

## RESOLUTION NO. 2005-620

Adopted by the Redevelopment Agency of the City of Sacramento

August 16, 2005

### CONCLUDING THE REQUEST FOR PROPOSAL PROCESS AND AUTHORIZATION FOR STAFF TO NEGOTIATE WITH ZEIDEN PROPERTIES FOR THE REDEVELOPMENT OF THE 700 BLOCK OF K STREET AND WITH SACA FOR A PORTION OF THE 800 BLOCK OF K STREET WITH THE SOUTHEAST CORNER OF THE 800 BLOCK SUBJECT TO NEGOTIATIONS

#### BACKGROUND

- A. Portions of the 700 and 800 blocks of K Street are identified in the Second Amendment to the Merged Downtown Sacramento Redevelopment Plan as having continuing blighting conditions characterized by vacant and deteriorating buildings, uneconomic land uses, and small and irregularly sized lots not suitable for modern use.
- B. In October 2004, the JKL Corridor Charrette brought together more than 250 community members to discuss the future of Downtown Sacramento, specifically the area between J and L streets and 7<sup>th</sup> and 12<sup>th</sup> streets. Participants helped craft an overall vision with specific development objectives for key catalyst sites, including the 700 and 800 blocks of K Street.
- C. In January 2005, the Redevelopment Agency approved a solicitation of property owner proposals for properties on the 700 block of K Street and portions of the 800 block of K Street, north of the alley.
- D. On April 30, 2005, two proposals were received from owner/developer teams – Evergreen/Fisher and Zeiden Properties. The proposals were analyzed by staff and consultants and reviewed by an Ad Hoc Committee of the City Council.
- E. The Ad Hoc Committee (Ad Hoc) established for the K Street proposal process met on several occasions to discuss the K Street development proposals. After careful consideration, the Ad Hoc concluded that both proposals required modification and that it would be preferred to conclude the formal RFP process. The Committee recommends that staff work with Zeiden Properties (“Zeiden”) and John Saca (“Saca”) to accomplish the redevelopment in a way consistent with the City’s objectives. These objectives include: 1) preservation of historic scale of 700 block; 2) continuation of strong national, regional and local destination retailers from Downtown Plaza through to the 800 block; 3) providing housing above quality retail on the 800 block; 4) encouraging cooperative land assembly; and 5) reducing the project delivery timeframe. The goal is to incorporate the strength of the Zeiden retail proposal on the 700 block with the opportunity to work with the majority property owner on the 800 block to develop a project that includes quality ground-floor retail and housing.

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

- Section 1. The Request for Proposal process for the redevelopment of the 700 and 800 Blocks of K Street is concluded;
- Section 2. Staff is authorized to negotiate for a 45-day period with Zeiden Properties for the redevelopment of the 700 block and with Saca for a portion of the 800 block of K Street with the southeast corner of the 800 block subject to negotiations.
- Section 3. Negotiations will be subject to the milestones outlined in Exhibit A.

**Table of Contents:**

- Exhibit A Outline of Negotiation Milestones for 700/800 Block Redevelopment with Zeiden Properties and Saca

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

  
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Heather Fargo, Chair

  
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Shirley Concolino, Secretary

## EXHIBIT A

### OUTLINE OF NEGOTIATION MILESTONES FOR 700/800 BLOCK OF K STREET REDEVELOPMENT WITH ZEIDEN PROPERTIES AND JOHN SACA

#### Zeiden

##### Within 30 days from adoption of the resolution

- Participate in City-initiated mediation for the purpose of providing access to the properties and facilitating cooperative real estate discussion
- Begin discussions with property owners for negotiated purchases

##### Within 45 days from adoption of resolution

- Submit all items included in the original RFP; include only the information that may have changed since the team's original proposal submittal
- Provide modified project concept which includes some housing
- Provide refined project cost estimates
- Identify any and all contingencies associated with performance.

#### Saca

##### Within 10 days from adoption of resolution

- Identification of development team and key negotiator for the team
- Provide binding agreement evidencing key negotiator has authority to take actions on behalf of the team and property owner

##### Within 30 days from adoption of resolution

- Participate in City-initiated mediation for the purpose of providing access to the properties and facilitating cooperative real estate discussion
- Initiation of discussions with property owners for negotiated purchases

##### Within 45 days from adoption of resolution

- Submit all items included in the original RFP
- Identify any and all contingencies associated with performance
- Provide letter of interest from key retail tenants

#### Agency

##### Within 10 days from adoption of resolution

- Set up mediation

##### Within 30 days from adoption of resolution

- Initiate appraisals for properties on the 700 block and portions of the 800 block included in the original RFP
- Begin the California Environmental Quality Act (CEQA) process for the project(s)