



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



6

April 2, 1991

Transportation/Community Development
and Budget & Finance Committee
Sacramento, CA

Honorable Members in Session:

SUBJECT: Authorization to Purchase Adjacent Parcels and Issue
Request for Proposal for the Development of the Northwest
Corner of Broadway and Stockton Blvd.

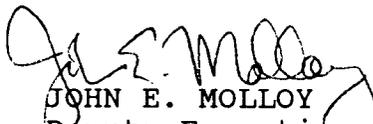
SUMMARY

The attached report is submitted to you for review and
recommendation prior to consideration by the Redevelopment Agency
of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolution approving
the termination of negotiations, purchase of land, Request for
Proposals and budget amendment.

Respectfully submitted,


JOHN E. MOLLOY
Deputy Executive Director

TRANSMITTAL TO COMMITTEE:


JACK R. CRIST
Deputy City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



April 16, 1991

Redevelopment Agency of the
City of Sacramento
Sacramento California

Honorable Members in Session

Subject: Authorization to Purchase Adjacent Parcels and Issue
Request for Proposal for the Development of the Northwest
Corner of Broadway and Stockton Boulevard

SUMMARY

This report authorizes the Executive Director to: 1) terminate negotiations with Lukenbill Enterprises for the development of the northwest corner of Broadway and Stockton Boulevard; 2) initiate negotiations necessary to purchase adjacent parcels in order to increase size of the site; 3) upon obtaining Agency control of the site, issue a new Request for Proposal for the development of the site; and 4) amend the Agency's budget to provide a maximum of \$1,000,000 in funds required for the acquisition of the site and additional decontamination expenses.

BACKGROUND

The subject development site currently controlled by the Agency is comprised of five parcels located at the intersection of Oak Park's Broadway and Stockton Boulevard Commercial Strips. This northwest corner of Broadway/ Stockton Boulevard is identified as one of the key catalyst sites for development in the recently approved Five Year Redevelopment Strategy for Oak Park. A description and map of the 33,800 square feet site is attached as Exhibit 1.

In 1986 the Agency initiated acquisition of the site through eminent domain proceedings in order to eliminate the blighting effect caused by a business operating on the site at that time. The Agency currently has possession of the site and a court date is set for April 8, 1991 to establish the final sales price.

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The establishment of a sales price is complicated by the fact that toxic waste was discovered due to the leakage of gasoline tanks from a former gas station located on the site. Soil and groundwater contamination was identified and a Remediation Action Plan, approved by the Agency in 1989, is currently being implemented. The soil contamination cleanup has been completed and the groundwater contamination cleanup, currently underway, can be performed concurrently with the development of the site.

On July 17, 1989 the Agency adopted a resolution authorizing the Executive Director to issue a Request for Proposals (RFP) to purchase and develop the Broadway/ Stockton Site for a neighborhood serving retail use. In March 1990 Lukenbill Enterprises was selected by the City Council to develop the site and the Executive Director was authorized to negotiate a Disposition and Development Agreement. Because Lukenbill Enterprises and the Agency have been unable to come to an agreement on the purchase price of the Agency-owned site, staff recommends that negotiations of the DDA be formally terminated.

It is staff's intention to reissue a Request for Proposal (RFP) for the development of the Stockton and Broadway site. In the original Request for Proposals priority was placed on development proposals that involved an area larger than the Agency site in order to have a more significant impact on the economic growth of the Oak Park Project Area. In order to assure that the development of a larger site becomes a reality, staff recommends acquisition of parcels adjacent to the site currently controlled by the Agency. Of these parcels five are owned by Lukenbill Enterprises. In addition options will be sought on ten parcels owned by individuals. (If options cannot be obtained, acquisition will still be pursued). Staff recommends acquiring these sites to increase frontage on both Broadway and Stockton Boulevard and also to provide sufficient land for a substantial, highly visible development.

The following Lukenbill Enterprise properties are adjacent to the Agency owned site:

<u>APN</u>	<u>ZONING</u>	<u>SQUARE FEET</u>
014-0163-08, 014-0163-09	C-2	30,868
014-0163-10, 014-0163-11, 014-0163-23	C-2	7,980
	TOTAL	<u>38,848</u>

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The following is a list of individually owned parcels recommended to be optioned by the Agency.

<u>APN</u>	<u>ZONING</u>	<u>SQUARE FEET</u>
014-0163-17	C-2	6,000
014-0163-18	C-2	4,000
014-0163-19	C-2	2,000
014-0163-20	C-2	2,000
014-0163-21	C-2	4,000
014-0163-22	C-2	6,000
014-0163-24	C-2	7,700
014-0163-25	C-2	7,000
014-0163-26	C-2	3,300
014-0163-27	C-2	4,400
		<hr/> 50,400

Exhibit 2, and Exhibit 3, Location Map, indicates all individually-owned parcels targeted for acquisition or option. The total resulting site would be approximately 2.8 acres, and is illustrated in Exhibit 4.

The Agency is not and will not be obligated to use its powers of eminent domain to acquire any adjacent parcel to the Agency owned site.

Request for Proposal

Staff recommends issuing a Request for Proposals as soon as the targeted properties are controlled by the Agency (through purchase or option); the RFP will be advertised to solicit proposals to purchase and develop the site for retail or office use. Preference will be given to a retail use. Proposals submitted must provide a development plan for the full 2.8 acre site which the Agency will have assembled. A copy of the RFP is attached as Exhibit 5.

In order to increase and promote ethnic minority participation in the redevelopment and economic growth of the Project Area, the Agency is also encouraging proposals that include ethnic minority participation in the ownership of the development.

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The RFP requires a minimum bid amount equal to the fair market value for the property and a good faith deposit of \$10,000. The Agency will retain \$1,000 of the deposit as a non-refundable processing fee. The fair market value for the site currently controlled by the Agency was established in 1989 at \$256,000. Values for additional parcels will be determined in the process of negotiations and verified by an MAI appraisal.

Developers may qualify for financial assistance through the Agency's Oak Park Developer Assistance Program in the case of a redevelopment project which demonstrates significant public benefit in the form of employment opportunities or other services for Oak Park residents.

All proposals will be reviewed by a five member Selection Committee consisting of one (1) representative each from the Sacramento Housing and Redevelopment Commission, the Sacramento Housing and Redevelopment Agency staff, and City Economic Development staff. Two (2) members will represent the Oak Park Project Area Committee.

The final selection of a developer will be based on the following criteria:

1. Developer Experience	30 points
2. Financial Capability of the Developer	30 points
3. Qualification of Development Team Members	20 points
4. Desirability, Feasibility and Management of the Proposed Development Concept	30 points
5. Public Benefit of the Project	20 points
6. Owner Occupancy	10 points
7. Purchase Price above Minimum Bid	10 points
<hr/>	
TOTAL	150 points

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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FINANCIAL DATA

The portion of the Broadway and Stockton site currently owned by the Agency excluding improvements, was appraised in 1989 for \$256,000. In November of 1986, the Agency, as part of eminent domain procedures, deposited with the Superior Court of California a just compensation sum of \$215,000 which was established by the 1985 appraisal for land, improvements and goodwill. There is a potential for additional costs to be imposed subject to the Court's final decision.

Oak Park tax increment funds are available in the Developer's Assistance Program to use for the acquisition of additional parcels adjacent to the Agency-owned site. Transfer of funds from the Developer's Assistance Program to the Broadway/Stockton project is requested if this action is approved. It is anticipated that additional acquisitions may cost approximately \$980,000 if all parcels outlined in this report are acquired by the Agency. This amount will be less if options can be obtained. All or a portion of the Agency's land costs will be recovered upon sale of the property to a selected developer. A developer may qualify for financial assistance for a development proposal which demonstrates public benefit such as the provision of employment opportunities for Oak Park residents or business opportunities for local business.

To date, total costs for demolition and site clean-up equal \$135,200. These costs include \$35,000 for demolition and tank removal, \$41,600 for testing and clean-up of the contaminated soil and \$58,600 for testing groundwater contamination. An additional \$135,000 had been approved by the Redevelopment Agency for decontamination of the groundwater. This report seeks approval of the expenditure of a maximum of \$20,000 in additional expenses related to the site's decontamination and a transfer of the funds from the Developer's Assistance Program to the Broadway/Stockton project.

ENVIRONMENTAL REVIEW

This recommended action is exempt from environmental review. Per CEQA Guidelines Section 15262. NEPA does not apply. Full environmental review of any proposed project will be conducted prior to completion of a DDA.

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POLICY IMPLICATION

This recommended action is consistent with Agency policy including the Oak Park Redevelopment Plan and the Five Year Revitalization Strategy 1991-1995.

MBE\WBE Efforts

The selected developer will be required to conform with Agency MBE/WBE policy in the development of the project. Agency policy will be made a part of the DDA.

VOTE AND RECOMMENDATION OF THE OAK PARK PROJECT AREA COMMITTEE (PAC)

At its December 5, 1990 general meeting the Oak Park Project Area Committee (PAC) considered and approved the recommendations presented in this report. The votes were as follows:

AYES: Bozeman, Dansby, Crump, DeForest, Healy, Lucero,
Lydon, Millar, Moore, Roberts, Robinson, White

NOES: None

ABSTAIN: Anderson

VOTE AND RECOMMENDATION OF THE COMMISSION

At its meeting of March 27, 1991, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Amundson, Cespedes, Diepenbrock, Moose, Simon, Yew, Strong

NOES: None

NOT PRESENT TO VOTE: Parnell, Simpson, Wooley

ABSENT: Williams

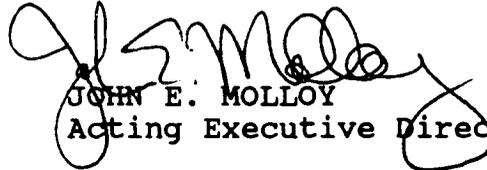
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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RECOMMENDATION

Staff recommends that : 1) the negotiations with Lukenbill Enterprises be officially terminated; 2) that the Agency be authorized to acquire additional adjacent property on the northwest corner of Broadway/Stockton Boulevard with acquisition costs based upon just compensation values; 3) upon obtaining Agency control of the site, the attached Request for Proposal for the development of the northwest corner of Broadway and Stockton Site be issued to solicit development proposals; 4) amend the Agency's budget to provide a maximum of \$980,000 for property options and acquisition; and, 5) amend the Agency's budget to provide a maximum of \$20,000 in additional funds required for the decontamination of the site.

Respectfully submitted,


JOHN E. MOLLOY
Acting Executive Director

TRANSMITTAL TO COUNCIL

WALTER J. SLIPE
City Manager

Contact Person: Leslie Fritzsche

F:\DDR\OPBSSR

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

**TERMINATION OF LUKENBILL ENTERPRISES NEGOTIATION;
ACQUISITION OF PROPERTIES; RESOLUTION OF JUST COMPENSATION;
REQUEST FOR PROPOSALS: NORTHWEST CORNER OF
BROADWAY AND STOCKTON**

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

Section 1: The Executive Director is hereby authorized to terminate negotiations with Lukenbill Enterprises for the development of the Agency owned site located at the north west corner of Broadway and Stockton Boulevard.

Section 2: After establishment of just compensation, the Executive Director is hereby authorized to negotiate and take all actions necessary to obtain options or consummate the purchase of some or all of the additional properties adjacent to the north west corner of Broadway and Stockton Boulevard Site, generally described as Assessor Parcel Numbers 014-0163-08, 09, 10, 11, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 27, at prices which do not substantially exceed the amount established as just compensation plus lawful relocation and other related acquisition costs which are, in the aggregate, within the budget established for the Project by this Resolution.

Section 3: The Executive Director is authorized to obtain appraisals, from an M.A.I. member appraiser, for the respective properties to be acquired, and the just compensation for the properties shall be the respective amounts determined by appraisals so obtained.

Section 4: The Executive Director is hereby authorized to issue and advertise a Request for Proposals ("RFP") to purchase and develop the Broadway and Stockton Site located at the north west corner of Broadway and Stockton Boulevard, Sacramento, in the Oak Park Project Area (APN: 014-163-08, 09, 10, 11, 12, 13, 14, 15 and 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27). The RFP shall be substantially in the form attached to this Resolution.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 5: The Agency's 1991 Budget is amended to provide a maximum of \$1,000,000 in funds required for an acquisition of the additional properties (including relocation, goodwill and related expenses) and for decontamination of the site subject to the RFP.

Section 6: The Executive Director is authorized to establish a Selection Committee to review and make recommendations regarding the development proposals submitted in response to the RFP which Selection Committee shall be comprised of the following:

- 1 Sacramento Housing and Redevelopment Commission Member;
- 1 Sacramento Housing and Redevelopment Agency Staff Person;
- 2 Oak Park Project Area Committee Members; and
- 1 City of Sacramento Economic Development Division Staff Person.

CHAIR

ATTEST:

SECRETARY

p:\share\reso\opbssr

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

EXHIBIT 1

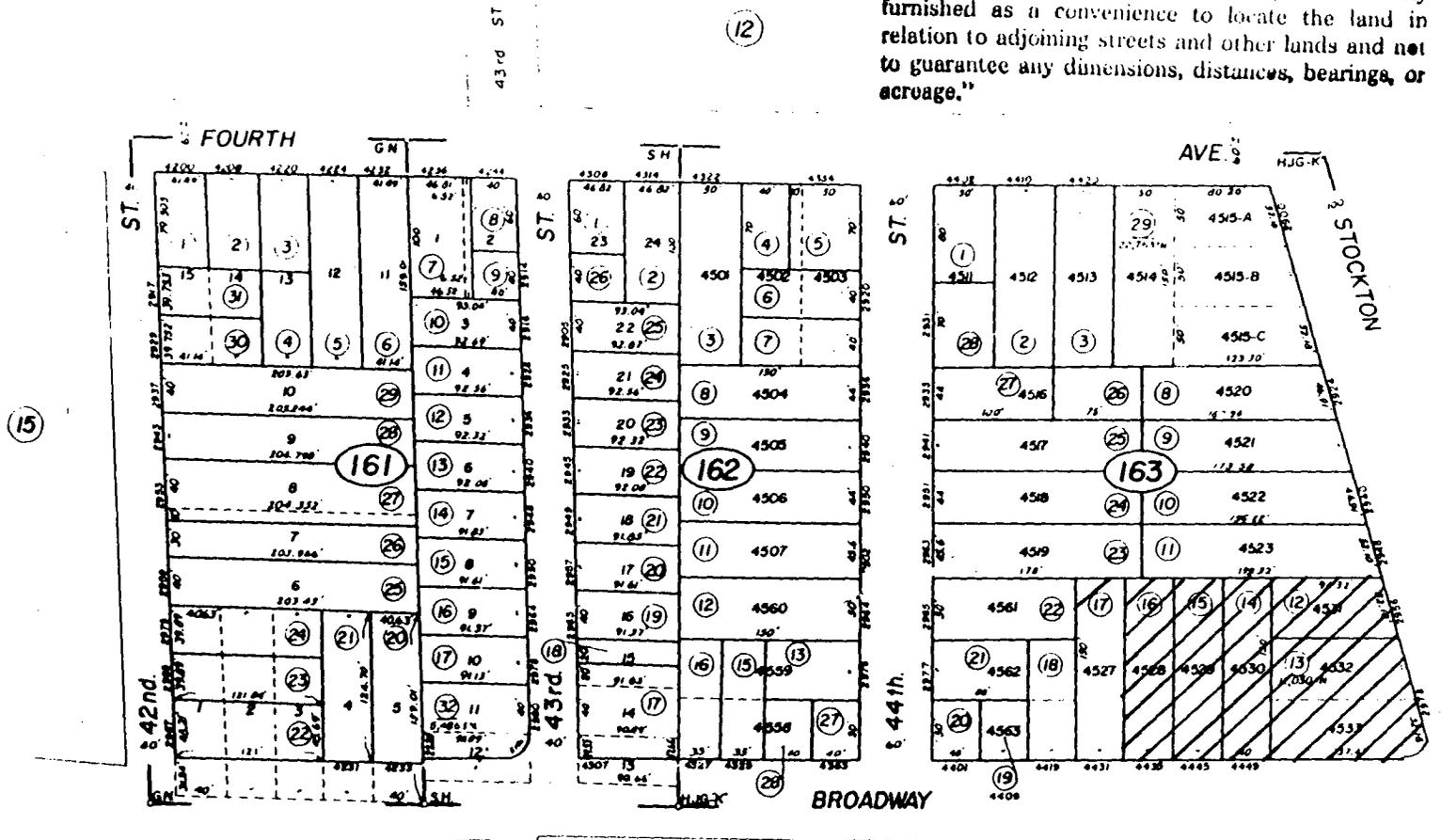
Lots 014-163-12, 13, 14, 15 and 16 as shown on the "Amended Plat of H.J. Goethe Company's Addition "K" to Sacramento", Recorded in Book 14, page 16, records of said County.

0759Q

AMD PLAT OF H.J. GOETHE ADD "K", AMD PLAT OF GUST NELSON TR. & STRAWBERRY HILL

Tax Area Code

"IMPORTANT: This plat is not a survey. It is merely furnished as a convenience to locate the land in relation to adjoining streets and other lands and not to guarantee any dimensions, distances, bearings, or acreage."



(15)

(12)

(19)

Bk II



AGENCY OWNED PARCELS

NOTE—Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

CITY OF SACRAMENTO
Assessor's Map Bk. 14 -Pg.16
County of Sacramento, Calif.

EXHIBIT I

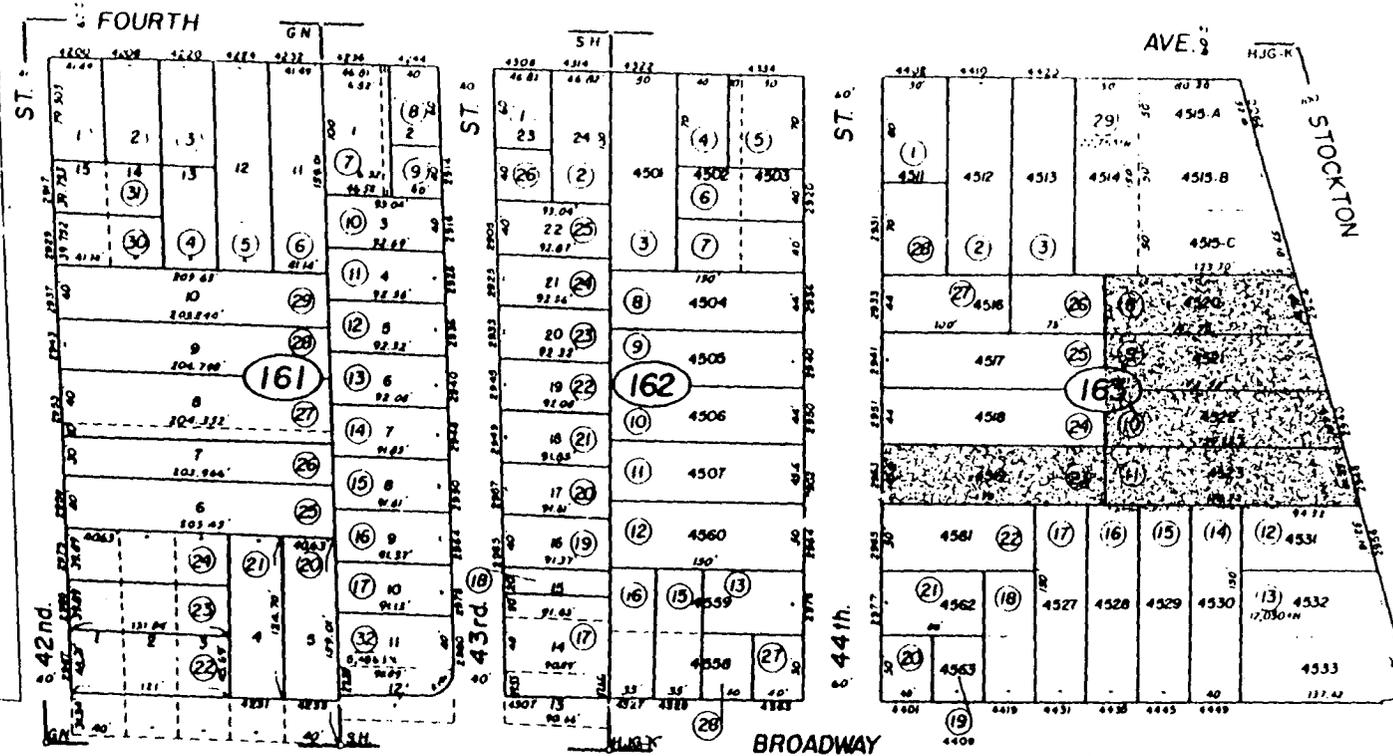
(11)

AMD. PLAT OF H.J. GOETHE ADD. "K", AMD. PLAT OF GUST NELSON TR. & STRAWBERRY HILL

Tax Area Code

14-16

"IMPORTANT: This plat is not a survey. It is merely furnished as a convenience to locate the land in relation to adjoining streets and other lands and not to guarantee any dimensions, distances, bearings, or acreage."



(15)

(12)

(19)

Bk II



LUKENBILL OWNED PARCELS

CITY OF SACRAMENTO
Assessor's Map-Bk-14-Pg-16
County of Sacramento, Calif.

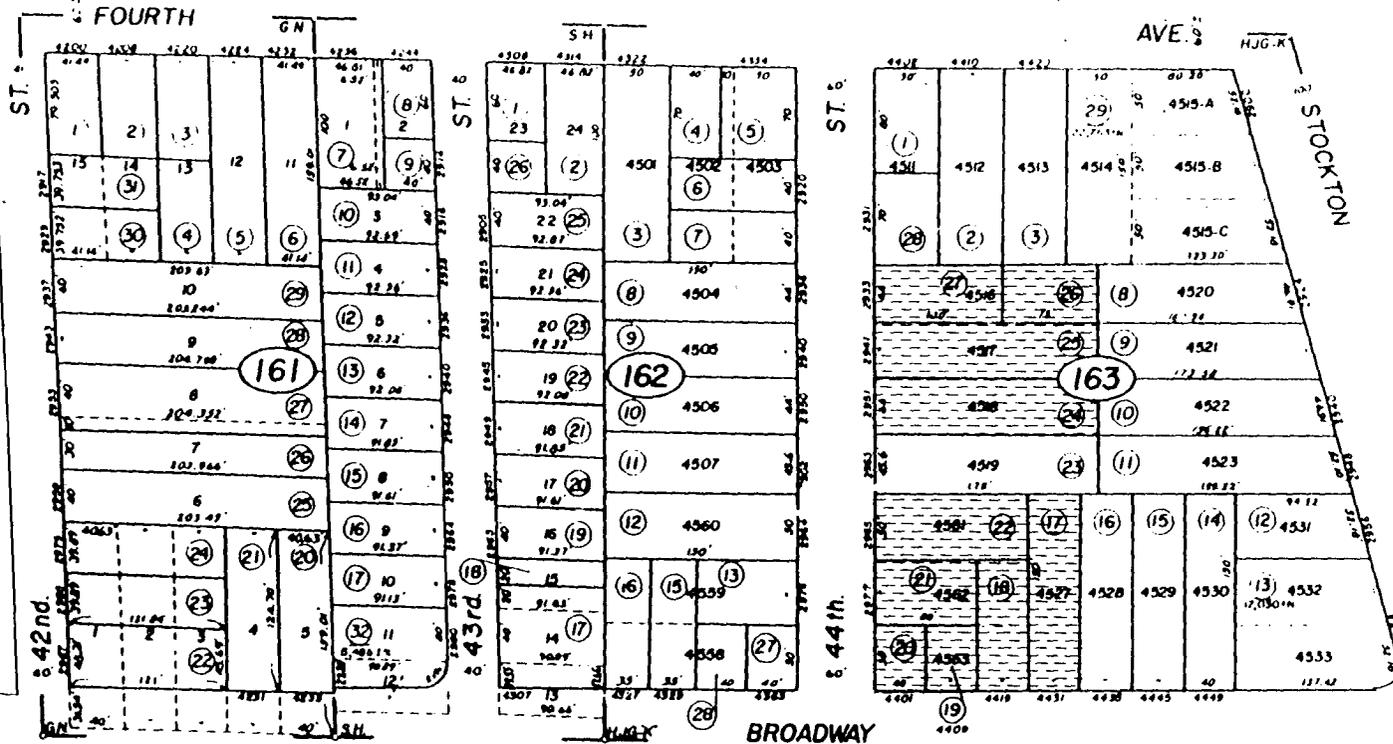
NOTICE: Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.

AMD. PLAT OF H.J. GOETHE ADD. "K", AMD. PLAT OF GUST NELSON TR. & STRAWBERRY HILL

Tax Area Code

14-16

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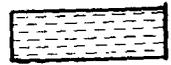


(15)

(12)

(19)

Bk 11



INDIVIDUALLY OWNED PARCELS

CITY OF SACRAMENTO
Assessor's Map Bk. 14 -Pg. 16
County of Sacramento, Calif.

NOTE—Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.



(13)

REQUEST FOR PROPOSALS

TO

PURCHASE AND DEVELOP

THE BROADWAY AND STOCKTON SITE

NORTHWEST CORNER OF BROADWAY AND STOCKTON BOULEVARD

SACRAMENTO, CALIFORNIA

**OFFERED BY: SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
630 I STREET
SACRAMENTO, CA 95814
(916) 440-1315**

**REQUEST FOR PROPOSALS TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE**

Sacramento, CA 95817

APN: 014-163-08 thru 27 inclusive

The Sacramento Housing and Redevelopment Agency is seeking proposals from qualified development entities to purchase and develop the referenced Broadway and Stockton Site.

The subject site is considered by the Agency to be key location in the Oak Park Redevelopment Project Area for commercial/office development. The development of the site is also expected to act as a catalyst for other economic development activity along the Broadway and Stockton Boulevard commercial corridors.

Priority will be given to larger developments which include adjacent parcels. Although the subject site may be adequate for a small development, the Agency feels a larger development will have a more positive impact on the economic growth of the project area. All developers should be prepared to address this issue as part of their overall proposals.

The Sacramento Housing and Redevelopment Agency is also encouraging the submittal of proposals with twenty percent (20%) or greater ethnic minority ownership of the development. The public and private sector are encouraged to make an effort to increase and promote ethnic minority participation in the redevelopment and economic growth of the Project Area. Ethnic minority participation in all facets of the redevelopment process is seen as key to the overall success in the redevelopment process is seen as key to the overall success in the Oak Park Redevelopment Project Area.

The Appendix of this package provides background on the site and the Oak Park Redevelopment Area which may assist you in assessing the site's potential.

PURCHASE PRICE: The Agency will offer the property at fair market value as established by appraisal.

Each applicant shall provide a good faith deposit of \$10,000. This deposit shall be in the form of a certified check. Upon selection of a successful bidder the deposit minus a \$1,000 processing fee shall be immediately returned to unsuccessful bidder's deposit will be held until all construction work has been completed and a Certification of Completion has been issued.

**REQUEST FOR PROPOSALS TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE
Page Two**

PROPOSAL CONTENTS: Proposals must contain the following:

1. An executed Proposal to Purchase and Redevelop Land (attached) including:
 - Exhibit A: Project Concept Narrative
 - Exhibit B: Proposed Redevelopment Budget and Financing Plan
 - Exhibit C: Marketing and Management Plans
 - Exhibit D: Preliminary Architectural Plans
2. Developer's Statement of Public Disclosures, Part I (HUD 6004) (attached).
3. Developer's Statement of Qualifications and Financial Capability Part II (HUD 6004) (attached) and financial and qualification statements for your development team.
4. Good Faith Deposit of \$10,000.
5. Art in Public Places Proposal (attached), if applicable.

SUBMISSION: Proposals including all of the above items in complete form must be submitted to the Sacramento Housing and Redevelopment Agency (SHRA), 630 I Street, ATTN: Joan Roberts, Agency Clerk, 3rd Floor, Sacramento, California 95814 no later than 5:00 p.m. on (date to be announced).

AGENCY PARTICIPATION:

Assembling Adjacent Parcels

The Agency will assist the project by assembling the parcels under a single ownership. Agency will negotiate for or assist in the purchase of the various parcels within the Site, provide services for relocation of existing owners, tenants and businesses and assist in the development process. The Agency is not and will not be obligated to use its powers of eminent domain to acquire the Site or any parcel in the Site.

The selected developer will pay the actual acquisition, relocation, demolition, mitigation and construction costs and fees. Any expenses incurred by Agency, other than Agency staff and toxic clean-up costs will be reimbursed by the developer.

**REQUEST FOR PROPOSALS TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE
Page Three**

POTENTIAL AGENCY SUBSIDIES FOR THE PROJECT: For projects which offer significant public benefit such as employment for Oak Park residents, or other similar benefits the Agency's Commercial Development Assistance Program Funds may be potential sources of financing. Attached as part of the appendices are: 1) guidelines for the Agency Developer Assistance Program; 2) a Potential Developer Inquiry Form; and 3) an application for Developer Assistance. The later two forms should be submitted with your proposal if you wish to be considered for assistance. Please note that proposals which request Agency subsidy must still include a private equity investment or private lender commitment which provides a 3:1 ratio of private to public funds.

AGENCY REVIEW: The Redevelopment Agency of the City of Sacramento will make the final selection of a developer for the subject parcel based on evaluation of written information submitted and developer experience with similar projects. The Agency reserves the right to reject all proposals or to reject specific proposals which are incomplete or unresponsive. For further information, please contact Leslie Fritzsche, 600 I Street, Sacramento, California 95814, (916) 440-1315.

PROPOSAL SELECTION CRITERIA: A Selection Committee established by the Agency will rank developers based on information submitted as part of the redevelopment proposal; interviews; investigation of the developer's previous projects, performance, and financial capability; and other pertinent factors. Emphasis will be placed on the qualifications and financial capability of the developer.

The following criteria will be applied by the Selection Committee to evaluate proposals with the following weights (150 points total):

1. Developer Experience (30 points)

- A. Comparable projects completed by the developer will be evaluated in terms of:
 - 1. Economic success.
 - 2. Overall architectural and design quality.
 - 3. Size.
 - 4. Successful operation with emphasis on quality management.
 - 5. Joint public-private involvement.
- B. Ability to attract commercial tenants.
- C. Timeliness of performance.
- D. Delivery of product initially represented.

**REQUEST FOR PROPOSALS TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE
Page Four**

2. Financial Capability of the Developer (30 points)
 - A. Ability to raise adequate capital for the project.
 - B. Strength of current relationships with financing sources.
 - C. Ability to operate project during sale/lease up period.

3. Qualification of Development Team Members (20 points)
 - A. Qualification and experience of key persons and entities included in the development team.
 - B. Proposed legal/financial relationship of development team members (partnership, corporation, etc).

4. Desirability, Feasibility, and Management of the Proposed Development Concept (30 points)
 - A. Quality of proposed project including design and economic soundness of financing and project budget.
 - B. Timing of construction.
 - C. Ability to guarantee continued quality management of project.

5. Public Benefit of the Project (20 points) including
 - A. Job creation for residents of Oak Park.
 - B. Special benefit to disadvantaged or unserved populations.
 - C. Other public benefit.

6. Owner Occupancy (10 points)

REQUEST FOR PROPOSALS TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE
Page Five

7. Purchase Price (10 points)

SCHEDULE: The timeframe for review and selection of proposals will be established upon completion of acquisition of the adjacent targeted parcels.

**PROPOSAL TO PURCHASE AND
DEVELOP BROADWAY AND STOCKTON SITE**

Instructions For Submittals

The attached forms constitute the proposal format for Agency review. Please read the instructions below and complete all forms and attachments, including:

1. Proposals to Purchase and Redevelop Land:

This is your official statement of intent to purchase and redevelop the Broadway and Stockton Site. Please fill in all necessary information and submit the signed original of this form to the Agency. The four (4) attachments required to be appended with this form are:

Exhibit A: Project Narrative
Exhibit B: Proposed Redevelopment Budget and Financing Plan
Exhibit C: Marketing and Management Plans
Exhibit D: Preliminary Architectural Plans

2. Developer's Statement of Public Disclosures (Part I HUD Form 6004).

3. Developer's Statement of Qualifications and Financial Capability. (Part II HUD Form 6004) Please also attach financial and qualification statements of your development team.

4. A Good Faith Deposit of \$10,000 (inclusive of a \$1,000.00 non-refundable processing fee).

5. Art in Public Spaces Proposal (if applicable).

PROPOSAL TO PURCHASE AND REDEVELOP LAND

OAK PARK REDEVELOPMENT PROJECT AREA (PROJECT NO. 7)

Assessor's Parcel 014-163-08 thru 27 inclusive
Northwest Corner of Broadway and Stockton Boulevard
Sacramento, California

TO: Mr. John E. Molloy, Acting Executive Director
Sacramento Housing and Redevelopment Agency
630 I Street, Sacramento, California 95814

The undersigned, _____, a
corporation organized and existing under the laws of the State of
_____, or a (limited) partnership consisting of _____
_____, or an individual
(hereinafter called the "Redeveloper"),

Post Office Address:

Street _____

City _____ State _____

Zip _____

hereby submits a redevelopment proposal for Assessor's Parcel Number 014-163-08 thru 27, inclusive which is subject to the Redevelopment Plan for Oak Park Project Number 7 and to the Declaration of Restrictions to be prepared prior to the execution of the Land Disposition Agreement. The Developer agrees that all of the following information and the submitted materials are the exclusive property of the Sacramento Housing and Redevelopment Agency and need not be returned.

A deposit of \$10,000 is attached to this proposal. Such deposit is in the form of a Cashier's Check made out in the name of the Agency. The selected Developer's deposit shall remain with the Agency until Certificate of Completion is issued by the Agency. The deposit will not be applied to the purchase price. Upon selection of a successful Redeveloper, deposits minus a \$1,000 Agency processing fee will be returned to all non-selected Developers immediately.

The Developer understands that the minimum bid for subject parcel will be fair market value.

PROPOSAL TO PURCHASE AND DEVELOP LAND

Page Two

PROPOSAL MUST CONTAIN

1. A narrative statement attached as Exhibit A describing:
 - (a) Scope of redevelopment, proposed uses and square footage, and a parking plan; and
 - (b) Experience and demonstrated ability of Developer's architect, contractor, and other proposed development team participants.

2. The Developer's estimated development time, in months, from effective date of a Land Disposition Agreement with the Agency is as follows:

Submission of final construction plans	_____ months
Agency approval of final plans	_____ months
Submission of evidence of financing	_____ months
Start of construction	_____ months
Completion of construction	_____ months
TOTAL MONTHS	_____

3. The Developer's preliminary estimate of development costs are as follows:

(a) Purchase price	\$_____
(b) Construction Costs (See Exhibit B)	_____
(c) 2% of construction costs for Art in Public Places Program (as applicable)	\$_____
(d) TOTAL (combine a, b, and c and d)	\$_____

4. The Developer's estimate of required loan commitment is: \$_____.*

5. The Developer's estimate of required equity capital is: \$_____.*

6. A Budget and Financing Plan attached as Exhibit B including:

- (a) Projected lease and other revenues;
- (b) Management and maintenance costs;
- (c) Debt service;
- (d) Net income;
- (e) Sources of financing;
- (f) Evidence of bona fide involvement in the proposal of a sound lender.

* The sum of amounts shown in Items 4 and 5 must equal the amount shown in Item 3(d).

PROPOSAL TO PURCHASE AND DEVELOP LAND

Page Three

7. A narrative statement discussing the marketability and management of the proposed use(s) including a discussion of prospective tenants, sale/lease-up potential and constraints, and marketing and management approaches attached as Exhibit C.
8. Preliminary architectural plans attached as Exhibit D and including:
 - (a) Site plan showing adjacent properties;
 - (b) Floor plans for all floors and basement, if applicable;
 - (c) Elevations for all exposed sides;
 - (d) Outline of project specifications.
9. Developer's Statement for Public Disclosures (Part I HUD Form 6004).
10. Developer's Statement of Qualifications and Financial Responsibility (Part II Form 6004), including financial statements (balance sheet is sufficient) for all members of a joint venture or partnership. In addition, the Developer must append a narrative statement listing comparable projects previously completed by the Developer, and outlining past management and financial experience in the development field.
11. A Good Faith Deposit of \$10,000.
12. Art in Public Places Proposal (if applicable).

The Developer understands that, in evaluating this proposal and other proposals, the Redevelopment Agency will consider a number of factors including, but not limited to: quality of construction and design; proposed development costs; proposed use; economic soundness; experience and ability of Developer; ethnic minority participation; timing of construction; compatibility of proposed development with adjacent developments; financial responsibility of the Developer and his/her ability to arrange financing; and completeness of proposals.

The Developer further understands and agrees that the submission of such proposal and accompanying document in no way obligates the Agency. The Agency reserves the right to reject any and all proposals at its sole discretion. The Agency's decision in the selection of a developer will be made after a public hearing, as required by law.

PROPOSAL TO PURCHASE AND DEVELOP LAND
Page Four

Submitted this _____ day of _____, 1986.

Individual _____

OR

Corporation name _____

By: _____
(Signature of Authorized Official)

(Official Title)

Address _____

Telephone No. _____

Fed ID# or Social Security #:

**PROPOSAL TO PURCHASE
AND DEVELOP BROADWAY AND STOCKTON SITE**

EXHIBIT A: PROJECT NARRATIVE

I. Scope of Redevelopment:

Describe proposed uses, square footage of uses, parking plan, theme, and other factors you feel are pertinent to successfully respond to the review criteria.

II. Developer Experience Summary:

Name and discuss the experience and ability of your development team members and give examples of past projects. Please identify the proposed architect, contractor, and marketing and management agents for this project.

III. Public Benefit Narrative:

Discuss how the proposed project will provide public benefit and/or serve disadvantaged populations, particularly residents of the Oak Park Redevelopment Area.

**PROPOSAL TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE**

EXHIBIT B: REDEVELOPMENT BUDGET AND FINANCING PLAN

I. REDEVELOPMENT BUDGET

Please provide the following information either using this form or a proforma format which addresses all items below.

A. Land Costs

- | | |
|--------------------------|--------------|
| 1. Acquisition Costs | \$ _____ |
| 2. Other (Specify) _____ | _____ |
| _____ | _____ |
|
TOTAL |
\$ _____ |
| | _____ |

B. Construction Costs (Hard Costs)

- | | |
|---------------------------------------|--------------|
| 1. Demolition and Site Preparation | \$ _____ |
| 2. Off-Site Improvements | _____ |
| 3. Building Shell Construction Costs | _____ |
| Commercial sq.ft. x \$ _____/sq.ft. | |
| Residential sq.ft. x \$ _____/sq. ft. | |
| 4. Tenant Improvements | \$ _____ |
| 5. Parking | \$ _____ |
| Surface Lot - # of spaces _____ | |
| Parking Structure - # of floors _____ | |
| and # of spaces _____ | |
| 6. Landscaping | \$ _____ |
| 7. Other Costs (Specify) | \$ _____ |
| _____ | |
| _____ | |
|
SUB-TOTAL CONSTRUCTION |
\$ _____ |
| | _____ |

**PROPOSAL TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE**
Page Two

EXHIBIT B: REDEVELOPMENT BUDGET

C. Fees and Other Costs (Soft Costs)

- 1. Architectural and Engineering Fees \$ _____
- 2. Legal Fees _____
- 3. Insurance and Bonding _____
- 4. Loan fees and Points _____
 - Interim Loan _____
 - Permanent Loan _____
- 5. Contractor Fees _____
- 6. Developer Overhead _____
- 7. Governmental Fees _____
(List) _____

_____)
- 8. 2% Art in Public Spaces (if applicable) _____
- 9. Other Costs (Please Specify) _____

SUB-TOTAL SOFT COSTS _____

D. Other Cost (Please specify)

TOTAL REDEVELOPMENT COSTS _____

**PROPOSAL TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE**
Page Three

EXHIBIT B: REDEVELOPMENT BUDGET

II. REVENUE AND EXPENSE PROJECTIONS

A. Income Estimates:

Sq.Ft. x \$ Per Sq.Ft./month

Retail/Commercial _____ x _____ x 12 = \$ _____
Office _____
Parking Spaces _____ x _____ x 12 = \$ _____
Other Income _____
(Specify) _____ x _____ x 12 = \$ _____

TOTAL ANNUAL PROJECT INCOME \$ _____

B. Expenses:

Annual Vacancy Loss (annual income \$ _____
x vacancy rate)
Annual Expenses \$ _____

TOTAL ANNUAL EXPENSES \$ _____

C. Net Operating Income Estimate (Annual): \$ _____

D. Project Value Estimates:

Please estimate the after-rehabilitation or after-construction value of the project based on comparable data, capitalization rates or multipliers.

TOTAL AFTER - REDEVELOPMENT VALUE: \$ _____

Comments: (Specify method used to calculate value)

PROPOSAL TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE
Page Four

EXHIBIT B: REDEVELOPMENT BUDGET

III. FINANCING PLAN

A. Source of Funds

Please discuss how you will finance the project including: 1) identification of the amount and sources of equity, 2) identification of the amount and sources (lender names) for construction financing, and 3) the amount and sources (lenders names) for permanent financing. Discuss your previous involvement with proposed construction and permanent lenders and their interest or commitment to this project.

B. Debt Service

Please also summarize the anticipated annual debt service (terms, interest rate, and other factors).

**PROPOSAL TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE**
Page Five

EXHIBIT C: MARKETING AND MANAGEMENT PLANS

I. Market Analysis

Please discuss your assessment of the project's feasibility and marketability including: A) your marketing strategy for the proposed uses, B) anticipated lease-up rates, C) expected tenant/owner mix or client group using the project, and D) any other factors you feel are pertinent to successfully describe the project's feasibility.

II. Management Plans

Please also discuss your management plans for the proposed development. Residential rental units are a part of the project, please describe your ability to ensure long-term quality management for the life of the project.

III. Tenants

Please specify any anchor tenants and development team members who have firm commitments to occupancy of the final development.

PROPOSAL TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE
Page Six

EXHIBIT D: PRELIMINARY ARCHITECTURAL PLANS

Architectural Plans submitted with the proposal must include:

1. Site plans showing adjacent properties;
2. Floor plans for all floor and basement (if applicable);
3. Elevation for all exposed sides; and
4. Outline of project specifications.

**PROPOSAL TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE**
Page Seven

APPENDIX: BACKGROUND INFORMATION

I. THE DONNER SCHOOL SITE:

A. **LOCATION:** The Broadway and Stockton Site is located at the northwest corner of Stockton Boulevard and Broadway within the Oak Park Redevelopment Area (Assessor Parcel No's 014-163-08-27 inclusive.). See attached map.

B. **SITE CHARACTERISTICS:** The entire site is approximately 2.8 acres in size, of a rectangular shape and level grade. The site is framed on all four sides by fully improved curb, gutter and sidewalks. Frontage is approximately 353 feet on Stockton Boulevard and 417 feet on Broadway.

The property is currently being appraised. A copy of the appraisal will be on file at the Agency for public review.

C. **ZONING:** The entire site is zoned "C-2" (General Commercial) which provides for the sale of commodities, or performance of services, including repair facilities, small wholesale stores or distributors, and limited processing and packaging. A list of permitted uses is appended. Within the C-2 zone, the heights limit is 45 feet and maximum lot coverage is 100%. All new construction costing more than \$15,000 located in the Oak Park Redevelopment Project Area is subject to review by the City Design Review Board.

D. **PARKING REQUIREMENTS:** One space per 500 square feet gross area for general commercial use, one space per three seats for restaurants/bars, one space per 200 square feet gross area for medical and dental clinics or offices. Retail stores-shopping centers area required to have one space per 400 square feet of gross floor area for building not in excess of 9,600 square feet of total gross floor area and one space per each 250 square feet of gross floor area for building in excess of 9,600 square feet of total gross floor area.

E. **ACCESS:** The site is located at the intersection of Stockton Boulevard and Broadway. Stockton Boulevard provides excellent access to both Downtown and South Sacramento. Additionally, the site is 1.5 miles from a major freeway interchange which connects Highway 99, Highway 50 and Business 80. The site is also located along a Regional Transit bus route.

**PROPOSAL TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE**
Page Eight

APPENDIX: BACKGROUND INFORMATION (Page Two)

F. HAZARDOUS WASTE CLEAN-UP

The previous use of the subject site included a gasoline station. In 1987 the required testing for the tank removal disclosed that there was leakage and soil and groundwater contamination. A remediation plan has been designed and will be implemented for a period of approximately two years.

G. SURROUNDING USES: The immediate uses surrounding the site are:

North: Commercial
South: Commercial
East: Commercial
West: Commercial

The site is:

- * 0.4 miles from UCD Medical Center
- * 1.2 miles from the McGeorge School of Law (University of the Pacific) with an enrollment of 1400 students.
- * 0.5 miles from the Oak Park Community Center Complex on Sacramento Boulevard which includes a Community Center, Child Care Center, County Multi-Service Building, and Fire Station.
- * 0.7 miles from a major bank and 2 miles from a supermarket.
- * Located across the street from the Old State Fairgrounds Site (Stockton Boulevard Intersection) which currently houses a restaurant, retail/office center, and various state offices.
- * The estimated workforce within 1.2 mile radius of the site is 5,437.

PROPOSAL TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE
Page Nine

APPENDIX: BACKGROUND INFORMATION (Page Three)

II. OAK PARK REDEVELOPMENT PROJECT AREA

The City of Sacramento is the state capital of California and one of the 10 fastest growing metropolitan areas in the nation. The economic base of the region is comprised of government, agricultural, support service, and, increasingly, high tech industries.

The Oak Park Redevelopment Area is located in the south central portion of the City of Sacramento. The Project Area includes 1,305 acres and is generally bounded by U.S. 50/99 (west); Y Street (north); Stockton Boulevard (east); and 14th Avenue and Fruitridge Road (south). See attached map.

Historically, Broadway and Stockton Boulevard have provided a diversity of supporting commercial services. With changes in regional transportation and land use patterns, the area began to decline in the late 1950's and 1960's. As a result, the City Council designated the area for redevelopment in 1973.

Since 1973, the Redevelopment Agency has rehabilitated over 150 homes and constructed an additional 85 units of new housing on scattered sites. A housing market study and development strategy for the Oak Park Redevelopment Project Area is available for public review.

Both Stockton Boulevard and Broadway are designated commercial revitalization corridors eligible for low interest loans, and facade rebates for existing businesses. Active merchants associations have now formed on Stockton Boulevard and Broadway and a \$3 million street improvement and landscaping project along these commercial streets has been completed.

As a result of redevelopment efforts the assessed valuation has property value increased by over 110 million dollars over the 1973 tax base.

**PROPOSAL TO PURCHASE AND
DEVELOP THE BROADWAY AND STOCKTON SITE**
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APPENDIX: BACKGROUND INFORMATION (Page Four)

In 1989 Sacramento received designation of the City's second Employment and Economic Incentive Area for the Oak Park/Florin Perkins Enterprise Zone. Business located in the incentive area can qualify for five state income tax credits and deductions, low interest loans, and other benefits if they hire 30% of their labor force from certain targeted high unemployment neighborhoods. The Enterprise Zone Job Bank will be available to employers to assist in recruiting and screening potential employees from these areas.

For more information on the Enterprise Zone Program and the Job Bank contact Ted Scott, Enterprise Zone Coordinator at 440-1318.

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