agency with new dates for consideration for an amended schedule for performance. As this has not occurred within the past twenty-four (24) days, please be advised that unless the Agency receives from you dates that the Agency can agree with within fourteen (14) days, the Agency shall be compelled to proceed with the termination of your Agreement as per the dates contained therein you remain in default for non-performance per the schedule for performance.

Failing to hear from you by January 22, 1982 will result in the processing by staff of the termination of your Agreement. Your most immediate attention to this matter is required.

Sincerely,

THEODORE R. LEONARD
Agency Architect/
Old Sacramento Project Manager

TRL:mem

cc: Bob Smith
Brent Bleier

CERTIFIED MAIL
RETURN RECEIPT REQUESTED