



CITY OF SACRAMENTO

DEPARTMENT OF PUBLIC WORKS

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CITY OF SACRAMENTO

DEC 20 3 33 PM '85

ENGINEERING DIVISION

THOMAS M. FINLEY
Engineering Division Manager

December 20, 1985

APPROVED
BY THE CITY COUNCIL

DEC 23 1985

OFFICE OF THE
CITY CLERK

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Village Gardens North Subdivisions, Units 1 through 5,
Subdivision Agreement

SUMMARY

On November 26, 1985, City Council approved a 30-day extension for the subdivision agreement between the City and Shuwa Investment Corporation for the subject subdivisions. A new agreement has been negotiated with the Shuwa Corporation. It is recommended that this agreement be approved.

BACKGROUND

The City has existing letters of credit for over \$3,000,000 for the existing subdivisions which are located at the northwest corner of Main Avenue and Sully Street. The letters of credit will have to be called by Monday, December 30, to assure that sufficient funds are available to construct necessary frontage improvements on Main Avenue. If the letters of credit are called, it may put the developer out of business.

Through negotiations and extensive review, we have worked out a new agreement to allow time for the developers to revert the property to acreage and to provide the City a new letter of credit in an amount of \$600,000 for the work to be done on Main Avenue. They have agreed to complete the Main Avenue improvements by September 1, 1986.

The new agreement includes a one hundred twenty (120) day extension of the existing agreement in order to maintain the existing security until the reversions to acreage have been completed and a substitute letter of credit in the amount of \$600,000 has been provided.

FINANCIAL

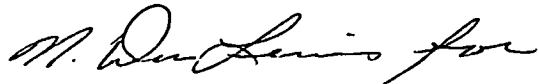
None.

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RECOMMENDATION

It is recommended that the Council approve a new agreement extending the previous agreement by 120 days and requiring the developer to process a reversion to acreage and provide a new letter of credit in the amount of \$600,000.


Respectfully submitted,


THOMAS M. FINLEY
Engineering Division Manager

Recommendation Approved:


WALTER J. SLIPE
City Manager

Approved:


MELVIN H. JOHNSON
Director of Public Works

RHB:lw
BB-02093

December 23, 1985
District No. 2

982

RESOLUTION NO. 85-~~987~~

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AUTHORIZING APPROVAL OF AGREEMENT WITH SHUWA INVESTMENT CORPORATION CONCERNING THE VILLAGE GARDEN NORTH SUBDIVISIONS

The City Council hereby authorizes approval of the agreement between the City of Sacramento and the Shuwa Investment Corporation which extends the existing Subdivision Improvement Agreements dated November 19, 1982, being City Documents Numbered 82059, 82060, 82061, 82062, and 82063 for a period of 120 days. Said agreement also requires Shuwa Investment Corporation to record a Reversion to Acreage for the subject subdivisions and to construct street improvements along Main Avenue.

The subject agreement and the extension of the existing Subdivision Improvement Agreements are approved subject to the condition that Shuwa delivers an extension of the existing letters of credit for a similar period of 120 days as improvement security to the City Attorney in the amount of \$3,085,327.50 by December 30, 1985.

MAYOR

ATTEST:

APPROVED BY THE CITY COUNCIL

DEC 23 1985

OFFICE OF THE CITY CLERK

CITY CLERK

December 30, 1985

SHUWA Investment Corp.
Los Angeles Main Office
13441 Dalewood Street
Baldwin Park, CA 91706

Dear Gentlemen:

On December 23, 1985, the Sacramento City Council adopted a Resolution No. 85-982 authorizing the execution of Agreement No. 85105 allowing 120 day extension for Village Garden North Subdivisions 1-5.

Enclosed, for your records, is one fully certified copy of said agreement and authorizing resolution.

Sincerely,

LORRAINE MAGANA, CITY CLERK

Janice Beaman
Deputy City Clerk

JB/jc/33
Enclosure

cc: Public Works
Risk Management