



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

August 5, 1980

CITY GOVERNING BOARD  
 PHILLIP L. ISEBERG, MAYOR  
 LLOYD CONNELLY  
 BLAINE H. FISHER  
 THOMAS R. HOEBER  
 DOUGLAS N. POPE  
 JOHN ROBERTS  
 LYNN ROBIE  
 ANNE RUDIN  
 DANIEL E. THOMPSON

Ms. Lorraine Magana  
 City Clerk  
 915 I Street  
 Sacramento, California 95814

Re: Memorandum of Understanding for Travelers Hotel  
 Rehabilitation

COUNTY GOVERNING BOARD  
 ILLA COLLIN  
 C. TOBIAS (TOBY) JOHNSON  
 JOSEPH E. (TED) SHEEDY  
 SANDRA R. SMOLEY  
 FRED G. WADE

Dear Lorraine:

This will confirm our telephone conversation wherein it was agreed that the above item (No. 37) will be withdrawn from tonight's Agenda to be rescheduled at a later date.

EXECUTIVE DIRECTOR  
 WILLIAM G. SELINE

Very truly yours,

*Joan Roberts*  
 JOAN ROBERTS  
 Agency Clerk

P.O. Box 1834  
 SACRAMENTO, CA 95809  
 630 I STREET  
 SACRAMENTO, CA 95814  
 (916) 444-9210

FILED  
 SACRAMENTO REDEVELOPMENT AGENCY

Date 8/5/80

FILED  
 SACRAMENTO REDEVELOPMENT AGENCY

Date \_\_\_\_\_



37

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

July 30, 1980

CITY MANAGER'S OFFICE  
**RECEIVED**  
JUL 31 1980

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

### CITY GOVERNING BOARD

PHILLIP L. ISEBERG, MAYOR  
LLOYD CONNELLY  
BLAINE H. FISHER  
THOMAS R. HOEBER  
DOUGLAS N. POPE  
JOHN ROBERTS  
LYNN ROBBIE  
ANNE RUDIN  
DANIEL E. THOMPSON

SUBJECT: The Travelers Hotel

### SUMMARY

It is recommended that you adopt by the attached resolution the proposed Memorandum of Understanding between Travelers Associates and the Redevelopment Agency relating to the proposed rehabilitation of the Travelers Hotel.

### COUNTY GOVERNING BOARD

ILLA COLLIN  
C. TOBIAS (TOBY) JOHNSON  
JOSEPH E. (TED) SHEEDY  
SANDRA R. SMOLEY  
FRED G. WADE

### BACKGROUND

Travelers Associates is a California general partnership which proposes to undertake in cooperation with Mr. Cameron Doyel, the rehabilitation of the Travelers Hotel. The managing partner of Travelers Associates is Mr. Donald Barclay of Torrance, California. Pursuant to his prospective agreement with Mr. Doyel relating to the Travelers, Mr. Barclay has undertaken certain discussions with Agency and City staff relative to the prospective rehabilitation of the hotel. These discussions have focused on those concerns which Mr. Barclay feels are most critical to a favorable resolution of the rehabilitation of the hotel.

EXECUTIVE DIRECTOR  
WILLIAM G. SELINE

P.O. Box 1834  
SACRAMENTO, CA 95809  
630 I STREET  
SACRAMENTO, CA 95814  
(916) 444-9210

This Memorandum of Understanding facilitates the schematic planning of this block in implementation of the Council's direction in its Executive Session of July 21, 1980. In substance, the Memorandum provides that the Agency will allow encroachment for purposes of the erection of a shear wall (Paragraph 1), will maintain sufficient open space to allow installation of windows in the south and west faces of the building (Paragraph 2), will initiate joint discussions with Downtown Plaza Properties, Travelers and Agency to plan the block (Paragraph 3), will assure Travelers of loading access (Paragraph 4), will allow Travelers to use the under-sidewalk areas (Paragraph 5), will relieve Travelers of any obligation to provide parking (Paragraph 6), will subordinate its right to buy the building to the

8/5/80

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the  
City of Sacramento  
July 30, 1980  
Page Two

deed of trust of any lender (Paragraph 7), will quitclaim its interest in the party wall (Paragraph 8), will negotiate in good faith with Travelers regarding the Owner Participation Agreement (Paragraph 9), and will receive preliminary plans from Travelers within 90 days (Paragraph 10).

The Memorandum of Understanding is not a contract and is, therefore, not binding upon the Agency in a legal sense, however, it does reflect a good faith declaration of our purposes and intents at this point in time. Mr. Barclay intends to develop the hotel into office space.

## FINANCIAL DATA

There is no financial impact.

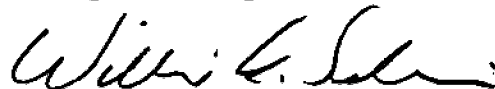
## VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of August 4, 1980, the Sacramento Housing and Redevelopment Commission will recommend adoption of the attached resolution. In the event they fail to do so, you will be advised prior to your August 5, 1980 meeting.

## RECOMMENDATION

It is recommended that you adopt the attached resolution authorizing the Executive Director to execute the attached Memorandum of Understanding on behalf of the Agency.

Respectfully submitted,



WILLIAM G. SELINE  
Executive Director

TRANSMITTAL TO COUNCIL:



WALTER J. SLIPE  
City Manager

Contact Persons: Brenton A. Bleier  
Mac Mailes

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (hereinafter "Memorandum") executed this \_\_\_\_\_ day of \_\_\_\_\_, 1980, by and between TRAVELERS ASSOCIATES, a California partnership (hereinafter "Travelers"), and the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, a public body, corporate and politic (hereinafter "Agency"). Said Memorandum is made with reference to these Recitals:

A. Travelers is the prospective purchaser of that certain property located in the Capitol Mall Extension, Project No. 3, City of Sacramento, described more fully in Exhibit "A" and commonly known as the "Travelers Hotel" (hereinafter "the Property").

B. Travelers' predecessors in interest in the Property executed that certain Owner Participation Agreement dated August 8, 1961 and recorded December 18, 1961, with Agency pertaining to the rehabilitation of the Property.

C. In order to assist Travelers in its plans for the acquisition and rehabilitation of the Property, the parties have entered into certain discussions and negotiations relating to the potential modification of the Owner Participation Agreement in certain areas.

NOW, THEREFORE, the parties have set forth this Memorandum of their understandings to set forth the status of the negotiations at this point. The matters contained herein shall

not be construed as a contract or as commitments by either party but only to state generally the basis upon which they intend to negotiate a contract or modifications of the existing contract for the rehabilitation of the Property. The parties will negotiate with the intent to draft and execute a more detailed contract dealing with the matters contained herein and any other related items.

1. The parties have agreed that Agency will allow Travelers to encroach upon certain property owned by Agency adjacent to the subject Property to the south and west to the extent necessary to construct a shear wall and appropriate footings therefor adjacent to the south and west walls of the Property. It is understood that the footings will encroach upon Agency property to the extent of approximately five feet (5') and the shear wall will encroach upon present Agency property to the extent of approximately two feet (2'). The property interest to be conveyed by Agency to Travelers in the land encroached upon is yet to be determined and the transaction may or may not involve the payment of compensation by Travelers to Agency for the interests so transferred and the amount of such compensation, if any, is yet to be determined.

2. Travelers is desirous of maintaining an area of open space along the southerly and westerly sides of the Property so as to allow the placement of windows in the southerly and westerly faces of the Travelers Hotel Building. Agency has agreed that it will maintain such an area of open space to the south and west of the subject Property and free of building construction except that as to the area to the south of the building, the Agency may or

may not utilize the area below the current adjacent street level for construction of enclosed parking facilities. However, the nature and use of these spaces and the nature of the property interest which Travelers will acquire in these spaces is yet to be determined. It is understood that the aforementioned areas will be such as to provide unimpaired open space to the extent of a twenty foot (20') radius from each of the fenestral openings in the southerly and westerly faces of the Travelers Hotel Building and may or may not involve use of said space as a service drive. It is anticipated that this area will have pedestrian ingress and egress to the subject Property.

3. The open space areas referred to in Paragraph 2 above are part of a parcel of land encumbered by an Agreement between Agency and Downtown Plaza Associates, a joint venture, dated June 17, 1968, as amended and assigned. The foregoing understanding set forth in Paragraph 2 relating to the open space areas is contingent upon the satisfactory resolution of the conflicting rights, if any, which Downtown Plaza Associates may have in the open space areas so described.

4. The parties desire that suitable arrangements be made for service and loading facilities for the subject Property. The parties will consider various possibilities for location of such facilities including a loading zone on the north side of the Property along J Street or the use of a portion of one or both of the open space areas mentioned in Paragraph 2 above with access to these areas from 4th Street on the west or J Street on the north, or both. In any event, the parties agree that Travelers will be allowed reasonable service and loading facilities for the subject Property.

5. The parties agree that Travelers will be allowed, at its option, to use the under-sidewalk area along the east and north

sides of the Property. As a condition of this use, however, Travelers may be required by Agency to make certain structural reinforcements to the under-sidewalk cavities. Travelers will be required to replace existing sidewalks in accordance with current standards for same and hold Agency harmless from any liability accruing as a result of Travelers' use of the under-sidewalk area and replacement of existing sidewalks.

6. It is the present intent of the parties that the requirements of the Owner Participation Agreement relating to temporary and permanent parking solutions for the subject Property are and will be satisfied by the public parking facilities available in the area of the Property. It is not the present intent of the parties that either party be required to construct or make available any additional parking related in any direct way to the subject Property.

7. Agency has agreed to subordinate its rights under the Owner Participation Agreement to purchase the Property to the deed of trust in favor of any construction and/or permanent lender who shall provide funds to rehabilitate the Property according to plans approved by the Agency. The Agency has further agreed that its Owner Participation Agreement shall be cancelled in its entirety upon the filing by Agency of a Notice of Completion of Improvements or a Certificate of Occupancy by the City of Sacramento at the conclusion of rehabilitation of the Property in accordance with approved plans.

8. The Agency will give a quitclaim deed to Travelers as to its rights in the westerly wall of the Property.

faith performance of its obligations herein contained. Each party acknowledges to the other that the foregoing is a material inducement to it to enter into this Memorandum.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first above written.

REDEVELOPMENT AGENCY OF THE CITY  
OF SACRAMENTO

By \_\_\_\_\_  
Executive Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Chief Counsel

TRAVELERS ASSOCIATES

By \_\_\_\_\_



9. The parties will negotiate in good faith to amend and revise the Owner Participation Agreement to reflect the understandings set forth above.

10. Travelers will deliver preliminary plans for the rehabilitation of the Property to the Agency within ninety (90) days of the date of the execution hereof.

11. It is understood that the understandings set forth herein are expressly conditioned upon and related to the timely implementation by Travelers of the rehabilitation of the subject Property to office building use. Travelers has not submitted any plans to Agency for the rehabilitation of this building at this time and accordingly this Memorandum does not reflect any understanding or approval of those plans. Further, these understandings are integrally related to the timely performance by Travelers of its plans. If it reasonably appears to Agency at any time that Travelers will not proceed or will not proceed in a timely fashion to achieve its plans, it is the intent of Agency to withdraw from these understandings and hold Travelers, their predecessors in interest, or their successors in interest, firmly to the existing provisions of the Owner Participation Agreement.

12. The parties acknowledge that the cooperative performance of their respective obligations pursuant to this Memorandum are essential to the accomplishment of the project and the anticipated respective benefits accruing from its completion. Each party represents to the other that that respective party shall not do any act which shall have the effect of depriving the other party from realizing the benefit of its timely, regular and good

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

Adopted by the Redevelopment Agency of the City of Sacramento

August 5, 1980

APPROVING MEMORANDUM OF UNDERSTANDING FOR  
TRAVELERS HOTEL REHABILITATION

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

1. The Executive Director is authorized to sign a Memorandum of Understanding, in form approved by the Chief Counsel, with the Travelers Associates, a partnership, related to the proposed rehabilitation of the Travelers Hotel, 5th & J Streets.

2. The Memorandum of Understanding is not approved as a binding contract between the Redevelopment Agency and the Travelers Hotel, and shall not cover essential terms such as a schedule of performances and rehabilitation plans.

\_\_\_\_\_  
CHAIRMAN

ATTEST:

  
\_\_\_\_\_  
SECRETARY.

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

Adopted by the Redevelopment Agency of the City of Sacramento

August 5, 1980

APPROVING MEMORANDUM OF UNDERSTANDING FOR  
TRAVELERS HOTEL REHABILITATION

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

1. The Executive Director is authorized to sign a Memorandum of Understanding, in form approved by the Chief Counsel, with the Travelers Associates, a partnership, related to the proposed rehabilitation of the Travelers Hotel, 5th & J Streets.

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\_\_\_\_\_  
CHAIRMAN

ATTEST:

  
\_\_\_\_\_  
SECRETARY