

SPECIAL JOINT MEETING

SACRAMENTO CITY COUNCIL

MONDAY, OCTOBER 26, 1987 - 5:00 P.M.
FRIDAY, OCTOBER 30, 1987 - 1:00 P.M.

CITY COUNCIL CHAMBERS
915 I STREET, SECOND FLOOR
SACRAMENTO, CALIFORNIA

I HEREBY CALL Special concurrent meetings of the Sacramento City Council, the Redevelopment Agency of the City of Sacramento and the Sacramento Housing and Redevelopment Commission to meet at the times, dates and place noted above.

The purpose of the concurrent meetings is to consider and act upon the following:

1. An overview and briefing of the proposed activities of the Urban Land Institute Panel Advisory Service regarding the Capitol Mall - Lot "A" Site, 6th & Capitol Mall; and,
2. A presentation of the Panel's findings and initial recommendations for development of the Capitol Mall - Lot "A" Site.

ISSUED: This 23rd day of October 1987.

APPROVED:

Gene Lueder

MAYOR/CHAIRPERSON

ATTEST:

Suzanne Magana
CITY CLERK/ACTING SECRETARY



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



1

October 20, 1987

City Council of the
City of Sacramento
Redevelopment Agency of the
City of Sacramento
Sacramento Housing and
Redevelopment Commission
Sacramento, California

RECEIVED
CITY CLERK'S OFFICE
CITY OF SACRAMENTO
OCT 20 9 09 AM '87

Honorable Members in Session:

SUBJECT: Urban Land Institute (ULI) Panel Advisory Services for
Capitol Mall - Lot A

SUMMARY

This report regards the Urban Land Institute's Panel Advisory Services Study for the Capitol Mall - Lot A site located between 6th and 7th Streets, and L Street and Capitol Mall. The ULI Panel will convene in Sacramento during the week of October 25 through 30, 1987 to undertake their review of the site and to develop preliminary recommendations for the disposition and development of the site. Attached for your information are the following: 1) A list of the Panel members for the Sacramento assignment, along with individual background information; 2) a Schedule of Activities for the week; 3) the Scope of Development for the Panel study; and 4) the briefing booklet supplied to the Panel members.

This report is submitted for your information only and no specific action is necessary.

BACKGROUND

On June 9, 1987, the City Council authorized the Agency staff to analyze the disposition and development of the Capitol Mall - Lot "A". In addition, the Council requested that a national firm such as the Urban Land Institute be retained to assist staff in determining the uses for the site.

10-26-87
All Districts

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Governing Bodies
October 20, 1987
Page Two

On September 23, 1987, the City Council authorized staff to proceed with the Urban Land Institute Panel Advisory Service. The Panel Advisory Service advises communities and developers who encounter problems related to land use planning and development. The nine-member Panel will conduct a five-day on-site analysis of development opportunities. The five-day panel is designed for the more difficult and complicated development problems requiring considerable time to assess the conditions, objectives and possible solutions to the problems. The Panel will consist of ULI members with expertise relevant to the given subject. An initial report will be provided to the governing boards prior to departure. A printed final report will be provided 8 to 10 weeks following the assignment.

A listing of individual Panel members for the Sacramento assignment is attached as Exhibit I. Included is a brief background description of the individual members. As indicated, the Panel members are from various disciplines and have a wide divergence of experience with this type of project.

A schedule of activities, attached as Exhibit II, has been prepared for the Panel. The schedule includes a tour of the site and development trends in and around Sacramento. Other activities include interviews with resource people and report drafting for the presentation to the City Council. It should be noted that during the week, there are two scheduled joint public meetings with the Council, Agency and Commission regarding this Project. On Monday, October 26, 1987 at 5:00 p.m., an introduction and brief recap of the Agenda for the week; on Friday, October 30, 1987 at 1:00 p.m., the Panel will present its initial findings and recommendations. Approximately eight to ten weeks after the assignment, the Agency will receive a written report with the ULI findings and recommendations.

The Scope of Development for the Capitol Mall - Lot A site is attached as Exhibit III. The Scope basically outlines the City concerns, and raises questions that should be addressed pertaining to development of this site.

The briefing booklet for the project is attached as Exhibit IV. This booklet contains information pertaining to the site and the Sacramento market and trends. This booklet will be the basis for the Panel review and study. It was prepared by Agency staff and will be available along with the final ULI written report.

POLICY CONSIDERATIONS

This project is consistent with the Council policy for development and disposition of this site.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Governing Bodies
October 20, 1987
Page Three

ENVIRONMENTAL REVIEW

No environmental review is required for this project at this time.

RECOMMENDATION

This report is submitted for information only and no action is required.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

WHE/TVL:cmc

TRANSMITTAL TO COUNCIL:

Walter J. Slupe

WALTER J. SLUPE
City Manager

Contact Person: Thomas V. Lee
440-1355

2371J

URBAN LAND INSTITUTE
Sacramento Panel Assignment
October 25-30, 1987
Panel Members

Smedes York
President
York Properties, Inc.
1900 Cameron Street
Raleigh, NC 27605 919/832-3779

Daniel M. Conway
Director of Marketing and Economics
THK Associates
40 Inverness Drive East
Englewood, CO 80112 303/790-2435

Paul M. Goldberg
President
Flagship Properties, Inc.
Four Commerce Park Square
23200 Chagrin Blvd., Suite 600
Cleveland, OH 44122 216/292-8112

E. Eddie Henson
President
Williams Realty Corp.
P.O. Box 2400
Tulsa, OK 74102 918/588-2840

Keith Kelly
President
Union Station Redevelopment Corp.
444 N. Capitol St., NW
Suite 740
Washington, D.C. 20001 202/383-2590

Page Two
Panel Members

Maureen L. McAvey
Director of Development
Carley Capital Group
11777 San Vicente Blvd.
Suite 520
Los Angeles, CA 90049 213/207-8255

Carol M. Perry
Principle
Retail Real Estate Concepts, Inc.
43 Valley Forge Rd.
Westen, CT 06683 203/222-8183

Chris P. Ramos
Chairman, Board of Directors
The Ramos Group -
Architects/Planners/Engineers
1305 Walnut
Kansas City, MO 64106 816/421-0470

Robyn Simpson
Economic Development Manager
City of Santa Ana
20 Civic Center Plaza
Santa Ana, CA 92701 714/647-6987

2373J

URBAN LAND INSTITUTE
Sacramento Panel Assignment
October 25-30, 1987
Biographical Sketches of
Panel Members

SMEDES YORK

Raleigh, NC

Mr. York is President of York Properties, Inc., a real estate management development company; and York Construction Company in Raleigh, North Carolina. He has been involved with the management, development, and construction of shopping centers, hotels, office buildings, industrial and residential projects. He also serves on the Raleigh City Council 1977-79 and served as Mayor of Raleigh 1979-1983. Before serving on the Raleigh City Council, he was chairman of the Wake County Planning Board for three years.

PAUL M. GOLDBERG

Cleveland, OH

Mr. Goldberg is President of Flagship Properties, Inc., a closely-held company based in Cleveland, and is the managing partner in two joint ventures with DKM Properties, Inc. of Lawrenceville, New Jersey. DKM is a subsidiary of Dyson Kissner Moran, Inc., a privately-held investment firm based in New York City. The two joint ventures are Connecticut Technology Park, a high-tech park for the University of Connecticut, and Cleveland Aerospace Center, an industrial park serving the contractors working at the NASA Lewis Research Center in Cleveland. He is also president of the University Housing Company which develops privately owned residence halls for colleges and universities. In addition, he is developing multi-family housing in Loudoun County, Virginia. Previously, Mr. Goldberg was president of Sunrise Development Co., the land development subsidiary of Forest City Enterprises, Inc. Sunrise managed and developed Forest City's \$135 million land portfolio.

DANIEL M. CONWAY

Denver, CO

Mr. Conway is a real estate marketing and research authority specializing in residential, commercial/industrial and recreational developments. He currently serves as Director of Economics and Market Research for THK Associates, Inc., a metropolitan Denver planning consulting firm providing services to public and private clients in metropolitan Denver and throughout the nation. With over 15 years experience as an urban land economist, Mr. Conway has conducted numerous residential, commercial, industrial and recreational economic feasibility and market studies and financial planning studies for major developments throughout the county.

E. EDDIE HENSON

Tulsa, OK

Mr. Henson is President of Williams Realty Corp., headquartered in Tulsa, Oklahoma. Williams Realty is a national developer specializing in large urban mixed-use projects, including such developments as the \$200 million Williams Center, covering approximately 1/3 of downtown Tulsa, Oklahoma, and Tabor Center, the largest project in downtown Denver's history.

KEITH KELLY

Washington, DC

Mr. Kelley is President of the Union Station Redevelopment Corporation, located in Washington, D.C. That Corporation is charged with the renovation and restoration of Union Station in our Nation's Capital. He was formerly Vice President of Planning & Development for Crown Center Redevelopment Corporation, a subsidiary of Hallmark Cards, Inc., engaged in private urban development. He was responsible for the coordination of all architectural planning and construction facets of Crown Center, the \$350 million business and residential community being developed near Kansas City's downtown area.

MAUREEN L. MC AVEY

Los Angeles, CA

Maureen McAvey is the Director of Development for the Carley Capital Group, Los Angeles. Previously, she was Manager for the Real Estate & Economic Development Group for Coopers & Lybrand. She is currently directing development and financing of two hotel projects, a large office/hotel/retail complex in Southern California, and a university-related research park in Oregon. Construction is underway on The Mission Inn (historical renovation, 240-room landmark hotel in Riverside). Financing and Planning is being done on Centerpointe (one million square foot mixed use, including hotel, office building, retail shops and parking in Santa Ana). She has 15 years experience, with expertise in financing public/private development. She holds a B.A. degree in Social Welfare from the University of Minnesota, and a Masters degree in Public Administration from Harvard University.

CAROL M. PERRY

Westport, CT

Ms. Perry is the founder of Retail Real Estate Concepts, a consulting firm specializing in retail development services. Her company is involved in all phases of retail development from site evaluation and design through tenant identification and marketing. Clients include developers, financial institutions, public agencies and architects.

CHRIS P. RAMOS

Kansas City, MO

Mr. Ramos is CEO and Board Chairman of The Ramos Group/Architects-Planners, a Kansas City based firm with branches in Troy, Michigan; Denver, El Paso, and New Orleans, operating nationwide on projects involving land use planning, building design and mixed use development. He is a registered architect in 35 states, holds a NCARB Certificate and is considered an expert in the design of shopping centers, office buildings and mixed-use urban complexes. A long list of The Ramos Group's current projects includes Rockaway Town Square, a 400-acre, 2 million square foot regional mall development including retail and office buildings, in New Jersey; Independence Park, a mixed-use development for Anchorage, Alaska; and Centro Ciudad Commercial Tomanaco, a 3 million square foot high-rise mixed-use complex in Caracas, Venezuela. Other current projects include multi- and single-family residential developments, and a 250-acre, 2 million square foot retail and office park as a planned extension of the Bannister Mall designed by the The Ramos Group in 1980.

[Robyn Simpson biography to follow.]

2373J

URBAN LAND INSTITUTE
 PANEL ADVISORY SERVICE
 for
 Sacramento, California
 October 25 - 30, 1987

AGENDA

Sunday, October 25

- 4:00 p.m. Arrival of panel members and staff at Capitol Plaza
Holiday Inn
- 5:00 p.m. Informal organizational meeting - Chairman's Suite
- 6:00-7:00 p.m. Informal meeting with Sponsor representatives -
Chairman's Suite
- 7:15 p.m. Dinner with Sponsor representatives at Frank Pat's
Restaurant, 806 "L" Street

Monday, October 26

- 7:30-8:00 a.m. Continental breakfast
- 8:00-9:00 a.m. Briefing session, ULI Conference Room, Capitol Plaza
Holiday Inn
- 9:00-11:30 a.m. Field Trip
- 11:30-1:00 p.m. Luncheon
- 1:00-3:00 p.m. Field Trip
- 3:30-4:00 p.m. Ride Light Rail back to Capitol Mall-Lot A site
- 5:00 p.m. Joint Public Meeting - City Council, Agency, Housing
and Redevelopment Commission, at 915 "I" Street, City
Hall, 2nd floor, Council Chambers, with Chairman,
Executive Director of Agency
- 6:00 p.m. Reception with Resource persons at Sacramento
Community/Convention Center, Yolo Room, 1100 - 14th
Street

Tuesday, October 27

7:30-8:00 a.m. Continental breakfast
9:00 a.m. Team interviews with local resource persons, ULI
Conference Room
12:00 noon Luncheon
1:00 p.m. Team interviews continue
5:00 p.m. ULI Panel Session - Chairman's Suite

Wednesday, October 28

7:30 a.m. Continental breakfast
9:00 a.m. Team interviews with resource persons
12:00 noon Luncheon
1:00 p.m. Team interviews continue
5:00 p.m. ULI Panel Session - Chairman's Suite
Evening Report drafting

Thursday, October 29

7:30 a.m. Continental breakfast
8:00 a.m. Report drafting continues
12:00 noon Luncheon
Afternoon/
Evening Report drafting continues

Friday, October 30

7:30 a.m. Continental breakfast

8:00 a.m. Report editing for final presentation

12:00 noon Luncheon

1:00 p.m. Report Session. Joint meeting with City Council,
Agency, Housing and Redevelopment Commission at 915
"I" Street, City Hall, 2nd floor, Council Chambers

3:00 p.m. Adjourn

2375J

I. Scope of Development

The Panel's Assignment.

In 1986, the Redevelopment Agency of the City of Sacramento approved and adopted the Merged Downtown Sacramento Redevelopment Project for the central business district, a 430-acre area of downtown Sacramento that incorporates the financial district, civic center, downtown retail shopping district, office district, and waterfront/recreational areas.

The site (Capitol Mall - Lot A), one square city block of 108,800 square feet, is located within the Redevelopment Project Area between 6th and 7th Streets, and L Street and Capitol Mall. Capitol Mall is the premiere boulevard entrance to the City of Sacramento and the State Capitol, and a location which borders the office/financial district and the retail district. Presently, the site is a City-owned, two story parking garage with 562 public parking spaces. The City has decided to offer this site for development purposes and has requested that the Urban Land Institute (ULI) conduct a feasibility study of the development potential of the site.

The City presently receives parking revenue from the existing parking garage. The City wants to consider retention ownership of the land with a land lease as one development option as the preferred approach.

The City is committed to pursuing development on this site consistent with the Merged Downtown Sacramento Redevelopment Project and recently adopted Sacramento Urban Design Plan which identifies this site as a "catalyst site" for commercial development. Design parameters and the sociological impact of the project on Downtown are also important factors for consideration.

II. Scope of Work

This Scope of Work is intended to be the basis for the provisions of technical assistance through the Urban Land Institute's Panel Advisory Service.

The purpose of this Scope of Work is to analyze the market characteristics of the surrounding area as well as the regional market for a number of potential development site uses, such as, office, retail, hotel or some mix of those uses.

The Panel is thus expected to delineate potential uses from the market demand characteristics identified.

As we see it, there are a number of issues which the ULI should specifically address before recommending one of four potential uses for the site. The following general questions should be addressed:

- 1) Market Demand - What are the best and highest uses given the existing and projected market conditions and absorption rates for various subject uses?
- 2) Project Magnitude - Given the potential market, what size and intensity (overall and by specific use) is warranted for each use specified?
- 3) What impact would a land lease as opposed to a sale have upon the economics and financing of a proposed project?
- 4) What impact would a requirement for replacement public parking have on the project from both a physical design and economic perspective?
- 5) Is financial participation on the part of the City:
a) desirable; b) appropriate? If so, what form is recommended (e.g. equity participation; cash flow participation, etc.) and what minimum RFP/RFQ parameters should be specified in this regard?
- 6) Design Considerations - How should the project design relate to the important surrounding design concerns such as: Light Rail station; Downtown Plaza Mall and retail stores; possible street closures around the project site; Capitol Mall promenade setback requirements?
- 7) Should the site be developed as a single large structure or multiple structures?
- 8) Timing Considerations - Given the existing absorption and projected development activity, what is the recommended time frame for implementation of the project?

Questions to be addressed as they relate to specific uses are as follows:

9) Office:

Given the existing and projected market, identify the potential users (corporate, government, etc.) and what effect this would have on size of the building floor, plates, building quality and design; parking requirements?

10) Hotel:

Given the existing and projected market, what is the potential for a major high quality hotel on this site? What is the site's potential given its location to the State Capitol; Community/Convention Center; etc.?

11) Retail:

Given the site location adjacent to the Downtown Plaza Mall, should any retail use be anchor/destination or limited service in nature?

The ULI, under a separate Contractual Agreement with the City of Sacramento, shall be compensated for the work performed under this plan.

The attached schedule identifies tasks, estimates time commitments and defines schedules in order to facilitate and expedite the technical assistance process.

The proposed work is to begin September 25, 1987, with a ULI site visit on October 25-30, 1987, and a final report to be completed and submitted by January 31, 1988.

The final product produced by this plan will be an Urban Land Institute Panel Advisory Service Report, with the Agency being provided 200 copies for the purpose of assisting the Redevelopment Agency in advertising the Capitol Mall Project's availability for development.

2130J

III. Schedule and Tasks

Task	Description	Schedule
<p>NEEDS ASSESSMENT Material Review Market Definition</p>	<p>The objective of Task I is to describe the market niche and generate a set of development parameters for opportunities at 7th Street and Capitol Mall.</p>	
	<p>- Define and review the market area (regional and downtown) that could support new development. Possibilities for development would include office mixed use, hotel and retail (use categories). The above would be based on a review of:</p>	<p>September October 1987</p>
	<p>a. Demographics to include income, population, households. Establish economic base for various use categories.</p>	<p>September October 1987</p>
	<p>Research market demand Include analysis of: absorption rates presence of specialized markets analysis of existing space location area characteristics gross and net square footages type of space provided (quality issues) rent per s.f. parking and cost lease terms tenant mix allowances building services amenities list of tenants</p>	<p>September October 1987</p>

- review existing plans for Downtown which pertain to Downtown development as well as the project site. Special attention should be paid to the recently adopted Urban Design Plan. September
October
1987
- review use categories with an objective to ascertain those that have the potential to be expanded and would need another location such as Capitol Mall.
- Replacement trends for use categories (i.e. stock of class A, B, C buildings)
- conduct interviews of staff, developers, and, where possible, existing merchants. October
1987
- review requirements of City for development of site and analyze development opportunities based upon these requirements.

PRELIMINARY REPORT

- Prepare a preliminary report to include: December
1987
- a. existing inventory of use categories.
 - b. marketability analysis of the present/future demand for site use.
 - c. proposed tenant mix based on market niche and available developable acreage.
 - d. size of project; square footage of each use.
 - e. recommend marketing and urban design strategies.

f. outline development strategy for the agency for implementing the development opportunity. Include in the Scope of Work the minimum financial parameters discussed

FINAL REPORT

g. outline developer solicitation (RFP or RFQ) and analysis of proposals.

January
1988

Subject to discussions and comments received on the preliminary report, prepare a final set of recommendations to include:

- a. the analysis done as part of Task II (items a-g);
and
- b. a strategy indicating the role and sequenced steps the agency should take in implementing the project.

WP+/9-2455