



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



7

December 4, 1990

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

Honorable Members in Session:

SUBJECT: Metropolitan Place - 8th, 9th and J Streets
Development Site

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 resolutions approving the request for proposals and stipulations.

Respectfully submitted,

ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COMMITTEE:

JACK R. CRIST
Deputy City Manager

FUR

Attachment



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



December 11, 1990

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: METROPOLITAN PLACE - 8th, 9th and J Streets Development Site

SUMMARY

This report recommends two actions related to the above-referenced development site. The first is the issuance of a Request for Proposal (RFP) for redevelopers to develop the easterly seven parcels of the one-half block site bounded by 8th, 9th and J Streets (see Exhibit "A" for map of site). The second action is to approve the Stipulations for the northwest corner of this site (four parcels) on behalf of 8th & J Street Venture, a limited partnership. Staff requests that the Agency approve the attached resolution.

BACKGROUND

On May 8, 1990, the Redevelopment Agency of the City of Sacramento approved a work program and budget for development of the half block bounded by 8th, 9th, and "J" Streets and the alley between "J" and "K" Streets. At the same time, staff was authorized to prepare a Request for Proposal (RFP) for the ultimate selection of a development of the site. The approval was conditioned upon allowing the existing property owners an opportunity, within 90 days of Agency action, to join together in preparing a development proposal for the site. On May 22, 1990 the property owners were advised of an August 6, 1990 due date, and requested to supply the following information in order to evaluate each proposal:

1. Partnership Agreement with all property owners in concurrence;
2. Identification of development entity/team and its experience;
3. A specific site plan/design of proposal with elevations;
4. General business terms, including financial capability of development team and project economics; and
5. Detailed schedule of performance.

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As of the August 6, 1990 deadline, the staff did not receive any proposal in accordance with the May 22, 1990 letter. Notwithstanding, on August 8, 1990, Agency staff met with a representative of the property owners on the eastern portion of the half-block. The representative indicated at that time that the owners were attempting to put together a partnership agreement, however, no agreement or communication has been received from this group. On August 22, 1990, staff directed another letter to each property owner informing them that the due date had expired and that staff would be proceeding with the preparation and issuance of a request for proposals for development of the site. This letter also indicated that a copy of the RFP would be provided in a future mailing. On October 4, 1990, an additional Agency letter outlining the expanded time schedule for the project was also mailed to each property owner.

PROPERTY OWNERS PROPOSAL

Subsequently, on October 9, 1990, the Agency received a proposal for development of four of the eleven parcels which compose the site. The proposal was offered by the 8th & J Street Venture, a California limited partnership. The partners include:

General Partners: Jeffrey B. Berger
Limited Partners: 8th & J Streets Partnership
Richard J. Benvenuti
Allan Davis
Robert Roche
Jeffrey B. Berger
David C. Pick
William B. Brodovsky
Alan B. Brodovsky
B.O.E. II (Buzz Oates/Tom Manz)
Samuel B. Fong

The proposed project consists of a 23-story office tower with 5,000 square feet of retail uses at ground level, six to seven levels of parking (354 spaces), sixteen floors of office (188,200 square feet), and mechanicals on the 23rd story. The project cost, including land, is estimated at \$31.5 million.

Agency staff has met with the developer's project manager and architect, and has reviewed and evaluated the project. Some of staff's concerns pertain to bifurcation of the project, which results in limiting development capacity for highest and best use, limitations on ground floor retail, garage design, location of garage entrance and lobby entrance to office structure. The project as configured would also necessitate parking access and loading docks for two separate buildings. The developer's design

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team has agreed to redesign the proposed project to accommodate staff's concerns to the extent possible and to participate in a reciprocal parking agreement in the construction of the proposed parking garage as it relates to development of the adjacent site.

On November 6, 1990, Agency staff and representatives of 8th and "J" Street Venture met and discussed a broad list of general stipulations for development of the site. These stipulations were discussed and tentatively accepted by the limited partnership as minimum requirements of the Agency for the project and will eventually become part of a Predevelopment Agreement and any eventual Owner Participation Agreement (OPA) between the Agency and the 8th and "J" Street Venture. On November 13, 1990, the proposed stipulations were hand-delivered to the developer requesting a sign-off by all general partners not later than 5:00 p.m. November 23, 1990. The stipulations are attached to this report as Exhibit "C", and contain general provisions related to the developer's responsibilities and obligations, i.e., submittal requirements and deadlines; future agreements; equity and financing; relocation/demolition costs; design criteria; Art in Public Places; child care programs; Housing Trust Fund in-lieu payments; local hire; insurance requirements, etc.

It should be noted that Agency Counsel has drafted these minimum requirements to conform to Agency policies which are consistent with existing rules and regulations governing Disposition and Development Agreements, Owner Participation Agreements, California Environmental Quality Act (CEQA), relocation procedures, Urban Design Plan, and Art in Public Places, etc.

AGENCY REQUEST FOR PROPOSAL (RFP)

The attached RFP describes the project site and details development expectations for a high quality, highest and best use project (i.e., market-driven). This could include office, retail, commercial, hotel or residential usage. The Agency's sole participation in the project will consist of assistance in assembling the remaining seven (7) parcels under a single ownership. The selected developer would be responsible for providing funds necessary to purchase/assemble the site, relocate existing owners/tenants and businesses and demolish existing structures.

The Agency will also require that the developer comply with existing programs and policies. Examples include: 1) Art in Public Places wherein 2% of total construction costs will be spent on aesthetic improvements; 2) child care provisions; 3) Housing Trust Fund In Lieu provisions; 4) insurance provisions; and 5) all City Ordinances and fees, including a Transportation Systems Management Plan. In order to insure that all City and Agency

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policies and requirements are met, Agency legal counsel has prepared a Draft Disposition and Development Agreement (DDA) for review by potential developers. This generic DDA will serve to define specific terms for acquisition and disposition of the site, including value, terms and land assembly, based on the "Offer to Purchase and Develop Site". Attached to this offer are also stipulations which are business terms considered by the Agency to be essential to approval of the proposed project. These stipulations are similar to those proposed for the 8th and "J" Street Venture Group (see Exhibit "C"). If any developer intends to challenge any provisions of the stipulations or generic DDA, the developer's proposal should so state. Developers are encouraged to discuss anticipated challenges with Agency staff when preparing proposals.

DEVELOPER SELECTION PROCESS

Criteria for developer selection under the RFP will be as follows, although not necessarily in this order of priority:

1. Fulfillment of Project Goals, Objectives and Requirements
 - a. Responsiveness and consistency with Development Guidelines of this RFP.
 - b. Responsiveness to the goals of the Redevelopment Plan and its implementing documents described in the RFP.
 - c. Conformance with City plans, codes, and other policies as outlined in the development Offering Package.
2. Architecture and Design Quality
 - a. Overall quality of the conceptual design of the project, with emphasis on character, scale, texture, materials, orientation, and mass relationship to surrounding structures and proposed developments.
 - b. Design responding to the historic retail character of existing and adjacent structures along "J" Street.
 - c. Integration and preservation of existing historic elements.
 - d. Creative integration of project elements within the context of surrounding uses and proposed developments.
3. Project Economics
 - a. Size, scope and mix of elements and uses of proposed development.
 - b. Cash flow projection for design, construction and operation phases.
 - c. Feasibility of proposed project based upon projected financing, project costs and project cash flow.

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4. Business Offer and Development Schedule
 - a. Revenues generated to the Agency and City.
 - b. Proposed source and method of financing the project.
 - c. Degree of adherence to terms of Stipulations and generic Disposition and Development Agreement.
 - d. Date for start and completion of construction.
 - e. Extent, timing and difficulties of phasing plan, if requested, and acceptability of guarantees of completion for each phase.

5. Other Factors as Appropriate for Specific Development
 - a. Quality and extent of plan to meet public objectives such as Art in Public Places, child care, Housing Trust Fund, and Transportation System Management Plan.
 - b. Additional special amenities offered by the developer in developing the Site.

Agency staff is also aware of historical and architecturally significant resources on this half-block, and has incorporated language into the RFP to offer assistance in either incorporating these historic elements or otherwise preserving them. For example, the block contains a "priority" historic structure, the Fabian Building, as well as historic facade tiles on the Comstock Building and historic granite curbs. The City of Sacramento's Design Review Board will have jurisdiction over these structures/elements. Language within the RFP also states that the design of the base of the project buildings should coordinate with the historic retail context of "J" Street.

<u>Project Schedule</u>		
<u>Procedure</u>	<u>Timeline</u>	<u>Total Time Elapsed</u>
1. RFP Issued NOP Issued (EIR)	1/91	-0-
2. RFP Due	3/91	3 months
3. Draft EIR	6/91	6 months
4. Developer selected EIR Certified Just Compensation established Offers to Owners	10/91	10 months

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5.	Negotiations Complete ¹ Disposition and Development Agreement executed; Letter of Credit	12/91	12 months
6.	Resolution of Necessity 90-Day "Order of Immediate Possession"; Commence Relocation Process	4/92	16 months
7.	Possess Property Unlawful Detainer 5-Day Notice to Vacate	5/92	17 months
8.	Demolition Complete	6/92	18 months
9.	Construction commences	7/92	19 months

TOTAL TIME ELAPSED
19 months

¹ If major design changes require a supplemental EIR, twenty (20) additional weeks will be required to complete the process prior to execution of the DDA.

At this time, staff is requesting your approval of the release of the RFP for Metropolitan Place, a seven parcel development site, as depicted on the attached map and approval of the attached Stipulations for private property owner development of the four parcels on the northwest corner of the site.

FINANCIAL DATA

The budget for preparation of the RFP brochure is \$15,000. Under the Agency's preferred list of consultants, three informal bids were solicited and the graphic design consultant firm selected was Rhoda McNight. The consultant will be able to complete the RFP for release to the public in January, 1991.

The total budget for this project is \$80,000 and was approved by the Redevelopment Agency at its meeting of May 8, 1990. The remaining budget allocation consists of: \$40,000 for financial analysis and real estate-related services, \$15,000 for appraisals and \$10,000 for contingencies.

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At such time as the Agency enters into either an Owner Participation Agreement or a Disposition and Development Agreement with selected developers, staff will be able to identify financing terms and third party reimbursement costs for your review and approval.

MBE\WBE

The firm of Rhoda McKnight will print the RFP brochure. This firm is a certified Women's Business Enterprise and is listed on the Agency's preferred list of consultants.

At such time as the Agency enters into a Disposition and Development Agreement (DDA), appropriate MBE\WBE policy language will be included.

ENVIRONMENTAL REVIEW

The release of a Request for Proposal is administrative in nature and does not have environmental implications.

CEQA Guidelines: Exempt per Section 15378(b)(3).
NEPA Guidelines: Not applicable - no federal funding involved.

At such time as the Agency enters into a Predevelopment Agreement with selected developer(s), the Agency will assume the lead for the environmental coordination of the project. Costs to retain an environmental consultant are third party (reimbursable) costs.

POLICY IMPLICATIONS

The recommended action is consistent with Agency policy and no new policies are being recommended.

VOTE AND RECOMMENDATION OF THE COMMISSION

At its meeting of November 28, 1990, the Sacramento Housing and Redevelopment Commission approved a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Amundson, Diepenbrock, Moose, Pernel, Simon, Strong,
Wiggins, Williams, Yew, Simpson
NOES: None
ABSENT: Wooley

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RECOMMENDATION

Staff recommends that the Redevelopment Agency adopt the attached resolution which 1) approves the issuance of a Request for Proposal for the Metropolitan Place development site on J Street; and 2) approves Stipulations for private development of the northwest corner of the site on behalf of 8th & J Street Venture, a limited partnership.

Respectfully submitted,


ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Gene Masuda - 440-1355
or
Betty Kosman - 440-1355

Exhibit "A" Map of Development Site
Exhibit "B" Draft RFP for Metropolitan Place Development Site
Exhibit "C" 8th & J Streets Venture Stipulations

F:\cmc\StaffRpts\MetroPlc

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

REQUEST FOR PROPOSAL FOR METROPOLITAN PLACE [8th & J Streets] AND APPROVAL OF AGREEMENT AND STIPULATIONS FOR 8TH AND J STREET VENTURE DEVELOPMENT DEVELOPMENT SITE

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

Section 1: The Request for Proposal (RFP) for the disposition and development of the portion of the half block bounded by 8th, 9th and J Street as shown on the attached map, and known as METROPOLITAN PLACE, is approved substantially in the form of the draft attached.

Section 2: The attached agreement and stipulations with the 8th and J Street Venture, for development of the northwest corner of the site bounded by 8th and J Streets, and shown on the attached map, are hereby approved.

CHAIR

ATTEST:

SECRETARY

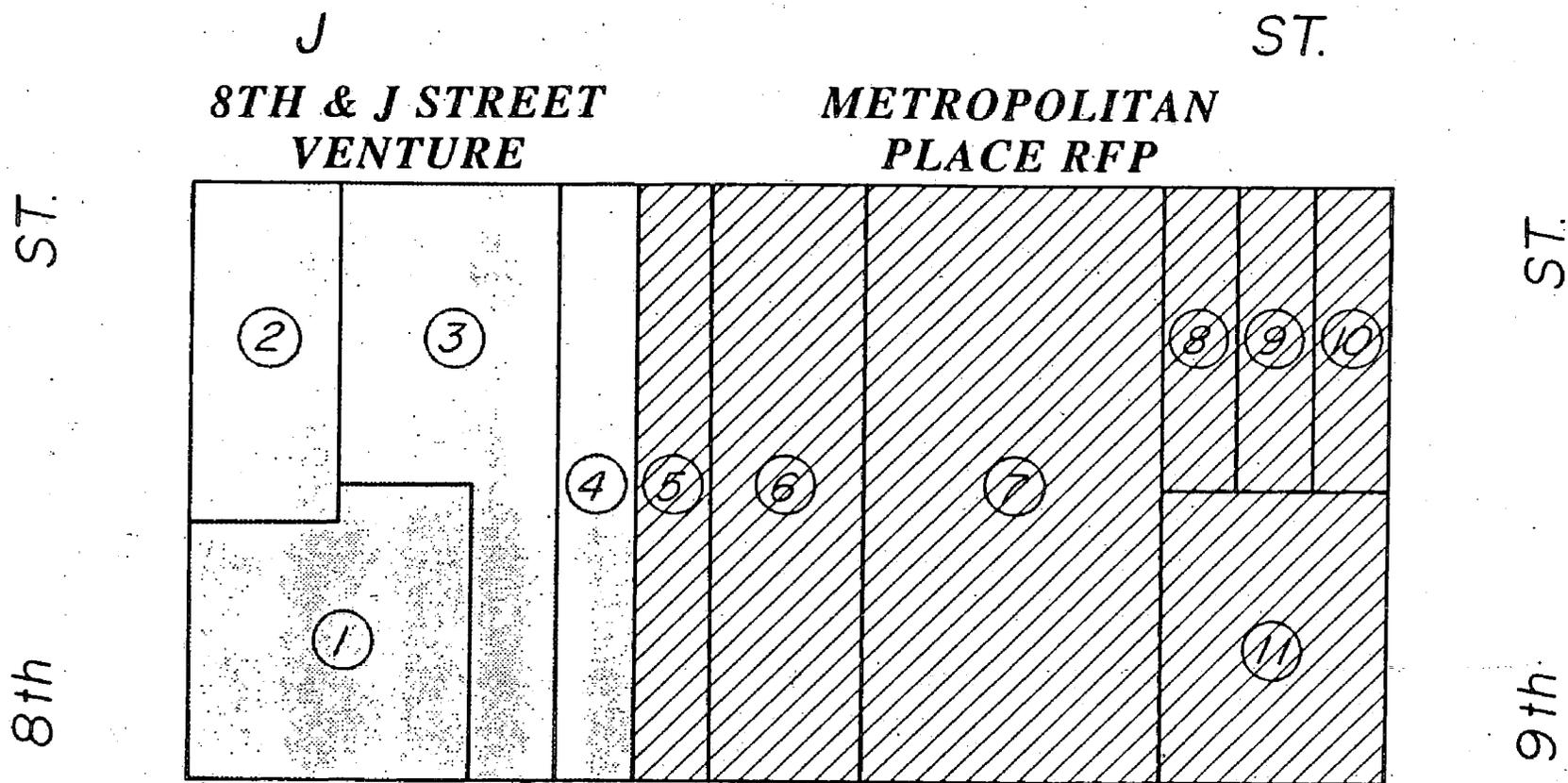
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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

8TH, 9TH & J STREET DEVELOPMENT SITE



A Request to Submit Proposals for the
METROPOLITAN PLACE DEVELOPMENT SITE
Sacramento, California

*** DRAFT ***

Offered by
Redevelopment Agency of the
City of Sacramento

January, 1991

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DEVELOPMENT OFFERING SUMMARY

Proposed Uses

The goal is to develop a major, high quality, mixed-use urban project. Project proposals should be based on highest and best use under prevailing market conditions. The project may consist of combinations of office, retail, hotel, residential, cultural and entertainment, and public uses and will include adequate parking for the intended use and which meets City ordinance.

Site Description

The Site is approximately 0.73 acres, or 32,000 square feet (approximately 200' x 160'), and is located in the half block bounded by 8th, 9th, "J" Streets and the alley between "J" and "K" Streets. The Site is zoned C-3-SPD Central Business District (Special Planning District). There is an existing 20-foot public alley on the south boundary of the Site which will remain.

Agency Participation

The Agency intends to facilitate development of the Site only by assisting the developer's assembly of the various parcels under a single ownership.

Developer/Development Proposal Selection Process

The process for selection of the developer and development proposal shall be a two-step process, as follows:

- 1) Review and tentative selection of a developer and development proposal.
- 2) Negotiation with the selected developer leading to execution of a Disposition and Development Agreement for the Project.

Submission of Proposals

Proposals and Application Deposit are to be submitted by 5:00 p.m. on _____, 1991 to the office of Joan Roberts, Agency Clerk, Redevelopment Agency of the City of Sacramento, 630 "I" Street, Sacramento, California, 95814. Proposals should be clearly marked "METROPOLITAN PLACE PROPOSAL". Proposals not submitted to the Agency Clerk in a timely manner will not be considered.

Contact Person

The contact person for the Project is Sue Bloch, Program Manager -
Downtown Development, whose telephone number is (916) 440-1355.

THE SACRAMENTO AREA

Situated in the northern end of California's vast central valley is its capital, Sacramento. Located 85 miles east of San Francisco, 273 miles south of the Oregon border, and 382 miles northwest of Los Angeles, Sacramento is rapidly becoming a world-class city.

Sacramento has begun to absorb the flavor of California's economic success, evidenced by the area's seemingly sudden rise to prominence. Better known to some for its rich beginnings as a Gold Rush town, Sacramento is making a new name for itself. In 1990 it placed in top national rankings, from "one of the best places to live" to a "great place to locate a business". An important part of California's economy, Sacramento is found gracing the pages of the nation's most reputable publications.

California, the Golden State, is the sixth largest economy in the world, complete with five overseas trade offices, an agricultural export program, and an export finance program. Over the past seven years, 2.8 million new jobs have been created, unemployment has been reduced by half, and state budgets have balanced. It's not surprising that the latest Standard and Poor's municipal bond ratings scored California a super safe AAA. Last year alone, employment increased 3.9 percent, personal income advanced 7.7 percent to \$572 billion, and retail sales rose 9 percent, almost double the national increase. As the nation's leading agricultural economy, California reached an all-time production high of \$17.3 billion in 1989.

Living in Sacramento

The Greater Sacramento Area (GSA), comprised of El Dorado, Placer, Yolo, and Sacramento Counties, is experiencing rapid population growth, and such growth is expected to continue. The population increased 28.2 percent to 1,409,800 from 1980-89. In fact, the GSA population is expected to reach 1.7 million in the next 11 years, an increase of 54.4 percent from 1980 to 2000. State population growth is projected to be 38.8 percent during the same time period. According to the California Almanac, Sacramento will be among the top 20 growth areas in the nation, ranking 17 in terms of population projections for the years 1986 - 2000. The United States Department of Commerce expects that Sacramento, along with six other metropolitan areas, will lead the nation in income, population, and job growth in the next decade.

Many factors are contributing to this rapid population influx. Located at the confluence of the American and Sacramento Rivers, Sacramento enjoys considerable climatic diversity. The weather in the central valley is mild, while the nearby Sierra Nevadas receive heavy snowfall during winter months. The climate, coupled with the surrounding rivers and nearby Sierra Nevada mountains, provides many recreational opportunities for Sacramentans. Waterskiing,

fishing, sailing, kayaking, rafting, and boating are some of the activities enjoyed by many. With the Sierras just a short drive away, snow skiing, hunting, and camping trips can become regular outings.

A major attraction to Sacramento is its reasonable cost of living, most significantly impacted by its affordable housing. In September of 1990, the median resale price for a house in the Sacramento metropolitan area was \$139,500. The median resale price in the State for the same period was \$190,350. Housing prices remain low in Sacramento due to the relatively low cost of land and the competitive residential marketplace.

Other pluses to the Sacramento quality of life include its numerous parks and related amenities. Sacramento is second only to Paris, France for its number of trees. The American River bike trail stretches 30 miles on both sides of the river, from Old Sacramento to Folsom. It offers 5,000 acres of recreation area. The Sacramento-San Joaquin Delta has 1,000 miles of waterways abundant with catfish, bass, and giant sturgeon. Residents and visitors alike can enjoy any of the five wild-life preserves located within a two-hour radius of Sacramento.

Sacramento, rich with museums, galleries, and cultural facilities, is home to the Crocker Art Museum, the oldest art museum west of the Mississippi. Sacramentans support a symphony, an opera company, a resident theatre company, and ballet. A major draw is Old Sacramento, situated within walking distance of Downtown on the banks of the Sacramento River. Like taking a walk into the past, one can ride a horse-drawn carriage, browse the gift shops, or dine on the riverboat Delta King. The restaurants, museums, and shops are within well-preserved landmark buildings from the past.

Sports enthusiasts abound. The Sacramento Kings basketball team sell out every home game at the 17,000-seat Arco Arena, which also hosts tennis, rodeo, and boxing events, and musical concerts. With a new sports complex underway near the arena, it is anticipated that other professional sports franchises will relocate to this area.

Sacramento's proximity to San Francisco, Lake Tahoe, the Sierra Nevada, the Napa Valley, and the Gold Country allows for wonderful day trips. The reverse also is true: many people from other regions come to Sacramento to enjoy the annual State Fair, the month-long Camellia Festival, the Senior PGA Golf Tournament, as well as the world-famous Dixieland Jazz Jubilee. Another major attraction is the annual Sacramento Water Festival featuring the International Grand Prix Series power boat races.

In addition to a variety of churches, shopping opportunities, and restaurants, Sacramento is fortunate to have highly-acclaimed medical care with easy access to medical facilities. There are 18 acute-care hospitals in the region, accompanied by 11 health maintenance organizations, three of which are headquartered in Sacramento. Scheduled to be completed and on-line in 1994, Sacramento will be home to a \$65 million, 300,000-square-foot Shriner's Hospital. This state-of-the-art children's hospital will house burn, orthopedic, and spinal chord treatments in one facility. The Shriner's Hospital will be located adjacent to the University of California, Davis Medical Center, home to one of five University of California medical teaching centers. Situated on 110 acres of land in central Sacramento, this facility serves as a regional trauma center to a 32-county area containing four million residents. Licensed for 500 beds, the medical center is renowned for its cancer treatment and pediatric programs.

Working in Sacramento

Sacramento's robust economy can be attributed to its diversity. State government provides an economic stabilizer -- it provides jobs to more than 59,000 people in the area. Two Air Force bases, Mather and McClellan, and an Army depot bring a substantial amount of federal dollars to the area. The government provides 29 percent of all jobs in Sacramento, according to the State Employment Development Department (EDD). However, this figure is down from 35 percent a decade ago because growth in the private sector exceeds that in the public sector. EDD predicts overall employment growth of 36 percent, or about 180,000 new jobs, for 1985-95.

Sacramento enjoys a thriving private sector. Since the start of the 1980s, non-government employment has risen nearly 50 percent. This growth is due largely to large corporations which have discovered Sacramento as an ideal place to relocate or expand. The instigator was the high-tech Hewlett-Packard Company, who set up an assembly plant in suburban Roseville in 1979. Today the plant employs 2,000 people. Intel Corporation located its computer network center for the corporation's world-wide operations in suburban Folsom soon afterwards, employing 1,500 people.

Some industries have a long history in Sacramento. The first transcontinental railroad began in downtown Sacramento where today, Southern Pacific Railroad has some of the largest freight yards west of the Mississippi. Four major highways allow for one-day freight delivery throughout the West Coast. This has made Sacramento a major location for warehouse and distribution facilities. Sacramento is also an inland seaport. The Port of

Sacramento provides deep-water ship access for manufactured and agricultural goods.

Other significant industries in Sacramento include agriculture and food processing, retail trade, services, tourism and convention, banking and finance, and manufacturing.

Sacramento, a center for organizations which need to be near decision-making and regulatory activities of government, headquarters organizations representing financial, technological, industrial, retail, educational, architectural, and other statewide and national memberships. This phenomenon creates a unique concentration of experts and specialists such as skilled engineers, economists, lawyers, lobbyists, and writers.

Working in Sacramento is enhanced with a growing public transit system; day care facilities; and job training schools. Affordable parking and convenient access to Regional Transit's light rail system and bus service are a plus for workers. The City's accessible freeway system and its proximity to the Sacramento Airport allow for easy entrance to and departure from the area.

Doing Business in Sacramento

Hailed by Fortune Magazine (October 22, 1990) as "the fourth best city for business", it is no wonder NEC Electronics has chosen Sacramento as the area in which to build a \$500 million semiconductor fabrication plant, the largest Japanese manufacturing investment in the United States outside the automobile industry.

A national survey conducted by Louis Harris and Associates for Cushman & Wakefield, a commercial real estate firm, rated Sacramento "the second best city in which to locate a business". Categories ranged from quality of life to labor-pool cost and availability of governmental climate, all scoring high for Sacramento. Several firms have located to the Sacramento area because of low employee turnover and absenteeism rates, and an abundance of high-quality, productive workers.

Downtown

The increasing development in Sacramento can be seen in its downtown skyline. Completed projects include the Capitol Bank of Commerce; the 508-room Hyatt Regency Sacramento located across from the State Capitol; the 28-story Renaissance Tower office building; Riverview Plaza, a 16-story mixed use facility which contains 126 units of senior housing, office space, a day care center, and commercial lease space; and the 19-story 1201 "K" Street building which provides 319,000 square feet of office space.

Projects currently underway include the Central Library renovation project, which incorporates restoration of the 3,000-square-foot historic Carnegie Library and a 164,000-square-foot expansion including a 6,000-square-foot public galleria; the adjacent 26-story Plaza Park Office Towers, which will provide 431,800 square feet of rentable office and commercial space; the 1325 "J" Street office building which is slated for occupancy by the U.S. Army Corps of Engineers; the 30-story Wells Fargo Center, which occupies a full city block on Capitol Mall; and the Downtown Plaza expansion project, which will increase the size of the shopping center by 200,000 square feet, adding a 460-space parking garage, a cinema complex, and a food court.

Some of Sacramento's most exciting projects are currently in the planning process. The Southern Pacific Railyard project, a joint venture between the City of Sacramento and Southern Pacific Railroad, calls for development of a master plan of 240 acres of prime real estate. The master planning process has involved extensive citizen communication in the form of public workshops.

Lot A, to be located on Capitol Mall, will be built in two phases. The first phase will construct a 34-story office tower with 600,000 square feet of Class A office space, 15,000 square feet of retail space, and a public plaza. Phase two will provide a 20-story, 200,000-square-foot office tower with 5,000 square feet of retail space and a 13-story Class A Hotel.

The existing 122,000-square-foot Sacramento Memorial Auditorium, built in the 1920s in memory of Sacramento's war veterans, is currently being completely renovated. Located in a park-like setting, the renovation plans include seating for 2,500 patrons to the performing arts and other theatrical events. The architectural design strives to maintain the historical integrity of the structure, which was built in Byzantine style and constructed of brick and terra cotta with tile roofing. Completion of this \$38 million project is scheduled for 1993.

These three major projects complement and adhere to the vision for Downtown Sacramento. Aside from commercial structures, the housing element downtown is equally important to the overall plan, and a Downtown Housing Strategy currently is being developed. Also being implemented is the Downtown Cultural and Entertainment District, designed to unite Downtown merchants, artisans, and restaurateurs in promoting Downtown Sacramento as an 18-hour city. An integral part of the vision for Downtown Sacramento is the Art in Public Places Program, which allocates 2% of all City and County redevelopment subsidies to public art.

In an effort to comply with urban design guidelines, the Civic Center Plaza Parking Garage design integrates a classic architectural facade complete with arched entrances. A "water wall" will be located on the northwestern corner of the structure as part of the Art in Public Places Program. These two design elements carry a price tag of \$1.5 million. The eight-story garage will provide 1,033 parking spaces and 22,000 square feet of ground floor retail commercial space which will have three frontages on 10th, 11th, and "I" Streets. This \$18 million construction project is scheduled to commence construction in early 1991 and will take 18 months to complete.

Downtown hotels and convention space are plentiful. The proposed Sacramento Community/Convention Center expansion will enlarge the existing 122,000-square-foot center to over 342,000 square feet. The overall master plan strives to provide ample vehicular access, improve pedestrian linkages to the Sacramento Memorial Auditorium and the "K" Street pedestrian mall, and extend the Downtown Cultural and Entertainment District. Additionally, the facility will be set back from the adjacent St. Paul's Episcopal Church to provide solar access to the church's stained glass windows.

According to the Sacramento Business Journal, State government currently is seeking vast amounts of office space. The Attorney General and the State Controller alone are expected to generate over \$50 million in business for office builders. Other departments are also in search of office space. Vacancy rates outside of Downtown dropped from 19 percent to 17 percent in September. The national average for suburban office space is 21 percent.

Downtown office leasing activity far outpaces availability. Due largely to state government, Downtown Sacramento vacancy rates sunk to 7.4 percent in September 1990, the fifth lowest among 60 major U. S. cities. The national average is close to 17 percent. Several major projects can be nearly 100 percent leased, including the recently-completed 223,000-square-foot office building at 1201 K Street, the 319,000-square-foot office building at 1325 J Street, and the 301,000-square-foot Renaissance Tower at 8th and K Streets.

Just as Sacramento is an important part of California's economy, Downtown is an important part of Sacramento's growth. Both are leaders on a national and international scale. Sacramento has proven that it is an integral component to growth and development in the West.

SITE DESCRIPTION AND DEVELOPMENT PROGRAM

To keep in step with the current growth pattern in Downtown Sacramento, the Redevelopment Agency of the City of Sacramento is seeking to attract major development to a premium site in the heart of Downtown, called Metropolitan Place. Located cater corner to the Plaza Park, across the street from the Plaza Park Office Towers, and adjacent to Renaissance Towers, this approximate one-third block site is one of the last large sites available for development in Downtown.

The Site

The major attributes of the Site are:

- o Centrally located within the City's Central Business District.
- o Located on a major downtown arterial and near major interstate freeways and highways.
- o Vehicular access on two bordering streets and an alley.
- o Easy access to the City's Light Rail Transit and public bus system.
- o Within blocks of the State Capitol, City Hall, County Government Center and County and Federal Courthouses.
- o Close proximity to new Central Library and Galleria and the City's Plaza Park.
- o Midway on the pedestrian corridor between the Community Center and the Downtown Plaza shopping mall.

The Site is a high-visibility urban property, ideally suited for a major, mixed-use project. The Site is strategically located in the City's Central Business District (CBD) adjacent to the major retail, financial, office, and governmental centers. The Site is within a few blocks of the State Capitol. The project should complement existing and planned civic improvements near the Site, such as the Central Library and Galleria, the City Hall and the Civic Center Parking Garage, and it should serve as a dramatic edge for Plaza Park. It should add vitality and variety to the area and should provide additional user population for the "J" and "K" Street retail areas.

The Site is bordered by a historic main street which serves the City's office and retail core and which is also an important vehicular and pedestrian link between the cultural and entertainment center to the east and the shopping area to the west. State and local government offices and the State Capitol are also in proximity to the Site.

The project should be a high-quality project designed for the highest and best use of the site. The project should incorporate a mixture of uses, including possible combinations of office, retail, other commercial, hotel, residential, cultural and

entertainment, and public uses. The design should provide adequate parking for the proposed uses which meets City ordinance.

The Site offers an opportunity for uses that will enhance downtown and strengthen the connection between the State Capitol, local government, commercial offices, cultural and entertainment facilities, and downtown shopping.

The Site represents a blighted and underutilized property. It is primarily composed of vacant parcels and deteriorated structures. The Site contains seven separate parcels in multiple ownership. Parcel sizes are as small as 1,600 square feet. Only two parties own more than one parcel.

The Agency intends to proceed quickly with the project following the time schedule for proposal selection, document negotiation and project construction which is set forth in this Request for Proposals (RFP).

Agency Participation

The Agency will assist the selected Developer in assembling the seven 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 selected developer will pay the actual relocation, demolition, mitigation and construction costs and fees. Any expenses incurred by Agency, other than Agency staff costs will be reimbursed by the developer.

In accordance with the Agency's recently adopted Intermediate Range Goals, there will be no land "write-down" or other form of public financial assistance for the project. The role of the Agency is only to facilitate assembly of the parcels for development of the Site.

Owner Participation

The Agency will entertain proposals from existing property owners, to enter into an Owner Participation Agreement (OPA) for development of the Site. However, proposals from owners must meet all standards and requirements established in this RFP. The Agency would encourage development ventures which incorporate such owner participation. On the other hand, the Agency is primarily concerned with the strength and viability of the project and the overall contribution of the project to the Redevelopment Area.

Developer Acquisition Costs

The Agency estimates that Site acquisition costs, and the costs for relocation and demolition, will range between \$5,000,000 and \$6,500,000. Appraisals by an M.A.I. appraiser are being obtained

for the Site. The developer will also reimburse Agency for the costs of the appraisals. An Environmental Impact Report (EIR) will be prepared for the project and the Phase I Preaquisition Site Assessment for the Site. The appraisals, the EIR and the Site Assessment are estimated to cost \$200,000.

Development Program

The Agency's development program and guidelines are intended to allow flexibility to meet design and market conditions. No minimum square footages or specific uses are required. Design of the project, however, is of major importance to the Agency. The Agency is looking for innovative and creative approaches to the design, use and development of this Site. Developer must comply with City Ordinance requiring retail uses at ground floor level. The design must also conform to the City's Urban Design Plan.

The flexibility regarding the size and intensity of development should allow the developer freedom to create a project which is both innovative and economically viable. The Agency anticipates proposals which incorporate imaginative uses, location of uses and other design elements to bolster the success of the development. The Agency will consider proposals with phased construction if the Developer provides guarantees acceptable to the Agency that all phases will be completed.

Development Guidelines

The proposal must be consistent with the following development regulations and guidelines applicable to the area of this project:

1. City of Sacramento General Plan.
2. Central City Community Plan.
3. Merged Downtown Sacramento Redevelopment Plan.
4. Sacramento Urban Design Plan.
5. Cultural/Entertainment District Master Plan.
6. Central Retail Management Plan.
7. Design Review Guidelines Plan.

These plans establish the following primary objectives:

1. The Central Business District, should be maintained as the major retail trade, office, financial and entertainment/cultural center for the region.
2. Development should promote the revitalization of the Central Business District; implement urban design themes which reflect the historical, cultural, and architectural character of the area; and encourage a mixture of uses which increase patronage of the Central Business District.

Building Uses

Hotel, office, retail, residential, and parking facilities are permitted within the C-3-SPD Central Business District Zone. The Agency is particularly interested in the development of cultural/entertainment and public uses which compliment and relate directly to the Central Library and Galleria and City's Plaza Park. A project proposal which affords such amenities will receive priority consideration. Development which promotes downtown activity during evenings and weekends will also receive priority consideration.

Building Heights

There are no height limits on the Site for projects under agreement with the Agency.

Building Mass and Orientation

The Sacramento Urban Design Plan addresses bulk and building mass. Project design should retain or enhance view corridors and coordinate with and complement adjacent developments. An important feature of the design should be views to attractive neighboring features such as Central Library, Plaza Park, and City Hall. The Agency also considers street level activity and pedestrian scale to be critical elements in the project design.

Architectural Elements

The Site is within a downtown area rich with architectural and historic resources. The project should have a design concept which enhances the character, scale, texture, and orientation of the area. The project must adhere to the Sacramento Urban Design Plan requirements for quality materials in the project construction.

The block contains a "Priority" historic structure, the Fabian Building at 828 "J" Street. The Comstock Building, located at 812 "J" Street is an "Essential" structure which is also listed on the National Register. The importance of the Comstock Building arises primarily from the use of Batchelder tiles on the facade. The historic granite curbs surrounding the block must be retained. The City of Sacramento Design Review/Preservation Board has jurisdiction over these elements.

The design of the base of the project buildings should coordinate with the historic retail context of "J" Street, such as the twenty-foot storefronts and bay window treatments. Such coordination may have an innovative and contemporary treatment or it may mean the actual incorporation of some of the existing facades. It may also be achieved by scaling the project base to the height of existing buildings along the "J" Street corridor. The mass, scale, rhythm, articulation and detail of the base structure should also reflect the historic retail character of "J" Street in addition to frontages along 8th and 9th Streets. In any event, the tower portion of the building should be set back sufficiently to provide a distinct retail base to the project.

Landscaping

The landscaping of the project should have a pedestrian orientation, blend with adjacent developments, and enhance the aesthetic and visual quality of the project. The landscaping and off-site improvements of the project should have a link with the Central Library and Plaza Park.

Pedestrian Orientation

A pedestrian-oriented environment is a major element in the revitalization of the downtown area. The project design should enhance the pedestrian environment, especially on "J" Street at 9th Street, and should provide linkages to the "K" Street Mall retail area, Plaza Park, and the Central Library. The project buildings should have interesting details, quality and materials, site features and uses which enhance pedestrian activity and which provide a positive pedestrian environment. The alley to the south of the proposed project site is a designated pedestrian way in the Urban Design Plan.

Transportation/Circulation

The project design and orientation should accommodate public transportation. There is heavy bus and automobile traffic on "J" Street and a Light Rail Transit station within one block of the Site at 8th and "K" Streets. These transportation and circulation routes should be reflected in building and site design. Parking facilities must be designed to minimize conflicts with pedestrians and automobiles. The design should provide innovative approaches to on-site parking and utilization of Light Rail Transit, and address a creative Transportation System Management Plan.

Parking

The Agency intends that all parking will be located on the Site. Minimum and maximum parking ratios are:

- o Hotel: One space per two rooms.
- o Office: One space per 600 square feet of floor area in excess of 20,000 gross sq. ft.
- o Residential: One space per unit, plus one guest parking space per 15 units.
- o Retail: None required.

The ratio for office parking may be reduced up to 60% with a special permit, in accordance with the "in-lieu" provisions of the City of Sacramento's Transportation System Management Ordinance.

The on-site parking should be fully integrated in the overall design so that it is indistinguishable from the balance of the project. It should include similar and complementary building materials, facade treatments, and building articulations. Above-grade parking should be totally enclosed with minimal openings on the 9th and "J" Street elevations.

Reciprocal Parking Agreements

Agency shall require the developer of 8th & J Streets Venture to enter into a "Reciprocal Parking Agreement," with the selected developer of Metropolitan Place, as approved by the Agency. The Developer of Metropolitan Place shall enter into such agreement. Agency, developer of 8th & J Streets Venture and the developer for Metropolitan Place shall meet and negotiate, in good faith, the terms of the Reciprocal Parking Agreement which shall provide for common access, including loading docks and service areas as well as to and between the parking for the project on the Site and the 8th & J Streets Venture project.

Art in Public Places

The Agency has an adopted policy to promote public art and aesthetic improvements. The Agency's Art in Public Places Program requires developers to expend a minimum of two percent of total construction cost of the project on aesthetic improvements. The program is receptive to a broad definition of art and encourages imaginative interpretations of the various media. Art work may be decorative, functional, part of a changing installation, permanently affixed, or incorporated in the landscape. Among the media which may be considered are: paintings, prints, sculptures, fountains, murals, mosaics, ceramics, glasswork, collages, frescoes, and architectural enhancements to the building designed by artists.

Child Care, Housing, and Other Fees

It is the policy of the Agency to mitigate the impacts of new development on child care and housing. The developer will be required to meet with the City of Sacramento Child Care Coordinator to develop measures to mitigate the demand for child care services directly related to the subject project. The developer will be required to pay Housing Trust Fund fees in accordance with City ordinance. The Agency has no authority to waive City or County fees and will not request waiver of such fees on behalf of any developer.

Disposition Terms

The selected developer and the Agency will finalize the specific terms for acquisition and disposition of the Site during a sixty-day negotiation period. The Agency and developer will negotiate a Disposition and Development Agreement (DDA) which will include the value, terms and conditions for acquisition, assembly and disposition of the Site. Such negotiation will be based on the "Offer to Purchase and Develop Site" (Offer) included in the Development Offering Package.

Attached to the Offer are Stipulations, which are business terms considered by the Agency to be essential to approval of a proposed project. Also included in the Development Offering Package is a standard DDA containing standard terms required by California Community Redevelopment Law or Agency policy. If a developer intends to propose any provision to the Stipulations or provisions of the standard DDA, it should so state in its development proposal. Developers are encouraged to discuss anticipated proposed changes with Agency staff when preparing their proposals.

PROPOSAL SELECTION PROCESS

The developer and development proposal will be selected in a two-step process:

- 1) Review and tentative selection of a developer and development proposal;
- 2) Execution of the Offer to Purchase and Develop Site; and
- 3) Negotiation with the selected developer leading to execution of a Disposition and Development Agreement and related documents for the Project.

Review of Proposals (Phase 1)

1. The staff of the Sacramento Housing and Redevelopment Agency will evaluate all developer/development proposals and administer the selection process. Agency staff is responsible for:
 - a. Overall management of the developer/development proposal selection process.
 - b. Management of consultant support in the selection process.
 - c. Communications with developers, City of Sacramento administration, community groups, the Agency, and others.
 - d. Preparation of required analyses and descriptive materials.
 - e. Coordination of the activities of the Selection Evaluation Committee.
 - f. Negotiations of the DDA terms with the selected developer.
3. In the interest of fair and equitable competition, the Agency retains the sole right to determine the timing, arrangement and method of project presentations throughout the developer selection process. Developers are cautioned not to undertake any actions to promote or advertise their interests except in the course of Agency-sponsored presentations.
4. Developers shall be permitted ninety (90) days to prepare and submit their initial proposals. (See Development Offering Package for instructions and an outline of required information.)

5. A Selection Evaluation Committee will advise the Agency during the initial review of the proposals.

The Selection Evaluation Committee, along with staff, will be responsible for reviewing developer qualifications and development proposals; and will recommend a list of not more than four of the most highly qualified developers and the best development proposals to the Agency as "finalists" in the subject process.

The "finalists" as approved by the Agency will make presentations to both the Sacramento Housing and Redevelopment Commission and the Redevelopment Agency.

Staff will subsequently recommend selection of the most qualified developer and best development proposal to the Agency to proceed to Phase II.

6. The Agency strongly encourages developers to submit comments and questions in writing to the Agency and meet individually with the Agency staff early in the process to discuss project details, submission requirements, selection criteria and challenges to required terms of the DDA. A pre-proposal conference may be scheduled early in the process to facilitate and encourage developer comments and questions regarding the proposed project.
7. Agency staff and the Selection Evaluation Committee will carefully review responses to the Request for Proposals and may meet with any or all developers. The Agency may request that developers clarify, supplement, modify, or provide additional information regarding various aspects of information submitted. During the review period, written clarification may be requested and interviews may be conducted with developers.
8. The Agency reserves the right to reject any and all submissions.

The result of Phase I will be the selection of a single developer and development proposal by the Redevelopment Agency.

Option Period and Negotiation of the Development and Disposition Agreement (Phase II)

1. Offer to Purchase and Develop Site and Negotiation Fee

Following selection of the developer and development proposal by the Agency, the selected developer and the Agency will execute the "Offer to Purchase and Develop Site" (including the Stipulations attached) which is a part of the Development Offering Package. In accordance with the terms of the Offer, the developer will be required to pay a negotiation fee equivalent to one percent of the appraised value of the Site, as appraised for purposes of acquisition. The execution of the Offer and developer's payment of the negotiation fee secures the obligation of the Agency to negotiate exclusively with developer the final terms of the land acquisition, assembly and disposition. During the negotiation period, the developer and the Agency will negotiate in good faith the terms of the final Disposition and Development Agreement (DDA) between the Agency and the developer.

The negotiation fee must be paid by cash, cashier's check, certified check, or unconditional and irrevocable letter of credit, made payable to the Agency. The fee, when paid, is the property of the Agency and will be retained by the Agency, except that:

- a. If the developer and the Agency enter into a DDA for the development of the project, the negotiation fee may be applied to the required good faith deposit required under the DDA.
- b. If the Agency staff recommends and submits a proposed DDA, executed by Developer, which the Agency's governing board fails to approve, the fee shall be refunded to the developer, less the Agency's third-party expenses actually expended.

If the terms of a DDA are not negotiated during the negotiation period because the developer has not negotiated in good faith, all conditions to Agency's retention of the negotiation fee shall immediately terminate, unless the Agency agrees in writing to an extension of the negotiation period. Should this occur, the negotiation fee would be forfeited by the Developer.

The exclusive right to negotiate will be granted to the selected developer for the selected development proposal and only to that developer for that project. The option is not transferable and not assignable without the expressed written approval of the Agency.

2. Disposition and Development Agreement

The DDA will detail the contractual responsibilities of the Agency and the developer, the method and financing for acquisition, assembly and disposition of the Site, approved design and project element mix and scope, agreed elements of the project proposal, Agency rights to approve changes, bonding requirements, insurance requirements, and all other terms and conditions. The DDA will include clear identification of the contracting parties; a scope of development which clearly describes the proposed development; a description of the land acquisition, assembly and disposition arrangement; a schedule of performance; a provision for the good faith deposit; conditions regarding assignment; and procedural items such as defaults, cures, and remedies.

Stipulations attached to the Offer are elements of the business deal which will be incorporated in the final DDA. A standard DDA is included in the Development Offering Package. It contains the terms which are required by law or adopted Agency policy. The Agency intends these provisions to be a part of the final DDA as negotiated with the selected developer. If, for any reason a developer, intends to request any changes in the provisions contained in the Stipulations or the standard DDA, it should include proposed changes including proposed replacement language in the developer/development proposal. The Agency does not intend to change such provisions without good cause.

Developer/Development Selection Criteria

In general, emphasis for developer and development proposal selection will be placed on:

- o Experience and financial capacity of the developer including overall strength of development team.
- o Market viability and financial feasibility of the proposed project.
- o Business offer and development schedule.
- o Fulfillment of objectives and goals stated in this RFP and conformity with adopted Agency and City plans and policies.
- o Design and utilization of the Site so that it is complementary to, and takes into consideration adjacent developments.
- o Quality design and utilization of materials.
- o Innovative approaches to meeting the on-site parking requirements of the proposed project.
- o Housing and child care mitigation measures.

The Agency will utilize following criteria to evaluate developer and development proposals, not necessarily in order of priority.

Developer Selection Criteria

1. Development Experience

- a. Experience in development, generally.
- b. Experience with major urban development specifically with regard to:
 - i. Project size and difficulty.
 - ii. Economic success.
 - iii. Overall architectural and design quality.
 - iv. Timeliness of performance.
- c. Experience with joint public/private projects, including the above elements as well as:
 - i. Response to public objectives.
 - ii. Delivery of product as initially represented.

2. Management Experience

- a. Experience in operating mixed-use or other projects containing uses comparable to the proposed development.
- b. Previous success in achieving high-quality project maintenance standards.

3. Financial Capability

- a. Financial strength of developer and its principals.
- b. Ability to provide financing for acquisition of the subject Site.
- c. Ability to raise adequate capital for the project.
- d. Strength of current relationships with financial sources, and specifically the ability to obtain commitment letter from a financial institution.
- e. Resources and tenacity ("staying power"), as evidenced by ability to obtain an "AA" rating from Moody's or Standard and Poor's or by other substantial and creditable evidence.
- f. Ability to provide for operation and maintenance.

4. Organization, Personnel and Management Approach
 - a. Developer organization showing clear lines of responsibility on which the Agency can rely for effective and responsive action.
 - b. Qualifications and experience of key persons and entities who are on the team for the proposed project or who have previously associated with the developer and may participate on the proposed project.
 - c. Ability to bring an architect or architectural firm of merit to the project.
 - d. Previous construction management experience related to major urban development projects.
5. Overall Strength of Development Team
 - a. Economic and management strength of the construction, management and operations teams.
 - b. Experience of designated architect and planning, urban and design consultants in a downtown setting as evidenced by overall design quality of previous projects.
 - c. Experience, qualifications and strength of key contractors, consultants, and specialists designated as part of development team.
 - d. Number and size of projects to be concurrently undertaken by developer and all other members of the development team.

Development Proposal Selection Criteria

1. Fulfillment of Project Goals, Objectives and Requirements
 - a. Responsiveness and consistency with Development Guidelines of this RFP.
 - b. Responsiveness to the goals of the Redevelopment Plan and its implementing documents described in the RFP.
 - c. Conformance with City plans, codes, and other policies as outlined in the Development Offering Package.

2. Architecture and Design Quality
 - a. Overall quality of the conceptual design of the project, with emphasis on character, scale, texture, materials, orientation, and mass relationship to surrounding structures and proposed developments.
 - b. Integration of historic retail character of existing and adjacent structures.
 - c. Integration and preservation of existing historic elements.
 - d. Creative integration of project elements within the context of surrounding uses and proposed developments.
3. Project Economics
 - a. Size, scope and mix of elements and uses of proposed development.
 - b. Cash flow projection for design, construction, and operation phases.
 - c. Feasibility of proposed project based upon projected financing, project costs and project cash flow.
4. Business Offer and Development Schedule
 - a. Revenues generated to the Agency and City.
 - b. Proposed source and method of financing the project.
 - c. Degree of adherence to terms of Stipulations and standard Disposition and Development Agreement.
 - d. Date for start and completion of construction.
 - e. Extent, timing and difficulties of phasing plan, if requested, and acceptability of guarantees of completion for each phase.
5. Other Factors as Appropriate for Specific Development
 - a. Quality and extent of plan to meet public objectives such as Art in Public Places, child care, Housing Trust Fund, and Transportation System Management Plan.
 - b. Additional special amenities offered by the developer in developing the Site.

DEVELOPER/DEVELOPMENT PROPOSAL SELECTION AND PROJECT SCHEDULE

<u>Procedure</u>	<u>Timeline</u>	<u>T o t a l E l a p s e d T i m e</u>
1. Request for Proposals (RFP) issued; NOP Issued (EIR)	-0-	-0-
2. Responses to RFP due to Agency	90 days	3 mos.
3. Draft EIR Circulated	90 days	6 mos.
4. Selection of Developer and Proposal; EIR Certified; Just Compensation Established; Offers to Purchase to Owners	120 days	10 mos.
5. Project Negotiations Completed ¹ ; Execution of DDA; Delivery of Letter of Credit and Deposit	60 days	12 mos.
6. Land Assembly and Relocation	120 days	16 mos.
7. Demolition Complete	60 days	18 mos.
8. Start of Construction	30 days	19 mos.
9. Completion of Project	630 days	40 mos.

¹If major design changes require a supplemental EIR, twenty (20) additional weeks will be required to complete the process prior to execution of the DDA.

DEVELOPMENT OFFERING PACKAGE

The Development Offering Package may be obtained by sending a letter of interest, along with a check made payable to SHRA for \$150 to cover printing and mailing costs, indicating the name, address, telephone number and lead contact person for the company. Upon receipt, the Agency will forward a "Development Offering Package" which includes all instructions and official forms to be used in the Request for Proposal process, along with supporting data and information and copies of applicable City and Agency policies and codes.

The Development Offering Package contains the following information:

1. Submission Instructions for Developer and Development Proposal Selection
2. Development Guidelines
3. Offer to Purchase and Develop Site
4. Developer's Statement of Financial Capability
5. Merged Downtown Sacramento Redevelopment Plan
6. Cultural/Entertainment District Master Plan
7. Centralized Retail Management Plan
8. Chamber of Commerce Economic Profile, and the Commercial Real Estate Market Information and Statistical Abstract for 1989
9. Sacramento Urban Design Plan: Central Business District Framework Plan
10. Sacramento Urban Design Plan: Architectural Design Guidelines
11. Sacramento Urban Design Plan: Streetscape Guidelines
12. City of Sacramento Parking Ordinances
13. City of Sacramento Transportation Management Plan
14. City of Sacramento Art in Public Places Ordinance and Program
15. Redevelopment Agency of the City of Sacramento Standard Disposition and Development Agreement (DDA)

For further information, contact Sue Bloch, Program Manager - Downtown Development, Sacramento Housing and Redevelopment Agency, 630 "I" Street, Sacramento, CA 95814, (916) 440-1355.

TO: Interested Developers
RE: Development Offering Package
Metropolitan Place Development Site
Sacramento, California

Dear Interested Party:

The Redevelopment Agency of the City of Sacramento is pleased to offer for development the Metropolitan Place Development Site. We look forward to your submission in response to the Request for Proposals. The Agency views this project as a unique opportunity to develop a major, mixed-use project on one of the prime sites in downtown Sacramento.

Submissions are due by 5:00 p.m. on _____, 1991, at the office of Joan Roberts, Agency Clerk, Sacramento Housing and Redevelopment Agency, 630 "I" Street, Sacramento, CA 95814. Late or misdirected submissions will not be considered.

If Agency staff can assist you in any way, please contact Sue Bloch, Program Manager-Downtown Development, at (916) 440-1355.

Sincerely,

ROBERT E. SMITH
Executive Director

RES/BK:cmc

METROPOLITAN PLACE
DEVELOPMENT OFFERING PACKAGE

The Development Offering Package includes the following specific components:

1. Submission Instructions for Developer and Development Proposal Selection Process
2. Development Guidelines
3. Offer to Purchase and Develop Site
4. Developer's Statement of Financial Capability

The following supporting documents which are required for compliance with the Request for Proposals and for general information are also included:

5. Merged Downtown Sacramento Redevelopment Plan
6. Cultural/Entertainment District Master Plan
7. Centralized Retail Management Plan
8. Chamber of Commerce Economic Profile, and Commercial Real Estate Market Information and Statistical Abstract for 1989
9. Sacramento Urban Design Plan: Central Business District Framework Plan
10. Sacramento Urban Design Plan: Architectural Design Guidelines
11. Sacramento Urban Design Plan: Streetscape Guidelines
12. City of Sacramento Parking Ordinances
13. City of Sacramento Transportation Management Plan
14. City of Sacramento Art in Public Places Ordinance and Program
15. Redevelopment Agency of the City of Sacramento Standard Disposition and Development Agreement (DDA)

The Request for Proposals is considered a part of this Development Offering Package, and the information contained in the Request for Proposals should be considered in completing this Package.

SUBMISSION INSTRUCTIONS FOR
DEVELOPER AND DEVELOPMENT PROPOSAL SELECTION

Developers who respond to the Request for Proposals are required to submit the following:

OFFER TO PURCHASE AND DEVELOP SITE

Each developer shall submit one (1) original and ten (10) copies, each executed, of "Offer to Purchase and Develop Site", including the attached "Stipulations".

APPLICATION DEPOSIT

As a part of the application, Developer shall submit an appraisal of the value of the Site and an application deposit in the amount of 1% of such appraisal value. The application deposit is not refundable, except that it will be returned to applicants who complete the process and are not selected. The application deposit will be credited towards the negotiation fee for the applicant selected. The application deposit may be in cash, cashier's check or certified check.

STATEMENT OF QUALIFICATIONS

Each developer shall submit ten (10) copies, numbered serially, of a "Statement of Qualifications" containing the information outlined below and in the Request for Proposals. In order to facilitate review by the Agency, please submit information in accordance with the following format, identifying each item by number or letter. The Agency reserves the right to request additional information following review of the initial submission.

Identification of Developer and Associates

Name, address and telephone number of the developer and the principal person assigned by the developer to negotiate on its behalf.

Identification of the type of legal entity with whom the Agency would contract (e.g. individual, corporation, partnership, joint venture, other). If the legal entity with which the Agency would contract is different than the parent corporation, please indicate whether the parent corporation will guarantee performance or provide some other such guarantee.

Principals of the development organization (corporate officers, principal stockholders, general and limited partners, project manager) including names, addresses, title of position, description of the character, extent and percentage of interest in the project.

Identification and description of any relationship the developer may have with subsidiaries, joint ventures, etc.

Organization and management approach, including identification and role of key individuals who would be involved in the implementation of the project, including their background experience and resumes.

At the request of the Agency, provide organizational documents and evidentiary support for information supplied.

Developer Experience

Provide a statement substantiating the developer's ability to manage a team of specialists, including architecture/design team, engineers, construction managers, builders, financial consultants, hotel operators (if applicable), marketing and leasing agents and management personnel. The statement shall include:

1. A description of the Developer's relevant project experience (including that of joint venture partners, if applicable) emphasizing experience in major, mixed-use urban projects. Provide a brief description showing location, date, concept, land uses, construction costs, financing, and role of and legal relationship between the developer and operators in each project. Also, indicate the current status of each project, and the specific role of the developer in the project. Provide photographs, if available.
2. A description of the developer's and joint venture partners' (if applicable) experience, roles and responsibilities in ongoing management and operation of major urban developments. Please specify the roles and responsibilities of individual firm members.
3. A list of key professionals, consultants and specialists who will work with the developer on the project, specifically including the areas of planning, architecture, urban design, economics, marketing, financing, construction management and construction. The Developer may also list specialists and consultants that he or she has previously worked with on similar projects.

Selection Criteria

The following criteria are intended to be used to evaluate the Statement of Qualifications section of the responses to the Request for Proposals (RFP).

1. Development Experience
 - a. Experience in development, generally.
 - b. Experience with major urban development specifically with regard to:
 - i. Project size and difficulty.
 - ii. Economic success.
 - iii. Overall architectural and design quality.
 - iv. Timeliness of performance.
 - c. Experience with joint public/private projects, including the above elements as well as:
 - i. Response to public objectives.
 - ii. Delivery of product as initially represented.
2. Management Experience
 - a. Experience in operating mixed-use or other projects containing uses comparable to the proposed development.
 - b. Previous success in achieving high-quality project maintenance standards.
3. Financial Capability
 - a. Financial strength of developer and its principals.
 - b. Ability to provide financing for acquisition of the subject Site.
 - c. Ability to raise adequate capital for the project.
 - d. Strength of current relationships with financial sources, and specifically the ability to obtain commitment letter from a financial institution.
 - e. Resources and tenacity ("staying power"), as evidenced by ability to obtain an "AA" rating from Moody's or Standard and Poor's or by other substantial and creditable evidence.
 - f. Ability to provide for operation and maintenance.
4. Organization, Personnel and Management Approach
 - a. Developer organization showing clear lines of responsibility on which the Agency can rely for effective and responsive action.

- b. Qualifications and experience of key persons and entities who are on the team for the proposed project or who have previously associated with the developer and may participate on the proposed project.
 - c. Ability to bring an architect or architectural firm of merit to the project.
 - d. Previous construction management experience related to major urban development projects.
5. Overall Strength of Development Team
- a. Economic and management strength of the construction, management and operations teams.
 - b. Experience of designated architect and planning, urban and design consultants in a downtown setting as evidenced by overall design quality of previous projects.
 - c. Experience, qualifications and strength of key contractors, consultants, and specialists designated as part of development team.
 - d. Number and size of projects to be concurrently undertaken by developer and all other members of the development team.

DEVELOPER'S STATEMENT OF FINANCIAL CAPABILITY

The developer shall complete and submit ten (10) copies, numbered serially, of "Developer's Statement of Financial Capability," which should be submitted in a separate clearly marked envelope.

The developer shall attach a copy of a certified financial statement of the Developer showing all assets and liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the certified financial statement precedes the date of the submission by more than six (6) months, also attach an interim balance sheet no more than sixty (60) days old.

Copies of any annual reports, financial rating reports, or other documents indicating the financial condition of the Developer should also be submitted.

The Agency will, to the extent of its ability under the law, endeavor to keep all financial data in strict confidence and return it to the developer upon completion of the RFP process.

DEVELOPMENT PROPOSAL

Each developer shall submit ten (10) copies (except large-scale drawings and exhibits), numbered serially, of a complete Development Proposal in report format. In order to facilitate review by the Agency, please submit information in the format of, or referencing directly each of, the guidelines outlined below. The Agency reserves the right to request additional information following review of the initial submission.

Conceptual Design

Each developer shall utilize the proposed Development Program and the Development Guidelines outlined in the Request for Proposals (RFP) and the Development Offering Package. Any additional assumptions made by the developer should be clearly stated in the submitted reports.

The schematic design should contain sufficient detail to show the scale, scope, size and mix of project elements. Perspective sketches are to be included conveying the intended character of the project. Large scale presentation drawings and reductions of such drawings are to be included in the report.

Include, at a minimum, the following design information:

- 1) Site Plan
- 2) Elevations of each side of each building(s)
- 3) Typical floor plans (including parking levels)
- 4) Cross section of each building which depicts or explains the major aspects of the project
- 5) Perspective rendering
- 6) Landscaping plan

Written Analysis and Evaluation of the Schematic Design

The analysis and evaluation of the schematic design can take a number of forms such as written text, diagrams and drawings. The important factor is the ability of the developer to clearly show all significant elements of the design, major problems and opportunities in the design and the relationship between proposed elements of the project to the surrounding structures and uses. Also explain how the design concept was developed and why and how the concept functions.

Include in the written analysis specific statements demonstrating the conformance of the development proposal to the Development Program and Development Guidelines contained in the RFP and Development Offering Package. Include in the analysis a narrative description of the development objectives, its size, the nature and location of proposed uses, and the character of its urban design and architecture.

Financial Plan

Assuming the design proposed by the development team, include preliminary cost estimates and a corresponding financial plan, including a development pro forma. State the assumptions used in preparing the financial plan. An adequate financial plan will demonstrate the developer's approach in structuring such a plan, including funding sources and lenders, and the roles and responsibilities of developer and lender.

The purpose of the financial plan is to evaluate the feasibility of financing the project and the feasibility of the proposed project upon completion.

Proposed Development Schedule

Include a preliminary schedule for development of the proposed project which addresses, at a minimum, preparation of plans, commencement of construction, construction milestones, and completion of construction. It should provide for development in a logical and expeditious manner.

Development Proposal Selection Criteria

The following criteria will be used to evaluate the Development Proposal section of the responses to the Request for Proposals (RFP).

1. Fulfillment of Project Goals, Objectives and Requirements
 - a. Responsiveness and consistency with Development Guidelines.
 - b. Responsiveness to the goals of the Redevelopment Plan and its implementing documents provided with the Development Offering Package.
 - c. Conformance with City plans, codes, and other policies.
2. Architecture and Design Quality
 - a. Overall quality of the conceptual design of the project, with emphasis on character, scale, texture, materials, orientation, and mass relationship to surrounding structures and proposed developments.
 - b. Integration of historic retail character of existing and adjacent structures.
 - c. Integration and preservation of existing historic elements.

- d. Creative integration of project elements within the context of surrounding uses and proposed developments.
3. Project Economics
 - a. Size, scope and mix of elements and uses of proposed development.
 - b. Cash flow projection for design, construction, and operation phases.
 - c. Feasibility of proposed project based upon projected financing, project costs and project cash flow.
 4. Business Offer and Development Schedule
 - a. Revenues generated to the Agency and City.
 - b. Proposed source and method of financing the project.
 - c. Degree of adherence to terms of Stipulations and standard Disposition and Development Agreement.
 - d. Date for start and completion of construction.
 - e. Extent, timing and difficulties of phasing plan, if requested, and acceptability of guarantees of completion for each phase.
 5. Other Factors as Appropriate for Specific Development
 - a. Quality and extent of plan to meet public objectives such as Art in Public Places, child care, Housing Trust Fund, and Transportation System Management Plan.
 - b. Additional special amenities offered by the developer in developing the Site.

DEVELOPMENT GUIDELINES

The Development Proposal should be consistent with the requirements and policies relating to development in the general area of this project.

1. City of Sacramento General Plan
2. Central City Community Plan
3. Merged Downtown Sacramento Redevelopment Plan
4. Sacramento Urban Design Plan

5. Cultural/Entertainment District Master Plan
6. Central Retail Management Plan

These plans establish the following primary objectives:

1. The Central Business District , should be maintained as the major retail trade, office, financial and entertainment/cultural center for the region.
2. Development should promote the revitalization of the Central Business District; implement urban design themes which reflect the historical, cultural, and architectural character of the area; and encourage a mixture of uses which increase patronage of the Central Business District.

-Building Uses

Hotel, office, retail, residential, and parking facilities are permitted within the C-3-SPD Central Business District Zone. The Agency is particularly interested in the development of cultural/entertainment and public uses which compliment and relate directly to with the Central Library and Galleria and City's Plaza Park. A project proposal which affords such amenities will receive priority consideration. Development which promotes downtown activity during evenings and weekends will also receive priority consideration.

-Building Heights

There are no height limits on the Site for projects under agreement with the Agency.

-Building Mass and Orientation

The Sacramento Urban Design Plan addresses bulk and building mass. Project design should retain or enhance view corridors and coordinate with and complement adjacent developments. An important feature of the design should be views to attractive neighboring features such as Central Library, Plaza Park, and City Hall. The Agency also considers street level activity and pedestrian scale to be critical elements in the project design.

-Architectural Elements

The Site is within a downtown area rich with architectural and historic resources. The project design should incorporate the character, scale, texture, and orientation of the area. The Agency will require quality materials in the project construction.

The block contains a "priority" historic structure, the Fabian Building, historic facade tiles on the Comstock Building, and historic granite curbs. The City of Sacramento Design Review/Preservation Board has jurisdiction over these elements. Some effort will be required to incorporate the historic elements or otherwise preserve them.

The design of the base of the project buildings should coordinate with the historic retail context of "J" Street, such as the twenty-foot storefronts and bay window treatments. Such coordination may have an innovative and contemporary treatment or it may mean the actual incorporation of some of the existing facades. It may also be achieved by scaling the project base to the height of existing buildings along the "J" Street corridor. The mass, scale, rhythm, articulation and detail of the base structure should also reflect the historic retail character of "J" Street. In any event, the tower portion of the building should be set back sufficiently to provide a distinct retail base to the project.

-Landscaping

The landscaping of the project should have a pedestrian orientation, blend with adjacent developments, and enhance the aesthetic and visual quality of the project. The landscaping and off-site improvements of the project should have a link with the Central Library and Plaza Park.

-Pedestrian Orientation

A pedestrian-oriented environment is a major element in the revitalization of the downtown area. The project design should enhance the pedestrian environment, especially on "J" Street at 9th Street, and should provide linkages to the "K" Street Mall retail area, Plaza Park, and the Central Library. The project buildings should have interesting details, quality and materials, site features and uses which enhance pedestrian activity and which provide a positive pedestrian environment.

-Transportation/Circulation

The project design and orientation should accommodate public transportation. There is heavy bus and automobile traffic on "J" Street and a Light Rail Transit station within one block of the Site at 8th and "K" Streets. These transportation and circulation routes should be reflected in building and site design. Parking facilities must be designed to minimize conflicts with pedestrians and automobiles. The design should provide innovative approaches to on-site parking and utilization of Light Rail Transit, and address a creative Transportation System Management Plan.

-Parking

The Agency intends that all parking will be located on site. Minimum and maximum parking ratios are:

- o Hotel: One space per two rooms.
- o Office: One space per 600 square feet.
- o Residential: One space per unit, plus one guest parking space per 15 units.
- o Retail: None required.

The ratio for office parking may be reduced up to 60% with a special permit, in accordance with the "in-lieu" provisions of the City of Sacramento Transportation System Management Ordinance. The Agency may consider project required parking provided at an off-site location.

The on-site parking should be fully integrated in the overall design so that it is indistinguishable from the balance of the project. It should include similar and complementary building materials, facade treatments, and building articulations. Above-grade parking should be totally enclosed with minimal openings on the 8th and "J" Street elevations.

Reciprocal Parking Agreements

Agency shall require the developer of Metropolitan Place to enter into a "Reciprocal Parking Agreement," with Developer, as approved by the Agency, and Developer shall enter into such agreement. Agency, Developer and the developer for Metropolitan Place shall meet and negotiate, in good faith, the terms of the Reciprocal Parking Agreement which shall provide for common access to and between the parking for the project on the Site and the Metropolitan Place project.

-Art in Public Places

The Agency has an adopted policy to promote public art and aesthetic improvements. The Agency's Art in Public Places Program requires developers to expend a minimum of two percent of total construction cost of the project on aesthetic improvements. The program is receptive to a broad definition of art and encourages imaginative interpretations of the various media. Art work may be decorative, functional, part of a changing installation, permanently affixed, or incorporated in the landscape. Among the media which may be considered are: paintings, prints, sculptures, fountains, murals, mosaics, ceramics, glasswork, collages, frescoes, and architectural enhancements to the building designed by artists.

OFFER TO PURCHASE AND DEVELOP SITE

Mr. Robert E. Smith
Executive Director
Redevelopment Agency of the
City of Sacramento
630 "I" Street
Sacramento, CA 95814

SUBJECT PROPERTY: METROPOLITAN PLACE DEVELOPMENT SITE

Dear Mr. Smith:

The undersigned _____, hereinafter referred to as the "Developer," hereby submits to the Redevelopment Agency of the City of Sacramento, hereinafter referred to as the "Agency," an Offer to Purchase and Develop the Site ("Offer"), as of the date stated below for Agency's acceptance of this offer ("Offer Date").

The Developer requests that the Agency negotiate exclusively with the Developer for a 60-day period ("Negotiation Period") commencing with the Offer Date, during which time the Developer will seek to complete a contract for the acquisition, disposition and development of the Site ("Disposition and Development Agreement"), including full provisions regarding the Stipulations attached as Exhibit I to this Offer. Agency's acceptance of this offer shall obligate Agency only to negotiate in good faith for the acquisition, disposition and development of the Site. If the Agency, in good faith, is unable to complete such negotiation during the Negotiation Period, its obligations shall terminate.

This Offer is made pursuant to and incorporates all procedures, rules and instructions stated in the Request for Proposals brochure for the Metropolitan Place Development Site, located in the half block bounded by 8th, 9th, "J" Streets and the alley between "J" and "K" Streets, Sacramento, California ("Property"), as well as the following terms and conditions:

1. The Agency will accept the Offer which it finds, at its sole discretion, to be most advantageous to the Agency, which determination shall be final and conclusive. The Agency shall reserve the right to reject any or all Offers, and to waive any informalities or defects as to form or procedure. The Agency shall determine and notify the successful Developer of the acceptance of the Offer within the time limitations established in the Request for Proposals.

2. The Agency retains the responsibility to determine the timing, arrangement and method of proposal presentations throughout the Developer/Development Proposal Selection Process. The Developer shall not undertake any activities or actions to promote or advertise the development proposal except in the course of Agency-sponsored presentations. Further, it is understood that the Agency may present and explain the non-confidential aspects of this proposal.
3. Upon acceptance of this Offer by the Agency, the Developer will, within seven (7) calendar days of receipt of notice, tender to the Agency, in the form of a certified check or irrevocable letter of credit, a "Negotiation Fee" equivalent to one percent (1%) of the appraised value of the Site, as appraised for acquisition, as a fee for the right to negotiate exclusively with the Agency during the Negotiation Period.

In the event a Disposition and Development Agreement between the Agency and the Developer is approved by the Agency, the Developer shall post with Agency an unconditional, irrevocable letter of credit in the sum of one hundred fifty percent (150%) of the appraised value of the Site, as appraised for acquisition. The Letter of Credit shall provide that the Agency may draw upon it for reimbursement or direct payment of costs of preparation of environmental documents required under the California Environmental Quality Act, for hazardous and toxic materials testing for the Site, for appraisals of the Site and for the acquisition cost of the Site as described in the Stipulations attached as Exhibit I to this Offer.

If an Agreement is not reached with the Agency during the Negotiation Period because the developer has not attempted to negotiate in good faith, all conditions to Agency's retention of the Negotiation Fee shall automatically terminate, unless the Agency agrees in writing to an extension of the Negotiation Period. Should this occur, the Negotiation Fee would be forfeited by the Developer.

If the Developer and Agency negotiate in good faith throughout the Negotiation Period, but fail to reach an agreement, then the Negotiation Fee shall be returned to the Developer, less the Agency's actual and reasonable third-party expenses incurred from the date the Agency approves selection of the Developer and Development Proposal to the date of termination of the Negotiation Period, including extensions.

If the negotiations do not result in a signed and approved Disposition and Development Agreement regarding the proposed project, the Developer agrees to submit to the Agency all findings and determinations regarding the proposed development and copies of all plans, studies and reports prepared by the

Developer, with the exception of confidential information relating to the business of the Developer:

Agency shall have no obligation to pay interest on Negotiation Fee. Actual interest earned, if any, shall be credited to, and become part of, the Negotiation Fee.

4. The Developer further understands that negotiations may be extended by written agreement beyond the Negotiation Period at the discretion of the Agency, with concurrence of the Developer, to enable the Developer and Agency to reach an agreement. In consideration for the Agency's continuation of such exclusive negotiations, a fee of One-Fourth (1/4) of the Negotiation Fee, may be required by the Agency to be paid to the Agency monthly in advance. The monthly fees shall be considered the same as the Negotiation Fee in paragraph 3 above.
5. In addition to the Negotiation Fees specified in Paragraphs 3 and 4 above, the Developer stands ready to provide a non-refundable Good Faith Deposit ("Deposit") upon Agency approval of the Disposition and Development Agreement. The Deposit shall be in an amount equal to ten percent (10%) of the fair market value of the Site as determined by an M.A.I. appraiser selected by Agency. The Deposit shall be held by the Agency as security for the diligent performance of the Developer's obligations pursuant to the Disposition and Development Agreement. The Deposit is to be retained by the Agency without the obligation to pay interest. Actual interest earned, if any, shall be credited to, and become a part of, the deposit. The Deposit will be returned to the Developer upon fulfillment of the Developer's obligations. If a Disposition and Development Agreement is terminated by the Agency for Developer's default, the Agency shall retain the full Deposit.
6. Developer shall not assign Developer's interest in the Offer prior to execution of a Disposition and Development Agreement. The Developer understands that, except as allowed under the terms of the Disposition and Development Agreement, the Developer shall not take any action to make, create, contract for, or agree to any total or partial sale, assignment, conveyance, lease or other transfer of the Site, or any portion thereof, or any interest therein, without the prior written approval of the Agency, which shall not be unreasonably withheld. The Agency shall be entitled to stipulate specific terms and conditions as to any such approval within the Disposition and Development Agreement.
7. The Developer understands and agrees that the scale, nature, type and construction of all development projects, including Developer's proposed Project, is and shall be subject to

various approvals and fees of the City of Sacramento and Agency, and various permits and approvals issued by the City Design Review/Preservation Board; City Planning Commission; Sacramento Housing and Redevelopment Commission; Redevelopment Agency, and other commissions/officers/agencies of the City of Sacramento, State of California or Federal Government as may be required.

8. The Developer shall make full disclosure to the Agency regarding the name, organization and of all principals, officers, major stockholders, and other owners or controlling interests of Developer and all other pertinent information concerning the Developer and associates including financial information of such individuals on which financing shall be sought.
9. The Developer shall make full disclosure to the Agency regarding methods of financing to be used in developing the Site.
10. The Developer understands that the Agency reserves the right, at any time either before or after Offers are submitted, to specify additional terms and conditions, and to request additional information and data from the Developer, and that the Agency particularly reserves the right to obtain further information, data, and commitments to ascertain the depth of capabilities and desire to develop the Site expeditiously. Agency shall provide adequate time to obtain and submit such additional matters.
11. The Developer understands that if negotiations culminate in a proposed Disposition and Development Agreement with the Agency staff, such an agreement becomes final only after and if the agreement has been considered and approved by the governing board of the Redevelopment Agency.
12. Developer shall require all contractors to the Developer must comply with the provisions of a DDA developed including Affirmative Action, Equal Employment Opportunity requirements that are generally required by the Agency for all projects during the redevelopment process.

Please indicate acceptance of this Offer to Purchase and Develop Site, after Agency approval, by signing and returning the attached copy to the undersigned.

(Name)

(Title)

(Firm)

(Firm Address)

This proposal is hereby accepted as of the _____ day of _____, 1991, to the terms and conditions stated above.

Redevelopment Agency of the City of Sacramento

Chairman

Secretary

Exhibit 1

METROPOLITAN PLACE DEVELOPMENT SITE
STIPULATIONS1. Site and Project Description

The Site is the 0.73-acre property located in the half block bounded by 8th, 9th, "J" Streets and the alley between "J" and "K" Streets. The Site shall be developed in accordance with the proposed Project outlined in the Developer's Proposal to the Agency dated _____ (Developer's Proposal).

2. Purchase Price

The purchase price to be paid by Developer to Agency is the acquisition cost of the Site, including, without limitation, escrow, title, legal, relocation (including goodwill), demolition, and any other ordinary and necessary direct costs incurred by the Agency with respect to acquisition of the Site.

3. Acquisition and Disposition by Agency

Agency shall use its best efforts to acquire the Site in accordance with the terms of the Disposition and Development Agreement. This shall not obligate nor be construed to obligate the Agency to use or to consider the use of its powers of eminent domain.

A. Letter of Credit

Within fifteen (15) calendar days after approval of the Disposition and Development Agreement by the Redevelopment Agency, the Developer shall post with Agency an unconditional, irrevocable Letter of Credit in the sum of One Hundred Fifty percent (150%) of the appraised value of the Site. The appraised value shall be that amount established by appraisal of an M.A.I. appraiser, or as the median of two appraisals prepared by two M.A.I. appraisers, selected and retained by Agency. The Letter of Credit shall provide that the Agency has the exclusive right to draw upon the Letter of Credit for reimbursement of Agency expenditures for, or direct payment of appraisal costs for the Site, costs of preparation of environmental documents required by the California Environmental Quality Act, for costs of hazardous and toxic materials assessments for the Site, and whenever funds may be needed in furtherance of acquisition of the Site.

Developer shall increase the sum of the Letter of Credit within seven (7) days after written notice by Agency if the such costs exceed the amount of the Letter of Credit. Upon acquisition of the Site by the Agency and payment of all outstanding claims for goodwill or relocation benefits, the balance of the Letter of Credit, if any, shall be eliminated.

B. Draw for Acquisition

The Agency shall draw upon the Letter of Credit for reimbursement of Agency expenditures for, or direct payment of appraisal costs for the Site, costs of preparation of environmental documents required by the California Environmental Quality Act, for costs of hazardous and toxic materials assessments for the Site. The Agency shall draw on the Letter of Credit for the purpose of acquiring the Site and any parcel within the Site. The amount of each draw shall be the amount necessary for Agency to acquire all or any part of the Site and pay all necessary direct costs incurred in connection with such acquisition, including without limitation, the purchase price, escrow, title, legal, relocation (including goodwill) and any other ordinary and necessary expenses with respect to such acquisition. Agency may draw on the Letter of Credit for reimbursement of such expenditures or direct the payment of such costs directly to third parties. Disbursements from the Letter of Credit are not contingent upon delivery of title to the Site.

C. Conveyance

Agency agrees to sell the Site to developer and developer agrees to purchase the Site from Agency, subject to the conditions of the DDA, for a purchase price equal to the acquisition cost of the Site, incurred by the Agency as defined in Paragraph 2 above. Payment of the purchase price shall be by disbursements from the Letter of Credit as set out in Paragraph 3.B. above. Possession of the Site shall be delivered to developer as soon as available to Agency, but in any event, no later than the conveyance of fee simple title to developer.

D. Deed

The Agency shall convey to developer the Site by grant deed, subject to conditions, covenants and restrictions of these Stipulations and the Disposition and Development Agreement.

E. Title Insurance

The Agency shall provide developer with an A.L.T.A. Standard Form Owner's Policy of title insurance in the amount of the purchase price for the Site and fair market value of the Site, in favor of the developer, insuring that title to the Site is vested in favor of developer.

4. Relocation Assistance

Should the developer acquire the Site, developer shall be responsible for all costs of relocation of existing businesses (including goodwill) and residential tenants at the time of acquisition of the Site, in accordance with Government Code 7250, et. seq., in compliance with CEQA, and for demolition of the existing buildings and structures on the Site upon approval by the City of Sacramento. Agency shall take all reasonable actions, authorized by law and subject to law, to accomplish the foregoing relocation and demolition in an expeditious manner, subject to developer's obligation to pay the costs of such relocation and demolition activity.

5. Construction

Developer shall construct the project strictly in accordance with preliminary and final plans and specifications approved by Agency prior to conveyance of the Site by Agency to developer. Developer shall make no changes in the plans and specifications without prior written approval of the Agency. Construction shall be commenced and completed by developer in accordance with a schedule of performance to be included in the Disposition and Development Agreement.

6. Equity and Financing

Except as otherwise set forth in these Stipulations and the Disposition and Development Agreement, developer shall construct the Project without any financial participation from the Agency, and in conformance with Developer's Proposal as approved by the Agency. Developer shall provide evidence of debt and equity financing in amounts sufficient to construct the project by execution of such documents as may reasonably be required by the Agency, prior to conveyance of the Site by Agency to developer.

7. Site Preparation and Improvements

Developer shall be responsible for all site work and public improvements related to the Project at the developer's sole cost and expense.

8. Guarantee

The individual partners, members, or parent companies of the developer shall guarantee to the Agency the acquisition of the Site, demolition of existing buildings and structures; and completion of the Project by execution of such documents and bonding as may reasonably be required by the Agency.

9. California Environmental Quality Act

The California Environmental Quality Act (CEQA) is applicable to the Project and Agency shall serve as lead agency. Agency shall prepare the appropriate environmental documents necessary for approval of the subject Disposition and Development Agreement. Developer shall provide data and information to determine the impact of the Project on the environment to the Agency. Developer shall be solely responsible for costs of all environmental documentation to receive environmental clearance and comply with CEQA as related to the Project. Agency acts independently in fulfilling its duties under CEQA. As lead agency, Agency is not, by any agreement with developer, obligated to approve the Project and is not prevented from imposing mitigation measures on the Project.

10. Hazardous Materials

Developer shall be responsible for undertaking all studies necessary to determine whether or not there are present in the soil or groundwater on the Site any materials deemed to be toxic or hazardous under any applicable local, state or federal laws, ordinances or regulations. Developer shall also be responsible and obligated to remediate or remove such toxic or hazardous material on the Site or take any other actions if required to satisfy any conditions related to conventional financing. The responsibilities of the developer as indicated above shall be at sole cost expense of developer. Developer shall indemnify Agency, fully, for any liability arising from hazardous or toxic materials on the site.

11. City Requirements

The Agency is a separate entity distinct from the City of Sacramento. Accordingly, the developer shall comply with all City ordinances and pay all City fees.

In accordance with the City of Sacramento ordinances and policies, the developer shall prepare a Transportation Systems Management (TSM) plan for the Project that addresses the needs of the proposed uses of the Project. Such plan shall be prepared and approved by the City of Sacramento prior to conveyance of the Site by Agency to developer.

Further, Developer shall present the conceptual design of the Project to the City Design Review/Preservation Board for their review and approval prior to conveyance of the Site by Agency to developer. The developer shall comply with City's Design Review/ Preservation Board procedures in reviewing the plans and specifications for the Project.

12. MBE/WBE

Developer and its contractors shall comply with the Agency's Minority Business Enterprise/Women's Business Enterprise (MBE/WBE) policy which requires good faith efforts to use minority-owned and female-owned businesses.

13. Local Hire

Developer shall use good faith efforts to hire or cause to be hired, for no less than fifty percent (50%) of the cost of the work relating to direct labor of the Project, local contractors and subcontractors with permanent places of business within Sacramento County.

14. Community Redevelopment Law

The Project is a redevelopment project. Developer shall comply with all requirements of redevelopment law, including, without limitation, the Merged Downtown Sacramento Redevelopment plan and implementing documents, anti-discrimination laws, bonding requirements, and use restrictions.

15. Deposit

Developer shall deliver to the Agency a non-refundable good faith deposit in the amount of ten percent (10%) of the appraised value of the Site.

16. Insurance and Indemnity

Developer shall provide liability insurance, approved by Agency with not less than \$5,000,000 coverage, unless otherwise approved by the Agency. Professionals hired by developer for the Project shall provide errors and omissions insurance of not less than \$1,000,000 with a five-year or longer "tail". Developer shall maintain "all-risk" insurance on the Site sufficient to replace the improvements. Developer shall indemnify Agency for any liability related to the Project, its design and construction.

DEVELOPER'S STATEMENT OF FINANCIAL CAPABILITY

1. Name of Developer:

Address of Developer:

2. The project which the Developer proposes to develop is described as follows:

3. The financial condition of the Developer, as of _____, 19____, is as reflected in the attached financial statement.

(Note: Attach to this statement a certified financial statement showing the assets and the liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the certified financial statement precedes the date of this submission by more than six (6) months, also attach an interim balance sheet not more than sixty (60) days old.

Name and address of auditor or public accountant who performed the audit on which said financial statement is based:

4. If funds for the development of the project are to be obtained from sources other than the Developer's own funds, provide a statement of the Developer's plan for financing the acquisition and development of the land, indicating a proposed source and amount of equity investment, proposed source of debt financing, and evidence of ability to obtain financing.

5. Sources and amount of cash available to Developer to meet equity requirements of the proposed undertaking:

a) In Banks:

Name and Address of Bank:

Amount:

b) By loans from affiliated or associated corporations or firms:

Names and Address of Source: Amount:

c) By sale of readily salable assets:

Description: Market Value: Mortgages or Liens:

6. Name and Address of bank and financial institution references.

7. Has the Developer or the parent corporation, or any subsidiary or affiliated corporation, if any, of the Developer or said parent corporation, or any of the Developer's officers or principal members, shareholders or investors, or other interested parties (as listed in the responses in the "Statement of Qualifications" and referred to herein as "Principals of the Developer"), been adjudicated bankrupt, either voluntary or involuntary, within the past 10 years?

Yes _____ No _____

If yes, give date, place and under what name?

8. Has the Developer or anyone referred to in Number 7 above as "Principal of the Developer," been indicted for or convicted of any felony within the past 10 years?

Yes _____ No _____

If yes, give for each case: a) date; b) charge; c) place; d) court; and e) action taken. Attach any explanation deemed necessary.

CERTIFICATION

I (We) _____, certify that this "Statement of Financial Capability" and the attached evidence of the Developer's financial responsibility, including financial statements, are true and correct to the best of my (our) knowledge and belief.

DATED: _____

DATED: _____

(Signature)

(Signature)

Title

Title

Address

Address

If the Developer is a corporation, this Statement should be signed by the President and Secretary of the corporation; if an individual, by such individual, if a partnership, by one of the partners; if an entity not having a president or secretary, by one of its chief officers having knowledge of the financial status and qualifications of the Developer.

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8TH & J STREETS VENTURE STIPULATIONS

1. Site and Project Description

The Site consists of the parcels owned by the Developer, containing approximately 19,200 square feet, which are located on the east side of "8th" Street between "J" Street and the alley south of "J" Street, in the City of Sacramento. The Site shall be developed in accordance with the proposed Project outlined in the Developer's Proposal to the Agency dated _____ (Developer's Proposal).

2. Partnership Agreement

On or before November 28, 1990, Developer shall provide to Agency a copy of the partnership agreement for Developer showing that the document has been executed by all partners. The partnership agreement shall name all principals fully. Developer shall provide all information, including financial information, regarding the partnership and the partners which Agency may reasonably request.

3. Other Preconditions

On or before November 28, 1990, Developer shall provide to Agency a "Schedule of Performance," a letter evidencing the willingness of a financial institution to issue the "Letter of Credit" described in Section 6 and evidence of equity as described in Section 10. The Schedule of Performance shall contain detail and specificity acceptable to the Agency.

4. Termination of Obligations

If Developer does not, as herein required, agree in writing to these Stipulations on or before November 23, 1990, or does not provide the Partnership Agreement, the Schedule of Performance and the letter of willingness to issue the Letter of Credit on or before November 28, 1990, Agency shall have no obligation to Developer, whatsoever, regarding the Site and Developer's Proposal.

5. Predevelopment Agreement

The Agency and Developer shall enter into a Predevelopment Agreement (PDA) on or before November 28, 1990. The PDA will set out the business terms to be included in the Owner Participation Agreement (OPA) and the conditions precedent to execution of an OPA. The PDA shall specifically include, as one of the conditions precedent to execution of the OPA, completion of CEQA review requirements for the proposed project. The PDA shall not be considered to obligate either party to execute the OPA or to take any action regarding development of the Site except in strict accord with its terms. The Agency shall not be liable under the PDA, or otherwise, for carrying out its obligations under CEQA, including taking actions which conflict with the provisions or the purpose of the PDA.

6. Letter of Credit

Within fifteen (15) calendar days after approval by the Agency of the PDA as agreed by the parties, the Developer shall post with Agency an unconditional, irrevocable Letter of Credit in the sum of One Hundred and Fifty Thousand Dollars (\$150,000) and in a form and from a financial institution approved by the Agency.

6.1. Draws

The Letter of Credit shall provide that the Agency may draw upon the Letter of Credit to reimburse Agency for, or pay directly any necessary appraisal costs for the Site, costs of preparation of environmental documents required by the California Environmental Act (including costs of consultants preparing or contributing to the documents) and any other costs required of the Agency for the Site. In addition, the Letter of Credit shall provide that, if the parties do not execute the OPA within the time specified in the Predevelopment Agreement, despite the good faith actions of the Agency, the Agency may draw on the Letter of Credit for reimbursement or payment of all direct costs incurred in connection with the negotiation of Predevelopment Agreement and the OPA, including without limitation, the costs of third party consultants hired by the Agency, the actual cost to the Agency of staff time, and any other ordinary, necessary and related expenses.

6.2. Increases in the Letter of Credit

Developer shall increase the sum of the Letter of Credit within seven (7) days after written notice by Agency if the such costs exceed the amount of the Letter of Credit. Upon execution of the OPA and Developer's delivery of the good faith deposit required under the OPA, the balance of the Letter of Credit shall be eliminated.

7. Relocation

Developer shall pay all costs of relocation of existing businesses (including goodwill) and residential tenants in accordance with Government Code 7250 et. seq.

8. Demolition and Fencing

Not later than ninety (90) days after execution of the OPA, Developer shall obtain necessary approvals for demolition of, and shall demolish, the existing buildings and structures on the Site, all at Developer's cost.

Developer shall maintain the Site in a clean and orderly condition and provide attractive fencing which is reasonably acceptable to the Agency.

9. Construction

Developer shall construct the project strictly in accordance with preliminary and final plans and specifications approved by Agency prior to execution of the OPA. Developer shall make no changes in the plans and specifications

without prior written approval of the Agency. Construction shall be commenced and completed by Developer in accordance with a schedule of performance to be included in the OPA.

10. Equity and Financing

Except as otherwise set forth in these Stipulations, Developer shall construct the Project without any financial participation from the Agency, and in conformance with Developer's Proposal as approved by the Agency.

On or before November 28, 1990, Developer shall provide evidence, acceptable to Agency, of equity in amounts sufficient to obtain debt or other financing necessary to construct the project.

Prior to and as a condition of execution of the OPA, Developer shall provide evidence of equity and financing in an amount sufficient to construct the project and fulfill all other obligations of the OPA.

11. Site Preparation and Improvements

Developer shall be responsible for all site work and public improvements related to the Project at the Developer's sole cost and expense.

12. Design Criteria

The project design shall incorporate the character, scale, texture, and orientation of the area. The Agency will require quality materials in the project construction.

The design of the base of the project buildings shall coordinate with the historic retail context of "J" Street, such as the twenty-foot storefronts and bay window treatments. Such coordination may have an innovative and contemporary treatment or it may actually recreate existing facades. The mass, scale, rhythm, articulation and detail of the base structure should also reflect the historic retail character of "J" Street. The project base should be scaled to the height of existing buildings along the "J" Street corridor and shall be set back sufficiently to provide a distinct retail base to the project.

Developer shall comply with the Urban Design Plan which addresses bulk and building mass. Project design should retain or enhance view corridors and coordinate with and complement adjacent development. An important feature of the design should be unobstructed views to attractive neighboring features such as Central Library, City Plaza Park, and the "K" Street Mall. Project design shall consider and provide for street level activity and pedestrian scale as critical elements.

Developer shall design the project with consideration to the Agency's Request for Proposal (RFP) for the site known as "Metropolitan Place," which is adjacent to the Site on "J" Street. The developer selected for Metropolitan Place shall be required to integrate similar design criteria.

Developer shall submit preliminary project drawings to Agency staff for review and comment prior to making formal submission to the Design Review/Preservation Board of the City

of Sacramento. Criteria for review of the plans shall include but is not limited to:

12.1. Overall quality of the conceptual design of the project, with emphasis on character, scale, texture, materials, orientation, and mass relationship to surrounding structures and proposed developments.

12.2. Integration of historic retail character of existing and adjacent structures.

12.3. Integration and preservation of existing historic elements.

12.4. Creative integration of project elements within the context of surrounding uses and proposed developments including Metropolitan Place.

13. Art in Public Places

Developer shall comply with the Agency's adopted policy to promote public art and aesthetic improvements, the "Art in Public Places Program". The Agency's Art in Public Places Program requires developers to expend a minimum of two percent of total construction cost of the project on aesthetic improvements. Aesthetic improvements include a broad definition of art and encourages imaginative interpretations of the various media. Artwork may be decorative, functional, part of a changing installation, permanently affixed, or incorporated in the landscape. Among the media which may be considered are:

paintings, prints, sculptures, fountains, murals, mosaics, ceramics, glass work, collages, frescoes, and architectural enhancements to the building designed by artists.

14. Reciprocal Parking Agreements

Agency shall require the developer of Metropolitan Place to enter into a "Reciprocal Parking Agreement," with Developer, as approved by the Agency, and Developer shall enter into such agreement. Agency, Developer and the developer for Metropolitan Place shall meet and negotiate, in good faith, the terms of the Reciprocal Parking Agreement which shall provide for common access to and between the parking for the project on the Site and the Metropolitan Place project.

15. Guarantee

The individual partners, members, or parent companies of the Developer shall guarantee to the Agency the acquisition of the Site, demolition of existing buildings and structures; and completion of the Project by execution of such documents and construction bonding as may reasonably be required by the Agency.

16. California Environmental Quality Act

The California Environmental Quality Act (CEQA) is applicable to the Project and Agency shall serve as lead agency. Agency shall prepare the appropriate environmental documents necessary for approval of the subject Disposition and Development Agreement. Developer shall provide data and information to determine the impact of the Project on the environment to the Agency.

Developer shall be solely responsible for costs of all environmental documentation to receive environmental clearance and comply with CEQA as related to the Project. Agency acts independently in fulfilling its duties under CEQA. As lead agency, Agency is not, by any agreement with Developer, obligated to approve the Project and is not prevented from imposing mitigation measures on the Project. Agency shall not be liable to Developer for any actions in carrying out its obligations under CEQA.

17. Hazardous Materials

Developer shall undertake all studies necessary, in carrying out the Project, to determine whether or not there are present in the soil or groundwater on the Site any materials deemed to be toxic or hazardous under any applicable local, state or federal laws, ordinances or regulations. Developer shall also remediate or remove such toxic or hazardous material so as not to be in violation of such laws and regulations. Developer's responsibilities, as indicated above, shall be at Developer's sole cost expense. Developer shall indemnify Agency, fully, for any liability arising from or related to hazardous or toxic materials on the Site.

18. City Requirements

The Agency is a separate entity distinct from the City of Sacramento. Accordingly, the Developer shall comply with all City ordinances and pay all City fees.

In accordance with the City of Sacramento ordinances and policies, the Developer shall prepare a

Transportation Systems Management (TSM) plan for the Project that addresses the needs of the proposed uses of the Project. Such plan shall be prepared and approved by the City of Sacramento prior to execution of the OPA.

Further, Developer shall present the conceptual design of the Project to the City Design Review/Preservation Board for its review and approval prior to conveyance of the Site by Agency to Developer. The Project shall comply with City's Design Review/ Preservation Board procedures, to the extent of its jurisdiction, in reviewing the plans and specifications for the Project.

19. MBE/WBE

Developer and its contractors shall comply with the Agency's Minority Business Enterprise/Women's Business Enterprise (MBE/WBE) policy which requires good faith efforts to use minority-owned and female-owned businesses.

20. Local Hire

Developer shall use good faith efforts to hire or cause to be hired, for no less than fifty percent (50%) of the cost of the work relating to direct labor of the Project, local contractors and subcontractors with permanent places of business within Sacramento County.

21. Community Redevelopment Law

The Project is a redevelopment project. Developer shall comply with all requirements of redevelopment law, including, without limitation, the Merged Downtown Redevelopment Plan and

implementing documents, anti-discrimination laws, bonding requirements, and use restrictions including recordation of discrimination and use restrictions.

22. Deposit

Within fifteen (15) calendar days after approval of the OPA by the Redevelopment Agency, the Developer shall post with Agency an unconditional, irrevocable Letter of Credit in the sum of One Percent (1%) of the appraised value of the Site as good faith deposit for Developer's performance under the Owner Participation Agreement. The appraised value shall be that amount established by appraisal of an M.A.I. appraiser selected and retained by Agency.

23. Housing Trust Fund

Developer shall pay a fee to the Agency in the amount of the fee payable to the City for the Housing Trust Fund, which fee Agency shall assure will be in lieu of the Housing Trust Fund Fee.

24. Child Care

Developer shall meet with the City's Child Care Coordinator and shall develop a plan, satisfactory to the Agency, to meet the child care needs generated by the project. If Developer and Coordinator are unable to develop such a plan, Developer shall pay to the Agency a fee equivalent to that which would be paid under the City's proposed child care ordinance, and Agency shall use such fees only to provide child care which serves the downtown area of the City.

25. Insurance and Indemnity

Developer shall provide liability insurance, approved by Agency, with not less than \$5,000,000 coverage, unless otherwise approved by the Agency. Professionals hired by developer for the Project shall provide errors and omissions insurance of not less than \$1,000,000 with a five-year or longer "tail". Developer shall maintain "all-risk" insurance on the Site sufficient to replace the improvements. Developer shall indemnify Agency for any liability related to the Project, its design and construction.