

24

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

March 5, 1980

CITY GOVERNING BOARD

PHILLIP L. ISENBERG, MAYOR
LLOYD CONNELLY
BLAINE H. FISHER
THOMAS R. HOEBER
DOUGLAS N. POPE
JOHN ROBERTS
LYNN ROBIE
ANNE RUDIN
DANIEL E. THOMPSON

Ms. Jaci Pappas
Acting City Clerk
915 I Street
Sacramento, CA 95814

Re: PUBLIC HEARING - Final Selection of
Rede Company

COUNTY GOVERNING BOARD

ILLA COLLIN
C. TOBIAS (TOBY) JOHNSON
JOSEPH E. (TED) SHEEDY
SANDRA R. SMOLEY
FRED G. WADE

Dear Jaci:

This will confirm our conversation wherein we agreed that the hearing on the above matter presently scheduled for March 11, 1980, will be continued until March 18, 1980.

EXECUTIVE DIRECTOR

WILLIAM G. SELINE

Thank you for your cooperation.

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

Very truly yours,

Joan Roberts
JOAN ROBERTS
Agency Clerk

FILED
SACRAMENTO REDEVELOPMENT AGENCY

Date 3-11-80

CONT TO 3-18-80



24

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

February 21, 1980

MEMORANDUM TO: Jaci Pappas, Acting City Clerk

FROM : William G. Seline, Executive Director

SUBJECT : Public Hearing - Final Selection of Rede Company as Redeveloper of Parcel 1B, Block 224, including Modifications to the Original Proposal.

Please withdraw the above titled subject from the City Council agenda. This matter will be replaced on the agenda at a later date.

William G. Seline
 William G. Seline
 Executive Director

CITY GOVERNING BOARD
 PHILLIP L. ISENBERG, MAYOR
 LLOYD CONNELLY
 BLAINE H. FISHER
 THOMAS R. HOEBER
 DOUGLAS N. POPE
 JOHN ROBERTS
 LYNN ROBEI
 ANNE RUBIN
 DANIEL E. THOMPSON

COUNTY GOVERNING BOARD
 ILLA COLLIN
 C. TOBIAS (TOBY) JOHNSON
 JOSEPH E. (TED) SHEEDY
 SANDRA R. SMOLEY
 FRED G. WADE

EXECUTIVE DIRECTOR
 WILLIAM G. SELINE

P.O. Box 1834
 SACRAMENTO, CA 95809
 630 I STREET
 SACRAMENTO, CA 95814
 (916) 444-9210

FILED
 SACRAMENTO REDEVELOPMENT AGENCY

Date 2/26/80 CONT. TO 3-11-80



24

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

March 11, 1980

CITY MANAGER'S OFFICE
RECEIVED
MAR 12 1980

Redevelopment Agency of the
City of Sacramento
915 I Street
Sacramento, CA 95814

CITY GOVERNING BOARD

PHILLIP L. ISENBERG, MAYOR
LLOYD CONNELLY
BLAINE H. FISHER
THOMAS R. HOEBER
DOUGLAS N. POPE
JOHN ROBERTS
LYNN ROBIE
ANNE RUDIN
DANIEL E. THOMPSON

Honorable Members in Session:

SUBJECT: PUBLIC HEARING - Final Selection of Rede Company as Redeveloper of Parcel 1B, Block 224, and Approval of Contract for Sale of Land including Modifications to the Original Proposal

COUNTY GOVERNING BOARD

ILLA COLLIN
C. TOBIAS (TOBY) JOHNSON
JOSEPH E. (TED) SHEEDY
SANDRA R. SMOLEY
FRED G. WADE

SUMMARY

Attached is a resolution to be adopted subsequent to the Public Hearing by which you approve the final selection of Rede Company and approve the final Contract for Sale of Land including the following changes in the development of the southeast corner of 6th and I Streets.

EXECUTIVE DIRECTOR
WILLIAM G. SELINE

- 1) The Development Team will consist of Tecon Corporation, 75% ownership and Continental Heller Corporation, 25% ownership.
- 2) The elevations of the five story office building would remain the same as originally presented but without open terraces at the fourth and fifth levels.
- 3) The parking plan as proposed for the two level parking structure will provide 166 spaces rather than the Redevelopment Plan requirement of 170. This is a ratio of one space for each 418 sq.ft. in place of one space for each 400 sq.ft. Ten of the spaces will be double-banked. Space width will be 8'5" instead of the 9 foot plan requirement. To accomplish the parking plan the City must issue a permanent easement for use of space under the sidewalk area. The Redeveloper will be responsible for construction of the sidewalk structure. The proposed parking plan is not considered a major modification to the Redevelopment Plan.

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY

Date 3-18-80

3-18-80

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
Page Two

March 11, 1980

BACKGROUND

By resolution adopted November 20, 1979, you approved tentative selection of Rede Company. The original intended composition of Rede Company also included LenArd Zipperian and Judith Zipperian of the Capitol Mall Management Corporation and Rust and Armenis, a local law firm. For financing reasons, the Zipperians desire not to be involved during the construction phase but may wish to buy a condominium unit upon completion of the building. They formerly were scheduled to have a 20 percent interest. The Rust and Armenis firm, due to a possible reorganization of the firm, have decided not to be a part of the development contract but may still be interested in purchasing a condominium unit upon completion of the building. Rust and Armenis were also scheduled to hold 20 percent ownership in the original proposal.

Agency consultant, Keyser-Marston Associates, have indicated that Tecon and Continental Heller Corporations have adequate financial capacity to develop the project (see attached letter).

The Redeveloper has indicated that because of serious structural interferences of interior columns (on outside face) with partition layout and significant cost impact, they were not able to develop a stepped terrace at the fourth and fifth floor levels. Contractual obligations require both preliminary plans and final plans to be submitted to the Redevelopment Agency and the Architectural Review Board for approval.

Attached for your information are the "Schedule of Performance" and "Scope of Development", Exhibits "E" and "F" of the Contract.

FINANCIAL DATA

The purchase price for this parcel is \$198,000.00 (\$7.75 per square foot). The Redeveloper has submitted a good faith deposit in the amount of \$10,000. This deposit will be held by the Agency until completion of the improvements to the satisfaction of the Agency or until it is released pursuant to the provisions of the contract.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of February 20, 1980, the Sacramento Housing and Redevelopment Commission adopted a motion recommending that you approve the contract with Rede Company with the requested modifications. The vote was as follows:

AYES: Fisher, Knepprath, Luevano, A. Miller, Walton, B. Miller
NOES: Teramoto
ABSENT: Serna, Coleman

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
Page Three

March 11, 1980

ACTION OF THE ARCHITECTURAL REVIEW BOARD

At its meeting of February 20, 1980, the Architectural Review Board had no adverse comments on the modification to the building elevation. The Board was told that it will have the opportunity to review both the Preliminary and Final Construction Plans.

RECOMMENDATION

It is my recommendation that you adopt the attached resolution.

Respectfully submitted,

Robert E. Roche for
WILLIAM G. SELINE
EXECUTIVE DIRECTOR

TRANSMITTAL TO COUNCIL:

Walter J. Slipe

WALTER J. SLIPE, City Manager

Contact Person: Robert E. Roche

EXHIBIT "E"

SCHEDULE OF PERFORMANCES

1. Redeveloper shall prepare and submit to the Agency and to the Architectural Review Board Preliminary Plans for Redeveloper's Improvements. Within three (3) months after the effective date of the Agreement.
2. Redeveloper shall make application to the City Planning Commission for the necessary Special Permit for parking. Within three (3) months after the effective date of the Agreement.
3. The Agency and the Architectural Review Board shall approve or disapprove Redeveloper's Preliminary Plans, and the Planning Commission shall approve or disapprove the parking permit. Within six (6) weeks after submission of such Preliminary Plans.
4. Redeveloper shall prepare and submit Final Construction Plans to the Agency, the Architectural Review Board and the City Building Department. Within six (6) months after the approval of Redeveloper's Preliminary Plans.
5. The Agency and the Architectural Review Board shall approve or disapprove Redeveloper's Final Construction Plans. Within one (1) month after submission of such Final Construction Plans.
6. Redeveloper shall submit a written commitment for construction financing to the Agency. Within seven (7) months after the effective date of the Agreement.
7. The Agency shall approve or disapprove Redeveloper's Evidence of Financing. Within one (1) month after submission of such Evidence of Financing.
8. Redeveloper shall deposit the Purchase Price for the Property into escrow. Within two (2) weeks after approval of Redeveloper's Final Construction Plans and Evidence of Financing.

9. Agency shall deposit the Deed for the Property into escrow. Within two (2) weeks after approval of Redeveloper's Final Construction Plans and Evidence of Financing.
10. The Purchase Price for the Property shall be paid to the Agency, the Deed delivered to the Redeveloper, and escrow shall be closed. Within two (2) weeks after the Agency deposits the Deed into escrow.
11. Redeveloper shall commence construction of the Improvements on the Property. Within two (2) weeks after the close of escrow or issuance of a Building Permit, whichever occurs later.
12. Redeveloper shall complete construction of the Improvements on the Property. Within fourteen (14) months after commencement of construction.

EXHIBIT "F"

SCOPE OF DEVELOPMENT

The redeveloper shall construct a five (5) level office building above two (2) levels of underground parking. The structure shall contain approximately 68,000 square feet. Use of the building shall be commercial and office.

The exterior facade shall, in general, use brushed aluminum, dark grey glass materials, and masonry to result in a project compatible with the project on the block bounded by 5th, 6th, I and J Streets. The exterior landscape design shall be such as to provide attractive transitional space between this project and the patio area of the existing high-rise at 630 "I" Street.

The redeveloper shall expend approximately three percent (3%) of the gross construction cost of the office building for art work and aesthetic improvements in accordance with definition on Attachment 1.

The structure shall be stepped back from adjacent streets providing landscaped terraces at first three levels. It will be angled at the 6th and I Streets corner to accent view corridors and to provide a sense of "openness", both physically and visually.

Parking shall be provided on-site at the rate of at least one space for each 418 square feet of gross floor area. Driveways and access to parking and loading facilities shall be approved by the City Traffic Engineer.

Redeveloper shall be responsible for installation of perimeter sidewalks, including any necessary sidewalk structure.

It is the intent of the Redevelopers to occupy a portion of the space themselves through condominium ownership.

Leason Pomeroy and Associates of Orange, California, will be the consulting Architects for the project.

ATTACHMENT 1

DEFINITION OF "ART WORK AND AESTHETIC IMPROVEMENTS"

"Art work and aesthetic improvements", as used in this contract, shall include, but not be limited to, all paintings, mural decorations, inscriptions, stained glass, fibre work, statues, reliefs or other sculptures, monuments, fountains, arches, or other structures, intended for ornament or commemoration. It shall also include, but not be limited to, works in the fields of music, literature, theatre, dance and film.

February 12, 1980

Sacramento Housing and Redevelopment Agency
P.O. Box 1834
Sacramento, California 95809

Re: Rede Associates

Gentlemen:

The undersigned constitutes Rede Associates. As discussed with your Chief Counsel, Brenton A. Bleier, because of the excessively high rates of interest, the persons and entities constituting Rede Associates wish to self-finance the construction and do not wish to obtain a construction loan or pay the "points" generally associated with such a loan. To accomplish this objective, their attorney has conferred with the bank officials and attorneys, and the most feasible way would be to have only the two contractor-members of Rede themselves own the property to be conveyed by the Redevelopment Agency, and themselves actually construct the building.

Because of this, it is respectfully requested that the contract be redrafted with only Continental Heller Corporation and Tecon Corporation shown as the Redeveloper. As indicated below, the other members consent and agree to this change and also request that the necessary procedures be taken, including any necessary public hearings.

Respectfully submitted.

CONTINENTAL HELLER CORPORATION

By Dean G. Jacobs
Dean G. Jacobs, President

TECON CORPORATION

By M. J. Heller
M. J. Heller, President

CAPITOL MALL MANAGEMENT CORP.

By Lenard S. Zipperian
Lenard S. Zipperian,
Vice President

RUST & ARMENIS

By Richard P. Armenis

Lenard S. Zipperian
Lenard S. Zipperian

Judith M. Zipperian
Judith M. Zipperian

Keyser/Marston Associates, Inc.

Land Use Economics
Policy - Feasibility - Implementation
230 California St., 6th Floor
San Francisco, California 94111
(415) 398-3050

A. Jerry Keyser
Michael Marston
Richard L. Botti
Kate Earle Funk
Timothy C. Kelly

10960 Wilshire Blvd., Suite 2230
Los Angeles, California 90024
(213) 625-0928

February 20, 1980

Mr. Robert E. Roche
Deputy Director
Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, California 95814

Dear Mr. Roche:

This letter is being provided at the request of the Agency in order to address two issues which have arisen in respect to the selected developer proposal for the 5th, 6th, I, and J parcels, namely: (1) whether it appears that Tecon and Heller have adequate financial strength to undertake development of the smaller parcel (without the two partners originally part of the proposing team), and (2) market factors relating to the possible rental of half or of all the office space provided on the smaller parcel.

We have reviewed once again the financial statements of these developers. In our opinion, the combined balance sheets appear adequate to support the mortgage commitments. The Agency may, however, wish to confer with mortgage lenders for a first hand evaluation.

We would not anticipate problems in marketing the office space, if half or even all of the space was for rent, assuming that the overall design, cost, and rent levels indicated previously in the Sammis proposal prevailed for development on this parcel as well. It is our understanding that the office market in Sacramento is strong, and it appears that this space can be provided at rent levels that would be competitive.

Please call if you have any questions regarding this letter.

Very truly yours,

KEYSER MARSTON ASSOCIATES, INC.

Robert Wetmore
Robert Wetmore

Kate Earle Funk
Kate Earle Funk

S.Y.

RW/KEF/jy



RESOLUTION NO. 2896

Adopted by the Redevelopment Agency of the City of Sacramento

March 18, 1980

APPROVING FINAL SELECTION OF REDEVELOPER AND
AUTHORIZING EXECUTION OF CONTRACT FOR SALE
OF LAND FOR PRIVATE REDEVELOPMENT
REDE COMPANY, A JOINT VENTURE
PARCEL 1B, BLOCK 224, PROJECT NO. 4

WHEREAS, the Redevelopment Agency of the City of Sacramento is presently engaged in carrying out the redevelopment of the Capitol Mall Riverfront Project, Project No. 4; and

WHEREAS, the Agency has received a proposal entitled "Contract for Sale of Land for Private Redevelopment" (herein sometimes referred to as the "Proposal"), from REDE COMPANY, a joint venture, consisting of Tecon Corporation, a California corporation, and Continental Heller Corporation, a California corporation (herein sometimes referred to as the "Redeveloper"), for the purchase from the Agency of the real property described herein; and

WHEREAS, pursuant to an advertisement for proposals for the development of said real property, other proposals were presented to the Sacramento Housing and Redevelopment Commission; and

WHEREAS, after reviewing said proposals, the Sacramento Housing and Redevelopment Commission recommended that the Governing Body of the Agency enter into a Contract for Sale of Land for Private Redevelopment with REDE COMPANY, a joint venture; and

WHEREAS, the Agency has examined data and analyzed various methods of disposing of said real property; and

WHEREAS, the said Contract for Sale of Land for Private Redevelopment and a Statement for Public Disclosure have been filed with the Redevelopment Agency by the proposed Redeveloper and have been available for public examination at the offices of this Agency for fourteen (14) days after public notice thereof; and

WHEREAS, based on said Statement for Public Disclosure, other information submitted to the Agency by the Redeveloper, and information submitted by the staff, the Agency finds that the Redeveloper can undertake and complete the redevelopment of said real property in accordance with the provisions of said Contract for Sale of Land for Private Redevelopment; and

WHEREAS, a public hearing of said Proposal was duly held on February 26, 1980 by the Agency after notice as required by the California Health and Safety Code, Sections 33430 and 33431; and

WHEREAS, no other proposals were presented to the Agency at said public hearing and no one appeared at said public hearing to contest or otherwise object to the Agency accepting said Proposal and entering into said Contract for Sale of Land for Private Redevelopment with the Redeveloper; and

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY

Date 3-18-80

WHEREAS, the Agency concluded that the public interest will best be served by disposing of such property to REDE COMPANY, a joint venture, in accordance with the terms of the Proposal.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. The real property in the Capitol Mall River-front Project, Project No. 4, described below, will be disposed of for redevelopment to REDE COMPANY, a joint venture, substantially in accordance with the provisions of the Contract for Sale of Land for Private Redevelopment submitted to the Agency by said Redeveloper and considered by the Agency at the aforesaid public hearing and at this meeting:

All of Lots 1 and 2 in the block bounded by 6th and 7th, I and J Streets, in the City of Sacramento, according to the map or plan thereof, and containing 25,600 square feet, more or less.

Section 2. The disposition of the land in accordance with the said Contract for Sale of Land for Private Redevelopment is the most prudent method of disposing of such land by negotiation, is in accordance with this Agency's established land disposition policy, and is hereby determined to be in the best interest of the public and the City of Sacramento.

Section 3. It is hereby found and determined that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the land for uses in accordance with the Redevelopment Plan for Project No. 4.

Section 4. The Chairman and Secretary are hereby authorized to execute for and on behalf of the Agency said Contract for Sale of Land for Private Redevelopment.

CHAIRMAN

ATTEST:



SECRETARY



~~21~~
~~26~~
19

FILED

By the City Council
Office of the City Clerk

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

CONT. TO
2-26-80

December 24, 1979

FEB 5 1980

Redevelopment Agency of the
City of Sacramento
915 "I" Street
Sacramento, CA 95814

RECEIVED
DEC 26 1979

CITY GOVERNING BOARD

- PHILLIP L. ISENBERG, MAYOR
- LLOYD CONNELLY
- PATRICK B. DONOVAN
- BLAINE H. FISHER
- THOMAS R. HOEBER
- DOUGLAS N. POPE
- JOHN ROBERTS
- ANNE RUDIN
- DANIEL E. THOMPSON

Honorable Members in Session: **CITY MANAGER'S OFFICE**

SUBJECT: PUBLIC HEARING - Final Selection of REDE COMPANY, a joint venture, as Redeveloper of Parcel 1B in Block 224

SUMMARY

COUNTY GOVERNING BOARD

- JILLA COLLIN
- C. TOBIAS (TOBY) JOHNSON
- JOSEPH E. (TED) SHEEDY
- SANDRA R. SMOLEY
- FRED G. WADE

Attached is a resolution to be adopted subsequent to the public hearing by which you approve the final selection of Rede Company, a joint venture consisting of Tecon Corporation, Rust and Armenis Professional Corporation, Continental Heller Corporation, Capitol Mall Management Corporation and Lenard S. Zipperian and Judith M. Zipperian, as the Redevelopers of Parcel 1B in Block 224, located in the block bounded by 6th, 7th, I and J Streets in Redevelopment Project No. 4. The resolution also authorizes execution of the Contract for Sale of Land for Private Redevelopment.

EXECUTIVE DIRECTOR

WILLIAM G. SELINE

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

BACKGROUND

By resolution adopted November 20, 1979, you approved tentative selection of Rede Company, a joint venture as the Redeveloper of the above mentioned parcel in Project No. 4.

The developers will construct a four or five level office building above two levels of underground parking. The structure will contain approximately 60,000 square feet. Use of the building shall be commercial and office, with the Redeveloper occupying approximately two-thirds of the space through condominium ownership.

Attached for your information are the "Schedule of Performances" and "Scope of Development".

FILED

SACRAMENTO REDEVELOPMENT AGENCY

Date 1/22/80
Cont to
2-5-80

FILED

SACRAMENTO REDEVELOPMENT AGENCY

Date 1/2/80 cont to 1-22-80

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
Page Two

December 24, 1979

FINANCIAL DATA

The purchase price for this parcel is \$198,000.00 (\$7.75 per square foot). The Redeveloper has submitted a good faith deposit in the amount of \$10,000. This deposit will be held by the Agency until completion of the improvements to the satisfaction of the Agency.

VOTE AND RECOMMENDATION OF THE COMMISSION

At its meeting of December 17, 1979, the Sacramento Housing and Redevelopment Commission, following duly noticed public hearing, adopted a motion recommending that you take the above mentioned action. The vote was as follows:

AYES: Luevano, Serna, Teramoto, Kneprath

NOES: Fisher, Walton

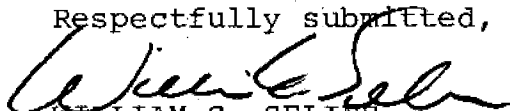
ABSENT: Coleman, A. Miller, B. Miller

Minority Position: Mr. Fisher had moved that the option extension fee and construction period extension fee (see attached excerpt from Contract) be based upon the prime interest rate, (divided by 365 days) times the purchase price, rather than on the one one-hundredth of one percent (.01%) of the purchase price with a minimum of \$50.00/day as specified in the Contract for each day construction is delayed. This would have the effect of making the option extension fee approximately \$65.00 per day on this Contract instead of the suggested minimum. Mr. Fisher's amendment failed by a vote of three to two. Fisher and Walton subsequently voted against the motion for approval of the Contract because of the proposed fees and not because they were opposed to the Developer.

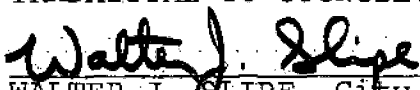
RECOMMENDATION

It is my recommendation that you adopt the attached resolution.

Respectfully submitted,


WILLIAM G. SELINE
EXECUTIVE DIRECTOR

TRANSMITTAL TO COUNCIL:


WALTER J. SLIPE, City Manager

Contact Person: Robert E. Roche

EXHIBIT "E"

SCHEDULE OF PERFORMANCES

1. Redeveloper shall prepare and submit to the Agency and to the Architectural Review Board Preliminary Plans for Redeveloper's Improvements. Within three (3) months after the effective date of the Agreement.
2. Redeveloper shall make application to the City Planning Commission for the necessary Special Permit for parking. Within three (3) months after the effective date of the Agreement.
3. The Agency and the Architectural Review Board shall approve or disapprove Redeveloper's Preliminary Plans, and the Planning Commission shall approve or disapprove the parking permit. Within six (6) weeks after submission of such Preliminary Plans.
4. Redeveloper shall prepare and submit Final Construction Plans to the Agency, the Architectural Review Board and the City Building Department. Within five (5) months after the approval of Redeveloper's Preliminary Plans.
5. The Agency and the Architectural Review Board shall approve or disapprove Redeveloper's Final Construction Plans. Within one (1) month after submission of such Final Construction Plans.
6. Redeveloper shall submit a written commitment for construction financing to the Agency. Within five (5) months after the effective date of the Agreement.
7. The Agency shall approve or disapprove Redeveloper's Evidence of Financing. Within one (1) month after submission of such Evidence of Financing.
8. Redeveloper shall deposit the Purchase Price for the Property into escrow. Within two (2) weeks after approval of Redeveloper's Final Construction Plans and Evidence of Financing.

9. Agency shall deposit the Deed for the Property into escrow.

Within two (2) weeks after approval of Redeveloper's Final Construction Plans and Evidence of Financing.

10. The Purchase Price for the Property shall be paid to the Agency, the Deed delivered to the Redeveloper, and escrow shall be closed.

Within two (2) weeks after the Agency deposits the Deed into escrow.

11. Redeveloper shall commence construction of the Improvements on the Property.

Within two (2) weeks after the close of escrow or issuance of a Building Permit, whichever occurs later.

12. Redeveloper shall complete construction of the Improvements on the Property.

Within fourteen (14) months after commencement of construction.

EXHIBIT "F"

SCOPE OF DEVELOPMENT

The Redeveloper shall construct a four or five level office building above two levels of underground parking. The structure shall contain approximately 60,000 square feet. Use of the building shall be commercial and office.

The exterior facade, structural configuration, landscaping and parking design will adhere and conform to the architectural design submitted and approved for this Property at the Redevelopment Agency meeting of November 20, 1979. The exterior and landscape design will be modified to provide useful and attractive transitional space between the subject building and the existing adjacent high-rise at 630 I Street.

The Redeveloper shall expend three percent of the gross construction cost for art work and aesthetic improvements in accordance with the Redevelopment Agency and City adopted criteria.

The structure shall be stepped back from adjacent streets providing landscaped terraces at each level. It will be angled at the 6th and I Streets corner to accent view corridors and to provide a sense of "openness", both physically and visually.

Brushed aluminum and tinted gray glass shall be the principal materials used on the facade.

Parking shall be provided on-site at the rate of at least one space for each 400 square feet of gross floor area. Driveways and access to parking and loading facilities shall be approved by the City Traffic Engineer.

Redeveloper shall be responsible for installation of perimeter sidewalks.

It is the intent of the Redevelopers to occupy approximately two-thirds of the space themselves through condominium ownership.

Leason Pomeroy and Associates of Orange, California, will be the consulting Architects for the project.

(b) Option Extension Fee and Construction Period Extension Fee

In the event that the construction of the Improvements referred to in Section 301 hereof is not commenced on or before the scheduled commencement date which is defined as the effective date of this Agreement advanced by the sum of the times set forth in the "Schedule of Performances" attached hereto as Exhibit "E" up to the commencement of construction, Redeveloper shall pay to Agency, on the first day of each month beginning the month following the month in which construction of the Improvements is scheduled to commence in accordance with Exhibit "E" as defined above, an option extension fee of one one-hundredth of one percent (.01%) of the Purchase Price as set forth in Section 1 above but not less than FIFTY DOLLARS (\$50.00) for each day by which the commencement of construction is delayed beyond the date of scheduled commencement as defined above and set forth in Exhibit "E". The provisions thereof to the contrary notwithstanding, Section 707 hereof shall have no application to the calculation of the option extension fee as set forth in this Section. However, the option extension fee shall be reduced by the number of days, if any, by which the Agency and/or the City shall have exceeded the time allotted for any Agency/City functions as set forth in Exhibit "E" prior to the commencement of construction.

In the event that the construction of the Improvements is not completed within the period of construction specified in Exhibit "E", then Redeveloper shall pay to Agency a construction period extension fee of one one-hundredth of one percent (.01%) of the Purchase Price as set forth in Section 1 above for each day by which the completion of the Improvements, as evidenced by the Certificate of Completion defined in Section 307 hereof, is delayed beyond that date which is calculated by adding the scheduled construction period as set forth in Exhibit "E" to the actual date of commencement of construction. The provisions thereof to the contrary notwithstanding, Section 707 hereof shall have no application to the calculation of the construction period extension fee. The construction period extension fee, if any, calculated hereunder, shall be in addition to any option extension fee calculated hereunder.

RESOLUTION NO. _____

Adopted by the Redevelopment Agency of the City of Sacramento

January 2, 1980

APPROVING FINAL SELECTION OF REDEVELOPER AND
AUTHORIZING EXECUTION OF CONTRACT FOR SALE
OF LAND FOR PRIVATE REDEVELOPMENT
REDE COMPANY, A JOINT VENTURE
PARCEL 1B, BLOCK 224, PROJECT NO. 4

WHEREAS, the Redevelopment Agency of the City of Sacramento is presently engaged in carrying out the redevelopment of the Capitol Mall Riverfront Project, Project No. 4; and

WHEREAS, the Agency has received a proposal entitled "Contract for Sale of Land for Private Redevelopment" (herein sometimes referred to as the "Proposal"), from REDE COMPANY, a joint venture, consisting of Tecon Corporation, a California corporation, Rust and Armenis Professional Corporation, a California corporation, Continental Heller Corporation, a California corporation, Capitol Mall Management Corporation, a California corporation, and Lenard S. Zipperian and Judith M. Zipperian, husband and wife, as Community Property (herein sometimes referred to as the "Redeveloper"), for the purchase from the Agency of the real property described herein; and

WHEREAS, pursuant to an advertisement for proposals for the development of said real property, other proposals were presented to the Sacramento Housing and Redevelopment Commission; and

WHEREAS, after reviewing said proposals, the Sacramento Housing and Redevelopment Commission recommended that the Governing Body of the Agency enter into a Contract for Sale of Land for Private Redevelopment with REDE COMPANY, a joint venture; and

WHEREAS, the Agency has examined data and analyzed various methods of disposing of said real property; and

WHEREAS, the said Contract for Sale of Land for Private Redevelopment and a Statement for Public Disclosure have been filed with the Redevelopment Agency by the proposed Redeveloper and have been available for public examination at the offices of this Agency for fourteen (14) days after public notice thereof; and

WHEREAS, based on said Statement for Public Disclosure, other information submitted to the Agency by the Redeveloper, and information submitted by the staff, the Agency finds that the Redeveloper can undertake and complete the redevelopment of said real property in accordance with the provisions of said Contract for Sale of Land for Private Redevelopment; and

WHEREAS, a public hearing of said Proposal was duly held on January 2, 1980 by the Agency after notice as required by the California Health and Safety Code, Sections 33430 and 33431; and

WHEREAS, no other proposals were presented to the Agency at said public hearing and no one appeared at said public hearing to contest or otherwise object to the Agency accepting

said Proposal and entering into said Contract for Sale of Land for Private Redevelopment with the Redeveloper; and

WHEREAS, the Agency concluded that the public interest will best be served by disposing of such property to REDE COMPANY, a joint venture, in accordance with the terms of the Proposal.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. The real property in the Capitol Mall Riverfront Project, Project No. 4, described below, will be disposed of for redevelopment to REDE COMPANY, a joint venture, substantially in accordance with the provisions of the Contract for Sale of Land for Private Redevelopment submitted to the Agency by said Redeveloper and considered by the Agency at the aforesaid public hearing and at this meeting:

All of Lots 1 and 2 in the block bounded by 6th and 7th, I and J Streets, in the City of Sacramento, according to the map or plan thereof, and containing 25,600 square feet, more or less.


Section 2. The disposition of the land in accordance with the said Contract for Sale of Land for Private Redevelopment is the most prudent method of disposing of such land by negotiation, is in accordance with this Agency's established land disposition policy, and is hereby determined to be in the best interest of the public and the City of Sacramento.

Section 3. It is hereby found and determined that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the land for uses in accordance with the Redevelopment Plan for Project No. 4.

Section 4. The Chairman and Secretary are hereby authorized to execute for and on behalf of the Agency said Contract for Sale of Land for Private Redevelopment.

CHAIRPERSON

ATTEST:



SECRETARY