



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



3

October 29, 1986

Budget & Finance Committee and
Transportation/Community Development
Committee of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Selection of Developer for the Central Library Project

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Housing Authority of the City of Sacramento.

RECOMMENDATION


The staff recommends approval of the attached resolution recommending Markborough California Properties, Inc., as the Central Library Project developer.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:



JACK R. CRIST
Deputy City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



October 28, 1986

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Selection of Developer for the Central Library Project

SUMMARY

Over 100 Request for Qualification packets were sent out to various interested developers. Four developers who responded were all very financially capable with good track records and experience. The selection panel upon considering the written statements from each team, their public presentation and reviewing staff research into financial information and responses from checks with governmental and banking references, are recommending Markborough California Properties, Inc.

BACKGROUND

The City Council, by Resolution No. 84 dated March 27, 1984, approved the Library Master Plan which included the policy decision to expand the Central Library at its present downtown location. (See Exhibit A). The Downtown Redevelopment Plan Update approved by the Redevelopment Agency on April 2, 1985 included as a project the Central Library Expansion Project. As a follow-up to the approved Library Master Plan and Downtown Redevelopment Plan, a report dated October 22, 1985 (Resolution 85-892) set forth an approach for the development of a building/financing program and design plans. The report recommended an overall scope of development for the Central Library Project and how the Central Library could become a key factor in the redevelopment of the block bounded by 3rd-9th-I-J Streets.

11-5-86
D-1.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
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The Agency approved a staff report dated August 13, 1986 outlining the general approach for the development of the entire block (Resolution 85-054) including the selection of a developer through a Request for Qualification process. The Library Department has completed a staff report regarding the Central Library Building Program. The child care component, as requested by the Agency, is also attached to the Library Building Program. This report on developer selection and the Library Building Program/Child Care report are expected to proceed to the Commission and Agency together.

The Request for Qualification packet was available to the public from August 27, 1986 to September 27, 1986. It was advertised in a local paper and a packet was sent to over 100 developers and others who have shown interest in the project. Four developers, (see Exhibit B) responded to the request for qualification. A memo on the response was forwarded to the Sacramento Housing and Redevelopment Commission and Agency on September 29, 1986. A meeting was held at Agency staff request on 10/22/86 with 15 property owners on the block to discuss the current status of this project.

On October 27, 1986, the Library Selection Board, made of Councilmen David Shore, Doc Wisham (Assistant City Manager), Janet Larsen (Acting City/County Librarian), Morrie Landsberg (Library Foundation), Anne Pettit (SHRA Commission), and Leo Goto (SHRA staff) at a public meeting heard presentations by each of the 4 development teams. The written statement of qualifications, presentation and staff research were used to rate each of the developers. See Exhibit C for rating criteria. The 4 developer teams were all very strong with excellent track records and relevant experience. The quality of presentation and desire to construct a first class project at the least public cost was evident in all of the teams. Staff reports to the Selection Panel included financial analysis (in conjunction with McManis Assoc.), reference calls to at least two local government contacts and bank reference checks .

The Selection Panel by a vote of 5 to 1, is recommending Markborough California Properties, Inc. to be the developers for the Central Library Project. Exhibit D contains background material on their team for your information. Exhibit E is their offer to purchase/lease land for this project.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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The selection of the developer, like the Docks developer selection, enables the Agency and developer to proceed into the detailed planning stages of the project. This would include tenant marketing and pre-leasing, preliminary plan preparation and cost estimates, financial plan development and finalization of business arrangements. During the preparation of the preliminary plan there would be a series of sketch ideas and input from the general community, library advocates and others as appropriate. All this information would be formalized in a development and disposition agreement (DDA) and be brought forth for review and approval.

FINANCIAL DATA

Selection of a developer by itself does not have any financial impact, however, during the preparation of the plan the Agency shall incur costs related to environmental review (\$10,000), economic feasibility (\$20,000), and cost estimation (\$13,000). These costs are recommended to be paid from the \$1.5 million previously approved for this project as the Agency's contribution.

ENVIRONMENTAL

The environmental review process is not applicable to selection of a developer. Upon preparation of a specific plan, the environmental process will take place and appropriate determinations and actions will be made.

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of November 3, 1986, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action. In the event they fail to do so, you will be advised prior to your November 5, 1986 meeting.

POLICY IMPLICATION

The action proposed in this staff report are consistent with previously approved policy and there are no policy changes being recommended.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
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RECOMMENDATION

The staff recommends adoption of the attached resolution recommending Markborough California Properties, Inc. as the Central Library Project developer.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Leo T. Goto, 440-1320

0338M

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

DEVELOPER SELECTION FOR THE CENTRAL LIBRARY EXPANSION PROJECT

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

Section 1: Markborough California Properties, Inc. is hereby selected as the developer for the Central Library Project.

Section 2: The Chairman and Executive Director are hereby authorized to enter into an agreement with Markborough California Properties, Inc. for a 270 day negotiating period relating to the terms and conditions for the purchase/lease and redevelopment of the area within the proposed Central Library Project. Such agreement shall be in accordance with the staff report for this resolution.

Section 3: A total of \$43,000 from the \$1,500,000 previously appropriated for the proposed Central Library Project is hereby approved for the purpose of compensating consultants for environmental review, economic feasibility and cost estimation during the preliminary planning stage of the proposed Central Library Project.

CHAIR

ATTEST:

SECRETARY

0561L

ACTION PLAN

PHASE I

1. **Automated Circulation System.** Automating a wide variety of manual operations, this system will: 1.) Redirect a significant amount of staff attention from behind the scenes work to direct public service, 2.) Improve the availability of books through faster turn around and prompt fulfillment of requests, 3.) Provide book use data to enable more effective purchases, 4.) Provide accurate management reports that will enable more effective Library services, 5.) Provide the basis for extending Library service throughout Sacramento via a cable system.

System costs are shared by the City and County.

COST: \$1,065,380

2. **Central Library.** Like the circulation system, Central Library affects service to every Library patron. It is the major public library resource in the region.

Up to 30% of the information and research needs of branch patrons are forwarded to Central for fulfillment. Maintaining an effective Central Library is the most efficient way of meeting Sacramento's library needs.

The shortcomings of Central Library were pointed out in studies in 1961 and 1965. During the past twenty years they have gotten worse. Some services are no longer offered at Central because of lack of space. Books that should be readily available to the public are warehoused because they won't fit into Central. Citizens complain they are overcrowded at Central. Physically handicapped patrons cannot be accommodated.

ACTION PLAN

Central Library consumes 1/3 of the City's library budget. That expenditure does not provide the level of library service it should because of the building and resulting service compromises.

Central Library services and Library Administration should be housed in a single downtown building. The property to the south and west of the present library should be acquired for an expanded facility.

Studies to determine the serviceability of the present building and expansion possibilities have been completed.

3. **Collection Development.** This is a function that was eliminated with budget reductions in 1978. The requirement for the Library to buy books with an overall plan in order to provide maximum efficiency and usefulness is always present however. Responsibilities for carrying out this function were not reassigned resulting in inefficiencies. This was corrected in September 1982. This function will be refined during 1983-84 to ensure that actual public needs are met in the quickest possible way. The costs of this function have been absorbed in the Library's operating budget.

MAR 27 1984

RESOLUTION NO. 84-266

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF
MAR 27 1984

RESOLUTION APPROVING LIBRARY MASTER PLAN

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

The Sacramento Public Library Master Plan dated March 1984 is hereby approved.

SECTION 2.

This Master Plan is a feasibility and planning study under Section 15262 of the State CEQA guidelines. By approving this plan, the City Council does not approve, adopt, or fund, any projects involving new building construction or land acquisition discussed herein. Such projects shall be reviewed under CEQA prior to approval.

Aune Riden
MAYOR

ATTEST:

Louise Marano
CITY CLERK

RESOLUTION No. 84-266

MAR 27 1984

AKT

Developer: LIBRARY PLAZA GROUP, a California Limited Partnership
The principals are McCuen/Steele and AKT

Office Location: Sacramento

Volume: Not supplied

Example of Projects:

Name	Type	Size	Construction Cost
Prospect Park Sacramento	Business Park	\$1.2million s.f.	\$200,000,000 (build out value)
Laguna Business Park Sacramento (to commence 1987)	Mixed Use	800 acres	\$350,000,000 (build out value)
Metro Center Sacramento	Mixed Use	160 acres	not supplied
Southgate Shopping Center	Retail	600,000 s.f.	not supplied
Alhambra Plaza Sacramento	Mixed Use	270,000 s.f.	not supplied

Approach to the Central Library:

The Library Plaza Group proposes a "hands on" approach to the Central Library Project. The principals in the partnership anticipate carrying out their individual areas of expertise which they list as planning and development site preparation (infrastructure), construction, financing, and leasing and managing.

The local architectural services of Foothill Design Group have been retained for a mass and site planning study, and the Library Plaza Group proposes to retain other consultants for the project as well. The Library Plaza Group reserves the right to add additional partners if deemed beneficial to the project.

The Library Plaza Group highlights their ability to attract high quality, lead tenants through their use of state-of-the-art design and landscaping creating an overall quality development. In addition, they point out their experience not only with new (mixed use, office-retail) construction but also with rehabilitation of existing structures.

The Library Plaza Group, a California Limited Partnership was formed on September 26, 1986 specifically to provide the expertise necessary to complete this project.

EXHIBIT B

DECOMA

Developer: DECOMA
A. managing venturer of a Joint Venture comprised of Linbeck Construction and Barker Interests Limited

Office Location: San Francisco and Houston

Volume: \$756 million over last 5 years

Example of Projects:

<u>Name</u>	<u>Type</u>	<u>Size</u>	<u>Construction Cost</u>
100 First Plaza San Francisco	Office & Retail	500,000 s.f.	not supplied
Cypress Financial Ctr. Fort Lauderdale, Florida	Office	205,000 s.f.	not supplied
Two WestLake Park Houston, Texas	Office	400,000 s.f.	not supplied
One SugarLand Park SugarLand, Texas	Mixed-Use	65,000 s.f.	not supplied
The Arena Miami, Florida	Sports Arena	16,590 s.f.	not supplied

Approach to the Central Library:

The Decoma team describes their approach as that of a synergistic team approach which will include the conceptualizing, financing, designing, constructing, and operating of the project. Decoma suggests that they have all of these skills in-house with the exception of an architect, and they plan to retain two architects: (1) a prime design architect, and (2) a local architect.

The Decoma proposal states that they will solicit corporate or individual sponsors who may function as future "team members" or financial sponsors for the library portion of the project.

Outside of these unidentified future "team members" Decoma clearly outlines the roles and responsibilities of each member of the Decoma Venture (see flow chart, Section I of the submittal). There are thirteen members participating in the Central Library Project with individual specialities in the areas of development, financing, design coordination, construction, and law.

Formed in 1983, Decoma was originally conceived and founded by Linbeck Construction Corporation and Barker Interests Limited as managing venturer to develop public/private projects. They do not, however, clearly identify in their submittal which of their past projects involved such public/private participation..

Developer: McCARTHY/MOSESIAN DEVELOPMENT CORPORATION
 A Joint Venture in association with Dreyfuss and Blackford and Henningson, Durham and Richardson,
 Architects

Office
Location: Irvine and Bakersfield

Volume: \$1 billion per year

Example of Projects:

<u>Name</u>	<u>Type</u>	<u>Size</u>	<u>Construction Cost</u>
Sutter Community Hospital, Sacto.	Hospital	590,300 s.f.	\$100,000,000 (construction value)
Missouri State Prison	Prison	Not supplied	Not supplied
Kern County Main Library Bakersfield	Library	127,000 s.f.	\$15.5 million (construction value)
Kern County Central Welfare Facility & Child Care Facility Bakersfield	County office Child Care	153,000 s.f. 4,000 s.f.	\$17.5 million

Approach to the Central Library:

McCarthy/Mosesian's principal area of concentration is governmental, commercial, and office development with primary emphasis on working with governmental agencies in joint public/private cooperative projects, and the privatization of formerly government-provided/operated facilities.

McCarthy/Mosesian has teamed up with a local architectural firm, Dreyfuss and Blackford to provide complete technical specialties for the Central Library Project. They suggest that a library consultant be jointly retained by the developer and library staff and that a child care consultant also be chosen in a similar manner.

McCarthy/Mosesian describe their approach to the project as one where they will take complete responsibility for all aspects of the project. In addition, they suggest the option of pursuing a public/private cooperative development and financing method similar to what they used with their Missouri State Prison project.

Of the four submittals, McCarthy/Mosesian is the only entity which has worked on a library project, the New Beale Memorial Library (scheduled for completion in October, 1987). They are one of two submittals that identify experience in developing a child care facility, a 4,000 s.f. child care center which is a part of the Kern County Welfare Facility.

MARKBOROUGH

Developer: MARKBOROUGH-CALIFORNIA PROPERTIES, INCORPORATED

Office Location: San Francisco
Canada

Volume: Not supplied
Assets: \$1.7 billion

Example of Projects:

<u>Name</u>	<u>Type</u>	<u>Size</u>	<u>Construction Costs</u>
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No individual statistics were provided in the submittal. Types of projects include: Master-planned residential communities, schools, retail centers, recreational facilities, day care centers, and churches.

Approach to the Central Library:

Markborough will function as the managing venturer and will be responsible for carrying out the decisions of the Venturers. It is not, however, clearly defined who the other entities in the joint venture are, but the assumption is that Markborough Properties would be the other venturer.

As managing venturer, Markborough California Properties will be responsible for the: (1) Implementation of the development plan, (2) Negotiating and entering into contracts pertaining to the development/construction phases, (3) Negotiating leases for the project and enforcing obligations of tenants, (4) Managing and operating the project, (5) Joint Venture record keeping, (6) Supervision of employees.

Markborough will retain as consultants: (1) Skidmore, Owings, and Merrill (architects) and (2) Turner Construction.

Markborough lists its strength as that of effectively and efficiently meeting the development and management requirements of the Central Library Project.

Although the submittal does not provide specific data, Markborough is one of two submittals that lists experience with the development of child care facilities.

SCORING

- 1 = below average
 2 = average
 3 = above average

CENTRAL LIBRARY EXPANSION PROJECT
DEVELOPER SELECTION CRITERIA

	MARKBOROUGH	LIBRARY PLAZA	MCCARTHY & MOSES/IAN	DECOMA VENTURE
1. <u>Developer Experience and Performance</u>				
a. Successful completion of mixed use projects of a similar scale with this proposal.				
b. Previous experience in development within Sacramento County would be helpful.				
c. Evidence of consistent high quality development of major projects.				
d. Evidence of the ability of the developer to attract quality tenants.				
e. Evidence of a consistent completion of major projects on time and within budget.				
f. Ability to perform in a timely fashion given other projects.				
g. History of staying power and continued ownership.				
h. History of successful joint venture projects within team.				
i. Experience in information handling systems				
j. Experience in joint private/public projects				

	MARLBOROUGH	LIBRARY PLAZA	MCCARTHY & MOSESIAN	DECOMA VENTURE
2. <u>Financial Capacity</u>				
✓ a. Shows ability to gain necessary debt financing.				
✓ b. Does developer have available net assets for equity contribution for Library Project?				
✓ c. Ability to provide working capital and cover start up losses.				
3. <u>Management Experience</u>				
Demonstrated commitment for high quality maintenance and operation of large scale projects.				
4. <u>Organization and Management Approval</u>				
a. Identification of clear lines of structure and responsibility within the developers organization which the Agency can rely on to be effective and responsible.				
b. Availability of a full-time representative of the developer during development of the project.				
c. Qualification and experience of key people and entities associated with developer.				
5. <u>References</u>				
✓ a. Financial institutions.				
b. Corporate and public.				
<u>TOTAL SCORE</u>				



Markborough
CALIFORNIA PROPERTIES, INC.

595 Market Street, Suite 2130
San Francisco, CA 94105
(415) 974-5582

October 27, 1986

Selection Committee
Central Library Expansion Project
Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, CA 95814

Re: The Central Library Expansion Project
Sacramento, California

Committee Members:

We are pleased to present our Response to the Developer Selection Criteria for your consideration in regard to the Central Library Expansion Project in downtown Sacramento.

The accompanying package presents in greater detail the accomplishments of our development team and its track records; relevant projects of similar scope to the Library project; team organization outline; experience in joint undertakings with the public sector; and special qualifications of our team to underscore our capability to accomplish the development of this project for the City of Sacramento.

We are, for the purposes of this presentation, referring to our proposed development as Library Square.

Markborough, as developers, has the experience and track record to bring in projects on time and on budget, as well as the ability to attract major tenants; Markborough has an extremely strong financial base, with total assets in excess of \$1.7 billion. Skidmore, Owings & Merrill, as architects/engineers, has a national reputation for award-winning designs. Turner Construction Company, as contractor, is the largest contractor in the United States and is known for its consistent ability to meet its construction schedules and for the quality of its workmanship.

We believe our team can reach a mutually satisfactory development agreement with the Redevelopment Agency, design, build and complete the project on a timely basis, and ensure a quality development for the City of Sacramento.

Sincerely,
MARKBOROUGH CALIFORNIA PROPERTIES, INC.



David Fitzpatrick
President

EXHIBIT D

6

CENTRAL LIBRARY EXPANSION
SACRAMENTO, CALIFORNIA

STATEMENT OF QUALIFICATIONS

Submitted By
MARKBOROUGH CALIFORNIA PROPERTIES, INC.

1. Developer Identification

- a. Markborough California Properties, Inc.
595 Market Street, Suite #2130
San Francisco, California 94105
(415) 974-5582

Mr. David Fitzpatrick
- b. Markborough is a California corporation which incorporated in June of 1984. Markborough California Properties is a wholly-owned subsidiary of Markborough Properties, Inc. which is chartered in the Dominion of Canada. Markborough Properties, Inc. as the parent corporation, will guarantee performance.
- c. Corporate officers of Markborough California Properties, Inc.:
Chairman, Donald F. Prowse, Markborough Properties Inc.,
Toronto, Ontario, Canada
President, David Fitzpatrick, Markborough California
Properties, San Francisco
Vice President, James M. Kilday, Markland, Phoenix
Secretary/Treasurer, Stephen J. Brumm, Markland, Phoenix
- d. Markborough is a wholly owned subsidiary of Markborough Properties, Inc. which was formed in 1965 and has a firm base of development, ownership and management of commercial, retail, residential and industrial properties in the United States and Canada.
- e. Markborough will be the managing venturer and will be responsible for the implementation of the decisions of the Venturers and for conducting the ordinary and usual business of the the Joint Venture. These responsibilities will include:
 - (i) Implementation of the Development Plan for the property;
 - (ii) Negotiating and entering contracts pertaining to the development and construction of the property;
 - (iii) Negotiating leases for the buildings constructed on the property and otherwise enforcing obligations of the tenants under such leases;

Qualifications
Markborough

- (iv) Management and operations of all improvements constructed on the Property;
- (v) Keeping all books of account and other records of the Joint Venture;
- (vi) Making distributions to the Venturers;
- (vii) Retaining or employing and coordinating the services of all employees, supervisors, architects, engineers, accountants, attorneys, and other persons necessary or appropriate to carry out the business of the Joint Venture; and
- (viii) Performing other normal business functions and otherwise operate and manage the business and affairs of the Joint Venture.

f. The specific key consultants who will work with the Developer in this phase of the developer selection process:

Skidmore, Owings & Merrill, Mr. Larry Doan, Partner,
San Francisco, California

Turner Construction Company, San Francisco

2. Developer Experience

Markborough as a developer with over 20 years experience has the reputation for consistent and successful development of many varied real estate properties throughout the United States, Canada, and England. The Company's efforts include the development of master-planned communities in the United States which are comprised of single-family units ranging from custom lakeside estates to townhomes planned around private lakes or championship golf courses developed by Markborough; these communities also involve the development by Markborough of community facilities such as schools, retail centers, recreational club facilities, fire stations, day care centers, and churches.

Markborough's experience with its Beaver House development in London, England also afforded the opportunity to redevelop the underground subway station over which it is being constructed without disrupting subway service. Completion is scheduled for 1987. Markborough has a successful track record in overcoming various challenges involved in all development phases. Markborough also is keenly appreciative of the unique relationship of the private/public sector cooperation necessary for the successful development of properties which are designed to afford amenable facilities to its populace, both tenants and other users.

Markborough has a successful reputation for providing office buildings and rehabilitating existing buildings for modern uses of a mixed nature. Office, retail, community services such as

Qualifications
Markborough

restaurants, retail, theatres are commonplace among Markborough's developments in Canada. In the United States Markborough is developing in two phases an office park in Las Vegas, the first phase being fully leased and second phase construction scheduled for completion in late 1986. Markborough has developed office buildings in Denver, Washington, D.C., Dallas.

Markborough's portfolio also includes shopping centers which consistently attract major tenants, such as The Bay Company, Simpsons, and Zellers, major department stores in Canada, and Safeway and K-Mart also in the Canadian developments.

The Royal Bank of Canada has chosen Markborough's Beaver House development in London as its European headquarters due to its high quality standards of development.

Markborough clearly has the resources to call upon to ensure the high quality, on-budget performance required to qualify as the Developer for the Central Library Expansion project.

3. Financial Capacity.

Markborough has total assets of over \$1.7 billion; approximately 60% of its portfolio is located in Canada with the balance primarily located in the United States.

See Annual Report.

4. Management Experience.

Markborough manages, directly or indirectly, a combined shopping center portfolio in excess of 14 million square feet. Together with the management of over 1 million square feet of industrial properties, Markborough clearly has the management experience to meet the requirements of this property.

5. Organization and Management Approval.

Markborough's over 20 years of experience in development and management of income-producing properties is evidence of the quality of its capability to effectively and efficiently meet the development and management requirements of the Central Library Expansion project in Sacramento. Markborough will ensure that a full-time representative will be available during development of the project. The qualifications of the key entities associated with the project are shown in the attached Annual Reports and Brochures.

RESUME OF MR. DAVID FITZPATRICK

Mr. Fitzpatrick's experience in the last 10 years has evidenced the development and successful completion of major office buildings in San Francisco and Portland, Oregon.

In his current position as President of Markborough California Properties, he has acquired a land assembly of 4 parcels south of Market Street in San Francisco for the development of a 435,000 square foot office building which is currently in the Environmental Impact Review process with the City. Mr. Fitzpatrick also acquired for the company a 70-acre parcel of land in Livermore for a subdivision land sales program. Construction is currently underway to service lots ranging in size from 1.9 to 4.8 acres. Closing on several sales is scheduled prior to the end of 1986.

As President of Dover Park's development company in San Francisco, Mr. Fitzpatrick was responsible for the acquisition of 90 New Montgomery, a 120,000 square foot building which was completed mid-1986.

As Vice President of Marathon U.S. Realties in San Francisco, he was responsible for the development of: (i) 595 Market Street, a 410,000 square foot building in San Francisco which was completed in April of 1979; (ii) Rincon Square, a twin mid-rise tower of 670,000 square feet rentable area in San Francisco, currently under construction and scheduled for completion late 1987; (iii) One Main Place, a 320,000 square foot office building located in a redevelopment area of Portland, Oregon, which was completed in May of 1980.

Mr. Fitzpatrick's prior development experience included being Development Manager responsible for 2 residential developments of 900 acres for Allarco Developments in Edmonton, Alberta, Canada, the development of Oakridge Shopping Center in Calgary, Alberta, apartment developments in Edmonton, Alberta and Vancouver, British Columbia, an office building at Jasper Avenue and 116th Streets in Edmonton, a mixed-use land development known as the Hamilton-Ancaster Development, and a 75,000 square foot office building in Hamilton, Ontario.

1. g. History of staying power and continued ownership.

Markborough has total assets of over \$1.7 billion. Approximately 60% of its portfolio is located in Canada and the balance is located primarily in the United States (Texas, Arizona, Florida, California, Washington, D.C., Nevada, Colorado and Ohio). Markborough owns or has an interest in 88 income properties comprising 18.2 million square feet of leasable area in shopping centres, office buildings and industrial properties and land holdings of over 13,500 acres.

Markborough holds its income-producing properties as long-term investments. Please refer to the following Property Portfolio for more detailed information.

PROPERTY PORTFOLIO

SHOPPING CENTRES

	Year Opened	Number of Stores	Gross Leasable Area (Square Feet)			Markborough's interest	
			Total (1)	Anchors	C.R.U.'s	%	G.L.A.
Regional Shopping Centres							
Les Galeries D'Anjou, Montreal, Quebec	1968	172	1,006,000	598,000	408,000	50%	503,000
Fairview Pointe Claire, Montreal, Quebec	1985	188	895,000	478,000	417,000	50%	447,500
Les Galeries de la Capitale, Quebec City, Quebec	1981	180	857,000	502,000	355,000	25%	214,250
Southgate, Edmonton, Alberta	1970	135	780,000	563,000	217,000	40%	312,000
Market Mall, Calgary, Alberta	1971	86	761,000	491,000	270,000	50%	380,500
St. Vital, Winnipeg, Manitoba	1979	126	694,000	445,000	249,000	25%	173,500
Woodbine Centre, Toronto, Ontario	1985	180	610,000	314,000	296,000	40%	244,000
Southcentre, Calgary, Alberta	1974	146	606,000	390,000	216,000	50%	303,000
Fairview Mall, Toronto, Ontario	1970	130	576,000	294,000	282,000	50%	288,000
MicMac Mall, Dartmouth, Nova Scotia	1973	150	530,000	259,000	271,000	100%	530,000
Place Vertu, Montreal, Quebec	1975	165	527,000	246,000	281,000	25%	131,750
Deerfoot Mall, Calgary, Alberta	1981	102	512,000	327,000	185,000	25%	128,000
Unicity Mall, Winnipeg, Manitoba	1975	80	471,000	309,000	162,000	33 1/3%	157,000
Weldon Place, Winnipeg, Manitoba	1980	86	449,000	280,000	169,000	40%	179,600
Oakville Place, Oakville, Ontario	1981	105	431,000	262,000	169,000	49%	211,190
Catarqui Town Centre, Kingston, Ontario	1982	106	405,000	246,000	159,000	50%	202,500
Community Shopping Centres							
Cloverdale Mall, Etobicoke, Ontario	1956	108	408,000	235,000	173,000	100%	408,000
Armdale Mall, Halifax, Nova Scotia	1975	49	238,000	116,000	122,000	50%	119,000
Armdale - Simpsons Store	1983	1	147,000	147,000	-	100%	147,000
Mayflower Mall, Sydney, Nova Scotia	1980	70	366,000	242,000	124,000	50%	183,000
Rutherford Mall, Nanaimo, British Columbia	1980	81	350,000	226,000	134,000	100%	360,000
Meadowvale Town Centre, Mississauga, Ontario	1978	93	338,000	184,000	154,000	100%	338,000
St. Albert Centre, St. Albert, Alberta	1980	64	325,000	238,000	87,000	100%	325,000
Village Green Mall, Vernon, British Columbia	1975	75	281,000	180,000	101,000	25%	70,250
Woodside Square, Scarborough, Ontario	1977	70	276,000	160,000	116,000	50%	138,000
Tamarack Mall, Cranbrook, British Columbia	1977	54	272,000	176,000	96,000	33 1/3%	90,667
Richmond Centre, Richmond, British Columbia	1973	63	224,000	113,000	111,000	100%	224,000
Place du Royaume, Chicoutimi, Quebec	1977	75	193,000	83,000	110,000	25%	48,250
Lloydmall, Lloydminster, Alberta	1974	52	186,000	120,000	66,000	100%	186,000
Champlain Mall, Vancouver, British Columbia	1973	41	176,000	118,000	58,000	100%	176,000
Weyburn Square, Weyburn, Saskatchewan	1980	28	137,000	88,000	49,000	50%	68,500
Carrefour Gaspé, Gaspé, Quebec	1980	31	135,000	84,000	51,000	10%	13,500
Thunderbird Mall, Port Hardy, British Columbia	1981	30	89,000	54,000	35,000	100%	89,000
Neighbourhood Shopping Centres							
10 Centres in various provinces	Various	186	581,000	231,000	350,000	50-100%	445,200
		3,308	14,842,000	8,799,000	6,043,000		7,835,157

(1) Includes 132,000 square feet of office space in Market Mall and Weyburn Square.

OFFICE AND MIXED-USE PROPERTIES

COMPLETED	Year Opened	Net Leasable Area (Square Feet)	Markborough's Interest	
			%	N.L.A.
Canada:				
Toronto, Ontario				
The Simpson Tower*	1968	349,000	100%	349,000
7 Overlea	1969	143,000	100%	143,000
15 Overlea	1967	142,000	100%	142,000
Markborough Place	1979	132,000	100%	132,000
Meadowvale Professional Centre	1981	33,000	100%	33,000
Other (4)	Various	67,000	100%	67,000
Ottawa, Ontario				
Heritage Place	1985	239,000	100%	239,000
Edmonton, Alberta				
Principal Plaza	1980	422,000	25%	105,500
United States:				
Denver, Colorado				
Hudson's Bay Centre	1984	169,000	100%	169,000
Las Vegas, Nevada				
Greystone	1982	123,000	100%	123,000
Total Completed		1,819,000		1,502,500

*Leased

UNDER CONSTRUCTION	Net Leasable Area (Square Feet)	Markborough's Interest		Scheduled Year of Completion
		%	N.L.A.	
Canada:				
Toronto, Ontario				
1303 Yonge Street	65,000	100	65,000	1986
United States:				
Washington, D.C.				
20th & L Streets	150,000	50	75,000	1986
Las Vegas, Nevada				
Greystone, Phase 2	69,000	100	69,000	1986
England:				
London				
Beaver House	193,000	100	193,000	1987
Total Under Construction	477,000		402,000	

INDUSTRIAL BUILDINGS

	Leasable Area (square feet)	
	Net	Markborough's Interest
Wholly-Owned Buildings		
Toronto, Ontario (11 buildings)	446,600	446,600
Phoenix, Arizona (3 buildings)	141,900	141,900
	588,500	588,500
Jointly-Owned Buildings (50%)		
Toronto, Ontario (11 buildings)	487,200	243,600
	1,075,700	832,100

RESIDENTIAL AND HOTEL PROPERTIES

Apartment Buildings (Markborough's Interest is 50%)	Numbers of Rental Units
49 Thorncliffe Park, Toronto	400
53 Thorncliffe Park, Toronto	279
Hotels (Markborough's Interest is 100%)	Number of Rooms
Delta-Meadowvale Inn, Mississauga	192

LAND FOR SALE AND FUTURE DEVELOPMENT

Location	Year(s) of Acquisition	Original Acreage	Total Remaining Acreage	Markborough's Interest	
				%	Total Remaining Acreage
Canada					
Ontario					
Meadowvale	1972/85	2,905	944	100%	944
Mississauga	1977	284	258	100%	258
Other (including sites)	Various	399	644	100%	644
Alberta					
Woodbine	1976	634	209	100%	209
Other	1984	156	156	100%	156
Other (including sites)	Various	549	416	100%	416
		5,427	2,627		2,627
United States					
Arizona					
Scottsdale Ranch	1978	1,119	112	50%	56
Gainey Ranch	1980	562	394	100%	394
Other	1979	135	28	100%	28
California					
Sunnymead Ranch	1980	1,366	689	100%	689
Other (including sites)	Various	330	221	100%	221
Florida					
Boca Pointe	1979	1,019	225	100%	225
Hunter's Green	1985	1,980	1,980	100%	1,980
Homestead	1974	3,276	3,026	50%	1,513
Texas					
Northview Park	1985	128	128	30%	102
Harvest Bend	1977	599	191	80%	153
Northchase	1980	487	265	82%	217
First Colony	1980	760	272	80%	218
New Territories	1984	3,082	2,982	30%	2,336
Vicksburg	1982	411	130	50%	111
Other	Various	2,832	144	30%	115
Other	Various	658	210	100%	110
		18,744	11,015		3,627
		24,171	13,642		11,254

1. h. History of successful joint venture projects within team.

Currently, the Development Team of Markborough, Skidmore, Owings & Merrill and Turner Construction is involved in the design/development phase of 101 Second Street, San Francisco. This office building project will contain 450,000 square feet of rentable office space, and 7,300 square feet of retail on the ground floor and mezzanine area, plus two subterranean levels of parking.

Markborough and SOM have had a successful working relationship in Markborough's Hudson's Bay Centre in Denver, Colorado and in the development of the Washington, D.C. project. Mr. Fitzpatrick has been involved with SOM over the last 10 years in the development of 595 Market Street, San Francisco, and One Main Place, Portland, Oregon, as well as in the design of 1776 Glenarm Place, the Midland Savings and Loan Building, and the Aquitaine Tower, all in Denver, Colorado.

1. i. Experience in information handling systems.

Markborough has conducted some initial interviews with the Sacramento Central Library staff to discuss their thoughts on the necessary services provided by the Library and how the Development Team can best facilitate the implementation of those services.

Should we be selected as the Developer, we will work closely with all levels of staff, and if necessary, bring in outside information handling consultants to ensure that the City has the most up-to-date system available.

Skidmore, Owings & Merrill has extensive experience in the design of library facilities all over the country. Notable among these are the Lyndon Baines Johnson Library, the Beinecke Rare Book and Manuscript Library at Yale University, and Case Western Reserve University Law School Library to name a few. Turner Construction was the general contractor for the John Fitzgerald Kennedy Library.

1. d. Evidence of the ability of the developer to attract quality tenants.

Markborough has consistently attracted tenants of the highest caliber, both in retail and in office leasing. Among its tenants are to be included Hudson's Bay Company, Simpsons Sears and Zellers, all major retail tenants in Canada. Office and banking tenants include the Royal Bank of Canada and Orion Royal Bank, AT&T, Prudential Insurance Company of America, Weyerhaeuser, Coldwell Banker, Transamerica Insurance, Eastman Kodak, McGraw Hill, Hilton Hotel administrative offices, Nynex, Confederation Life Insurance, Arthur Andersen & Co. and Cineplex. Markborough has consistently been successful in pre-leasing its developments and will have the same commitment to the Sacramento area.

Markborough has strong retail experience and recognizes that the quality of the development and its location are key to attracting major tenants. Markborough plans to add to its team a national retail consultant specifically to advise Markborough as to potential retail users for this project, recognizing that the retail issue is a difficult one in the downtown area of Sacramento, as evidenced by the difficulties experienced by the downtown Plaza. To bring in an outside retail expert with a national track record, as was done in the successfully leased retail project at Embarcadero Center in San Francisco, is key to the retail development of this project.

Markborough would add to the team the best qualified office leasing group, with a national network of offices to ensure the successful lease-up of Library Square.

1. c. Evidence of consistent high quality development of major projects.

Markborough's U. S. residential land projects have consistently been awarded for success in design and development upon completion. The luxury residential developments in Arizona, Gainey Ranch and Scottsdale Ranch, have been developed to meet Markborough's standards – standards higher than those required by the State government. The State of Arizona subsequently adopted Markborough's standards for future developments of that scope. The award-winning developments in the United States, in addition to the Arizona projects include Boca Point, a luxury community in Florida and Sunnymead in California. Markborough has consistently met and surpassed challenges in its development projects, including the creation of a man-made lake in the middle of desert land in Arizona. Markborough's Canadian effort in mixed use projects is exemplified by Meadowvale, a development of some 2,905 acres involving residential community development, a hotel complex, professional office centers, and a shopping center. Meadowvale has consistently been the recipient of many awards for its success in carrying out its planning designs and processes.

Mr. Fitzpatrick's direct involvement in an award-winning development project came in the form of 90 New Montgomery Street, a 120,000 square foot office building in San Francisco on a street proposed for inclusion in the National Register of Historic Districts. This project received an Honor Award from the San Francisco Chapter of The American Institute of Architects for its design and for being complementary to its surroundings. This is a development of Dover Park Investment Corporation, of which Mr. Fitzpatrick was President.

1. a. Successful completion of mixed use projects of a similar scale with this proposal.

Markborough has developed mixed-use projects involving office, retail, parking, theatres, subway renovation, hotels, residential and recreational developments and city services, and shopping center complexes.

Specifically, in 1985 Markborough completed the development of a 610,000 square foot regional shopping center in Toronto. It is anchored on the retail end by Hudson's Bay and Simpson's department stores. In addition to the retail element, Woodbine Centre includes a day care center, theatres, a conference facility, and a 40,000 square foot children's amusement park. This indoor park contains a refurbished antique carousel which was reclaimed from a warehouse in California.

Heritage Place in Ottawa, Canada, is an office and retail development in the heart of downtown Ottawa which involved the restoration of an historic building dating from 1872 and the development of an adjoining office building of 185,000 square feet. Completed in 1985, its lead retail tenant is Zeller's Department Store. Office tenants include Air Canada, Arthur Andersen & Co. and Confederation Life Insurance Company.

Markborough's many master-planned residential communities in Florida, Arizona, California, Texas and Colorado have involved development of single-family homes, schools, retail centers, day care facilities, recreational facilities and support services.

The Hudson's Bay Centre in Denver, Colorado, completed in 1984, is a 20-story, 169,000 square foot office complex which is located in the heart of the 16th Street Mall. This complex is the retail home for Nynex, a New York based telephone system company. The project also includes a small art gallery and parking.

In London, England, Markborough currently has under construction the development of two linked buildings comprising approximately 200,000 square feet of office space, a two-level banking hall, and a glass atrium. This development also required the rebuilding of the underground subway station and its ancillary works as this site is located directly over the station. The engineering and construction challenges posed by this critical phase of the development were successfully met without disrupting subway service and completion of the project is slated for mid-1987. Virtually all of the 200,000 square feet is pre-leased and will serve as the European headquarters for the Royal Bank of Canada and its merchant banking subsidiary, Orion Royal Bank.

1303 Yonge Street in Toronto, Ontario, is a mixed-use development of office and retail involving the rehabilitation of an older building and the construction of a new addition. It has 55,000 square feet of pre-leased office space and 10,000 square feet of retail. Cineplex, the largest distributor of films in Canada and the United States, has chosen 1303 Yonge Street to be its corporate headquarters.

2001 L Street in Washington, D.C.'s "Golden Triangle," the prestigious area within three blocks of the White House, is a development of a 10-story, 150,000 square foot building containing office and specialty retail space. In addition to a restaurant, this project's lead retail tenant is Carson Pirie Scott, an upscale clothier

which specializes in high quality goods and personal service for the executive. Carson Pirie Scott is based in Chicago.

Markborough's past mixed-use developments also include the 11-acre restoration project, College Street in Toronto, Ontario. This project included the restoration of College Street retail buildings, the development of the 1,000 room Delta Chelsea Inn, apartments buildings, office buildings and facilities for community theatre groups.

Mr. Fitzpatrick's development experience apart from Markborough included the development of a 320,000 square foot office and retail building, in Portland, Oregon. This project was designed by SOM and was in a redevelopment area.

Mr. Fitzpatrick also has been responsible for the development of 595 Market Street in San Francisco, designed by SOM and completed in 1979. Rand McNally chose 595 Market Street to be one of its three locations in the United States. Mr. Fitzpatrick was also responsible for the acquisition and development of Rincon Square, a 670,000 square foot mid-rise office building with ground floor retail and a public plaza. This project is located in the South of Market area of San Francisco. Another project developed by Mr. Fitzpatrick, also located in this same general area, is 90 New Montgomery Street, a recently completed 120,000 square foot office development.

SOM

SKIDMORE, OWINGS & MERRILL FIRM BACKGROUND

Skidmore, Owings & Merrill was founded in 1936 to provide complete professional services in the fields of architectural design, planning and engineering. Since then, SOM has undertaken a variety of projects in the United States and in more than 40 countries throughout the world. Over 1,500 architects, engineers, urban planners, landscape architects, interior architects and management specialists work in seven major SOM offices.

In recognition of the achievements of the firm as a group of professionals working together as a team, the American Institute of Architects awarded its first architectural firm award for excellence in design to SOM in 1962. An unyielding commitment to excellence has consistently produced high quality architectural design, planning and technical performance, and has been rewarded with a continuing reputation for holding the highest possible professional standards.

The firm's diversified work encompasses large and small scale projects including offices, banks, commercial, industrial and education buildings, hotels, hospitals, airports, recreational, religious and residential facilities. SOM provides interior design and space planning services comparable in quality to its architectural designs. Restoration and retrofitting of existing buildings encompasses the full range of building types from office buildings to concert halls. A broad range of urban planning projects includes central business district redevelopment and urban design, environmental impact and regional transportation studies.

PROJECT ORGANIZATION AND MANAGEMENT

Skidmore, Owings & Merrill pioneered the team approach to major projects. Each project team is made up of a Project Partner who is directly responsible to the client for all aspects of our firm's services, a Design Partner who leads the design team and is in charge of the total design effort, and a Project Manager who is charged with the day-to-day administration and coordination of the project. In addition to these individuals the core team includes a Senior Designer and Technical Coordinator. This team stays with the project from inception to completion, maintaining the continuity and integrity of each project.

The resources, experience and personnel of all of the firm's offices are available to each client. In addition to architecture, the firm offers complete services in the fields of planning and urban design, structural engineering, MEP engineering, and interior design and graphics, as required or desired by the client. The firm has a high level of expertise in the fields of computer-aided design and drafting which is available to all of our projects when appropriate.

A highly qualified group of technical personnel has been developed over the years to ensure the technical integrity of our projects and is an essential component of our professional services. Skidmore, Owings & Merrill views its services as a personal responsibility and the Partners involved actively participate throughout the duration of each project and maintain an ongoing close relationship with the project and the client.

Skidmore, Owings & Merrill
333 Bush Street, San Francisco, California 94104
415 981-1555, Telex 34212

FIRMWIDE CAPABILITIES

SOM is a multi-disciplinary architecture/planning/engineering/interior design firm. Our background and experience make us a leader in these fields today. SOM's talented professional staff combine their knowledge and creativity on projects consistently achieving important innovations in design and technology. SOM has experience with many types of projects in which we have utilized a variety of in-house disciplines. These include:

Architecture

Urban and environmental design

Site planning

Landscape architecture

Civil engineering

Structural engineering

Mechanical/electrical engineering

Plumbing/fire protection engineering

Interior architecture/space planning

Facilities programming

Facilities management

Equipment planning and specification

Computer capability

Graphics

Estimating

Specifications

PLANNING AND URBAN DESIGN

Skidmore, Owings & Merrill has diverse urban design and planning capabilities and has done extensive work in the field of regional analysis, including assessment of environmental conditions, land use studies, new towns, transportation system design, master plans and concept designs for all subjects and at all scales of consideration. The firm maintains its own staff of specialists in key areas but where required retains the skills of nationally recognized consulting organizations to achieve the full service ideal.

SOM's planning and urban design group has established a national reputation for both design quality and a design process related to the management of complex problems. The process is organized into three parts. First, a problem is examined in its broadest context for the purpose of discovering issues that will impact project decisions and require comprehensive planning. Second, it is organized into a series of discrete issues and choices that describe a particular alternative. This kind of organization provides a format for orderly discussion and client participation at every level of decision making. Choices are made by evaluating alternatives in terms of their relative social, environmental and economic consequences. Finally, the most salient elements are assembled into a planning and design framework which maintains its utility regardless of the inevitable changes that occur over time.

PLANNING AND URBAN DESIGN CAPABILITIES

As a multi-disciplinary architecture / planning / engineering firm, SOM provides complete planning and urban design services for a wide variety of projects. Careful planning studies are essential to large-scale developments as well as to the integration of individual projects with existing urban fabrics. Our professional staff combines knowledge and creativity to develop effective and innovative programs and physical solutions. SOM's experience and expertise in planning and urban design include:

- Master Planning and Site Planning
- New Town Planning and Design
- Regional Planning
- Community and Neighborhood Planning
- City Planning and Urban Design
- Reuse/Preservation Planning and Design
- Landscape Planning and Design
- Transportation Planning
- Energy Conservation Planning
- Computer-Assisted Analysis and Information Systems

LIBRARY PROJECT EXPERIENCE

Charles Leming Tutt Library
Colorado College
Colorado Springs, Colorado

This library houses 300,000 volumes and 515 readers in a total area of 54,300 square feet.

Burling Library
Grinnell College
Grinnell, Iowa

A 45,400 square foot library which provides space for 350,000 volumes.

John Crerar Library
Illinois Institute of Technology
Chicago, Illinois

This 94,022 square foot library contains 750,000 volumes and pamphlets.

James Madison Barker Library
Massachusetts Institute of Technology
Cambridge, Massachusetts

This engineering library contains 33,500 volumes plus automatic access and microfilm in 34,300 square feet.

Northwestern University
Evanston, Illinois

*Core and Research Library (1,000,000 volumes)
Seley G. Mudd Science and Engineering Library*

Pacific University
Forest Grove, Oregon

Carnegie Library renovation.

Helen M. Plum Memorial Library
Lombard, Illinois

Library renovation and below-grade addition including interiors and landscape.

Portland State University Library
Portland, Oregon

A 113,800 square foot academic library.

Skokie Public Library
Skokie, Illinois

A community library with space for 150,000 volumes and a 200-seat auditorium.

Texas Christian University
Fort Worth, Texas

Mary Couss Burnett Library; addition and renovation.

MIXED USE PROJECT EXPERIENCE

Skidmore, Owings & Merrill's experience in urban design has covered almost every use and subject for every type of client. We believe our urban design experience has been enhanced by the shared architectural and planning work of our national practice. Our urban design work is grounded in the reality offered by exposure to some of the most innovative public and private development in the nation. What we offer our clients are solutions that build on this knowledge as well as a commitment to creating the highest possible design quality. We list below some current examples of mixed use projects or projects incorporating multiple uses:

Crocker Center Tower and Shopping Galleria, San Francisco

The master plan for this award winning project called for a 38-story office tower, a block-long, 3-level retail galleria, followed by the removal of the bank's former offices above its Banking Hall, and finally restoration of the Hall and installation of a garden upon its roof.

Crocker Center, Los Angeles

This \$300 million development is located at the highest elevation in Bunker Hill, the business and financial hub of downtown Los Angeles. The two office towers (44 and 54 stories tall) provide 2.25 million square feet of prestige office space. The towers are joined by the centerpiece of the complex - a striking three-story, 40-foot high glass enclosed pavilion containing shops, restaurants and inviting public spaces filled with sculptures and paintings.

DeKalb County Mixed Use Project Decatur, Georgia

SOM was commissioned by Rosewood Properties to develop a master plan for a mixed use project on their 18.9 acre site in Decatur, Georgia. Land uses for the development are coherent and mutually supportive, add to the overall character and quality of the district, and create a desirable and profitable niche in the market for one million square feet of office, hotel, retail space and residential.

Las Colinas Tract Master Plan, Irving, Texas

Skidmore, Owings & Merrill prepared a master development plan for the 32.6 acre site owned by Rosewood Properties in the Las Colinas Urban Center development in Irving, Texas. The presence of water allows for the creation of a lake which provides an opportunity for extending a unique landscape spine through the site. Uses ranging from hotel, retail and office organize along these site features and create an identifiable, truly mixed use project.

McCormick Ranch Village Center, Scottsdale, Arizona

Skidmore, Owings & Merrill is preparing a master development plan for a 2.0 million square foot mixed use development in Scottsdale, Arizona. The project is being designed as a village center with hotel, retail and office uses integrated into a lowrise climate-responsive development which is sensitive to the desert, its unique climate, its landscape and its architecture.

Albuquerque Uptown Parcel Albuquerque, New Mexico

In the Uptown Business District of Albuquerque, Skidmore, Owings & Merrill is preparing a master development plan for a 38.0 acre parcel. A mixed use project of 2.2 million square feet of office, hotel and retail is organized around a central linear park, which potentially will have civic importance. Outside a loop road which circumscribes the development are clusters of garden offices which are separated from adjoining residential uses by a landscape buffer. Building massing tapers from the central tall forms to lower buildings at the edge creating a distinctive, highly visible skyline from surrounding developments without blocking views to the mountains beyond.

Silicon Valley Financial Center, San Jose, California

The award winning SFVC Master Plan, a five million square foot redevelopment proposal for a vacant, 20.7 acre, eight-block urban renewal area was prepared for Campeau/Small Properties. The project establishes an urban mixed-use district with an explicit visual and physical presence, an appropriate density of development, and will introduce urban activity and 24-hour life in the downtown area of San Jose. The intention is to build an urban place in a city depleted by a surrounding ring of suburban shopping centers, to establish precedent for future development, and to provide a focus for the tremendous growth in the region's population, economy and transportation network. Phase I is currently under construction.

345 California Center, San Francisco

Rising 47 stories above grade, the building is comprised of several parts: at the top, in two separate towers emerging from the office building and linked together by glazed skybridges, is the new Mandarin Hotel; at the base of the hotel is a full floor of mechanical equipment; below the mechanical level are 31 typical floors of commercial office space. These floors are approximately 17,600 gross square feet each, composed in a diamond shaped plan with a central elevator core. Below the typical tower floors are two large podium office floors of about 35,800 gross square feet each. Below the podium floors, at street and one level above, are two floors of building lobbies, retail and office space, mechanical space, and access to parking and truck service. The total project size is 880,000 square feet and is essentially completed with the Mandarin Hotel scheduled to open in the fall of 1986.

Williams Square Irving, Texas

The Williams Square project in the Las Colinas Urban Center, Irving, Texas consists of five buildings, three of which are office towers, and two garages. They will provide 1.5 million square feet of office space, with food service and retail at ground level.

The project covers 17 acres, bounded on two sides by major roads and on the third side by a lake. Two 14-story buildings and a 26-story central tower frame three sides of a 300-foot square plaza. The plaza has a diagonal water course which nine heroic scale cast bronze mustangs are crossing at a full gallop. Flanking the 14-story buildings are eight-story garages, each housing 1700 cars. An 80,000 square foot bank building is attached to the west garage at the visual entrance to the site. The project was completed in 1985.

Southeast Financial Center, Miami, Florida

This project consists of a 55-story tower containing 1.2 million square feet of office space and a discrete 14-story building housing the banking hall, an extensive retail arcade, 12 levels of parking, and an athletic club. Joining the two buildings is a landscaped open-air court protected by a space-frame steel canopy of clear skylights. Southeast Banking Corporation occupies approximately 350,000 square feet of this project.

388 Market Street, San Francisco

Currently under construction, this mixed use building containing 90,000 square feet of housing, 30,000 square feet of retail, 50,000 square feet of parking, and 230,000 square feet of office space has already won a Progressive Architecture Design Award (1983). The project is schedule for completion in late 1986.

OTHERS:

Olympia Centre and Neiman Marcus
(Office/Condo/Retail)
Chicago, Illinois

Republic Plaza, Denver
Denver Square, Denver
Town Square, St. Paul, Minnesota

One Magnificent Mile
(Office/Condo)
Chicago, Illinois

M.S.Q. (Madison Square Garden Site)
New York, New York

Rowes Wharf
(Office/Condo/Hotel/Retail)
Boston, Massachusetts

Turner

The Turner Construction Company is the nation's largest building contractor. Turner is best known in Sacramento for the \$50 million Capitol Bank of Commerce Building on Capitol Mall, the newest first class office building on the Sacramento skyline. The company has worked in and around Sacramento continuously since 1968 and has current projects in Folsom and Auburn as well as the City of Sacramento itself.

Turner was founded in 1902 and currently has offices in over 30 U. S. cities. Our office in Sacramento was established in 1983 to serve the Capitol Bank Project and has remained open since to serve our ongoing Sacramento area clients.

Each year Turner builds more than \$2 billion of new building construction. Over the years, many of the nation's most famous buildings were built by Turner: Lincoln Center, Madison Square Garden and the United Nations Headquarters in New York. In California in the past 20 years, Turner has built more than \$4 billion of new construction. Several well-known buildings are the 52-story Bank of America/Atlantic Richfield Twin Towers, the 54-story Security Pacific Bank Headquarters and the 54- and 44-story Twin Tower at Crocker Center in Los Angeles. And in San Francisco, the 27- and 43-story Towers at One Market Plaza and the Moscone Convention Center.

Turner builds buildings of all types. One of the more famous libraries is the John Fitzgerald Kennedy Library in Dorchester, Massachusetts. Turner builds between 4 and 6% of the nation's "Class-A" highrise office buildings. Many of our projects are mixed-use developments and many are for clients in the public sector. The size of Turner projects ranges from several million dollars to individual projects valued in excess of \$200 million. There is no building project too large or too complicated for Turner to undertake and successfully complete.

Turner has a consistent record of completing projects on time and within budget. They have never failed to complete a project.

Turner is currently working with Markborough Properties and Skidmore, Owings & Merrill on a major office building in San Francisco which is in the City review process. Turner has worked in the past with Markborough Properties on several projects principally in the developmental stages and with Skidmore, Owings & Merrill on more than 75 major buildings nationwide.

Descriptions of several of these projects follow, as well as a rendering of Turner City 1985, a composite of all Turner buildings across the country built in the 1985 calendar year. The floor area of this City is 23,894,963 square feet.

 **Markborough**
CALIFORNIA PROPERTIES, INC.

595 Market Street, Suite 2130
San Francisco, CA 94105
(415) 974-5582

OFFER TO PURCHASE/LEASE AND REDEVELOP LAND

September 10, 1986

Mr. Andrew J. Plescia
Deputy Executive Director
Redevelopment Agency of the
City of Sacramento
630 I Street
Sacramento, California 95814

SUBJECT PROPERTY: CENTRAL LIBRARY EXPANSION

Dear Mr. Plescia:

The undersigned corporation, Markborough California Properties, Inc., hereinafter referred to as the "Offerer", hereby submits to the Redevelopment Agency of the City of Sacramento, hereinafter referred to as the "Agency", an Offer to Purchase/Lease and Redevelop the Subject Property.

The Offer requests that the Agency negotiate exclusively with the Offerer for a 270 day period hereinafter referred to as the "Option Period", commencing with the date of acceptance of this Agreement by the Agency, during which time the Offerer will seek to complete a contract for the disposition/lease and redevelopment of the Subject Property, hereinafter referred to as a "Disposition/Lease and Development Agreement."

This Offer is made pursuant to, and with full understanding of, all procedures, rules and instructions stated in the Request for Qualifications brochure as well as the following terms and conditions:

1. The Agency will accept the Offer which it finds to be most advantageous to it, which determination shall be final and conclusive. The Agency shall reserve the right to reject any or all offers, and to waive any informalities or defects as to form or procedure. The Agency shall determine and notify the successful Offerer of the acceptance of the Offer within the time limitations established at the time of the invitations for proposals.

EXHIBIT E

(41)

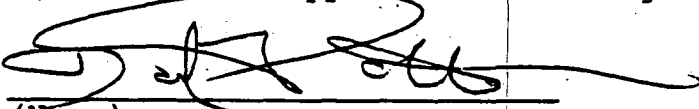
2. The Agency retains the responsibility to determine the timing, arrangement, and method of proposal presentations throughout the Developer Selection Process. The Offerer shall not undertake any activities or actions to promote or advertise the development proposal except in the course of Agency sponsored presentations. Further, it is understood that the Agency may present and explain the non-confidential aspects of this proposal.
3. Upon acceptance of this Offer by the Redevelopment Agency, the Offerer will within one week tender to the Agency, in the form of a certified check or letter of credit, an "Option Fee" in the amount of \$100,000, as a fee for the right to negotiate exclusively with the Agency during the Option Period. In the event a Disposition/Lease and Development Agreement between the Agency and Offerer is approved by the Agency, the Option Fee shall be used as a credit against the land offering to be stipulated within the Disposition/Lease and Development Agreement. The Option Fee is to be retained by the Agency without the obligation to pay interest thereon. Actual interest earned, if any, shall be credited to, and become part of the fee. If the Developer negotiates in good faith, but fails to reach an agreement with the Agency, then the Option Fee shall be refunded, exclusive of the Agency's third-party expenses on the project. Said Option Fee may not be used as a Security Deposit under the terms of the Disposition/Lease and Development Agreement. If the negotiations do not result in a signed and approved Disposition/Lease and Development Agreement, the Offerer agrees to submit to the Agency all findings and determinations regarding the proposed development and copies of all plans, studies and reports prepared by the Offerer. The Agency further reserves the right to require other forms of security as part of the Disposition/Lease and Development Agreement.
4. The Offerer further understands that negotiations may be extended beyond the Option Period at the discretion of the Agency to enable the Offerer and Agency to reach an agreement. In consideration for the Agency's continuation of such exclusive negotiations, a \$25,000 monthly fee may be required to be paid to the Agency. Conditions upon the application of such monthly fees to subsequent payments stipulated within the Disposition/Lease and Development Agreement and the refundability of such fees correspond to those stipulated in paragraph 3 above.

5. In addition to the Option Fees specified in paragraphs 3 and 4 above, the Offerer stands ready to provide a non-refundable "Security Deposit" upon Agency approval of the Disposition/Lease and Development Agreement. This Security Deposit shall be in an amount to be negotiated and shall be held by the Agency as security for the diligent performance of the Offerer's obligations pursuant to the Disposition/Lease and Development Agreement. Such Security Deposit is to be retained by the Agency without the obligation to pay interest. Actual interest earned, if any, shall be credited to, and become part of the deposit. Such Security Deposit will be structured to be returned to the Developer in increments that reflect fulfillment of the Developer's obligations and construction of the project in phases, if the project is to be phased, with paybacks disproportionately weighted toward the later phases.
6. The Offerer understands that, except as allowed under the terms of the Disposition/Lease and Development Agreement, the Offerer shall not take any action to make, create, contract for, or agree to any total or partial sale, assignment, conveyance, lease or other transfer of the Subject Property, or any portion thereof or any interest therein, without the prior written approval of the Agency. The Agency shall be entitled to stipulate specific terms and conditions as to any such approval within the Disposition/Lease and Development Agreement.
7. The Offerer understands that the scale, nature and type of redevelopment is subject to various approvals of the Agency, and various permits and approvals is issued by the City Design Review/Preservation Board; City Planning Commission; Sacramento Housing the Redevelopment Commission; Redevelopment Agency, and other commissions/officers/agencies of the City of Sacramento, State of California or Federal Government as may be required.
8. The Offerer understands that full disclosure will be made to the Agency regarding all principals, officers, stockholders, etc. of the Offerer and all other pertinent information concerning the Offerer and associates.
9. The Offerer understands full disclosure will be made to the Agency regarding methods of financing to be used in developing the Subject Property.

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10. The Offerer understands that the Agency reserves the right, at any time either before or after offers are submitted, to specify additional terms and conditions, and to request additional information and data from the Offerer, and that the Agency particularly reserves the right to obtain further information, data, and commitments to ascertain the depth of developed capabilities and desire to develop the Subject Property expeditiously. Adequate time to obtain and submit such additional matters will be provided by the Agency.
11. The Offerer understands that if negotiations culminate in a Disposition/Lease and Development Agreement with the Agency, such an agreement becomes final only after and if the agreement has been considered and approved by the Redevelopment Agency.
12. The Offerer understands that as Developer, all contractors to the Offerer must comply with Affirmative Action, Equal Employment Opportunity, as may be required by the Agency during the redevelopment process.

Please indicate Agency acceptance of this Offer to Purchase and Redevelop Land, after Agency approval, by signing and returning the attached copy to the undersigned.



(Name)

President
(Title)

Markborough California Properties
(Firm)

595 Market Street, #2130
San Francisco, CA 94105
(Firm Address)

This proposal is hereby accepted as of the _____ day of _____, 1986, to the terms and conditions stated above.

Redevelopment Agency of the
City of Sacramento

Chairman

Secretary