

## **RESOLUTION NO. 2008-086**

Adopted by the Redevelopment Agency  
of the City of Sacramento

December 9, 2008

### **AGREEMENT EXTENDING THE EXCLUSIVE RIGHT TO NEGOTIATE (ERN) WITH 1012 K STREET, LLC**

#### **BACKGROUND**

- A. The Agency has assembled property located at the southeast corner of 10<sup>th</sup> and K streets (Agency Site) for redevelopment purposes.
- B. In February 2005, the Agency issued a Request for Proposals (RFP) for a Downtown Cultural, Entertainment and Retail Complex for the Agency Site.
- C. On April 30, 2005, one proposal was received from K Street Central, a development team consisting of David S. Taylor Interests, The CIM Group, St. Anton Partners, The Cordano Company and Paragary's Restaurant Group.
- D. A selection committee comprised of an Ad Hoc committee of the Agency Board reviewed the proposal and in August 2006, an Exclusive Right to Negotiate (ERN) was approved by the Agency. The ERN for 1012-1022 K Street expired on December 31, 2006.
- E. On February 27, 2007, the Agency approved an ERN with 1012 K Street, LLC, a partnership between David Taylor Interests and the CIM Group, for a proposed mixed-use condominium project on Agency-owned properties located at 1012-1022 K Street.
- F. On January 8, 2008 and on June 24, 2008, the term of the ERN was extended. The current extension is due to expire on December 24, 2008.
- G. Based on the initial study conducted for the 1012 K Street project, the Redevelopment Agency, based on substantial evidence that the project may have a significant effect on the environment, prepared an Environmental Impact Report (EIR) on the Project. The EIR was prepared, noticed, published, circulated, and reviewed and completed in full compliance with the California Environmental Quality Act (CEQA), (Public Resources Code Section 21000 *et seq.*), the CEQA Guidelines (14 California Code of Regulations Section 15000 *et seq.*), and the City of Sacramento environmental guidelines. On January 24, 2008, the Agency certified that the Final EIR was adequate, accurate, objective and complete.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:**

Section 1. The City Manager or his designee, on behalf of the Agency, is authorized to extend the term of Agency Agreement with 1012 K Street, LLC, for the ERN for the development of properties located at 1016-1022 K Street to April 30, 2009 and for 1012 K Street to June 30, 2009.

Section 2. Milestones for the extended ERN for 1016–1022 K Street shall be completed in the following timeframe:

Within 90 days:

- Refine estimated construction costs, including all applicable fees and contingencies
- Refine development and operating pro formas
- Negotiate the terms of appropriate redevelopment agreements
- Prepare Schedule of Performances for the construction period.

Within 120 days:

- Recertify the CEQA document and adopt a Mitigation Monitoring Plan
- Obtain project approval from the Agency and execute the redevelopment agreements

Section 3. Milestones for the extended ERN for 1012 K Street shall be completed in the following timeframe:

Within 120 days:

- Refine estimated construction costs, including all applicable fees and contingencies
- Refine development and operating pro formas
- Negotiate the terms of appropriate redevelopment agreements
- Prepare Schedule of Performances for the construction period.

Within 180 days:

- Recertify the CEQA document and adopt a Mitigation Monitoring Plan
- Obtain project approval from the Agency and execute the redevelopment agreements

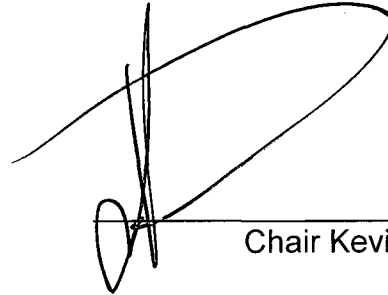
Adopted by the Redevelopment Agency of the City of Sacramento on December 9, 2008 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: Councilmember McCarty.

A handwritten signature in black ink, consisting of a large, sweeping loop at the top and a smaller loop at the bottom, connected by a vertical line.

Chair Kevin Johnson

Attest:

A handwritten signature in black ink, written in a cursive style, reading "Shirley Concolino".  
Shirley Concolino, Secretary