

RESOLUTION NO. 2005-048

Adopted by the Redevelopment Agency of the City of Sacramento

August 16, 2005

SELECTING K STREET CENTRAL AND AUTHORIZATION TO NEGOTIATE AN AGREEMENT FOR EXCLUSIVE RIGHT TO NEGOTIATE FOR 240 DAYS REGARDING THE TERMS OF AN AGREEMENT FOR REDEVELOPMENT OF THE AGENCY-OWNED PROPERTIES LOCATED AT 1000,1012, AND 1022 K STREET

BACKGROUND

- A. Over the past five years, the Agency has assembled property located at the southeast corner of 10th and K streets (Agency Site) for redevelopment purposes.
- B. In October 2004, the JKL Corridor Workshop brought together more than 250 community members to discuss the future of Downtown Sacramento, and specifically the Agency Site. Participants helped craft an overall vision with specific development objectives for the Agency Site, including:
 - Cultural uses such as five theatre, museums, artist lofts and art galleries;
 - Commercial uses such as restaurants, movie theaters, nightclubs, and mixed specialty retail; and
 - Residential
- C. In February 2005, the Agency issued a Request for Proposals (RFP) for a Downtown Cultural, Entertainment and Retail Complex for the Agency Site. The RFP also indicated that the Agency would consider proposals for a project that incorporated other parcels in addition to the Agency Site.
- D. On April 30, 2005, one proposal was received from K Street Central, a development team consisting of David S. Taylor Interests, The CIM Group, St, Anton Partners, The Cardano Company and Paragary's Restaurant Group.
- E. A selection committee comprised of an Ad Hoc committee of the Agency board reviewed the proposal. Based on K Street Central's development experience, qualifications, and vision for the Agency Site, the Ad Hoc recommended execution of an Exclusive Right to Negotiate agreement with K Street Central and further negotiations to develop the project proposal.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. K Street Central is selected as the preferred developer for the redevelopment of the Agency Site.

Section 2. The City Manager is authorized to negotiate, on behalf of the Agency, an Agreement for Exclusive Right to Negotiate with K Street Central providing a 240-day period to negotiate the terms of an agreement for redevelopment of the Agency Site. The parties shall endeavor to accomplish the following milestones in accordance with the following targeted periods. Should the milestones not be completed within the targeted periods, the Agency may terminate negotiations by written notice of Robert Thomas, City Manager, acting on behalf of the Agency. Said milestones are:

Within 90 days:

- o Bring Agreement for Exclusive Right to Negotiate to Agency for execution
- o Continue to pursue live theater/performing arts options for the Agency Site
- o Refine project concepts on K Street Central properties
- o Begin private acquisition of properties, if needed

Within 120 days:

- o Report back to Agency on project analysis findings
- o Finalize project description for Agency Site, sufficient for environmental review under the California Environmental Quality Act ("CEQA")
- o Begin CEQA analysis
- o Solicit comments from the Design Review Preservation Board for use in CEQA analysis
- o Refine estimated construction costs, including all applicable fees and contingencies
- o Refine development and operating proformas

Within 180 days:

- o Negotiate the terms of appropriate redevelopment agreements
- o Prepare Schedule of Performances for the construction period
- o Finalize property purchase agreements, if applicable
- o Finalize lease terms with businesses that will be part of the project

Within 240 days:

- o Certify the CEQA document and adopt Mitigation Monitoring Plan
- o Obtain project approval from the Agency and execute the redevelopment agreements

Section 3. Staff is directed to bring back to the Agency an Agreement for Exclusive Right to Negotiate for execution.

Adopted by the Redevelopment Agency of the City of Sacramento on August 16, 2005 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy,
Tretheway, Waters and Mayor Fargo.

Noes: None


Abstain: None

Absent: None



Heather Fargo, Chair

Attest:



Shirley Concolino, Secretary