



Agency Report
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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

November 23, 1981

CITY MANAGER'S OFFICE
RECEIVED
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Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

SUBJECT: Notice of Default, Parcel HC-17
Paul Bernardis, Jr., Redeveloper

DEC 22 1981

SUMMARY

Paul Bernardis, Jr., the Redeveloper of Parcel HC-17 located at 8th and "S" Streets in Project Area No. 4, has not performed in accordance with the terms of his Contract for Sale of Land for Private Redevelopment, Exhibit "E", Schedule of Performance. The Agency staff recommends that the Redeveloper be found in default of his Contract and that a formal Notice of Default be transmitted to Mr. Bernardis.

BACKGROUND

On May 5, 1981 the City Council adopted Resolution No. RA 81-028 (Attachment I) authorizing execution of a Contract for Sale of Land for Private Redevelopment with Paul L. Bernardis, Jr., on Parcel HC-17, Project Area No. 4.

The Schedule of Performance required the Redeveloper to submit final plans for approval within three (3) months after the approval of the preliminary plans (see Attachment II). Preliminary plans were approved on July 25, 1981 per Resolution No. RA 81-055. Therefore, final plans were due on October 28, 1981. The Redeveloper indicated in his letter of October 27, 1981 (see Attachment III) that he is unable to proceed at this time due to unavailability of financing and is, therefore, seeking a sixty (60) day extension.

FINANCIAL DATA

The sale price of HC-17 was set by private appraisal at \$57,500. Mr. Bernardis submitted a good faith deposit in the amount of

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\$2,875 which will be held by the Agency until completion of the improvements. Termination of the Contract will result in the need to readvertise the parcel for development. The Agency will incur advertising costs of an undeterminate amount, depending upon the type and frequency of advertising.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting on November 16, 1981, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The vote was as follows:

AYES: Coleman, Knepprath, Luevano, A. Miller, Serna, Teramoto, B. Miller

NOES; None

ABSENT: Fisher, Walton

RECOMMENDATION

The staff recommends adoption of the attached resolution which states the Redeveloper be denied the requested sixty (60) day extension and be notified of its default per the Schedule of Performance and the terms and conditions, Part II of the Contract for Sale of Land for Private Redevelopment, Article VII, Section 703.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slupe

WALTER J. SLUPE
City Manager

RESOLUTION NO. 81-092

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

December 22, 1981

NOTICE OF DEFAULT
PAUL BERNARDIS, JR. - PARCEL HC-17

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

Section 1. The Interim Executive Director is directed to transmit a formal Notice of Default to Paul Bernardis, Jr., pertaining to the Contract for Sale of Land for Private Redevelopment dated May 4, 1981, in connection with the parcel known as HC-17, located at 8th and S Streets in Redevelopment Project No. 4, pursuant to Section 703 of Part II of said Contract.

Section 2. The Interim Executive Director is authorized to take such action as necessary to give effect to such Notice.

CHAIRMAN

ATTEST:

SECRETARY

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

DEC 22 1981

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file
Notice

CERTIFIED AS TRUE COPY
of Resolution No. _____

MAY 5 1981

DATE CERTIFIED

Gene Mason
Deputy City Clerk, City of Sacramento

RESOLUTION NO. RA- **81-028**

Adopted by the Redevelopment Agency of the City of Sacramento

May 5, 1981

APPROVING FINAL SELECTION OF REDEVELOPER AND
AUTHORIZING EXECUTION OF CONTRACT FOR SALE
OF LAND FOR PRIVATE REDEVELOPMENT AND
OWNER PARTICIPATION AGREEMENT
PAUL L. BERNARDIS, JR., AN INDIVIDUAL
PARCEL NO. HC-17, PROJECT NO. 4

WHEREAS, the Redevelopment Agency of the City of Sacramento is presently engaged in carrying out the redevelopment of the Capitol Mall Riverfront Project, Project No. 4; and

WHEREAS, the Agency has received a proposal entitled "Contract for Sale of Land for Private Redevelopment" (herein sometimes referred to as the "Proposal"), from PAUL L. BERNARDIS, JR., an individual (herein sometimes referred to as the "Redeveloper"), for the purchase from the Agency of the real property described herein; and

WHEREAS, pursuant to an advertisement for proposals for the development of said real property, other proposals were presented to the Sacramento Housing and Redevelopment Commission; and

WHEREAS, after reviewing said proposals, the Sacramento Housing and Redevelopment Commission recommended that the Governing Body of the Agency enter into a Contract for Sale of Land for Private Redevelopment with PAUL L. BERNARDIS, JR., an individual; and

WHEREAS, the Agency has examined data and analyzed various methods of disposing of said real property; and

WHEREAS, the said Contract for Sale of Land for Private Redevelopment and a Statement for Public Disclosure have been filed with the Redevelopment Agency by the proposed Redeveloper and have been available for public examination at the offices of this Agency for fourteen (14) days after public notice thereof; and

RESOLUTION No. RA **81-028**

MAY 5 1981

WHEREAS, based on said Statement for Public Disclosure, other information submitted to the Agency by the Redeveloper, and information submitted by the staff, the Agency finds that the Redeveloper can undertake and complete the redevelopment of said real property in accordance with the provisions of the Contract for Sale of Land for Private Redevelopment; and

WHEREAS, a public hearing on said Proposal was duly held on April 28, 1981 by the Agency after notice as required by the California Health and Safety Code, Sections 33430 and 33431; and

WHEREAS, no other proposals were presented to the Agency at said public hearing and no one appeared at said public hearing to contest or otherwise object to the Agency accepting said Proposal and entering into the Contract for Sale of Land for Private Redevelopment with the Redeveloper; and

WHEREAS, the Agency concluded that the public interest will best be served by disposing of such property to PAUL L. BERNARDIS, JR., an individual, in accordance with the terms of the Proposal; and

WHEREAS, Paul L. Bernardis, Jr. desires to redevelop his property (Assessor's Parcel 009-065-19) adjacent to said Parcel HC-17, in conjunction with the purchase and development of Parcel HC-17.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. The real property in the Capitol Mall Riverfront Project, Project No. 4, described below, will be disposed of for redevelopment to PAUL L. BERNARDIS, JR., an individual, substantially in accordance with the provisions of the Contract for Sale of Land for Private Redevelopment submitted to the Agency by said Redeveloper and considered by the Agency at the aforesaid public hearing and at this meeting:

The West 1/2 of Lot 7 and the South 1/4 of Lot 8, in the block bounded by R, S, 8th and 9th Streets in the City of Sacramento; EXCEPTING THEREFROM the Northerly twelve feet (12') of Lot 7 [Parcel HC-17].

Section 2. The disposition of the land in accordance with the said Contract for Sale of Land for Private Redevelopment is the most prudent method of disposing of such land by negotiation, is in accordance with this Agency's established land disposition policy, and is hereby determined to be in the best interest of the public and the City of Sacramento.


Section 3. It is hereby found and determined that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the land for uses in accordance with the Redevelopment Plan for Project No. 4.

Section 4. The Chairman and Secretary are hereby authorized to execute for and on behalf of the Agency said Contract for Sale of Land for Private Redevelopment.

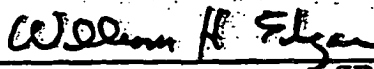
Section 5. The Chairman and Secretary are hereby authorized to execute for and on behalf of the Agency, an Owner Participation Agreement with Paul L. Bernardis, Jr., an individual, in form approved by Agency Counsel, and covering owner's real property described as follows:

The West 1/2 of Lot 6 and the East 1/2 of Lot 7 in the block bounded by 8th, 9th, R and S Streets in the City of Sacramento, according to the Official Map or plan thereof; EXCEPTING THEREFROM the Northerly 12th of said lots.
[Assessor's Parcel 009-065-19].

Said Owner Participation Agreement shall incorporate by reference the provisions of the Contract for Sale of Land for Private Redevelopment for the disposition and development of Parcel HC-17.


VICE MAYOR CHAIRMAN

ATTEST:


SECRETARY

RESOLUTION No. RA 81-028

MAY 5 1981

EXHIBIT "E"

SCHEDULE OF PERFORMANCES

- 1. Redeveloper shall prepare and submit to the Agency and to the Architectural Review Board Preliminary Plans for Redeveloper's Improvements. Within one (1) month after the effective date of the Agreement.
- 2. Redeveloper shall make application to the City Planning Commission for the necessary variance for parking. Within one (1) month after the effective date of the Agreement.
- 3. The Agency shall approve or disapprove Redeveloper's Preliminary Plans. Within two (2) months after submission of such Plans; provided that the Plans have been approved by the Architectural Review Board, and the Planning Commission shall have approved the parking variance.
- 4. Redeveloper shall prepare and submit Final Construction Plans to the Agency, the Architectural Review Board and the City Building Department. Within one (3) month after the approval of Redeveloper's Preliminary Plans.
- 5. The Agency shall approve or disapprove Redeveloper's Final Construction Plans. Within two (2) months after submission of such Plans; provided that the Plans have been approved by the Architectural Review Board.
- 6. Redeveloper shall submit a written commitment for construction financing to the Agency. Within six (6) months after the effective date of the Agreement.
- 7. The Agency shall approve or disapprove Redeveloper's Evidence of Financing. Within two (2) weeks after submission of such Evidence of Financing.
- 8. Redeveloper shall deposit the Purchase Price for the Property into escrow. Within two (2) weeks after the approval of Redeveloper's Final Construction Plans and Evidence of Financing.

EXHIBIT "E" (Continued)

9. Agency shall deposit the Deed for the Property into escrow.

Within two (2) weeks after the approval of Redeveloper's Final Construction Plans and Evidence of Financing.
10. The Purchase Price for the Property shall be paid to the Agency, the Deed delivered to the Redeveloper, and escrow shall be closed.

Within two (2) weeks after the Agency deposits the Deed into escrow.
11. Redeveloper shall commence construction of the Improvements on the Property.

Within two (2) weeks after the close of escrow, or the issuance of the Building Permit, whichever occurs later.
12. Redeveloper shall complete construction of the Improvements on the Property.

Within six (6) months after the commencement of construction.

October 27, 1981

Sacramento Housing and Redevelopment Agency
P.O. Box 1834
Sacramento, CA 95809

ATTN: William H. Edgar, Interim Executive Director

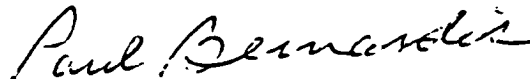
Dear Mr. Edgar:

This letter is written to provide a summary of the progress of the redevelopment project on Parcel HC17 by Mr. Paul Bernardis. The Design Development Phase of the project is complete. This phase includes architectural and engineering work up to final plans. The date for completion of final plans according to the original project schedule was October 28, 1981. The project architect is ready to complete final drawings with a sixty-day period.

As is obvious to anyone involved with the construction business, financing for projects has been effectively non-existent in the past few months. I am strongly committed to the timely completion of this project. However, due to the fact that despite our efforts to secure financing for the project, we have not been able to obtain a commitment for construction financing from a lender, we therefore respectfully request a sixty-day extension to the project schedule. We are optimistic that within that period of time, we will be successful in obtaining a commitment from a lender.

If you need any additional information, please contact myself or Carl Packard at Carson Development.

Sincerley,



Paul Bernardis

PB/jjj

