



APPROVED  
BY THE CITY COUNCIL

SEP 15 1998

OFFICE OF THE  
CITY CLERK

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CITY OF SACRAMENTO  
CALIFORNIA

THOMAS V. LEE  
DEPUTY CITY MANAGER  
DOWNTOWN ENTERPRISE DEPARTMENT



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September 15, 1998

City Council  
Redevelopment Agency of the City of Sacramento  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Proposed Waterfront Hotel

**LOCATION AND COUNCIL DISTRICT:** District One

**RECOMMENDATION:**

Adopt attached resolutions authorizing the contract for preparation of an environmental analysis and amending the project schedule to reflect time extensions needed to complete the environmental analysis, as well as establishing a CIP and allocating tax increment funds from the Redevelopment Agency.

**CONTACT PERSON:** Mary Wray, Sr. Downtown Development Manager, 264-7730  
Traci Michel, Sr. Management Analyst, 264-8645

**FOR THE COUNCIL MEETING OF:** September 15, 1998

**SUMMARY:**

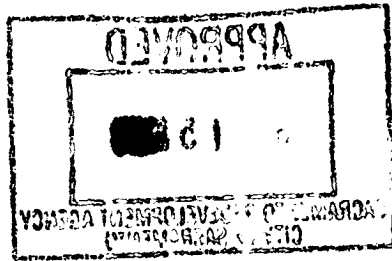
This report provides the updated process and schedule for the proposed Waterfront Hotel site.

**BACKGROUND:**

Overview

On June 9, 1998, the City Council approved the selection of JMK Investments/Promus Hotel team and negotiations for a 120-day period with the selected development team

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to produce a Disposition and Development Agreement (DDA) for construction of a visitor/tourist-oriented hotel on the Agency owned property known as the "Docks" site. Since then, the following has occurred:

- Several successful negotiation meetings between the City and development team;
- Completion of preliminary site plans and building design;
- Entitlement and Design Review Board application submittal;
- Creation of a 3-member Design Review Board Ad Hoc for review of site designs; and
- Commencement of traffic analysis.

Per redevelopment law, a DDA must have a completed environmental analysis prior to being approved. Since commencement of the DDA negotiations, City staff has been working with an independent consultant and Caltrans to complete a traffic analysis for the project. This traffic analysis will be incorporated into environmental documents for the project. The traffic analysis will require a ten-week period to prepare and review, therefore, the environmental review will not be complete by the 120-day estimated timeline. Staff recommends selecting Gail Ervin Consulting to prepare the environmental documents for the project, and extending the DDA negotiations to mirror the environmental documents schedule. The proposed schedule is as follows:

September 15, 1998	Approval of Negotiation Extension
November 24, 1998	Completion of Environmental Documents
December 24, 1998	Issue Environmental Documents and Circulate through State Clearinghouse
Mid-January, 1999	Council approval of Environmental Documents and DDA

Staff also recommends establishing a CIP to help facilitate all work needed on the project.

#### **FINANCIAL CONSIDERATIONS:**

Staff recommends allocating \$100,000 from Downtown tax increment funds to the City to establish a CIP. These funds will be used to administer contracts to implement the project.

**ENVIRONMENTAL CONSIDERATIONS:**

A hotel was previously approved in concept for the proposed project site in conjunction with the Docks Master Plan approvals in 1988. Further environmental review of the current proposal is now required and will be prepared upon approval of this report. NEPA does not apply.

**POLICY CONSIDERATIONS:**

This item is consistent with the City Council approved Hotel Policy.

**MBE/WBE:**

There are no goods or services being purchased as a result of the recommended action(s). If the project is ultimately approved, the construction phase will incorporate the City M/WBE requirements.

Respectfully submitted,



Traci R. Michel  
Sr. Management Analyst

**RECOMMENDATION APPROVED:**



William H. Edgar  
City Manager

**APPROVED:**



Thomas V. Lee  
Deputy City Manager



**RESOLUTION NO. 98-044**

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF \_\_\_\_\_

**EXTENSION OF WATERFRONT HOTEL DEVELOPMENT NEGOTIATION  
WITH PROMUS HOTEL CORPORATION AND  
SELECTION OF GAIL ERVIN CONSULTING  
TO PREPARE ENVIRONMENTAL DOCUMENTS**

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

Section 1. Negotiations with Promus Hotel Corporation regarding terms of a Disposition and Development Agreement for the proposed Waterfront Hotel Development are extended until the date for consideration of the project environmental documents

Section 2. The City Manager is authorized to enter into a contract with Gail Ervin Consulting for preparation of environmental documents for the project.

Section 3. A budget is established for the project in the amount of One Hundred Thousand Dollars (\$100,000).

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
SECRETARY

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_ 4 \_\_\_\_\_

**APPROVED**  
BY THE CITY COUNCIL

**SEP 15 1998**

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 98-480**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION ESTABLISHING A CIP AND ALLOCATING FUNDS  
FOR THE WATERRONT HOTEL DEVELOPMENT**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1: The City Manager is authorized to establish a CIP for the proposed Waterfront Hotel Development and transfer \$100,000 from Downtown tax increment to CIP (XXXXX) to implement contracts associated with the project.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_