



220 Sansome Street
Suite 900
San Francisco, CA 94104
415/495-7575

VIA FEDERAL EXPRESS

June 7, 1983

Ms. Lorraine Magana
City Clerk
City of Sacramento
City Hall
915 I Street
Sacramento, CA 95814

Re: Capitol Center Development Project (P82-132)

Dear Ms. Magana:

Upon advice of our legal counsel, we respectfully withdraw our request to appear before the City Council with respect to the Capitol Center project. A copy of a letter from McDonough, Holland and Allen is enclosed.

Sincerely,

W. Gardner Combs/cb

W. Gardner Combs
General Manager
Carma Developers (California) Inc.
General Partner
Capitol Center I, a limited partnership

WGC:cb

Enclosure

FILED
By the City Council
Office of the City Clerk

Withdrawn

JUN 7 1983



AIRBILL NUMBER

19

PLEASE COMPLETE ALL INFORMATION IN THE 5 BLOCKS OUTLINED IN ORANGE
SEE BACK OF FORM SET FOR COMPLETE PREPARATION INSTRUCTIONS.

YOUR FEDERAL EXPRESS ACCOUNT NUMBER

0941-5864-8

DATE

RECEIVED 6/7/83
CITY CLEANS OFFICE
CITY OF SACRAMENTO

FROM (Your Name)

W. Gardner Combs

TO (Recipient's Name)

Lorraine Magana

If Hold For Pick-Up or Saturday Delivery, Recipient's Phone Number

COMPANY

Carma Developers

DEPARTMENT/FLOOR NO.

JUN 8 9 20 AM '83

COMPANY

Sacramento

DEPARTMENT/FLOOR NO.

STREET ADDRESS

220 Sansome Street, Suite 900

STREET ADDRESS (P.O. BOX NUMBERS ARE NOT DELIVERABLE)

915 I Street

CITY

San Francisco, CA

STATE

CITY

Sacramento, CA

STATE

AIRBILL NO. 440185454

ZIP ACCURATE ZIP CODE REQUIRED FOR CORRECT INVOICING
9 4 1 1 0 4

IN TENDERING THIS SHIPMENT, SHIPPER AGREES THAT F.E.C. SHALL NOT BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM

ZIP ACCURATE ZIP CODE REQUIRED FOR OVERNIGHT DELIVERY
9 4 8 1 4

YOUR NOTES/REFERENCE NUMBERS (FIRST 12 CHARACTERS WILL ALSO APPEAR ON INVOICE)

PAYMENT Bill Shipper Bill Recipient's F.E.C. Acct. Bill 3rd Party F.E.C. Acct. Bill Credit Card
 Cash In Advance Account Number/Credit Card Number

CARRIAGE HEREOF. F.E.C. DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS SHIPMENT. THIS IS A NON-NEGOTIABLE AIRBILL SUBJECT TO CONDITIONS OF CONTRACT SET FORTH ON REVERSE OF SHIPPER'S COPY. UNLESS YOU DECLARE A HIGHER VALUE, THE LIABILITY OF FEDERAL EXPRESS CORPORATION IS LIMITED TO \$100.00.

FEDERAL EXPRESS USE
FREIGHT CHARGES
DECLARED VALUE CHARGE

SERVICES CHECK ONLY ONE BOX

PRIORITY ONE (P-1)

OVERNIGHT PACKAGES (6)

COURIER PAK

OVERNIGHT ENVELOPE (up to 2 LBS.) (7)

OVERNIGHT BOX (up to 5 LBS.) (8)

OVERNIGHT TUBE (up to 5 LBS.) (9)

STANDARD AIR

DELIVERY 2ND BUSINESS DAY FOLLOWING PICK-UP (5)

"OVERNIGHT" IS DEFINED AS NEXT BUSINESS DAY (MONDAY THROUGH FRIDAY). SEE SPECIAL HANDLING FOR SATURDAY DELIVERY.

DELIVERY AND SPECIAL HANDLING CHECK SERVICES REQUIRED

HOLD FOR PICK-UP AT FOLLOWING FEDERAL EXPRESS LOCATION SHOWN IN SERVICE GUIDE (1)

DELIVER (2)

SATURDAY SERVICE REQUIRED (See Reverse (Extra charge applies for delivery)) (3)

RESTRICTED ARTICLES SERVICE (P-1 and Standard Air Packages only, extra charge) (4)

SSS (Signature Security Service required, extra charge applies) (5)

DRY ICE _____ LBS. (6)

OTHER SPECIAL SERVICE (7)

_____ (8)

_____ (9)

PIECES	WEIGHT	DECLARED VALUE	O/S
TOTAL	TOTAL	TOTAL	

RECEIVED AT SHIPPER'S DOOR
 REGULAR STOP
 ON-CALL STOP
 F.E.C. LOC.

Federal Express Corporation Employee No. 1002

DATE/TIME For Federal Express Use 6/7/83

EMP. NO. DATE

CASH RECEIVED AGT/PRO

RETURN SHIPMENT AGT/PRO

THIRD PARTY

CHG. TO DEL. CHG. TO HOLD

STREET ADDRESS

CITY STATE ZIP

RECEIVED BY: (Signature) X

DATE/TIME RECEIVED F.E.C. EMPLOYEE NUMBER

ADVANCE ORIGIN
ADVANCE DESTINATION
OTHER
TOTAL CHARGES
PART # 2041731049
REVISION DATE 5-15-80
PRINTED USA S

RECIPIENT COPY (AFFIXED TO PACKAGE, GIVEN TO RECIPIENT AT DELIVERY)

McDONOUGH, HOLLAND & ALLEN
A PROFESSIONAL CORPORATION
ATTORNEYS

855 CAPITOL MALL, SUITE 950
SACRAMENTO, CALIFORNIA 95814
(916) 444-8800

COSTA MESA OFFICE
3700 PARK CENTER DRIVE, SUITE 710
COSTA MESA, CALIFORNIA 92626
(714) 830-1100
IN REPLY REFER TO:

MARTIN McDONOUGH
ALFRED E. HOLLAND
ROBERT F. ALLEN
V. DAVIDSON GOTT
JOSEPH E. COONEY, JR.
WILLIAM G. HOLLIMAN, JR.
DAVID J. SCOTT/SHOEN
ELMER D. MALANOFF
MICHAEL W. MICHOLS
DONALD G. MOSE
RICHARD W. DEAN
RICHARD C. BRAMOT
DARYL L. LOVE/BIDGE
RICHARD BROWN
VICTOR D. O'NEIL
DAVID W. ROSE
SUSAN R. LUDING
BRUCE McDONOUGH
WILLIAM J. OWEN
G. WILLIAM O'NEIL
DAVID C. HEALY
JAMES B. O'NEAL

ALICE A. WERTHARD
MICHAEL J. LOGAN
ANN O'CONNELL
KERRY E. NULL, JR.
JEFFREY B. JONES
ROBERT W. O'CONNOR
STEVE B. KIMBALL
WILLIAM E. ZIMMER
WILSON B. PARR
SUSAN E. FRAMBERGER
LINDA D. GILBERT
DANN H. COLE
JOHN H. TAYLOR
JANET HEELER/ANDRE
DENNIS W. DE LUCA
JOHN E. DI GIUSTO
JOHN I. CARRIER
CAROL A. POWELL
KAREN J. HULDSCH
EMERSON D. ROSEMAN
JOHN J. FLYNN E.

June 7, 1983

21425/001

DRAFT

W. Gardner Combs
General Manager
Carma Developers California, Inc.
220 Sansome Street, Suite 900
San Francisco, CA 94104

Re: Capitol Center I

Dear Gardner:

We have reviewed the May 25, 1983 staff report and the June 1 summary prepared by the Planning Department for the City Council. While we recognize your desire to address the City Council for the purpose of properly stating the position of Capitol Center I and placing the matter in perspective, it is our recommendation that you withdraw your request to address the City Council.

The Redevelopment Agency has made it clear that it intends to condemn the site and take certain actions which are contrary to your application for a use permit which was denied accordingly. Under the circumstances, it is clear that your appearance would be futile.

We are proceeding with preparation of the response to the eminent domain action filed by the Agency and the assertion of appropriate causes of action for damages against the Agency and City.

Sincerely,

William G. Holliman, Jr.

WGH:jlp

19

RECEIVED
CITY CLERKS OFFICE
CITY OF SACRAMENTO

JUN 7 4 55 PM '83
CITY CLERKS OFFICE
3200 MARK CENTER DRIVE, SUITE 710
COSTA MESA, CALIFORNIA 92626
(714) 850-1180

IN REPLY REFER TO:

McDONOUGH, HOLLAND & ALLEN
A PROFESSIONAL CORPORATION
ATTORNEYS

555 CAPITOL MALL, SUITE 950
SACRAMENTO, CALIFORNIA 95814

(916) 444-3900

June 7, 1983

MARTIN McDONOUGH
ALFRED E. HOLLAND
BRUCE F. ALLEN
V. BARLOW GOFF
JOSEPH E. COOMES, JR.
WILLIAM G. HOLLIMAN, JR.
DAVID J. SPOTTISWOOD
ELMER R. MALAKOFF
RICHARD W. NICHOLS
DONALD C. POOLE
RICHARD W. OSEN
RICHARD E. BRANDT
GARY F. LOVERIDGE
G. RICHARD BROWN
DENNIS D. O'NEIL
DAVID W. POST
SUSAN K. EDLING
BRUCE McDONOUGH
WILLIAM L. OWEN
D. WILLIAM DENTINO
DAVID F. BEATTY
JAMES B. O'NEAL

ALICE A. WOODYARD
MICHAEL T. FOGARTY
ANN O'CONNELL
HARRY E. HULL, JR.
JEFFRY R. JONES
ROBERT W. O'CONNOR
BETSY S. KIMBALL
WILLIAM F. ZIPRICK
WILSON B. HART
SUSAN S. FRANCESCHI
SABINA D. GILBERT
DAWN H. COLE
JOHN M. TAYLOR
JANET NEELEY-KVARME
DENNIS W. DE CUIR
JOHN E. DI GIUSTO
JOHN L. CARRIER
CRAIG K. POWELL
MARK J. HUEBSCH
SHARON D. ROSEME
JOHN J. FLYNN III

Ms. Lorraine Magana
City Clerk
City of Sacramento
City Hall
915 I Street
Sacramento, CA 95814

Dear Ms. Magana:

Enclosed is a letter that W. Gardner Combs, General Manager of Carma Developers California, Inc., has put in the mail to you today in San Francisco. We are delivering this copy of the letter for your information in connection with tonight's City Council meeting.

Sincerely,

William G. Holliman, Jr.
William G. Holliman, Jr.

WGH: jlp

Enclosure

June 7, 1983

Ms. Lorraine Magana
City Clerk
City of Sacramento
City Hall
915 I Street
Sacramento, CA 95814

Re: Capitol Center Development Project
(P82-132)

Dear Ms. Magana:

Upon advice of our legal counsel, we respectfully withdraw our request to appear before the City Council with respect to the Capitol Center project. A copy of a letter from McDonough, Holland and Allen is enclosed.

Sincerely,

W. Gardner Combs
General Manager
Carma Developers California, Inc.
General Partner
Capitol Center I, a limited
partnership

WGC: jlp

Enclosure

McDONOUGH, HOLLAND & ALLEN

A PROFESSIONAL CORPORATION
ATTORNEYS

555 CAPITOL MALL, SUITE 950
SACRAMENTO, CALIFORNIA 95814
(916) 444-3900

COSTA MESA OFFICE
3200 PARK CENTER DRIVE, SUITE 710
COSTA MESA, CALIFORNIA 92626
(714) 850-1180

IN REPLY REFER TO:

June 7, 1983

21425/001

MARTIN McDONOUGH
ALFRED E. HOLLAND
BRUCE F. ALLEN
V. BARLOW GOFF
JOSEPH E. COOMES, JR.
WILLIAM G. HOLLIMAN, JR.
DAVID J. SPOTTISWOOD
ELMER R. MALAKOFF
RICHARD W. NICHOLS
DONALD C. POOLE
RICHARD W. OSEN
RICHARD E. BRANDT
GARY F. LOVERIDGE
G. RICHARD BROWN
DENNIS D. O'NEIL
DAVID W. POST
SUSAN K. EDLING
BRUCE McDONOUGH
WILLIAM L. OWEN
D. WILLIAM DENTINO
DAVID F. BEATTY
JAMES B. O'NEAL

ALICE A. WOODYARD
MICHAEL T. FOGARTY
ANN O'CONNELL
HARRY E. HULL, JR.
JEFFREY R. JONES
ROBERT W. O'CONNOR
BETSY S. KIMBALL
WILLIAM F. ZIPRICK
WILSON B. HART
SUSAN S. FRANCESCHI
SABINA D. GILBERT
DAWN H. COLE
JOHN M. TAYLOR
JANET NEELEY-KVARME
DENNIS W. DE CUIR
JOHN E. DI GIUSTO
JOHN L. CARRIER
CRAIG K. POWELL
MARK J. HUEBSCH
SHARON D. ROSEME
JOHN J. FLYNN III

W. Gardner Combs
General Manager
Carma Developers California, Inc.
220 Sansome Street, Suite 900
San Francisco, CA 94104

Re: Capitol Center I

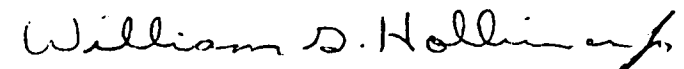
Dear Gardner:

We have reviewed the May 25, 1983 staff report and the June 1 summary prepared by the Planning Department for the City Council. While we recognize your desire to address the City Council for the purpose of properly stating the position of Capitol Center I and placing the matter in perspective, it is our recommendation that you withdraw your request to address the City Council.

The Redevelopment Agency has made it clear that it intends to condemn the site and take certain actions which are contrary to your application for a use permit which was denied accordingly. Under the circumstances, it is clear that your appearance would be futile.

We are proceeding with preparation of the response to the eminent domain action filed by the Agency and the assertion of appropriate causes of action for damages against the Agency and City.

Sincerely,


William G. Holliman, Jr.

WGH: jlp

19



CITY OF SACRAMENTO

CITY PLANNING DEPARTMENT
927 TENTH STREET
SUITE 300
SACRAMENTO, CA 95814
TELEPHONE (916) 449-5604

MARTY VAN DUYN
PLANNING DIRECTOR

CITY MANAGER'S OFFICE
RECEIVED
JUN 2 1983

June 1, 1983

City Council
Sacramento, California

Honorable Members in Session:

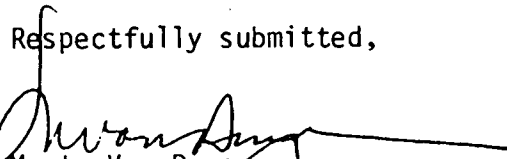
SUBJECT: Capitol Center Development Project (P82-132)

LOCATION: Block bounded by 12th, 13th K and L Streets

SUMMARY

This is a request by the original developer of the Capitol Center project to speak before the City Council. The Special Permit for this project was considered by the City Council last Tuesday, May 31, 1983. The Council denied the Special Permit.

The developer was not sent a copy of the latest staff report, and he requested an opportunity to address the City Council. A copy of the staff report is attached for your information.

Respectfully submitted,

Marty Van Duyn
Planning Director

FOR TRANSMITTAL TO CITY COUNCIL:


Walter J. Slips, City Manager

MVD:HY:cp
Attachment
P82-132

June 7, 1983
District No.1



CITY OF SACRAMENTO

19

CITY PLANNING DEPARTMENT
927 TENTH STREET
SUITE 300
SACRAMENTO, CA 95814
TELEPHONE (916) 449-5604

MARTY VAN DUYN
PLANNING DIRECTOR

May 25, 1983

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Special Permit for development of a major project located on 3.2± acres in the Central Business (C-3) zone (P82-132) (APN: 006-112-01 thru 19)

LOCATION: Entire block bounded by 12th, 13th, K and L Streets

SUMMARY:

This is a request for a Special Permit to develop a hotel-office complex consisting of a 12-story, 480 room hotel; a 20-story, 425,000± sq. ft. office building; 29,000± sq. ft. of ground floor retail space; and a 1,000 space parking facility.

Subsequent to the Planning Commission's consideration of this project, the City Council has approved a Resolution of Necessity for the Capitol Center I property; authorized agency staff to continue negotiations with Bank of America for purchase of their property, and conceptually approved the Request for Proposal documents, to allow the Redevelopment Agency to proceed with acquisition and development of the site.

BACKGROUND INFORMATION:

The proposed hotel-office complex consisting of 480 rooms; 425,000 sq.ft. of offices; and 29,000 sq.ft. of retail spaces was originally presented to the City Council on February 15, 1983. At this meeting, the City Council certified the Final Environmental Impact Report and continued the Special Permit to April 19, 1983. The continuance of the Special Permit was to allow staff adequate time to develop an appropriate performance schedule for construction of the project.

On April 19, 1983, the Council continued the Special Permit to May 31, 1983. In addition, the Council took the following actions:

1. Established just compensation for the parcels in the block bounded by 12th-13th-K-L Streets;

2. Authorized Redevelopment Agency staff to proceed to negotiate with the current property owners and proceed with other actions regarding proposed acquisition of the subject properties; and
3. Amended the 1983 Agency Budget in accordance with the \$7.5 million financing plan for the acquisition and disposition of the subject property.

On May 23, 1983, the Sacramento Housing & Redevelopment Commission recommended that the acquisition of the Capitol Center I property continue; negotiations with the Bank of America for outright purchase of this property continue; and conceptual approval of the Request for Proposal.

On May 24, 1983, the City Council adopted a Resolution of Necessity for the Capitol Center I property and initiated legal action for acquisition; authorized the Agency staff to continue with negotiations with Bank of America for outright purchase of their property and to offer a first right of refusal to Bank of America for relocation into the proposed project; conceptually approved the Request for Proposal documents; and authorized the Executive Director to proceed with implementing the specific elements of the work program for acquisition and assembly.

Because of the City Council's action on May 24 to assemble the properties and acquire the sites, staff feels that it would be inappropriate to approve the Special Permit as submitted. Since the Redevelopment Agency will proceed with acquisition of the sites and issue a Request for Proposal, it is not likely that the project, as submitted with this special permit application, will be developed because of the following:

1. A new developer will be involved in the project.
2. The Francesca hotel may stay on the site as an active use which will modify the design.
3. The Request for Proposal may limit development of the site to a hotel only use which is different from the present project.
4. The site area may be reduced.
5. Substantial change in scope of the project because of these factors.
6. The Agency holds leasehold interest in a portion of the parcels covered by the Special Permit application. Thus, the developer is applying for a Special Permit for land for which it does not have a legal right to possession.

A copy of the Planning Commission's staff report (dated 2-3-83) was previously transmitted to the Council. Detail plans of the project are attached to that report.

RECOMMENDATION:

The staff recommends that the City Council deny the Special Permit based on the following findings:

The project as submitted is not based on sound principles of land use in that a Special Permit should not be granted until a developer is selected and the scope of the project is more specifically defined. The Francesca Hotel site may be deleted which will reduce the physical site area and alter the design of the project. This will significantly change the design of the project. Moreover, the developer is applying for a Special Permit for land a portion of which it does not have the present legal right to possess because of the Agency holds leasehold interest therein.

Respectfully submitted,

Signed By:

Marty Van Duyn
Planning Director

RECOMMENDATION APPROVED:

Signed By:

Walter J. Slipe, City Manager

MVD:HY:mm
Attachments
P82-132

May 31, 1983
District No. 1