



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



Agency Report
35

January 4, 1988

Redevelopment Agency of the
City of Sacramento
Sacramento, California



Honorable Members in Session:

SUBJECT: Selection of a Developer for Parcels 122-123,
113 & 115 in Old Sacramento

SUMMARY

This staff report tentatively selects Stagen Realty Company as the potential developer for (4) four parcels in Old Sacramento and authorizes the Executive Director to notice and set a public hearing for the final selection of a developer and sale of Agency owned land.

BACKGROUND

Agency staff has been working with a prospective developer for the joint development of parcels 122R, 123R, 113 and 115 on the southwest corner of Second Street and L Street. (See Exhibit A.) In the past the developer wanted to construct a hotel and retail facility in conjunction with an expansion of the Agency's parking lot "R." The hotel scheme did not materialize and now the developer is proposing a mixed-use project of office, retail and parking utilizing the Agency's lots and bridging across Neasham Circle to tie into the proposed garage and office. (See attached proposal Exhibit B and letter from developer, Exhibit C.)

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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Redevelopment Agency of the
City of Sacramento
January 4, 1988
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With this request from the developer and based upon the lack of interest on behalf of developers for these parcels staff is recommending a departure from the normal Request for Proposal (RFP) procedure and the utilization of the alternative process where the prospective developer is tentatively chosen and a public hearing is noticed and set at which time the developer is formally and finally selected (Resolution 2870). The noticing provisions as set by law gives an opportunity for anyone to come forth and propose an alternative project. Historical data and summary of development standards are contained in Exhibit D.

This staff report is aimed at selection of the developer only. The merits of the proposed mixed-use alternative will be reviewed and discussed by the Planning Commission and the Redevelopment Commission and Agency at a later date.

FINANCIAL DATA

There are no financial implications applicable at this time. This staff report tentatively selects a developer and establishes a time and place for a public hearing.

POLICY IMPLICATION

The action proposed in this staff report is not consistent with previously approved policy in that the RFP procedures are requested to be set aside and the alternative selection procedure, a tentative selection of developer after a noticed public hearing, be approved for this project only. This alternative procedure is recommended because of the expressed interest of the adjacent property owner and the lack of interest shown by other developers.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of January 4, 1988, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Glud, Moose, Simon, Simpson, Wiggins, Wooley, Yew,
Amundson
NOES: None
ABSENT: Pettit, Sheldon

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
January 4, 1988
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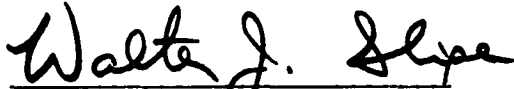
RECOMMENDATION

The staff recommends adoption of the attached resolution tentatively selecting Stagen Realty Company as the developer for parcels 113, 115, 122, and 123 and authorizing the Executive Director to notice and set a public hearing for the selection of the developer and the authority to negotiate a disposition and development agreement and owner participation agreement, subject to final Agency review.

Respectfully submitted,

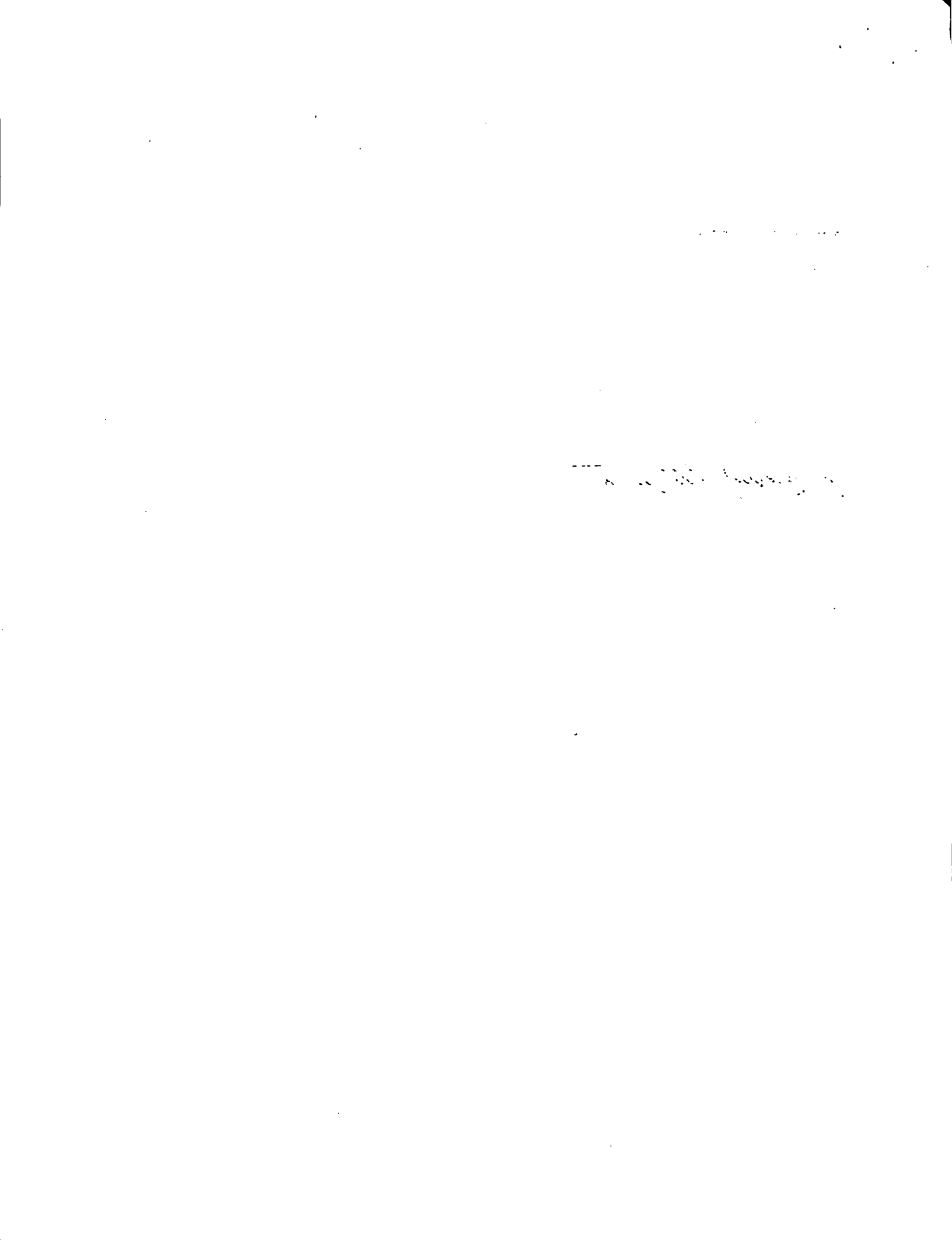

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:


WALTER J. SLUPE
City Manager

Contact Person: Leo T. Goto, 440-1320

1083M



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RESOLUTION NO. 88-003

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

January 12, 1988

TENTATIVE SELECTION OF A DEVELOPER FOR
PARCELS 113 & 115, 122-123 IN OLD SACRAMENTO;
AUTHORIZATION FOR PUBLIC HEARING
ON FINAL SELECTION; AUTHORIZATION TO NEGOTIATE

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

Section 1: The Request for Proposal (RFP) process for the disposition of Agency owned land 113 & 115, 122-123, is hereby set aside and the alternative procedure of tentative selection with a noticed public hearing is hereby adopted.

Section 2: Stagen Realty Company is hereby tentatively selected as the developer for parcels 113 & 115, 122-123 in Old Sacramento. Such selection is for the purposes of negotiations only and is not a final approval of developer. Such selection is not an approval of any proposed project or project concept.

Section 3: The Executive Director is authorized to set and notice a public hearing as required by law for the final selection of the developer.

Section 4: The Executive Director is authorized to negotiate, for a period not to exceed ninety (90) days, a proposed Disposition and Development Agreement (DDA) and Owner Participation Agreement (OPA) for review by the Governing Board.

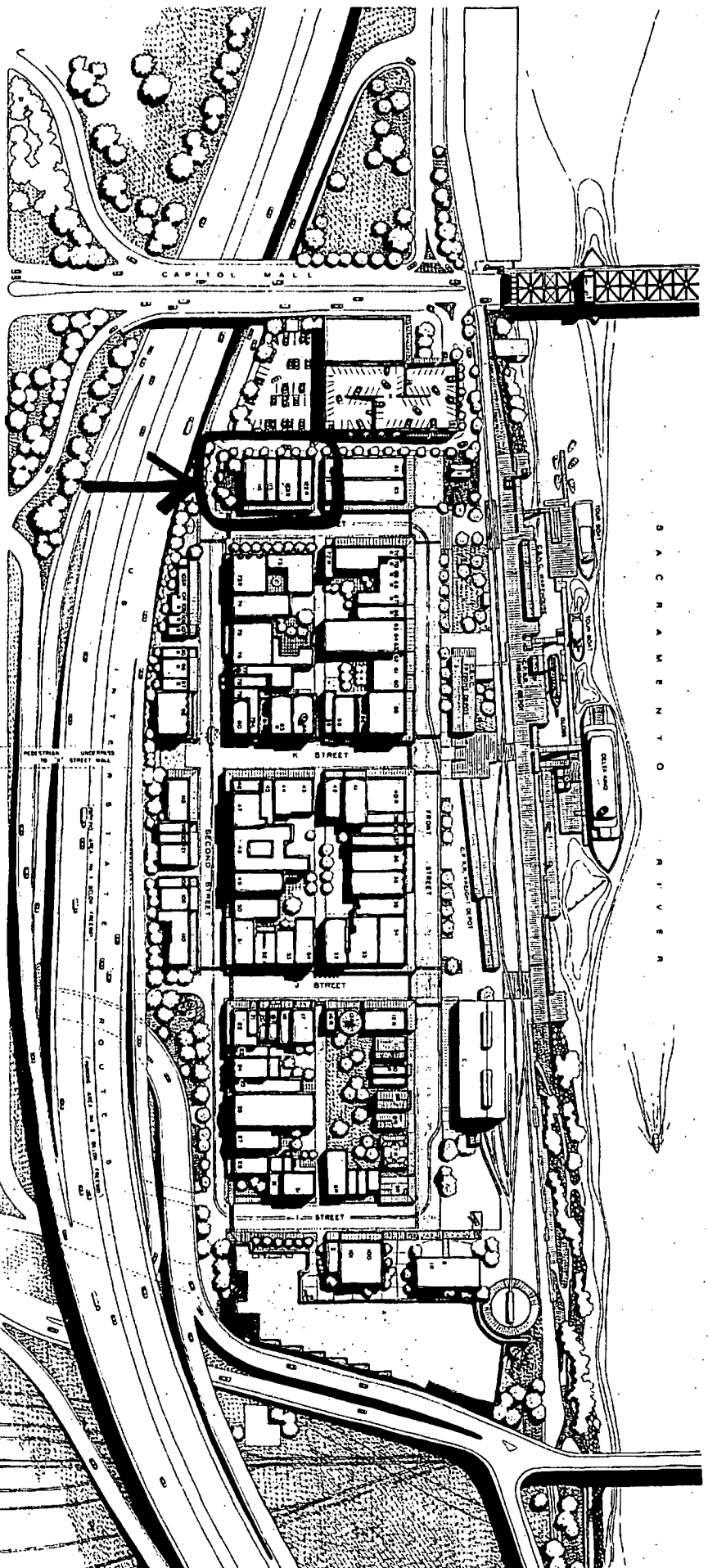
CHAIR

ATTEST:

SECRETARY

1100WPP1(278)





- Key to Building Numbers**
- Small 'N' on floor plan indicates reconstruction. All other buildings are reproduction. * indicates building numbers to be enclosed in dirt strip of canal and retention.
- 1 City Hall & Wells Tower
 - 2 County Jail
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OLD SACRAMENTO

A REGISTERED NATIONAL HISTORIC LANDMARK

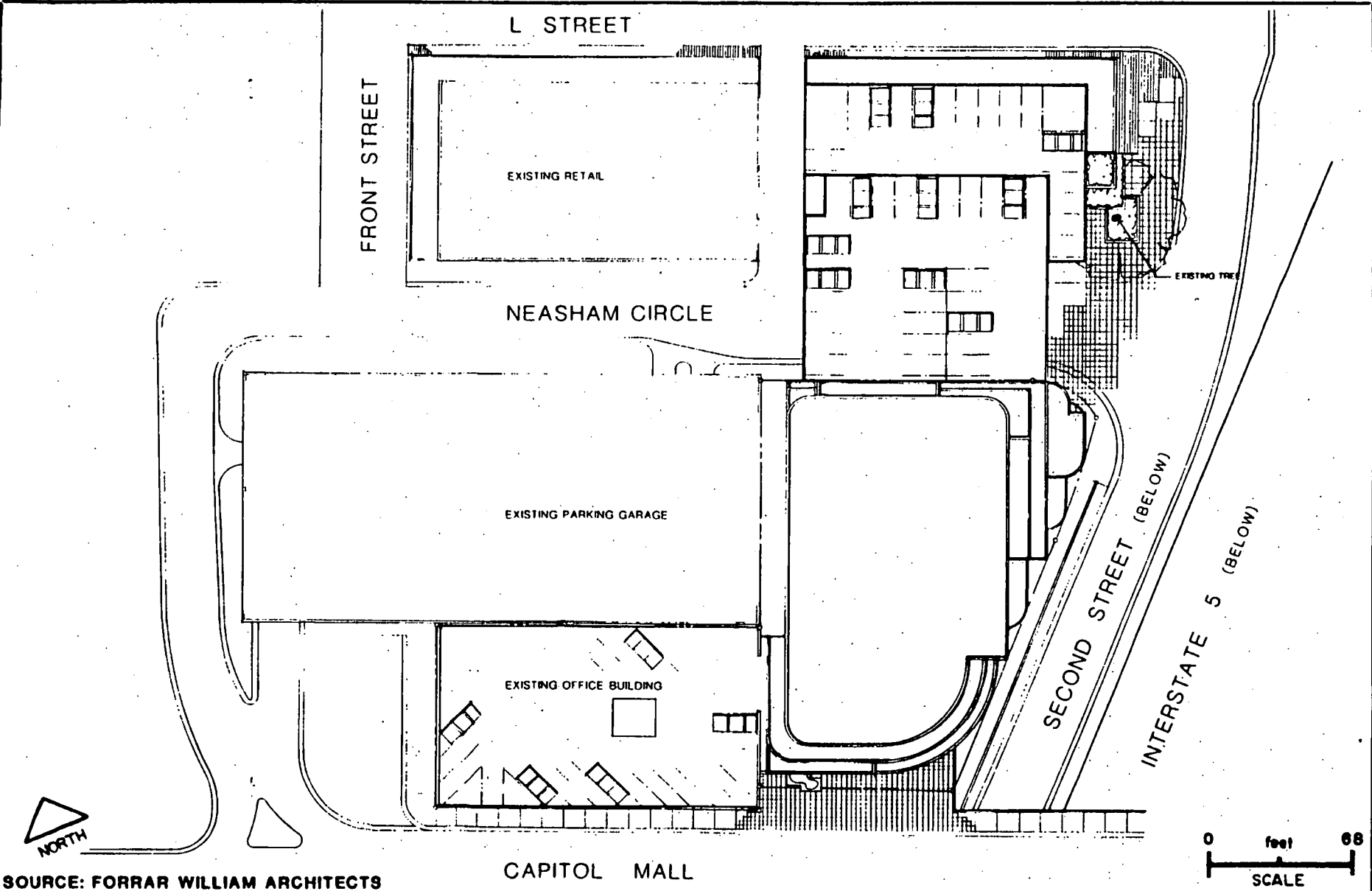
PICTORIAL PLAN

MADE AND PUBLISHED BY THE NATIONAL HISTORIC PICTORIAL PLAN SOCIETY, INC. 1971

1001 N. 1ST ST. SUITE 100 SACRAMENTO, CALIF. 95811

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SOURCE: FERRAR WILLIAM ARCHITECTS



EXHIBIT B-14

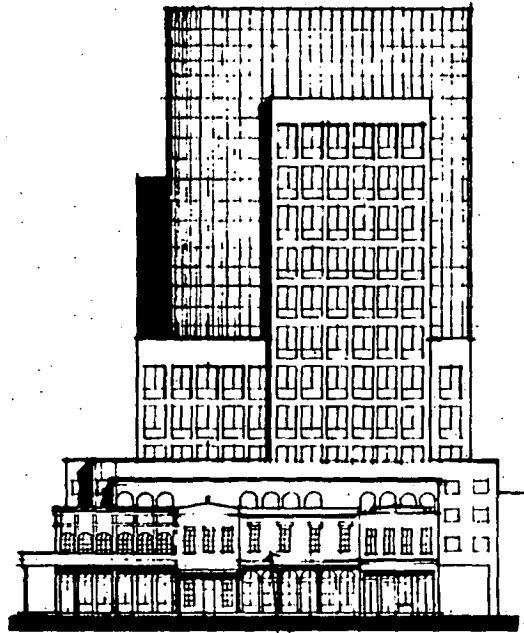
MIXED-USE ALTERNATIVE - SITE PLAN

B-14

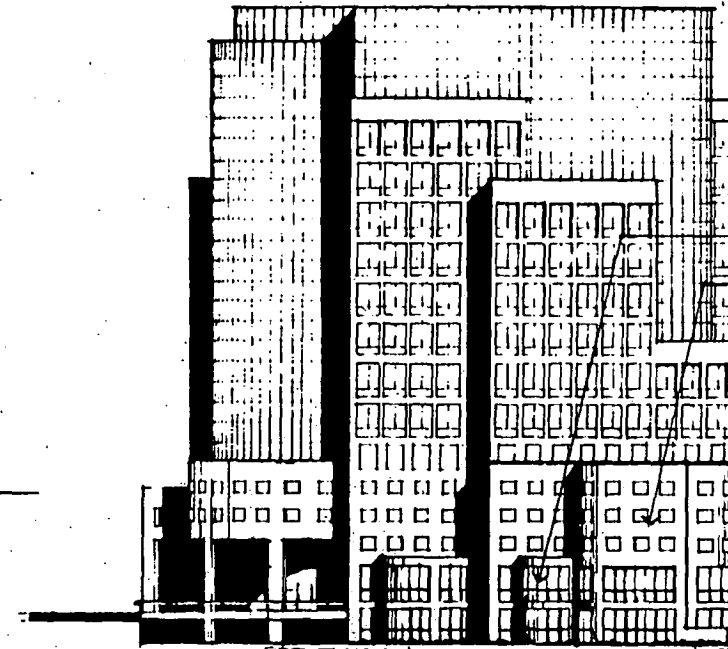
(6)

EXHIBIT B

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NORTH ELEVATION



EAST ELEVATION

ENCLOSED MAINTENANCE TO
MAN LOBBY

ENCLOSED ELEVATOR
AND STAIR FOR GARAGE

CURTAINWALL ENCLOSED
BUILDING GARAGE'S
CONNECTION

REDEVELOP HISTORIC
STRUCTURE VIZ RETAIL
AT L STREET ELEVATION

GARAGE 7

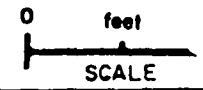
GARAGE 6

GARAGE 5

GARAGE 4

RETAIL
BUILDING 2

PEDESTRIAN ENTRY TO
PARKING UNDER RETAIL



SOURCE: FERRAR WILLIAM ARCHITECTS



EXHIBIT B-15

MIXED-USE ALTERNATIVE - NORTH AND EAST ELEVATIONS

2710 Gateway Oaks Drive
Suite 300 South
Sacramento, CA 95833
(916) 925-6620
Fax # 925-1127

El Dorado County Office
(916) 677-0245

Bay Area Office
(415) 659-9297

November 24, 1987

Mr. William Edgar
Sacramento Housing & Redevelopment Agency
630 I Street
Sacramento, CA 95814

RE: Proposed 111 Capitol Mall Project (P87-196)

Dear Bill:

This letter is submitted on behalf of Stagen Realty Co., owner and applicant in the above-referenced project.

The Draft Environmental Impact Report (DEIR) for this project concludes that the "Mixed Use Alternative" - which includes vacant land owned by the Agency at the southwest corner of 2nd and L Streets - is preferable to the proposed project. We agree with this conclusion and would like to pursue the Mixed Use Alternative as our preferred alternative.

Following is my understanding of the appropriate future processing of this project:

1. The City Planning Department will continue to oversee the preparation of the EIR until the FEIR is released.

2. Because the Mixed Use Alternative will require the acquisition of Agency owned land and execution of an OPA, the application filed with the City will be transferred to the Agency. Agency staff, rather than City Planning staff, will take the lead in preparing staff reports on the merits of the project. The application may be reviewed by the City Planning Commission for the purpose of obtaining their recommendations. However, no City of Sacramento land use entitlements will be required other than Design Review. The City Council, acting as the Agency, will review and decide whether to approve the proposed project.

Hugh B. Bradford
(1876-1955)

S. W. Cross
(1881-1956)

Archie Hefner, Inc.
Robert N. Stark
Theodore M. Marois, Jr.
James M. Woodside
John D. Bessey
Robert W. Bell
Kenneth R. Stone
Timothy D. Tarn
Judy Campos McKeehan
William M. Gallagher
Robert S. Willett
Todd A. Murray
Timothy M. Cronan
Joel S. Levy
Robert A. Laurie
David G. Yetter
Christina J. Savage
Peggy J. Chater
Robert P. Biegler
Brian E. Maloney
Dennis L. Viglione
Ronald H. Sargis
Martin B. Steiner
Lisa A. Wible Wright
John D. Schwarz, Jr.
Jeffrey H. Graybill
Howard S. Nevin
Kevin F. Schoneman
Janice L. Thurston
David F. Feingold
Kirk E. Giberson
Joseph E. Huxtein
Susan L. Sutherland

* A Professional Corporation

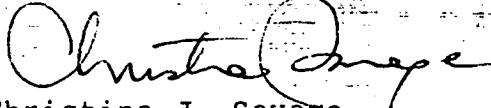
Mr. William Edgar
November 24, 1987
Page Two

Please contact me if anything above is incorrect. We look forward to working with you and your staff.

Very truly yours,

HEFNER, STARK & MAROIS

By


Christina J. Savage

CJS:et

cc: Leo Goto
Marty Van Duyn
Gene Masuda
Tom Stagen
Hilton Williams

HISTORICAL DATA

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The historical data describes the building to be constructed on the basis of the historical dimension and building materials. The reconstructed buildings shall comply with applicable building codes. The alignment of Interstate Highway 5 and a related easement has established new development boundaries which has caused a reduction in the historical parcel site which may vary from the historical dimensions.

BUILDING: No. 113
 NAME: E. P. Figg Building
 ADDRESS: Formerly at 224 J Street
 CONSTRUCTION: 2-story brick, 23'6" x 110', 1853
 SUGGESTED
 RECONSTRUCTION PERIOD: 1860's

Architectural History: This two-story brick structure was constructed by E. P. Figg and Company, merchants, in 1853. It was depicted in Baker's lithograph of 1857. The building was raised to the new level of J Street in the middle 1860's, and has retained essentially its original appearance into the 20th century. After being considerably modernized, it was demolished in 1965 by the Redevelopment Agency of the City of Sacramento. It has been recommended that this structure be reconstructed south of L Street between Front and Second Streets.

BUILDING: No. 115
 NAME: Rialto Building
 ADDRESS: Formerly at 228-230 J Street
 CONSTRUCTION: 2-story brick, 41' x 83'8", 1866
 SUGGESTED
 RECONSTRUCTION PERIOD: 1866

Architectural History: Cooper's lithograph of 1849 indicated this as the site of the Irving House, a one-story frame building. In 1851 a portion of the property was occupied by James Mills and Company. Two one-story brick structures owned by John Carroll and J. M. Jessup were on the site in 1853. In 1866, these had been enlarged to a two-story brick building. It was owned by Marco Maina during the late 1860's and 1870's. It was Maina who had enlarged the structure. Among those who occupied portions of the building in the 1870's were the Sacramento Bee, Maina's Universal Chop House, Mrs. B. Martin's Lodgings, and the Washington Fruit Stand.

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Existing into the 20th century, the structure, known as the Rialto Hotel, was demolished in 1965 by the Redevelopment Agency of the City of Sacramento. It has been recommended that it be reconstructed on a site at the southwest corner of Second and L Streets.

BUILDING: No. 122
 NAME: Fashion Saloon
 ADDRESS: Formerly 209 J Street
 CONSTRUCTION: 2-story brick, 20' x 80', 1855
 SUGGESTED
 RECONSTRUCTION PERIOD: 1855

Architectural History: This site was occupied by a two-story frame building in 1849, and was the location of a similar structure built by John C. Keenan in 1852. This was succeeded by a relocated wood structure after the fire of 1852. This building, in turn, was replaced by the two-story brick building constructed by Keenan in December, 1855. The structure was elevated to the new level in the 1860's and remained essentially in its original form until dismantled in 1965 by the Redevelopment Agency of the City of Sacramento. It has been recommended for reconstruction on the south side of L Street between Front and Second Streets.

BUILDING: No. 123
 NAME: Diana Saloon
 ADDRESS: Formerly 205-207 J Street
 CONSTRUCTION: 2-story brick, 40' x 114', ca. 1865
 SUGGESTED
 RECONSTRUCTION PERIOD: 1860's

Architectural History: In 1849 this was the site of "The Stinking Tent," Sacramento's first gambling establishment. In 1857, a one-story brick structure was depicted here. This was destroyed in 1858, and was succeeded in the late 1860's by a two-story brick building. This structure was occupied in the 1880's by H. H. Linnell and Company, an agricultural implements concern. It continued as a two-story building after 1890. It ultimately was remodeled to one story by the 1960's and was demolished in 1965 by the Redevelopment Agency of the City of Sacramento. It has been proposed for reconstruction adjacent to the Fashion Saloon on L Street.

SCOPE OF DEVELOPMENT

1. The Redeveloper shall reconstruct the buildings (Parcel No. 113-115, 122-123) based on approved schematic and historical documentation of the Redevelopment Agency and its consultants. The structure will consist of approximately 31,747.5 gross square feet in a three-level building.

All reconstruction work will be completed in accordance with Agency plans and specifications, and consultant studies and as approved by the Agency. Plans and specifications or modifications of existing plans for specific reconstruction work shall be prepared by the selected developer and an architect licensed in the State of California. The architect shall also supervise and approve the entire reconstruction project from the Preliminary Plan stage through construction completion for compliance with plans and specifications. Such supervision shall include periodic on-the-job inspection. Specific reconstruction work shall be done pursuant to a contract with a contractor licensed in the State of California.

2. Redeveloper agrees that the use of the structure shall comply with the prescribed uses per the redevelopment plan for the project area.
3. Redeveloper and its successors and assignees, agree not to occupy or allow to be occupied, any portion of the street level floor for any use other than retail without the prior written consent of the Agency, and agree not to occupy or lease any portion of the building for any use, change in use, or change in tenancy, which requires a liquor license without the prior written consent of the Alcoholic Beverage Control Board (A.B.C.).
4. Redeveloper agrees not to allow any use for which a special permit is required without the prior written consent of the Agency.

Notwithstanding any other provisions of the Agreement, in the event the Redeveloper, and its successors and assignees, changes the intended or actual uses of the buildings from the uses specified in Paragraph 2 above without the written consent of the Agency, the Agency may elect, at its option:

- a. Prior to conveyance of the Property, to terminate the Agreement in the manner provided in Section 703 of Part II of the Agreement;

OLD SACRAMENTO HISTORIC AREA
SUMMARY STATEMENT OF DEVELOPMENT STANDARDS

I. INTRODUCTION

Old Sacramento is an historic preservation project to restore, at the original location, the buildings and related elements that were a part of the authentic scene in the Gold Rush Era of 1849-1870. The architecture of this period will be an important ingredient in the environment character, as each building will have to meet strict architectural requirements to restore it to its original appearance. Of equal importance to the project and its environment will be the concept of commercial development. Old Sacramento is conceived as a living, self-sustaining business area--a vital part of the Central Business District. Through commerce, and tourist trade set within the framework of an historic area, that unique environment of Old Sacramento is developed.

II. DESIGN STANDARDS

Each project proposed for Old Sacramento will be carefully reviewed by the Agency staff and its' consultants. Recommendations to the Advisory Commission and Agency will be based on the following standards:

- A. All projects shall be designed by a competent licensed architect familiar with the architecture of the 1849 to 1870 era;
- B. Authentic reproduction of the original buildings is the first priority of development;
- C. Developers restoring existing buildings are required to maintain as much of the existing structure as possible. The Agency's established policy regarding demolition of historical construction is contained in Resolution No. 1392;
- D. Developers restoring or reconstructing buildings are required to use historically authentic materials on all exposed facades;
- E. Quality materials and construction techniques are to be used for all restoration and construction work. All materials and workmanship incorporated are to be the best grade of the respective kinds for the specified purpose; and
- F. All reconstruction work shall be completed in accordance with Agency plans and consultant studies as approved by the Agency--specific reconstruction work shall be done by a contractor licensed in the State of California.

SUMMARY STATEMENT OF DEVELOPMENT STANDARDSIII. ENVIRONMENT REQUIREMENTS

The environment for Old Sacramento will derive a major portion of its character from the physical development of the total area. This physical development has been carefully studied and subsequently designed by a team of Agency staff and consultants. In order to insure that all the plans will be established in conformance with the designed environment, the architectural and planning requirements must be followed.

Because of the unique nature of the redevelopment activity in the historic area, it is impractical to state here all development standards. All specific development questions should be directed to: Theodore R. Leonard, Project Manager-Old Sacramento, Sacramento Housing and Redevelopment Agency, 630 "I" Street, Sacramento, California 95814 (916) 440-1320.

IV. GENERAL DEVELOPMENT COMMENTS

- A. When economically feasible, it is preferred (but not required) that the intended use(s) be the original historical use(s).
- B. Where the historical use was a hotel, rooms or apartments, an agreement relative to parking may be negotiated with the City.
- C. The final design and construction of any service courts is to be at developer's cost.
- D. The under sidewalk area is City property, but is available for private use by the issuance by the City of a revocable permit. Where new reinforced concrete structures have been installed by the Agency, supporting the wooden sidewalks a one-time charge of \$25.00/front foot is charged and is to be part of the close of escrow.

V. SPECIFIC DEVELOPMENT INFORMATION

- A. Gross square footage of building to be reconstructed (approximate).

First Level	10,582.5
Second Level	10,582.5
Third Level	10,582.5
Total (approximate)	31,747.5 sq/ft

This vacant site is to be occupied by four (4) reconstructed historic buildings, each constructed with 100% lot coverage. The reconstructed building(s), may be constructed in any combination of interior building spaces or as a single building without interior building separation walls. However, the individual building facades shall be reconstructed as individual building facades.

SCOPE OF DEVELOPMENT (continued)

- b. Prior to completion of the improvements on the Property, to re-enter and take possession of the Property and terminate (and re-vest in the Agency) the estate conveyed by the Deed to the Redeveloper in the manner provided in Section 704 of Part II of the Agreement; and
 - c. Subsequent to completion of the Improvements on the Property, and for a period of two (2) years from the date of such completion, to demand of and receive from the Redeveloper, its successors and assignees, the sum of FIFTY DOLLARS (\$50.00) per day as liquidated damages for each day an unpermitted use remains in operation. Agency and Redeveloper agree that the damage to the Agency resulting from an unpermitted use would be impractical or extremely difficult to fix, and that said sum of FIFTY DOLLARS (\$50.00) per day is a fair and reasonable estimate of the loss which would be suffered by the Agency.
5. Redeveloper agrees that during the period of reconstruction, and until the reconstruction of the building is completed, the Redeveloper shall require its contractors, subcontractors, agents and employees, and the agents and employees of such contractors and subcontractors to park their personal vehicles in parking areas other than on-street parking spaces in the Old Sacramento Historic Area.

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Parcel No. 113-115, 122-123

(RECONSTRUCTION)

THE AGENCY WILL ACCEPT ALL PROPOSALS AND
WILL CONSIDER ALTERNATIVE OFFERS

I. PURCHASE PRICE INFORMATION

A. Parcel No. 113-115, 122-123 \$ 126,990

10,582.5 Square Feet (Approximate)

Based upon the proposals submitted, the Agency may consider carrying back a contract on this parcel. Priority will be given to the proposal requiring the least amount of deviation from the original offering.

II. OPTION FEE

10% of the purchase price (To be made payable to the: Redevelopment Agency of the City of Sacramento. Option fee is to accompany proposal - refundable if proposal not selected, or upon completion of improvements).