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DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

1023 J STREET
SUITE 200
SACRAMENTO, CA
95814-2819

OFFICE OF ENGINEERING AND
TRANSPORTATION SERVICES

916-449-5307

December 12, 1989

Budget and Finance Committee
Sacramento, California

Honorable Members In Session:

SUBJECT: Commercial Property Listing Agreement for the Commercial Space in the Civic Center Plaza
Parking Garage

SUMMARY

This report recommends adoption of the attached resolution authorizing the City Manager and the City Clerk to execute an agreement with Iliff, Thorn and Company to list approximately 14,500 square feet of commercial space within the Civic Center Plaza Parking Garage.

BACKGROUND

The Civic Center Plaza Parking Garage, a 1000+ space parking garage has been approved for construction on the southeast corner of 10th and I Streets. Per the current construction schedule, the design documents will be developed by November 1989, the project will be bid mid-March 1990, with construction beginning in June 1990 and running through November of 1991. In addition to the parking, the garage contains ground floor commercial space consistent with the Urban Design Guidelines. This space will be available for occupancy when the garage opens.

During the design planning of the garage, much consideration has been given to the Urban Design Guidelines and the development of a Civic Center Plaza concept. Because of the garage's location relative to City Hall, the new Library/Galleria and the future Civic Center building, it is desirable to attract businesses that will enhance the Civic Center area.

Traditionally, all management of commercial real estate properties owned by the City has been one of the duties assigned to the Real Estate section of the Engineering Division within the Department of Public Works. However, the Real Estate group's experience in commercial leasing is in the leasing of space within existing parking structures primarily responding to interested tenants who approach the City. The Real Estate group has no prior experience in designing commercial space or developing commercial tenants before a structure exists.

Therefore, the Civic Center Plaza Parking Garage Core Group considered listing the properties with a commercial real estate firm. It was further suggested that bringing the firm on-board to obtain tenants during the garage design would customize tenant improvements and minimize construction costs of the commercial space and encourage long term, successful leases by customizing the space to the use. This will avoid the costly situation of retrofitting the space after construction with facilities that could have easily and inexpensively been included during the construction phase (i.e., electrical stubouts, exhaust fans, grease pits, etc.).

The Sacramento Housing and Redevelopment Association, having experienced difficulty leasing available commercial space in Riverview Terrace, had recently conducted a request for proposals from real estate firms for the lease of their commercial space. In April of 1988, after negotiations with several responding firms, SHRA awarded a contract to Norris, Beggs and Simpson, represented by Devon Atlee and John Austin.

The Civic Center Plaza Parking Garage Core Group approached Norris, Beggs and Simpson to discuss successful tenant occupancy of the garage. Together they developed a marketing plan for the parking garage that focused on the needs for certain daily personal services of the parkers within the garage. Exhibit A is the marketing plan.

Based upon the evaluation/selection process of SHRA and the established successful relationship between Norris, Beggs and Simpson and the City on the Riverview Terrace properties, a listing agreement for the 14,500 square feet of commercial space within the Parking Garage was developed. However, prior to the acceptance of this agreement, John Austin made a career decision to leave Norris, Beggs and Simpson to lead the commercial real estate section of Iliff, Thorn and Company. Because the prior work between Atlee and Austin had been as a team comprised solely of these two individuals, it was agreeable to all parties to develop an agreement including John Austin at Iliff, Thorn and Company as a subcontractor on the listing agreement.

During the drafting of this agreement, Norris, Beggs and Simpson was awarded the contract to lease all of the commercial space in the Benvenuti Renaissance Tower. Devon Atlee contacted the Civic Center Plaza Parking Project Manager and explained that Norris, Beggs and Simpson's commercial real estate group would now have the leasing of this large project as a priority. Devon Atlee conceded the contract in favor of John Austin at Iliff, Thorn and Company.

The terms of the originally proposed contract with Norris, Beggs and Simpson were then resumed in the drafting of this listing agreement with Iliff, Thorn and Company.

FINANCIAL DATA

The leasing agent will be paid as a percentage of gross rents on a declining schedule from 6 percent in the first year to 2.5 percent per year for lease terms over ten years. The amount to be paid will depend on the square footage rented and rental rate but in no event should exceed \$110,000 (assuming all retail space at \$1.65 per square foot, for a ten year lease). This leasing agent cost will be built into the 1990-91 Off-Street Parking Operations budget. Revenue from office/commercial space rental will revert to the Parking Operations budget.

POLICY CONSIDERATIONS

The policy considerations contained within this report include: first, that the marketing of the Civic Center Plaza Parking Garage be oriented towards attracting financially viable businesses that will enhance the Civic Center and second, to obtain the highest possible rents for the space.

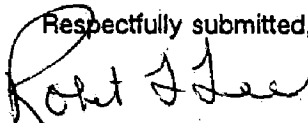
MBE/WBE

During the initial evaluation and selection process, SHRA complied with the M/WBE guidelines in place at that time.

RECOMMENDATION

It is recommended that the attached resolution authorizing the City Manager and the City Clerk to execute an agreement with Iliff, Thorn and Company for lease of the commercial space within the Civic Center Plaza Parking Garage be forwarded to the full City Council for approval.

Respectfully submitted,



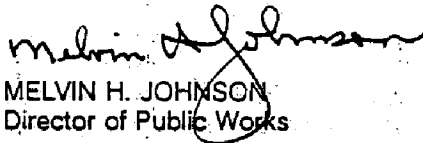
ROBERT L. LEE
Deputy Director of Public Works
Engineering Services

RECOMMENDATION APPROVED:



JACK R. CRIST
Deputy City Manager

APPROVED:



MELVIN H. JOHNSON
Director of Public Works

Contact Person to Answer Questions:

MARY WRAY
Assistant to the Transportation
Division Manager
449-5307

December 12, 1989
District 1

Attachments

MW:sm
CA7-99
1129.89

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING THE CITY MANAGER AND THE CITY CLERK
TO EXECUTE AN AGREEMENT WITH ILIFF, THORN AND COMPANY
FOR LEASE OF THE COMMERCIAL SPACE WITHIN THE
CIVIC CENTER PLAZA PARKING GARAGE

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

That the City Manager and the City Clerk are hereby authorized and directed to execute an agreement with Iliff, Thorn and Company to list approximately 14,500 square feet of commercial space within the Civic Center Plaza Parking Garage for an amount not to exceed \$110,000.

MAYOR

ATTEST:

CITY CLERK

CA7-99

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

LISTING AGREEMENT

The CITY OF SACRAMENTO, a municipal corporation duly organized and existing under the Constitution and laws of the State of California (the "City") and ILIFF, THORN AND COMPANY, an Arizona Corporation ("Broker") agree as follows:

1. **Background and Purpose.** The City seeks tenants to lease commercial/retail space in the Civic Center Plaza Parking Garage Project, (the "Project"), a facility which contains a 1,000+ space garage and approximately 24,600 square feet of commercial/retail space and is located south of I Street between 10th and 11th Streets north of the alley in downtown Sacramento. Broker is a real estate brokerage firm with specific expertise in leasing office/commercial space in downtown Sacramento. Broker desires to serve as the City's agent in locating appropriate tenants and obtaining lease agreements on behalf of the City in accordance with the terms and conditions of this Agreement.

2. **Employment of Broker.** The City hereby employs Broker and Broker accepts employment as the City's exclusive agent for leasing approximately fourteen thousand five hundred (14,500) square feet of office/commercial space located in the Project and identified in the Schematic Design Drawing attached hereto as Exhibit A and incorporated herein by reference (the "Property"). The parties agree that the City shall provide 2.5 parking spaces per thousand (1,000) square feet of leased space for a fee determined in accordance with the City's applicable parking fee schedule, for the exclusive use of the lessee. At least one of these parking spaces shall be located in the Project and in no event shall any of these parking spaces be located more than six hundred (600) linear feet from the Project.

3. **Scope of Services.** As the City's exclusive leasing agent, Broker shall diligently perform such services as are necessary to procure tenants for the Property on the most advantageous terms possible. Such services shall include, without limitation:

- (a) Aggressively marketing the Property in accordance with the provisions of the marketing plan attached as Exhibit B and incorporated herein by reference;
- (b) Providing the City, upon request during the design development phase of the Project, with comments on the proposed design of the Property insofar as this proposed design may affect the marketability of the Property.
- (c) Negotiating, on behalf of the City and subject to the City's approval, the specific terms

and language of each lease granted in connection with the Property, provided that each such lease shall contain the City's standard indemnification and insurance requirements and shall be approved by the City Attorney as to form and content prior to negotiation;

- (d) Providing credit reports on each prospective tenant's financial capabilities to the City for its evaluation and approval based on a reporting system acceptable to both parties, and
- (e) Providing the City, upon the City's request, written reports on marketing activities undertaken in connection with the Property, including information on contacts made, advertising efforts, and the level of interest of potential tenants.

4. Term. The term of this Agreement shall commence immediately upon its execution and shall continue for one hundred and twenty (120) days thereafter. Upon expiration, this term shall be automatically and continuously renewed until such time as this Agreement is terminated pursuant to paragraph 13.

5. Compensation. The City agrees to pay Broker the following commission in connection with any lease of the Property for which Broker is the procuring cause ("Procured Lease"):

- 6% of the gross rents to be paid to the City in years 1 and 2 of any Procured Lease;
- 5% of the gross rents to be paid in year 3;
- 4% of the gross rents to be paid in years 4 and 5;
- 3% of the gross rents to be paid in years 6 through 10;
- 2.5% of the gross rents to be paid during the balance of the lease term.

In computing the commission payable by the City to Broker hereunder, the Parties agree that:

- (a) No commission shall be payable by the City to Broker as a result of an extension of any Procured Lease, whether or not the extension is the result of the tenant's exercise of an option to extend contained in the lease or an addition to the premises during the lease term; and

- (b) The total amount paid to Broker under this Agreement shall not exceed one hundred and ten thousand dollars (\$110,000).

6. **Method of Payment.** The amount of any commission due to Broker shall be calculated by the City and paid to Broker as follows:

- (a) Within 30 days following the execution date of a Procured Lease by the City and the lessee, Broker shall be entitled to receive an amount equal to the total commission due to Broker under paragraph 5 ("Total Commission") multiplied by the number of years of the lease term and divided by twenty (20).
- (b) On the first anniversary of the execution date, Broker shall be entitled to receive an amount equal to: (1) the Total Commission less the amount paid to Broker under paragraph 6(a), (2) multiplied by the total square feet of the Property leased by Broker as of one year from the execution date, and (3) divided by fourteen thousand five hundred (14,500).
- (c) On the second anniversary of the execution date, Broker shall be entitled to receive an amount equal to the Total Commission less the sums paid to Broker under paragraphs 6(a) and 6(b).

Any amounts owed to Broker hereunder shall be paid only after Broker has submitted to the City a bill identifying the Procured Lease to which the payment is attributable and indicating the method by which the requested payment was calculated.

7. **Deposits.** Any deposits received by Broker in connection with any Procured Lease shall be delivered directly and immediately to the City.

8. **Pertinent Information and Data.** The City shall furnish to Broker, upon Broker's request, any and all data or information possessed by the City which may be pertinent to Broker's performance of its obligations under this Agreement.

9. **Ownership of Information.** All professional and technical information developed in connection with this Agreement, and all worksheets, reports, and related data (collectively "Project Information") shall be the property of the City. Broker agrees to deliver all Project Information to the City upon termination of this Agreement, provided that Broker, at Broker's own expense, may copy and retain such Project Information as Broker may deem necessary for the maintenance of Broker's files and records.

10. **Subcontracts.** Broker shall not refer the Property to any multiple listing service or enter into any agreement with any subcontractor or permit any subcontractor to perform any services included in this Agreement unless Broker has received specific written approval from the City. However, Broker shall be permitted to retain subagents as employees to assist in the performance of Broker's obligations hereunder.

11. **Indemnification.** Broker agrees to assume the defense of, and indemnify and hold harmless, the City and its officers, agents, and employees from and against all claims, suits, or actions alleging injury or damages to persons or property resulting from the conduct of Broker, Broker's agents or employees, or any subcontractor, listing agent, or other person employed by Broker in connection with this Agreement.

12. **Insurance.**

12.1 **Type and Coverage.** At all times during the term of this Agreement or any renewal thereof, Broker shall obtain and maintain, and shall cause each and every subcontractor, listing agent and any other independent contractor employed by Broker in connection with this Agreement to obtain and maintain, the following types and amounts of insurance:

- (a) A policy of comprehensive general liability insurance which shall include, without limitation, coverage for contractual liability, public liability and property damage in an amount of not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate;
- (b) If motor vehicles are used in performing any services in connection with this Agreement, a policy of automobile liability insurance in an amount of not less than five hundred thousand dollars (\$500,000) aggregate;
- (c) A policy of Worker's Compensation and Employee Liability Insurance covering all the insured's employees employed in connection with this Agreement, with an employer liability limit of not less than one million dollars (\$1,000,000); and
- (d) A policy of errors and omissions insurance in a minimum amount of one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate.

12.2 **Additional Requirements.**

12.2.1 The insurance policies required to be obtained and maintained hereunder shall be purchased from a company or companies licensed to do business in California and having a rating of at least A-XV. To the extent practicable, the insurance policies shall be carried with the same insurance company.

12.2.2 All of the insurance policies shall name the City as an insured party.

12.2.3 Within ten (10) days after the effective date of this Agreement, Broker shall file with the City certificates of insurance, in a form acceptable to the City, stating that the coverages afforded under the policies required hereunder shall not be cancelled unless at least thirty (30) days prior written notice has been given to the City.

12.2.4 Failure to obtain or maintain the insurance policies required hereunder shall be deemed a material breach of this Agreement. The City shall, nevertheless, have the right, without obligation, to pay any delinquent insurance premiums and any other charges to reinstate or maintain the required insurance policies and withhold the amount of any such payments from any amounts due to Broker under this Agreement.

13: Termination.

13.1 Termination for Cause. If for any reason, Broker fails to perform in a timely manner its obligations under this Agreement, or violates any of the covenants or conditions contained herein, the City shall have the right to terminate this Agreement by giving written notice to Broker specifying the cause and the effective date of termination, provided that such notice must be given at least five (5) days before the effective date.

13.2 Termination at Will. Either party may terminate this Agreement without cause at any time upon thirty (30) days written notice to the other party.

13.3 Automatic Termination. Unless otherwise terminated pursuant to the provisions of paragraphs 13.1 or 13.2, this Agreement shall automatically terminate two (2) years from the date of its execution.

13.4 Rights Upon Termination.

13.4.1 Rights Upon Termination For Cause. In the event this Agreement is terminated by the City for cause, Broker shall be entitled to receive a lump sum payment, based on an hourly rate of one hundred dollars (\$100) per hour, for any services which the City deems to have been satisfactorily

performed under this Agreement, provided that the amount of this lump sum payment shall not in any case exceed five thousand dollars (\$5,000) multiplied by the number of days this Agreement remained in force and divided by thirty (30), less the amount of any commission previously paid to Broker under the provisions of paragraph 6.

13.4.2 Rights Upon Automatic Termination or Termination at Will. In the event this Agreement is automatically terminated or terminated by either party at will; Broker shall be entitled to receive at Broker's discretion, either:

- (a) A lump sum payment, based on an hourly rate of one hundred dollars (\$100) per hour, for services rendered by Broker under this Agreement, provided that the amount of this lump sum payment shall not exceed five thousand dollars (\$5,000) multiplied by the number of days this Agreement remained in force and divided by thirty (30), less the amount of any commission previously paid to Broker under the provisions of paragraph 6; or
- (b) The right to receive commission payments in accordance with the terms of paragraphs 5 and 6, provided that the total amount paid to Broker shall not exceed an amount equal to one hundred ten thousand dollars (\$110,000) multiplied by the total number of square feet of the property leased through Broker's efforts and divided by fourteen thousand five hundred (14,500).

13.5 Lease After Termination. If, within thirty (30) days after the automatic or at will termination of this Agreement, the City leases any portion of the property to any person with whom Broker has engaged in substantial negotiations concerning a possible lease of the property, such lease shall be deemed a Procured Lease and shall be included in the calculation of Broker's commission under paragraph 13.4.2(b), provided no later than fifteen (15) days after the termination of this Agreement, Broker provides the City with a list of all parties with whom Broker has engaged in substantial negotiations for a possible lease and a brief explanation of the substance of these negotiations. This paragraph 13.5 shall have no application if the City terminates this Agreement for cause because of Broker's failure to perform or breach of duty.

14. Personnel. Broker represents that all of the services required hereunder shall be performed by Broker or under Broker's supervision and all personnel engaged in the work will be fully qualified and licensed or permitted under state and local law to perform such services.

15. Equal Employment Opportunity. During the performance of this Agreement, Broker, for itself, its assignees and successors in interest, agrees as follows:

15.1 **Compliance With Regulations:** Broker shall comply with the Executive Order 11246 entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60), hereinafter referred to as the "Regulations."

15.2 **Nondiscrimination:** Broker, with regard to the work performed by it after award and prior to completion of the work pursuant to this Agreement, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in the selection and retention of subcontractors, including procurement of materials and leases of equipment. Broker shall not participate either directly or indirectly in discrimination prohibited by the Regulations.

15.3 **Solicitations for Subcontractors, Including Procurement of Materials and Equipment:** In all solicitations either by competitive bidding or negotiations made by Broker for work to be performed under any subcontract, including procurement of materials or equipment, each potential subcontractor or supplier shall be notified by Broker of Broker's obligation under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation.

15.4 **Information and Reports:** Broker shall provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the City of Sacramento to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of Broker is in the exclusive possession of another who fails or refuses to furnish this information, Broker shall so certify to the City of Sacramento, and shall set forth what efforts it has made to obtain the information.

15.5 **Sanctions for Noncompliance:** In the event of noncompliance by Broker with the nondiscrimination provisions of this Agreement, the City of Sacramento shall impose such contract sanctions as it may determine to be appropriate including, but not limited to:

- (1) Withholding of payments to Broker under the Agreement until Broker complies;
- (2) Cancellation, termination, or suspension of this Agreement, in whole or in part.

15.6 **Incorporation of Provisions:** Broker shall include the provisions of Paragraphs 15.1 through 15.5 in every subcontract, including procurement of materials and leases of equipment, unless exempt by Regulations, order, or instructions issued pursuant thereto. Broker shall take such action with respect to any Regulations, order or instructions issued pursuant thereto. Broker shall take such

action with respect to any subcontract or procurement as the City of Sacramento may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Broker becomes involved in, or is threatened with, litigation, Broker may request City to enter such litigation to protect the interests of City.

16. **Confidentiality.** The parties agree that all project information shall be confidential and shall not be made available to any individual or organizations or news sources without the prior written consent of the City.

17. **Miscellaneous.**

17.1 **Entire Agreement.** This document constitutes the entire agreement between the parties, all oral agreements being merged herein, and supersedes all prior representations.

17.2 **Amendment.** The provisions of this Agreement may be modified at any time by agreement of the parties. Any such agreement shall be ineffective to modify this Agreement in any respect unless in writing and signed by the party against whom enforcement of the modification is sought.

17.3 **Attorney's Fees; Prejudgment Interest.** If the services of an attorney are required by either party to secure the performance of this Agreement or otherwise upon the breach or the default of either party, or if any judicial remedy or arbitration is necessary to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and other expenses, in addition to any other relief to which such party may be entitled.

17.4 **Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement which can be given effect without the invalid provision shall continue in full force and effect and shall in no way be impaired or invalidated.

17.5 **Notices.** Any notice under this Agreement shall be in writing and any written notice or other document shall be deemed or to have been duly given on the date of personal service on the parties or on the fifth business day after mailing, if the document is mailed by registered or certified mail addressed to the parties at the following addresses:

John Austin
Liff, Thorn and Company
1610 Arden Way, Suite 245
Sacramento, CA 95815

Mary Wray
Assistant to the Transportation Division Manager
City of Sacramento
1023 J Street, Suite 200
Sacramento, CA 95814

17.6 Nonassignability. This Agreement shall not be assigned by either party without the prior written consent of the other party. Any assignment contrary to the provisions of this Agreement shall be deemed a default under the Agreement, allowing the nondefaulting party to exercise all remedies available under law.

17.7 Interest of Local Public Officials. No member of the governing body of the City and no other public official employed by the City who exercises any functions or responsibilities in the review or approval of the Project shall have any personal interest, direct or indirect, in this Agreement.

17.8 Interest of Broker. Broker covenants that it presently has no interest and shall not acquire any interest, direct or indirect in the Project or any portion thereof or any other interest which would conflict in any manner or degree with Broker's performance of services hereunder. Broker further covenants that no person having any such interest shall be employed in the performance of services under this Agreement.

DATED: _____

CITY OF SACRAMENTO, A
Municipal Corporation

By _____
MANAGER

ATTEST:

CITY CLERK

DATED: _____

By _____

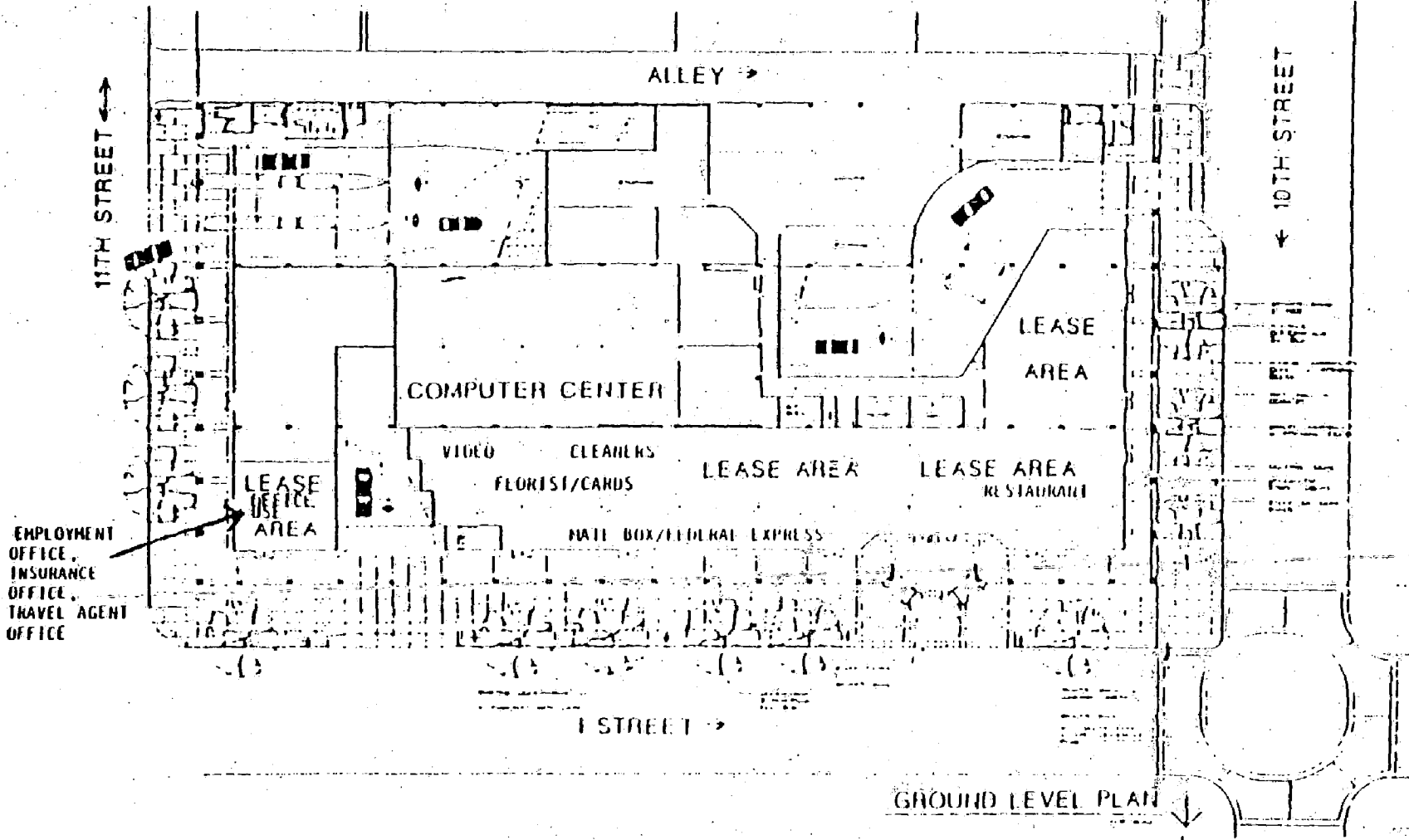
ILIFF, THORN & COMPANY

APPROVED AS TO FORM:

CITY ATTORNEY

MW:lm

MW3-09.L



GROUND LEVEL PLAN

11TH STREET

pod

ATTACHMENT A

EAST END PARKING STRUCTURE
 1000 11 STREET
 SACRAMENTO, CALIFORNIA

EXHIBIT A

CITY OF SACRAMENTO
10TH AND "I" PARKING GARAGE (RETAIL)
MARKETING PLAN

PRESENTED BY:

JOHN AUSTIN

ILIFF, THORN & COMPANY

SUBMITTED: APRIL 19, 1988

REVISED: OCTOBER 24, 1989

LISTING AGENT

John Austin

Having more than 15 years of marketing experience, Mr. Austin's clients include, but are not limited to Kmart Development (projects throughout Northern California), Fred Meyer, a billion dollar a year retailer looking for six sites in the Greater Sacramento Area, Radio Shack, Payless Shoe Source, and many local retail accounts. At present, Mr. Austin is responsible for the leasing of approximately one half million square feet of retail shopping center space.

MARKETING

Iliff, Thorn & Company will develop a marketing environment which will utilize the existing demographics of the downtown core area, including the 66,000+ employees working in downtown Sacramento on a daily basis, and the visibility of our site to attract acceptable retail tenants to the site.

There are two markets we will attempt to define for our prospective retail tenants. The primary market will be the 66,000+ employees that work within the downtown area on a daily basis. These people have the need for retail goods and services easily accessible to them either before work, after work, or during the course of the day.

The secondary market is comprised of people who visit downtown Sacramento on a less than daily basis, but nonetheless have a fairly consistent need to be in the downtown core, and can utilize the goods and services provided by our retail tenants.

To do this, we will utilize aerial photography, traffic counts, parking requirements, and future development plans within the trade area.

TENANT MIX

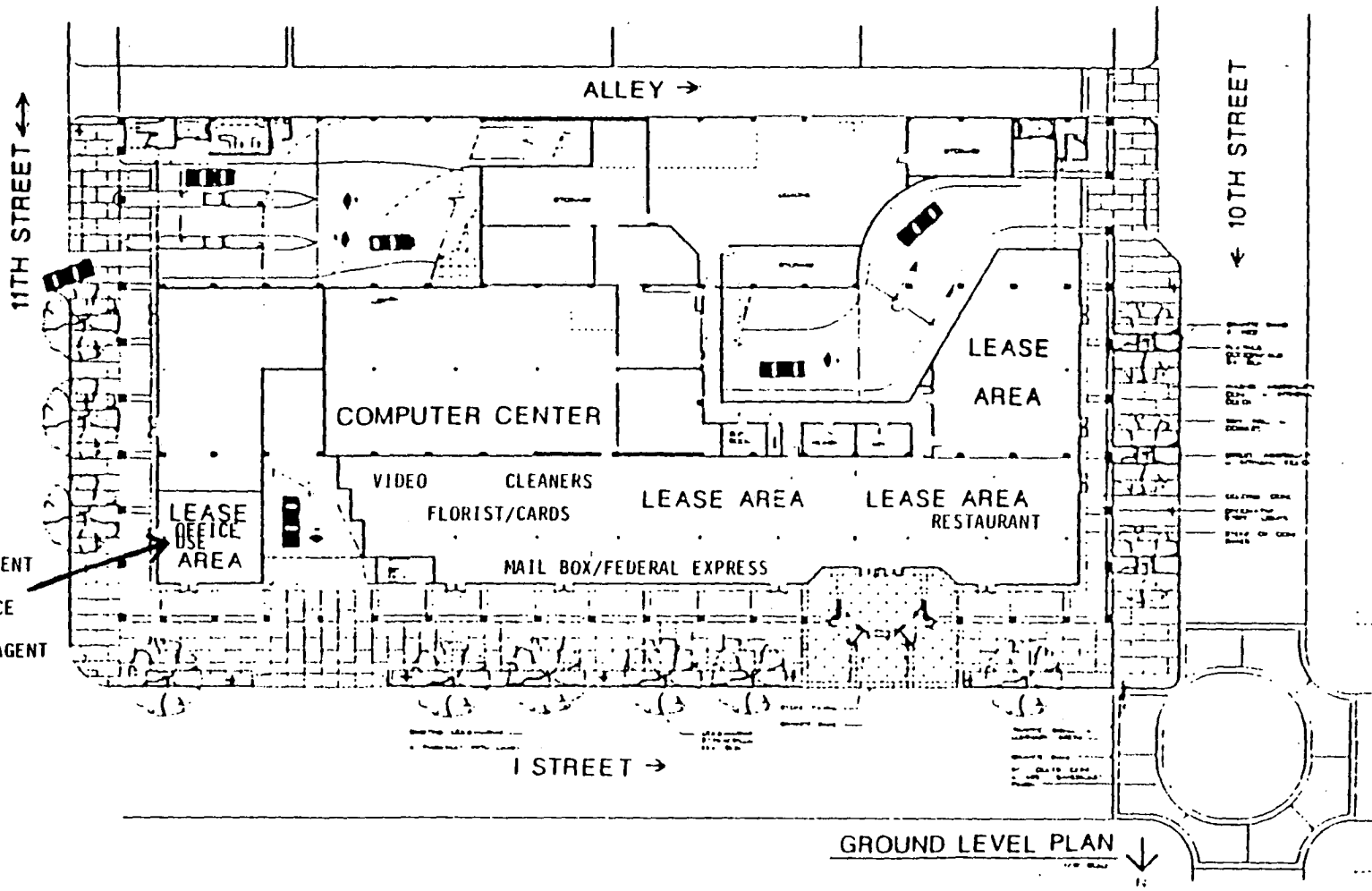
The tenant mix, as indicated on the following page (Attachment A), has been designed to create "site synergy" in an effort to bring people to the site on a consistent basis, whether they visit the same retail tenant over and over again, or visit different retail tenants on an "as needed" basis. This will allow the tenants within our site to enjoy a larger market share than if the tenant mix was not compatible, or suitable for the trade area demographics.

ASTIRAK

Professional Drawing Created by
ASTIRAK



EAST END PARKING STRUCTURE
1000 "I" STREET
SACRAMENTO, CALIFORNIA



ATTACHMENT A

MARKETING TO COMMERCIAL REAL ESTATE BROKERS

Iliff, Thorn & Company will cause to have delivered comprehensive and appropriate marketing material to all commercial brokers that may be of assistance in developing leads (consummating leases) throughout Northern California.

PROSPECTIVE RETAIL USERS

Iliff, Thorn & Company will cause to be delivered appropriate and complete marketing information to retail tenants that fit our tenant mix plan. Through the use of vertical marketing techniques, we will endeavor to identify and contact all prospective retail tenants that will be a valued addition to our site.

MARKETING MATERIAL

Illif, Thorn & Company will develop the following marketing material:

1. Aerial Photography
2. Isometric Plan of Downtown Sacramento
3. Trade Area Demographics
4. Site Plans (Including Elevations)
5. Comparable Retail Rates In The Downtown Area

MARKETING SUMMARY

It is our belief this location is ideally situated for an eighteen (18) month absorption period. As you will see on the enclosed tenant mix, our target market is fairly well defined, and we feel capable of communicating with all of the prospective tenants within one hundred twenty (120) days of receiving listing agreement execution by The City of Sacramento.

If any adjustments are required, do to the vagaries of retail leasing in the tenant mix, Iliff, Thorn & Company will qualify those changes and look to The City of Sacramento for their approval.

DATED: _____

By _____

ILIFF, THORN & COMPANY

APPROVED AS TO FORM:

CITY ATTORNEY

MW:lm

MW3-09.L