

# RESOLUTION NO. 86-028

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

June 10, 1986

## AMENDMENT OF DISPOSITION AND DEVELOPMENT AGREEMENT RELATING TO CAPITOL CENTER HYATT HOTEL PROJECT AND RELATED MATTERS

WHEREAS on or about July 17, 1984, the Redevelopment Agency of the City of Sacramento ("Agency") entered into a Disposition and Development Agreement ("DDA") relating to the construction of a proposed Capitol Center Hyatt Regency Hotel ("Hotel") on the block bounded by 12th, 13, K and L Streets in the City of Sacramento; and

WHEREAS subsequently the DDA was amended on October 18, 1984, and assigned to Cook Regency Corporation, a California corporation, ("CRC") as Redeveloper on June 18, 1985; and

WHEREAS the aforesaid Cook Regency Corporation desires to transfer its interest in the DDA to Kings Capitol Hyatt, a California limited partnership ("KCH"); and

WHEREAS KCH and CRC have submitted the necessary documentation in support of an application for approval of assignment with the exception of certain certifications; and

WHEREAS KCH has submitted evidence of a commitment for construction and permanent financing pursuant to the requirements of the DDA; and

WHEREAS Agency has examined and evaluated said financing commitment and finds that said commitment reflects a viable and enforceable offer of construction and permanent financing; and

WHEREAS KCH has submitted an indication that suitable evidence of sufficient equity to complete the financing package will be available on or before the anticipated date of closing of the construction loan; and

WHEREAS KCH has submitted a revised DDA and a revised Ground Lease encompassing those terms, conditions and provisions which KCH has determined to be necessary and sufficient to cause the completion of the Hotel; and

WHEREAS Agency has considered and evaluated the proposed amended and restated DDA and Ground Lease and finds them acceptable; and

WHEREAS the aforesaid amended and restated DDA provides, inter alia, for the construction of a parking structure, a portion of which is to be owned by the Agency; and

WHEREAS the Agency portion of said parking structure is so fully and completely integrated into the total parking structure that the aforesaid Agency portion of the parking structure could not feasibly be constructed by a separate contractor; and

WHEREAS KCH has conducted an informal bid process on the construction contract for the entire project, including the parking structure, and selected its contractor, J. A. Jones, Inc., on an arms-length, third-party basis; and

WHEREAS Agency finds and determines that public interest is best served by purchasing the Agency portion of the parking structure on a completed basis on the basis of certified cost without any profit to KCH; and

WHEREAS KCH has submitted a revised schedule of performances which is attached to and incorporated within the DDA as amended and restated; and

WHEREAS KCH desires Agency's permission to enter upon the site in advance of the closing of the construction loan at its own risk and with the approval of the title insurer and the lender for the limited purpose of conducting soils testing; and

WHEREAS Paragraph 3 of Agency Resolution 2865 of October 16, 1979, expressly authorizes the Agency to reduce the requirement of a two percent (2%) budget for Art in Public Places upon Agency's determination that the public interest will be served thereby; now, therefore,

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

Section 1: The assignment of the interest of Cook Regency Corporation, a California corporation, as Redeveloper under the DDA to Kings Capitol Hyatt, a California limited partnership, is hereby approved, subject only to the submission, within thirty (30) days from the date hereof, of certifications, in a form satisfactory to the Executive Director, (1) by CRC and by an independent certified public account satisfactory to the Executive Director to the effect that the consideration received by CRC from KCH did not exceed the actual cost of such interest to CRC and (2) by KCH and by an independent certified public accountant satisfactory to the Executive Director demonstrating that the current assets of KCH equal and/or exceed the equity contribution required of KCH by the financing commitment approved pursuant to Paragraph 2 below.

**RESOLUTION No. 86-028**

JUN 10 1986

Section 2: The evidence of construction and permanent financing from MeraBank, a federal savings bank, of Phoenix, Arizona, as submitted by KCH is hereby approved, provided that, to the extent any conflict and/or ambiguity should now or hereafter exist between the financing commitment on the one hand and the DDA and/or the Ground Lease on the other hand, the terms, conditions and provision of the DDA and the Ground Lease are expressly approved and the contrary and/or ambiguous terms of the commitment letter, if any, are expressly disapproved.

Section 3: The Executive Director or his designee is hereby authorized to receive, review, and approve as appropriate any evidence of equity funding which may be submitted in timely compliance with the Schedule of Performances of the DDA.

Section 4: The DDA, as amended and restated as of June 10, 1986, together with the draft Ground Lease appended thereto are hereby approved, and the Chair and Secretary are hereby authorized to execute the same on behalf of Agency.

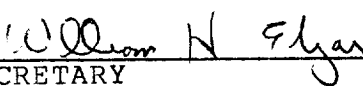
Section 5: The revised Schedule of Performances as appended to the DDA is hereby approved and adopted.

Section 6: The agreement to enter upon land as appended hereto is hereby approved and the Executive Director is hereby authorized to execute the same on behalf of Agency.

Section 7: The Agency requirement for the budget for the Art in Public Places Program shall be hereby established as two percent (2%) of the total construction budget for both public and private improvements upon the site for the first ten million dollars (\$10,000,000.00), one percent (1%) of the next ten million dollars (\$10,000,000.00), and three quarters of one percent (.75%) of the remainder of the construction budget. The Agency expressly finds and determines that this schedule of amounts, taken together with the particular aesthetic improvements, included within the public and private building construction project, are such as to accomplish the objectives of the Aesthetic Improvement Policy set forth in Resolution 2865.

  
\_\_\_\_\_  
CHAIR

ATTEST:

  
\_\_\_\_\_  
SECRETARY

0224L

**RESOLUTION No. 86-028**

JUN 10 1986