

# RESOLUTION NO. 90-079

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF September 4, 1990

## FINDINGS AND AUTHORIZATION RELATED TO SUSPENSION OF PUBLIC BIDDING, EXECUTION AND IMPLEMENTATION OF AGREEMENTS FOR, AND ESTABLISHING THE BUDGET FOR, THE DOWNTOWN PLAZA EXPANSION AND RENOVATION PROJECT

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

Section 1: Based upon the facts within the Downtown Plaza Project Statement attached hereto as Exhibit "A", the staff report filed with this resolution, and the oral and written testimony relating to the Downtown Plaza Expansion and Renovation Project ("Project"), which includes construction of the Agency-owned garage ("Garage") and renovation of existing Agency owned garages ("Existing Garages"), the Agency makes the following findings:

- (a) The public and private portions of the entire Project are connected in architecture, function, cost and schedule, coordination, operation and financing in the following ways:
  - (1) The Project and the Garage are connected and designed as if they comprise a single project. The construction of the Garage will be concurrent with construction of the Project.
  - (2) The Garage will be the foundation for the Project. Pedestrian access to and from the Garage will be primarily through the Project. The Garage is designed as a part of, and to primarily serve, the completed Project.

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- (3) Competitive bidding for the construction of the Garage, as a separate element from the private work of the Project, would increase the cost of both the Garage and the Project and would create substantial problems of coordination and interconnection of the Project.
  - (4) If bid separately, the interrelationship of the work of the Garage and the Project would create serious difficulties in the coordination and scheduling of work between the two contractors, in the storage of materials and equipment and in the location of construction operations facilities.
  - (5) Upon completion of the Project, the Garage, the Project and Existing Garages will be operated in a coordinated manner as a single shopping center.
  - (6) The Project is to be financed as a single project. Agency contributions for the Garage are necessary for Developer to obtain the financing for the remainder of the Project. The Agency requires the tax increment and other revenues of the Project to repay financing of Agency funds for the construction of the Garage and renovation of Existing Garages.
- (b) Construction of the private and public portions of the Project must be undertaken as if for a single project.
  - (c) Downtown Plaza Associates ("DPA") will cause construction of the Project in accordance with the Project Statement attached hereto, the staff report filed with this resolution, oral and written testimony related to the Project, oral and written testimony presented to the City's Design Review Board, and the development agreements to be executed by the Agency and DPA for implementation of the Project.
  - (d) The maximum Agency contribution to the Project is \$14,365,000.

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- (e) The Agency has received \$13,862,000 from the 1989 Certificate of Participation issued by the City of Sacramento, of which \$10,000,000 will be used for construction of the Project.
- (f) The Agency will issue 1990 Tax Allocation Bonds in the anticipated amount of approximately \$30,000,000, of which \$4,365,000 will be used for construction of the Project.
- (g) The Agency anticipates that tax increment revenues will be increased because of completion of the private portions of the Project. Such tax increment revenues will be used to offset the bond debt for the public portions of the Project. The tax increment revenues will depend upon the completion of construction of the Project.

Section 2: The Executive Director is hereby authorized to suspend the competitive bidding procedures under Public Contract, Code Section 20688.2 and to execute a Disposition and Development Agreement for the D-1(a) and "K" Street Mall Parcels, and a Public Improvements Development Agreement with DOWNTOWN PLAZA ASSOCIATES, a California limited partnership, for the construction, financing and operation of the Downtown Plaza Expansion and Renovation Project. Approval to execute said agreements shall terminate if agreements are not fully executed by Downtown Plaza Associates and delivered to Agency for execution within 30 days of this approval.

Section 3: The Executive Director is hereby authorized to enter, with Downtown Plaza Associates, into the Regulatory Agreement containing covenants running with the land, joint escrow instructions, Grant Deed, and other related agreements as may be required to carry out the provisions of such agreements.

Section 4: The Project budget is established to be \$14,365,000 and the amounts budgeted for consultant services, to be allocated from funds as set out in Section 1.

Section 5: The Executive Director is hereby authorized to undertake such actions and to execute such agreements and documents as are required to carry out the terms and provisions of the Disposition and Development Agreement and the other aforesaid agreements and to make expenditures related thereto, subject to the budget limitation for the Project.

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Section 6: The Executive Director is hereby authorized to take all actions and to execute all documents, including but not limited to applications, title modifications and other instruments, necessary to adjust the lot line or parcel boundaries within the Project in accordance with the Disposition and Development Agreement for the Project and to otherwise accomplish the Project as approved.

Section 7: The Executive Director is hereby authorized to convey title to any properties within the Project boundary which are owned by the Agency and which are to be conveyed to DPA in accordance with the Disposition and Development Agreement.

Section 8: The Executive Director is hereby authorized to approve change orders related to the Project which do not affect the Project guaranteed maximum price of \$14,365,000, and which do not deviate from the intent of the DDA and related development agreements.

Section 9: The Executive Director is hereby authorized to approve the assignment of the lease held by Copeland's Investment Partnership to Downtown Plaza Associates.

Section 10: The Executive Director is hereby authorized to negotiate and enter into a cross easement agreement with Downtown Plaza Associates which will provide for access to and through elevators, escalators, and common project areas in accordance with the DDA and related development agreements.

Section 11: The Executive Director is authorized to contract with the City of Sacramento for construction oversight activities as described in the Disposition and Development Agreement.

Section 12: The Design Review Board is hereby directed to insure that the landscape and graphics plans for the Project include the following elements:

(a) The landscape plan shall include large scale trees along the northwest side of 7th Street.

(b) The landscape plan shall include vines to cover the existing HVAC structure which occurs on the 7th Street side of the I. Magnin building.

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(c) The graphics plan shall include a program to utilize the north wall of the building constructed on Parcel D-1 which faces J Street as short-term exhibit space.

Gene Rudin  
CHAIR

ATTEST:

RE [Signature]  
SECRETARY

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DOWNTOWN PLAZA EXPANSION AND RENOVATION  
PROJECT STATEMENT

I. GENERAL

Pursuant to the terms and conditions in the DDA, the Expansion Project shall be designed and developed as an integrated complex in which the new buildings will have architectural excellence, both individually as well as in the context of a total complex and will integrate with existing buildings; but are not intended to match.

The open spaces between buildings, where they exist, shall be designed and developed with the same degree of excellence. The design and development of the improvements within the Site shall sensitively blend the old and the new development of the Site. Particular attention shall be paid to pedestrian activities, massing, scale, color and materials. The total development shall be in acceptable conformity with the Preliminary Plans for the Downtown Plaza Expansion/Remodel, and the Redevelopment and Urban Design Plan for the Downtown Sacramento area. Development shall be in accordance with plans and specifications prepared by the Jerde Partnership dated July 27, 1990, filed with the City of Sacramento Planning and Development Department, Building Division.

The Agency and Developer will cooperate and direct their respective consultants, architects, and/or engineers to cooperate so as to ensure the continuity and coordination vitally necessary for the proper and timely completion of the Project.

II. PRIVATE DEVELOPMENT

A. Developer Improvements - The Site

The Developer shall cause to be constructed, a two-level retail expansion of the existing Downtown Plaza regional shopping center. The Project will consist of the addition of approximately 210,000 gross leasable area consisting of the following categories:

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1. 150,000 square feet of retail area which may include up to 43,000 square feet of cinema area;
2. 35,000 square feet of restaurant and fast food area; and
3. 25,000 square feet office area.

The Project at completion will contain a total of 600,000 gross leasable area consisting of the following categories:

1. 265,000 square feet of retail area;
2. 35,000 square feet of restaurant and fast food area; and
3. 300,000 square feet of office area.

Without the prior approval of Agency, Developer may vary the above allocations by (i) a figure not to exceed five percent (5%) per category or, (ii) a figure not to exceed ten percent (10%) of the aggregate. The retail center may include such buildings and occupants customarily located in regional shopping centers, such as financial institutions, services and vending carts.

#### B. Pedestrian Mall

Developer shall construct or cause to be constructed within the K Street Mall area, the Improvements as set forth in Preliminary Plans. The Mall shall be for pedestrian use and related amenities.

#### C. Architecture and Design

The Improvements shall be consistent with the plans approved by the City Design Review Board on July 3, 1990 and shall be of high architectural quality, shall be landscaped, (as structural capacity within the existing structure may permit) and shall be effectively integrated and aesthetically designed. The shape, scale of volume, exterior design, and exterior finish of each building must be consonant with, visually and physically related to, and enhance each other as well as adjacent buildings within the Project.

D. Landscaping

Landscaping shall embellish the open spaces on the Site to integrate the Developer Improvements with adjacent sites outside the Project. Landscaping includes such materials as paving, trees, shrubs, and other plant materials, landscape containers, top soil preparation, landscape and pedestrian lighting and water elements and is subject to the approval of the Design Review Board as applicable to the extent of their jurisdiction.

E. Signs

All signs on the exteriors of buildings and structures developed as a part of the Developer Improvements shall be subject to approval by the Design Review Board and Agency as applicable to the extent of their jurisdiction and must comply with applicable City ordinances and codes.

F. Art in Public Places

Pursuant to Agency's Aesthetic Improvement Policy, also known as the Art in Public Places Program, Developer shall expend not less than two percent (2%) of the total qualifying Project construction costs on Aesthetic Improvements. Developer shall comply, in all respects, with the APP Guidelines and shall cooperate with the Sacramento Metropolitan Arts Commission in carrying out its obligation under the DDA.

III. PUBLIC PARTICIPATION

A. Land Conveyance

The Agency will convey to the Developer Agency-owned land on which portions of the project will be constructed. The Agency will convey the southern 22,879 square feet of Parcel D-1, which is located on the block bounded by 4th, 5th, "J" and "K" Streets, and which is referred to as Parcel D-1(a), to the Developer at a cost of \$4.80 per square foot. The Agency will also convey common areas of the Mall owned by the Agency, including the air rights over 5th Street and the mall area between 4th and 6th Streets, to the Developer. The City may pursue a partial abandonment of "K" Street between 6th and 7th Streets in order that the property may revert to adjoining property owners for improvement in accordance with the project. The City will likewise pursue abandonment of a portion of 4th Street into which the project will encroach. The City will also pursue



encroachment permits or easement agreements into areas of "K" Street controlled by the City in order to allow improvements and street vending in accordance with the project.

B. Public Development and Financing

The Developer will construct on the Agency's behalf a two level, subterranean parking structure on Parcel D-1(a). The structure will be owned by the Agency and operated by the City.

The Developer will remodel existing public Garages "G" and "K", located within or adjacent to the Project. The remodels will include new lighting, painting, and graphics. The Developer will also construct certain off- and on-site public improvements on behalf of the Agency.

The total cost of the new garage, the garage remodels and the other public improvements is \$14.365 million. The Agency will contribute this amount toward completion of the improvements, which is the Agency's Guaranteed Maximum Contribution. Should the actual cost of public improvements exceed this amount, the Developer will pay the excess.

The City of Sacramento issued Certificates of Participation in 1989, of which the Agency received \$13.862 million. Of this amount, \$10 million will be contributed toward the project. The balance of \$4.365 million will be funded by Tax Allocation Bonds (TABs) to be issued by the Agency in 1990. Total proceeds from the 1990 TAB issue are anticipated to be \$30 million.

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