



APPROVED  
BY THE CITY COUNCIL

1.12

DEC 15 1998

OFFICE OF THE  
CITY CLERK

THOMAS V. LEE  
DEPUTY CITY MANAGER  
DOWNTOWN DEPARTMENT

CITY OF SACRAMENTO  
CALIFORNIA

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December 2, 1998

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Old Sacramento Waterfront Restaurant Recruitment  
and Development Strategy

**LOCATION AND COUNCIL DISTRICT:** Old Sacramento, District 1

**FOR COUNCIL MEETING OF:** December 15, 1998

**RECOMMENDATION**

Staff recommends that the City Council, by resolution, approve the Old Sacramento waterfront restaurant recruitment and development strategy outlined in this report.

**CONTACT PERSON:** Michelle Nelson, Senior Management Analyst, 264-7064  
Wendy Saunders, Development Manager, 264-8196

**SUMMARY**

This report recommends a strategy for recruitment of a restaurant operator/developer for Waterfront Restaurant Site A, and a recommendation on the timing of development for Site B.

**BACKGROUND**

Attached as Exhibit A is a site plan identifying Waterfront Restaurant sites A and B. A brief chronology of the Waterfront Restaurants project is provided below.

January 1998

- City receives letters of interest from two restaurant developers for Site A
- Owner/operator of Rio City Café, Waterfront Management, Inc. submits a letter of interest for Site B

January 27, 1998

- City Council authorizes staff to negotiate without bids with the two interested parties for Site A and with the owner/operator of Rio City Café for Site B

March 13, 1998

- City Council authorizes staff to negotiate exclusively with Gordon Biersch Brewing Company for Site A, and directs staff to return to Council with final business terms and lease agreements for both sites within one hundred and twenty (120) days

September 15, 1998

- City Council approves pile construction for Site A, allocates \$808,034 from the Agency's developer's Assistance Funds, and awards construction contract to John F. Otto Construction Company

September 21 - October 21, 1998

- Final state and federal permits authorizing pile construction in the Sacramento River for Sites A and B are issued. Permits include the following:
  1. U.S. Army Corp of Engineers Section 10 Permit – Site A authorized through 12/31/99, Site B valid through 11/30/2001.
  2. California Department of Fish and Game Streambed Alteration Agreement – both sites authorized through 12/31/99.
  3. California Reclamation Board Encroachment Permit – both sites authorized through 10/21/99.

October 16, 1998

- Gordon Biersch withdraws from negotiations for unspecified reasons.

November 15 - December 2, 1998

- Piles driven to for Site A

**Recommended Development Strategy**

For both restaurant sites, the City will own the piles upon which the restaurant is constructed. The restaurant operator or operator/developer team is expected to own the building, and may also own the platform. The City prepared design plans and specifications for the Site A platform. The plans were tailored to support the Gordon Biersch building design and could vary depending on the restaurant operator. Therefore, the staff recommends that a restaurant operator be identified and the relationship between

the City and the developer/operator be established before construction of additional improvements.

Criteria for selection of a restaurant or restaurant/developer team for Site A will be as follows:

1. Proposal to develop a flagship restaurant or restaurants that will serve the existing tourist population and draw residents from inside and outside the City limits;
2. Development of a project that is consistent with design criteria for Old Sacramento and Old Sacramento's historic theme;
3. Significant restaurateur experience with demonstrated operational strength ;
4. Financial capacity to both construct the restaurant and to operate successfully during a reasonable project stabilization period;
5. Agreement and ability to enter into a financially acceptable arrangement with the City, both in terms of lease rate paid to the City and responsibility for the costs of completing the improvements.

The RFP will be issued by approximately January 15, 1999, and proposals will be due 60 days therefrom. Council approval of the recommended proposal and commencement of negotiations is expected by April A.

For Site B, the staff recommends postponing additional negotiations with Waterfront Management, Inc. until a restaurateur is identified for Site A. This recommendation is made for the following reasons:

- The lease payments from the restaurant operating on Site A are intended to support the cost of construction of the pilings and platform on Site B; and
- Site A is large enough to support two restaurants. Waterfront Management, Inc. could submit a proposal, as a part of a larger team, to occupy a portion of Site A.

The schedule for restaurant solicitation and lease negotiations will allow pile installation for Site B by the summer of 1999, should Council decide to proceed with Site B. The state and federal permits granted to the City allow construction at specified time periods through September 1999.

### **FINANCIAL CONSIDERATIONS**

To date, the City has incurred costs of approximately \$808,000 to construct the pilings upon which the platform and restaurant improvements will sit. No additional allocation of funds is requested at this time. However, when a restaurant or restaurant/developer team is selected and an agreement is structured, Council will be asked to allocate additional funds from the Developer's Assistance Program to complete the project.

**POLICY CONSIDERATIONS**

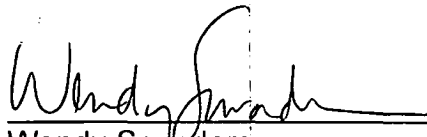
The proposed restaurant development strategy focuses available funding on the site that will be most marketable because piles have already be constructed.

**ENVIRONMENTAL ISSUES**

There are no environmental issues related to the approvals recommended in this report.


**MBE/WBE** N/A/


Respectfully Submitted,

  
\_\_\_\_\_  
Wendy Saunders  
Downtown/Development Manager

RECOMMENDATION APPROVED:

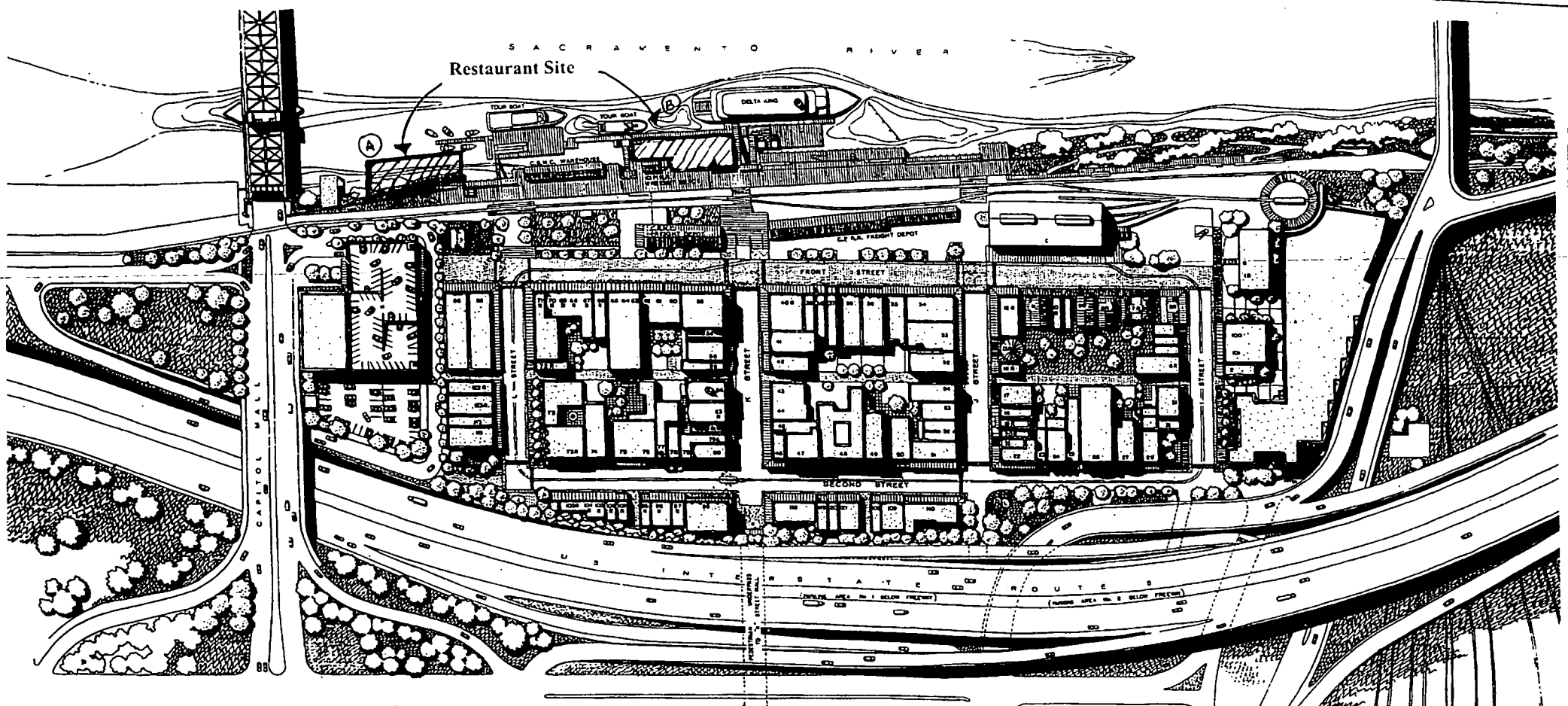
APPROVED:

  
\_\_\_\_\_  
William H. Edgar  
City Manager

  
\_\_\_\_\_  
Thomas V. Lee  
Deputy City Manager

# Exhibit A

5



## Key to Building Numbers

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

- |                            |                                   |                           |                            |                              |                                |   |
|----------------------------|-----------------------------------|---------------------------|----------------------------|------------------------------|--------------------------------|---|
| 1 CITY HALL & WATER WORKS  | 19 WINDMILL SALOON                | 36A NORTH BUILDING        | 52 WHISKEY BUILDING        | 68 STROUVE & CO              | 94 ESLEY'S HOTEL               | 102 BIRTH BUILDING  |
| 2 DANLEY SPIKE MILL        | 20 LONN'S RESTAURANT              | 37 LEWETT ALE HOUSE       | 53 PIONEER HALL AND BAKERY | 69 EARLE WALLS               | 95 STANFORD BROTHERS WAREHOUSE | 110 HETWOOD BUILDING  |
| 3                          | 21 HANES BUILDING                 | 38 UNITED STATES HOTEL    | 54 CITY MARKET             | 70 ADAMS McNEIL & CO         | 96 CAYLEY BUILDING             | 111   |
| 4                          | 22 BALZAC BLDG & BLUE WINE SALOON | 39 NEW YORK ORNIS STORE   | 55 WHAT CHEER HOUSE        | 71 ADAMS McNEIL & CO         | 97 FREY BUILDING               | 112 C.P. FINE   |
| 5 HICKLEY - READING & CO   | 23 OUR HOUSE SALOON               | 40 BOYS & GIRLS           | 56 CHW. BARROLL & CO       | 72 F.F. BROWN HOTEL          | 98 CORNWALL BUILDING           | 113 BALTO BUILDING  |
| 6 F. GOWEN                 | 24 BAKER - HAMILTON BUILDING      | 41 HOWARD HOUSE           | 57                         | 73 CLAPLIDON HOTEL           | 99 PRATT BUILDING              | 114   |
| 7 PEOPLES MARKET           | 25 BRANBAN HOTEL                  | 42 LADY ADAMS BUILDING    | 58 NATIONAL HOTEL          | 74 PACIFIC STABLES           | 100 B.W. 'A' BUILDING          | 115 MORSE BUILDING  |
| 8 HOTEL DE FRANCE          | 26 HALL, LARNS AND CO.            | 43 HANES BUILDING         | 59 WHOLE BAKERY            | 75 BRAGES BUILDING           | * 101 B.W. 'A' BUILDING        | 116 ST CHARLES STORE  |
| 9 CITY HOTEL               | 27 SCHWITZ BUILDING               | 44 PHALE BUILDING         | 60 STEVENS, CHELLEY & CO   | 76 BRAGES BUILDING           | * 102 B.W. 'A' BUILDING        | 117 CAMPLATER BUILDING                                      |
| 10 T. Mc DONELL & CO       | 28 PORTER SALOON                  | 45 UNION HOTEL            | 61 HILL, CLARK & CO.       | 77 SACRAMENTO ENGINE CO NO 3 | 103                            | 118 SANDLE ROCK RESTAURANT                                  |
| 11 EARLE THEATRE           | 29 MECHANIC'S EXCHANGE            | 46 BANK EXCHANGE BUILDING | 62 LANBARD FLOUR MILLS     | 78 BOODELL'S CARPENTER SHOP  | 104                            | 119 SOUTH PAVING GARAGE                                     |
| 12 S. WISLER BUILDING      | 30 VERNON - BRANBAN HOUSE         | 47 UNION HOTEL            | 63 SACRAMENTO CRACKER CO   | 79 RIVETT - FULLER BUILDING  | 105                            | 120 HISTORIC SCHOOL MUSEUM                                  |
| 13 BROAD TERT              | 31 BRANBAN BUILDING               | 48 OAKLAND HOTEL          | 64 SACRAMENTO CRACKER CO   | 80 DEMOCRATIC STATE JOURNAL  | 106                            | 121 THEODORE JAGAN MONUMENT AND PLAZA                       |
| 14 WARENETT'S BEER STORE   | 32 BRANBAN BUILDING               | 49 ADAMS EXPRESS BUILDING | 65 SACRAMENTO CRACKER CO   | 81 PENDEWEAST STORE          | 107                            | 122 RESTORATION UNDERWAY TO DOWNTOWN PLAZA AND 'H' ST. WALL |
| 15 WARENETT'S MASONIC HALL | 33 SOUTH BUILDING                 | 50 ARCADE HOTEL           | 66 BROOKLYN HOTEL          | 82                           | 108                            | 123 SOME CONSTRUCTION WORK LATER MONUMENT AND PLAZA         |
| 16 SACRAMENTO UNION        | 34 SOUTH BUILDING                 | 51 PASTHUB BUILDING       | 67 CLARK & CO.             | 83 EMPIRE HOUSE              | 109                            | 124 CANCY/CRS WORKSHOP - WAREHOUSE                          |
|                            |                                   |                           |                            |                              | 112                            | 125 CANCY/CRS STEAMBOAT OFFICE                              |



## OLD SACRAMENTO

A REGISTERED NATIONAL HISTORIC LANDMARK



## PICTORIAL PLAN

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

NVA ARCHITECTS, P.C.

DATE: MAY 27, 1979  
REVISED: OCT. 14, 1979  
REVISION: MARCH 18, 1981

**APPROVED**  
BY THE CITY COUNCIL

**DEC 15 1998**

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 98-627**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

RESOLUTION AUTHORIZING STAFF  
TO ISSUE A REQUEST FOR PROPOSALS  
FOR WATERFRONT RESTAURANT SITE A

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO  
AS FOLLOWS:**

Section 1. The staff is hereby authorized to issue a request for development of a restaurant on Waterfront Restaurant Site A.

\_\_\_\_\_  
MAYOR

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

**FOR CITY CLERK USE ONLY**

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

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

6