



Agency Reg 42

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

August 18, 1981

CITY MANAGER'S OFFICE  
**RECEIVED**  
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Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

Honorable Members in Session:

**SUBJECT:** Figg, Rialto Buildings, Old Sacramento  
Parcels Nos. 113-115 located south side  
of L Street between Firehouse Alley and  
2nd Street, Capitol Mall Building Company,  
Redeveloper

AUG 25 1981

## SUMMARY

Capitol Mall Building Company, the Redeveloper for Old Sacramento Parcels Nos. 113-115, has not performed per the existing Schedule of Performance. At the April 28, 1981 Planning Development/Old Sacramento Committee meeting, the Redeveloper was requested to present evidence of its ability to cure its nonperformance. The Redeveloper has responded with a proposed new performance schedule. Staff has reviewed this information and recommends that the Redeveloper be found in default per the original agreement and a formal notice of default be transmitted to Capitol Mall Building Company.

## BACKGROUND

At the April 28, 1981 Planning Development/Old Sacramento Committee meeting, in conjunction with development of Parcels Nos. 122-123 owned by Capitol Mall Building Company, the staff recommended:

1. That upon presentation of evidence by the Redeveloper of ability to cure the default regarding Parcels Nos. 113-115, that this matter be referred to staff for a report and recommendation at a subsequent meeting.
2. That if satisfactory evidence of ability to cure the default is not presented regarding Parcels Nos. 113-115 that the Agency declare the Redeveloper in default

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# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the  
City of Sacramento  
August 18, 1981  
Page Two

and move to terminate its contract and readvertise the project.

Per the Agency's synopsis of the meeting, the Redeveloper was to present a new Schedule of Performance and Evidence of Financing within 30 days (May 28, 1981) for review and recommendations. By letter dated May 21, 1981 the Redeveloper proposed a Schedule of Performance conditioned and commencing upon approval of the letter outlining the schedule. This letter does not address any evidence of financing. Though the Redeveloper requests that the proposed schedule be approved before submittal of preliminary plans, the original Schedule of Performance is still in effect per the Redeveloper's contract with the Agency. Therefore, the Redeveloper has still not performed. Staff recommends that the Redeveloper be found in default per the original agreement and a formal Notice of Default be transmitted to the Redeveloper. Upon formal Notice of Default the Redeveloper would have a sixty (60) day period in which to cure the default. Failure to cure the default will result in the termination of the Redeveloper's Contract for Sale of Land for Private Redevelopment.

## FINANCIAL

If the Agency elects to find the Redeveloper in default and Redeveloper fails to cure the default and the Agency subsequently terminates the agreement, the Redeveloper will forfeit the good faith deposit in the amount of \$2,646.70. Termination of the contract will result in the need to readvertise the parcel for development. The Agency will incur advertising costs of approximately \$1,000.00, depending upon the type and frequency of advertisement. By approval of the proposed performance schedule, the Agency will not incur costs other than normal staff time.

## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of August 17, 1981, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the  
City of Sacramento  
August 18, 1981  
Page Three

AYES: Fisher, Knepprath, Luevano, A. Miller,  
Walton, B. Miller

NOES: None

ABSENT: Coleman, Serna, Teramoto

## RECOMMENDATION

Staff recommends that:

1. The Redeveloper be notified of its default per the original Schedule of Performance and per the terms and conditions, Part II of the Contract for Sale of Land for Private Redevelopment, per Article VII, Section 703.

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
Interim Executive Director

TRANSMITTAL TO COUNCIL:

*Walter J. Slupe*

WALTER J. SLUPE  
City Manager

Contact Person: Leo T. Goto

RESOLUTION NO. 81-065

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

August 25, 1981

AUTHORIZING ISSUANCE OF NOTICE OF DEFAULT  
CAPITOL MALL BUILDING COMPANY  
OLD SACRAMENTO PARCELS NOS. 113-115

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

Section 1. The Interim Executive Director is directed to transmit a formal Notice of Default to Capitol Mall Building Company, pertaining to the Contract for Sale of Land for Private Redevelopment dated January 11, 1978, in connection with Old Sacramento Parcels 113-115 in Redevelopment Project No. 3, pursuant to Section 703 of Part II of said Contract.

Section 2. The Interim Executive Director is authorized to take such other actions as may be necessary to give effect to such notice.

\_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
SECRETARY

**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

AUG 25 1981