

RESOLUTION NO. 87-055

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

August 4, 1987

FINDINGS AND AUTHORIZATION RELATING TO THE DISPOSITION AND DEVELOPMENT AGREEMENT OF THE CENTRAL LIBRARY EXPANSION PROJECT

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

Section 1: Based upon the facts within the Central Library Project Statement attached hereto as Exhibit "A", the staff report filed with this resolution, and the oral and written testimony relating to the Central Library Project (the "Project"), the Agency makes the following findings:

(a) A competitive request for qualifications resulted in the selection of the Library Plaza Group (LPG) for development of all the components within the Project.

(b) Competitively bidding the construction contract for the public portion of the Project would increase the costs of such portion and would delay the construction of the entire project.

(c) The public and private portions of the entire Project are architecturally and functionally connected together in that the:

- Galleria roof and retail are physically connected between old library and the office building
- Kitchen for the galleria restaurant and the restaurant on bottom floor of the office building will be jointly used by the public and private portions of the project

RESOLUTION 87-055

AUG 04 1987

- Alley through the parking structure physically connects to the new library loading dock area
- Public parking structure is tied directly into office building and the library with a private entrance from such structure into library for its staff

(d) The acquisition and demolition of the existing properties on the site of the Project must be coordinated for the private and public portions of the Project.

(e) LPG will cause the construction on the block between 9th and 8th and J Street and I Street which includes renovation of the existing library, construction of a new library and a public parking structure containing 710 spaces and a new office building.

(f) The Agency and LPG have agreed that the construction costs of the public portion of the Project will not exceed \$30 million.

(g) The library block consists of 2.6 acres.

(h) The Agency has issued 1985 Tax Allocation Bonds in the amount of \$20,000,000 of which \$10.9 million will be used for constructing the parking structure facility.

(i) The Agency will be issuing 1987 Tax Allocation Bonds in the amount of approximately \$29,000,000 of which \$21.5 million will be used for the library renovation and expansion portions of the Project.

(j) The Agency anticipates that sales tax and tax increment revenues will be increased by the Project because of the operation of the retail areas and office building portions of the Project. Such tax increment revenue will be used to offset the bond debt for the public portion of the Project. The tax increment and sales tax revenues will depend on the completion of construction and commencement of operation of the Project.

(k) The Agency is prepared to enter into certain lease agreement whereby 585 parking spaces in the public parking structure portion of the Project would be used by the private office building and the other 125 parking spaces for public and library staff parking.

RESOLUTION 87-055

AUG 04 1987

(l) The Agency and the City and LPG have, respectively planned this Project and so interrelated the structural, architectural, public financing, economic and contractual timing of all the portions thereof so that all the improvements must be constructed concurrently by LPG.

(m) The presence of two or more contractors on the site of the Project would create great difficulties in dividing the work areas of the respective contractors.

(n) Construction of the parking structure must be accomplished before or concurrently with the library and office building in order to provide parking for such library and office building.

Section 2: Subject to provision by LIBRARY PLAZA GROUP, a California Limited Partnership, of a Letter of Credit in accordance with the Disposition and Development Agreement attached to the staff report filed with this resolution, the Executive Director is authorized to suspend the competitive bidding procedures under Public Contract, Code Section 20688.2 and to execute said Disposition and Development Agreement with the LIBRARY PLAZA GROUP, a California limited partnership, for the construction, financing and operation of the Central Library Expansion Project.

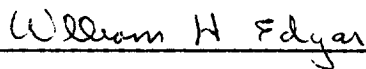
Section 3: The Executive Director is further authorized to take such actions and to execute such agreements and documents as are required to carry out the terms and provisions of the Disposition and Development Agreement and to make expenditures related thereto, subject to the budget limitation for the Project.

Section 4: The Executive Director is authorized to solicit for, select and contract with a Contract Agent for duties as described in the Disposition and Development Agreement for the Project.



CHAIR

ATTEST:



SECRETARY

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RESOLUTION 87-055
AUG 04 1987

EXHIBIT "A"

CENTRAL LIBRARY PROJECT STATEMENT

The Central Library Project is located in the Central Business District (CBD) of downtown Sacramento, and within the Merged Downtown Sacramento Redevelopment Project. The Project is bounded by I Street on the north, 8th Street on the west, J Street on the south, and 9th Street on the east. The site is approximately two to six acres. The property has a C-3 (commercial) zoning category.

The proposed project includes the acquisition and clearance of the entire block except for the existing library located at the corner of 9th and I Streets. The existing library will be renovated and incorporated into the new library. The new Central Library will be adjacent to the existing library facing along I Street. The two libraries will be connected with a major entrance off of I Street. In addition, the new library will wrap around the existing library onto 9th Street, with library and related uses. Entrance will also be available to the existing library and the new library from 9th Street, with a grand entrance in the form of a public galleria. This public space will connect the existing and the new library. The office building portion of the project located at the corner of 9th and J Streets is approximately 284,000 square feet. The office building will contain second floor retail along 9th and J Street. The ground floor retail uses of such building will total approximately 12,000 square feet. Located at the corner of 8th and J Streets will be the parking structure. This parking structure will have approximately 710 parking spaces, of which 585 will be leased to the office building in order to provide off-street parking for it, and the balance (125), will be available for public uses serving the retail and the library staff. No other off-street parking will be directly available to the public/private portions of the project. The parking structure is absolutely integral to the office building without which it would not work. All the project buildings are intended to be architecturally and structurally integrated in design. A service lane is to be provided to accommodate the parking structure, the office building, and the library project. Entrance to the parking facility will be from J Street, curving around and exiting onto 8th Street. This service lane will be available for service related vehicles to these buildings as well. The kitchen for library/galleria and the restaurant on the bottom floor of the office building will be jointly used.

The entire Central Library Project has a total development cost of approximately \$63 million. Of this amount, the construction of the public portions of the Project is estimated to be \$30 million. The cost of the office building is estimated to be \$35 million.

RESOLUTION 87-055

AUG 04 1987

The Library Plaza Group (LPG) was selected after a competitive selection process relating to the entire development of the Project.

Since the site of the entire Project is 2.6 acres, only one contractor can effectively occupy the site during construction with heavy equipment, toilets and workers.

An elaborate financial scheme has been developed to finance the entire project. Primarily, the Redevelopment Agency of the City of Sacramento will be using \$10.9 million of 1985 tax allocation funds to construct the parking garage. In addition, the Agency will be selling 1987 tax allocation bonds totaling \$29 million of which \$21.5 million will be used for the construction of the new central library and the renovation of the existing library. The office tower building and the ground floor retail will be funded privately by the Library Plaza Group.

The revenues from the parking structures, along with the anticipated tax increment revenue and the increased sales tax from the ground floor retail off-set the cost of debt service for the parking structure. The parking structure is intended to be sold to the Library Plaza Group in year 15.

(The entire Central Library Project is anticipated to begin construction in 1988 and should take approximately 18-20 months for completion. If the public portions were competitively bid, such portions would be delayed three to six months. The office building would not be leaseable without off-street parking available for its tenants and others. In addition, the costs for the public portions would most likely increase. It is the intention of the Library Plaza Group, as well as the Redevelopment Agency of the City of Sacramento and the City of Sacramento, to have all the components of the Project within the entire block redeveloped at one time.) This project is consistent with the goals and objectives of the Redevelopment Plan, and of the Urban Design Plan. The Agency feels that the redevelopment of this block will provide a major catalyst and impact on the surrounding area. Hopefully, it will start generating other redevelopment projects within the area.

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RESOLUTION 87-055

AUG 04 1987