



**APPROVED**  
BY THE CITY COUNCIL

1.15

**MAY 19 1998**

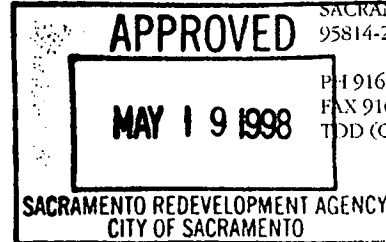
OFFICE OF THE  
CITY CLERK

OFFICE OF THE  
CITY MANAGER

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 101  
915 I STREET  
SACRAMENTO, CA  
95814-2584

May 19, 1998



P 916-264-5704  
FAX 916-264-7618  
TDD (ONLY) 916-264-7227

City Council  
Redevelopment Agency of the City of Sacramento  
Sacramento, California

Honorable Members in Session:

**SUBJECT: CONVENTION CENTER HOTEL**

**LOCATION AND COUNCIL DISTRICT: District One**

**RECOMMENDATION**

It is recommended that the City Council and the Redevelopment Agency of the City of Sacramento (RACS) adopt the attached resolutions which authorize the City Manager to extend the negotiations with the Public Market Building LLC (PMB LLC) for not more than 120 days, and reaffirm the criteria contained within the executed Exclusive Right to Negotiate as the baseline for the further negotiations.

**CONTACT PERSONS: Betty Masuoka, Deputy City Manager, 264-5704  
Kristan Otto, Convention Center Hotel, 264-7948**

**FOR THE COUNCIL MEETING OF: May 19, 1998**

**SUMMARY:**

At the Council Hearing on May 12, 1998 an intent motion was passed by Council to approve the staff recommendation as contained in the staff report submitted on that day amended to include the interim report back dates and the benchmark criteria. That amended Resolution is attached hereto.

## BACKGROUND

After hearing the staff report and receiving public testimony, the Council expressed its intent to extend the negotiation period so that staff could continue to negotiate with the PMB LLC development team. The efforts of the continued negotiations are to complete the business points of the agreement and to focus on working with the development team to bring on board a hotel operator with depth of experience in the convention center hotel business.

The Council reaffirmed the criteria contained in the Exclusive Right to Negotiate.

## ENVIRONMENTAL CONSIDERATIONS

The actions recommended in this report are in furtherance of the Merged Downtown Sacramento Redevelopment Plan, as amended. Per CEQA Guidelines Section 15180, 15162 and 15163, actions to encourage redevelopment in a redevelopment area were deemed approved at the time of adoption of the redevelopment plan. The proposed actions do not commit the City or Agency to a definite course of action since they are expressly made contingent on CEQA compliance prior to approval of a Disposition and Development Agreement (DDA) or City entitlement per Agency and City environmental procedures. If the City and RACS determine the project is feasible to pursue, an environmental impact report will be completed prior to consideration of a DDA or City entitlement. No further environmental documentation is required at this time. NEPA does not apply.

## POLICY CONSIDERATIONS:

### Consistency with the Exclusive Right to Negotiate

At the December 10<sup>th</sup> Council hearing when the selection was made, the Council mandated that the points in the ERN were to be a base line. As stated in the ERN, the City has the right to approve all deviations from the signed agreement. The Council encouraged staff to further negotiate the terms to decrease the amount of the public investment and to increase the public benefit.

### MBE/WBE

Not applicable. There are no goods or services being purchased as a result of the recommended action(s). If a project is ultimately approved, the construction project will comply with the City's policy regarding MBE/WBE.

Respectfully submitted,



Betty Masuoka, Deputy City Manager



for Thomas V. Lee, Deputy City Manager

## RECOMMENDATION APPROVED:



for William H. Edgar, City Manager

RESOLUTION NO. 98-188

APPROVED  
BY THE CITY COUNCIL

MAY 19 1998

ADOPTED BY THE CITY COUNCIL

OFFICE OF THE  
CITY CLERK

ON DATE OF \_\_\_\_\_

**RESOLUTION TO EXTEND THE NEGOTIATIONS WITH THE PUBLIC  
MARKET BUILDING LLC (PMB LLC) FOR 120 DAYS AND REAFFIRM THE  
CRITERIA CONTAINED WITHIN THE EXECUTED  
EXCLUSIVE RIGHT TO NEGOTIATE  
AS THE BASELINE FOR FURTHER NEGOTIATIONS:**

WHEREAS, on December 10, 1997, the City Council approved an Exclusive Right to Negotiate (ERN) with Public Market Building, LLC, (PMB, LLC) for a convention center hotel, and

WHEREAS, said approval of the ERN was based, in part, on a commitment by PMB, LLC that the subject hotel would be corporately managed, and

WHEREAS, City staff and PMB, LLC have since made substantial progress toward completion of negotiations on a Disposition and Development Agreement for the project, and

WHEREAS, City staff has recommended, and PMB LLC has agreed, that the ERN period be extended to allow the completion of such negotiations, and

WHEREAS, on May 12, 1998, the City Council heard testimony and discussed the importance of developing a hotel project with an operator who has a proven track record in successfully marketing and operating a convention center hotel with significant group business occupancy, and significant presence and clout in the group business market.

**THEREFORE BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF  
SACRAMENTO:**

**SECTION 1**

The Exclusive Right to Negotiate with the Public Market Building LLC shall be extended for not more than 120 days. The 120-day extension begins and includes May 6, 1998 and concludes not more than 120 days thereafter.

---

FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

**SECTION 2**

The criteria and commitments contained within the executed Exclusive Right to Negotiate shall continue to be the basis of negotiations.

**SECTION 3**

Staff shall report back to the Ad Hoc Committee approximately every 45 days to provide a status on the achievement of set benchmarks:

Conclusion and results of the feasibility report.

Number of contacts made with corporate hotel operators.

Status of resultant negotiations, if any.

**SECTION 4**

Upon determination that sufficient progress has not been made in the negotiations, the Ad Hoc Committee shall report to the full Council, with a recommendation, as appropriate, as to further negotiations. Council may terminate negotiations any time within the 120-day extension period.

**SECTION 5**

The City Manager is hereby authorized to execute an amendment to the ERN to extend the negotiation period as stated above.

\_\_\_\_\_  
MAYOR

ATTEST:

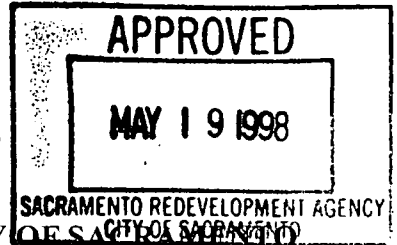
\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

RESOLUTION NO. 98-023



ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF \_\_\_\_\_

**RESOLUTION TO EXTEND THE NEGOTIATIONS WITH THE PUBLIC MARKET BUILDING LLC (PMB LLC) FOR 120 DAYS AND REAFFIRM THE CRITERIA CONTAINED WITHIN THE EXECUTED EXCLUSIVE RIGHT TO NEGOTIATE AS THE BASELINE FOR FURTHER NEGOTIATIONS:**

WHEREAS, on December 10, 1997, the City Council approved an Exclusive Right to Negotiate (ERN) with Public Market Building, LLC, (PMB,LLC) for a convention center hotel, and

WHEREAS, said approval of the ERN was based, in part, on a commitment by PMB, LLC that the subject hotel would be corporately managed, and

WHEREAS, City staff and PMB, LLC have since made substantial progress toward completion of negotiations on a Disposition and Development Agreement for the project, and

WHEREAS, City staff has recommended, and PMB LLC has agreed, that the ERN period be extended to allow the completion of such negotiations, and

WHEREAS, on May 12, 1998, the City Council heard testimony and discussed the importance of developing a hotel project with an operator who has a proven track record in successfully marketing and operating a convention center hotel with significant group business occupancy, and significant presence and clout in the group business market.

**THEREFORE BE IT ENACTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:**

**SECTION 1**

The Exclusive Right to Negotiate with the Public Market Building LLC shall be extended for not more than 120 days. The 120-day extension begins and includes May 6, 1998 and concludes not more than 120 days thereafter.

FOR REDEVLEOPMENT USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

APPROVED

MAY 1 9 1938

SACRAMENTO  
CITY

**SECTION 2**

The criteria and commitments contained within the executed Exclusive Right to Negotiate shall continue to be the basis of negotiations.

**SECTION 3**

Staff shall report back to the Ad Hoc Committee approximately every 45 days to provide a status on the achievement of set benchmarks:

Conclusion and results of the feasibility report.

Number of contacts made with corporate hotel operators.

Status of resultant negotiations, if any.

**SECTION 4**

Upon determination that sufficient progress has not been made in the negotiations, the Ad Hoc Committee shall report to the full Council, with a recommendation, as appropriate, as to further negotiations. Council may terminate negotiations any time within the 120-day extension period.

**SECTION 5**

The City Manager is hereby authorized to execute an amendment to the ERN to extend the negotiation period as stated above.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

---

FOR REDEVLEOPMENT USE ONLY

RESOLUTION NO: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_