

SPECIAL MEETING AGENDA/SYNOPSIS

VOTING RECORD LEGEND:

VOTING RECORD REFLECTS FINAL
VOTE OF COUNCIL.

MOV:	MOVED	ABST:	ABSTAIN
SEC:	SECOND	ABS:	ABSENT
M	- MAYOR RUDIN	D5	- SERNA
D1	- SHORE	D6	- SMALLMAN
D2	- JOHNSON	D7	- KASTANIS
D3	- POPE	D8	- ROBIE
D4	- CHINN		

Special Joint Meeting of the Sacramento City Council and the Sacramento Housing and Redevelopment Agency Commission

Meeting Date: Friday, December 5, 1986: 2:00 P.M.

Location: City Hall, 915 I Street, 2nd Floor, Council Chambers

SACRAMENTO CITY COUNCIL

A. The purpose of the meeting will be to consider and act upon various matters regarding the Central Library Development:

1. Presentation by the Decoma Venture.

COUNCIL ACTION: TESTIMONY RECEIVED.

VOTING RECORD: BY CONSENSUS

2. Presentation by the Library Plaza Group.

COUNCIL ACTION: TESTIMONY RECEIVED.

VOTING RECORD: BY CONSENSUS

3. Presentation by McCarthy/Mosesian.

COUNCIL ACTION: TESTIMONY RECEIVED.

VOTING RECORD: BY CONSENSUS

FINANCIAL ANALYSIS

DECOMA TEAM

Barker Interests Ltd.
Unaudited Consolidated Financial Statement
June 30, 1986
Linbeck
Consolidated Financial Statement
March 31, 1986
Audited by Price Waterhouse

- 1.e. Evidence of consistent completion of major projects on time and within budget.

YES

The Decoma Team was formed in 1983. Since it is relatively young, most joint projects have not been completed but references say they are on budget and on schedule.

- 1.f. Ability to perform in a timely fashion given other projects.

YES

Financial and governmental references stress an excellent track record and ability to perform according to schedule with numerous major projects under construction or in the planning process. Decoma points out that it will be completing a major San Francisco office project by the end of the year and the Central Library Project would allow reassignment of existing staff.

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

YES

The general strategy of the Decoma Team is long term ownership and management. Its special expertise is pre-leasing and sale/lease-back combinations which involve joint ventures with pension funds/groups. All such major projects are structured for a long term hold and involve the level of financial resources that staying power is high.

- 2.a. Ability to gain necessary debt financing.

The Decoma Team forms a joint venture for each new project. It brings in new partners or third-party investors (pension funds/saving and loans). Such investors are selected to bring substantial cash and/or debt financing to the project.

- 2.b. Available net assets for equity contribution for Central Library Project.

As with previous question, available net assets would depend on the partners or investors selected to fund this particular project.

- 2.c. Ability to provide working capital and cover start up losses.

Same as above. On the Miami Arena project (a sale lease-back with the City), the City of Miami provided working capital. If necessary, Decoma says they will fund these costs.

FINANCIAL ANALYSIS

THE LIBRARY PLAZA GROUP

AKT

December 31, 1985

Unaudited

McCuen and Steele (includes affiliates)

March 31, 1986

Unaudited

Without Notes

- 1.e. Evidence of consistent completion of major projects on time and within budget.

This partnership, consisting of AKT and McCuen and Steele has operated in the private sector and therefore governmental references could not provide information on time schedules and budgets. Financial references felt all projects had been completed according to their financial expectations.

- 1.f. Ability to perform in a timely fashion given other projects.

YES

Numerous financial references had no problems with debt servicing which suggests that the partnership's multiple projects are moving ahead in a timely fashion. One major project, the Laguna Project, will be "winding down" in terms of planning and the Library Plaza Group feels that the planning phase of the Central Library Project will dovetail with this schedule.

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

YES

The varied nature (residential development, business/office parks and mixed use rehabs) of the partnership's projects involve projects in which there is a five year (or longer) planning phase during which staying power has been demonstrated. Some projects are sold and others involve long term ownership of portions of the project.

- 2.a. Ability to gain necessary debt financing.

Some financial references said they could not provide the type of financing required for the Central Library Project due to their lending policies. Other banks said they would provide interim financing. One lender said it might be interested in financing the project based upon a financial review and underwriting criteria.

- 2.b. Available net assets for equity contribution for Central Library Project.

YES

It appears that net assets are available for an equity contribution. However, one financial statement did not include the standard audited reference notes. Therefore, it could not be determined how liquid these assets were. Potentially, this might be a problem with long term (non-liquid) assets making up the bulk of the portfolio. This issue was not resolved by the time these notes were prepared.

- 2.c. Ability to provide working capital and cover start up losses.

YES

Working capital and start-up losses would be covered as necessary and capitalized through financing.

FINANCIAL ANALYSIS

MCCARTHY/MOSESIAN

March 31 and June 30, 1986
Consolidated Financial Statements
audited by Price Waterhouse and
Touche Ross and Company

- 1.e. Evidence of consistent completion of major projects on time and within budget.

As a partnership, McCarthy/Mosesian is in the development phase and has not yet completed any joint projects. Financial references say all joint projects are on (or ahead of) schedule/budget. McCarthy is a well established contractor (St. Louis) and, in this capacity, has finished projects on schedule and budget.

- 1.f. Ability to perform in a timely fashion given other projects.

YES

As a partnership the group will be finishing one of its three major joint projects (the Kern County Library) around October/November, 1987. The partnership believes this timing will work well with a phase-in on the Central Library Project.

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

Mosesian Development Corporation has too short a history to cite specific examples of staying power, however, the three major projects mentioned above (welfare facility, Library, office) will involve long-term ownership. McCarthy has a long history as a construction company, but is only recently moving into the developer/owner position. Its financial capacity suggests that staying power is strong.

- 2.a. Ability to gain necessary debt financing.

YES

Financial references said they would finance the Central Library Project given the involvement of both entities. McCarthy is the stronger financial component of the partnership with highly liquid cash reserves.

- 2.b. Available net assets for equity contribution for Central Library Project.

YES

Each entity of the partnership will share 50%/50% in project costs. Based on the net worth of Mosesian Development Corporation it may be necessary to require a personal guarantee from Peter Mosesian. These guarantees have been provided on other transactions.

- 2.c. Ability to provide working capital and cover start up losses.

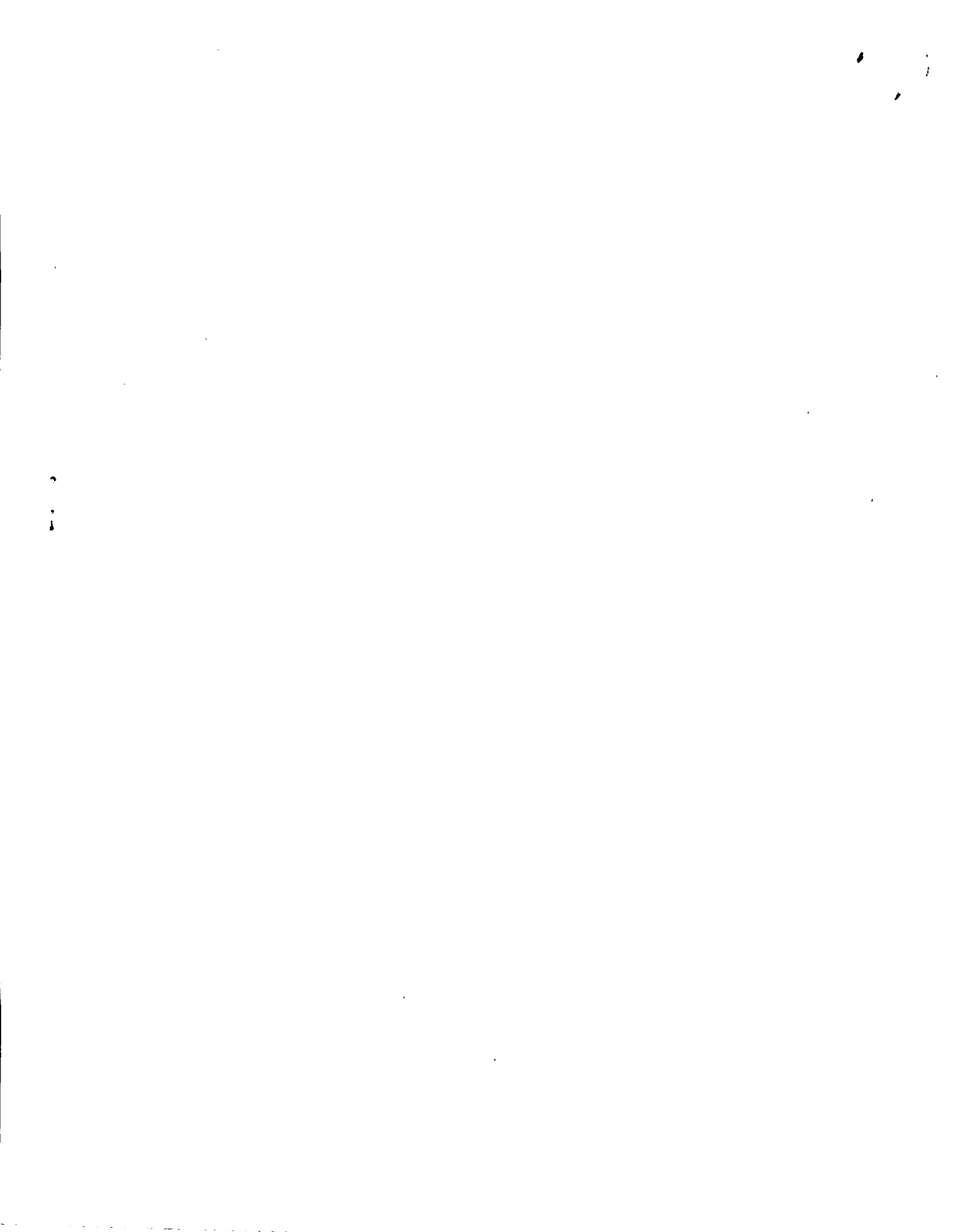
YES

As a contractor, McCarthy operates on a cash flow basis and relies on cash reserves for working capital. Mosesian has also funded working capital with cash. The partnership intends to capitalize start up losses through permanent financing.

List of Items for
Central Library Expansion Project
Developer Selection Process

<u>Items</u>	<u>Date</u>
1. Original Request for Qualifications (RFQ)	8/27/86
2. RFQ Submission Instructions/Selection Criteria	8/27/86
3. Rating/Evaluation Sheet	8/27/86
4. Letter to Developers Regarding 10/27/86 Presentation for Selection Committee (sample)	10/8/86
5. Letter to Developers' Regarding 12/5/86 Oral Presentations (sample)	11/19/86
6. Report to Redevelopment Agency Regarding Revised Selection Process	11/21/86
7. Financial Analysis of Developers	11/24/86
8. Reference Check Information on Developers	11/24/86
9. Letters from Developers Regarding Intent to Participate in Revised Selection Process	11/26/86
10. Original Developer Proposals	9/26/86

NOTE: Detailed Financial Information for each of the three developers will be presented to you for discussion privately prior to the scheduled December 5, 1986 meeting.



Central Library Expansion Project
Request for Qualifications

BACKGROUND

The Redevelopment Agency of the City of Sacramento, in conjunction with the City and County Library Department has approved a mixed use redevelopment project on the block bounded by 8th to 9th, I to J Streets. The project will include the renovation of the existing Central Library for library administration, construction of a new Central Library, and other possible uses such as parking, retail, and offices.

This project will be a joint project between the Agency and a private developer. The preliminary studies prepared by Mc Manis Associates indicate a probable development level of about \$53 million. See enclosed staff report for details and further background information. A summary of the Central Library building program is also enclosed.

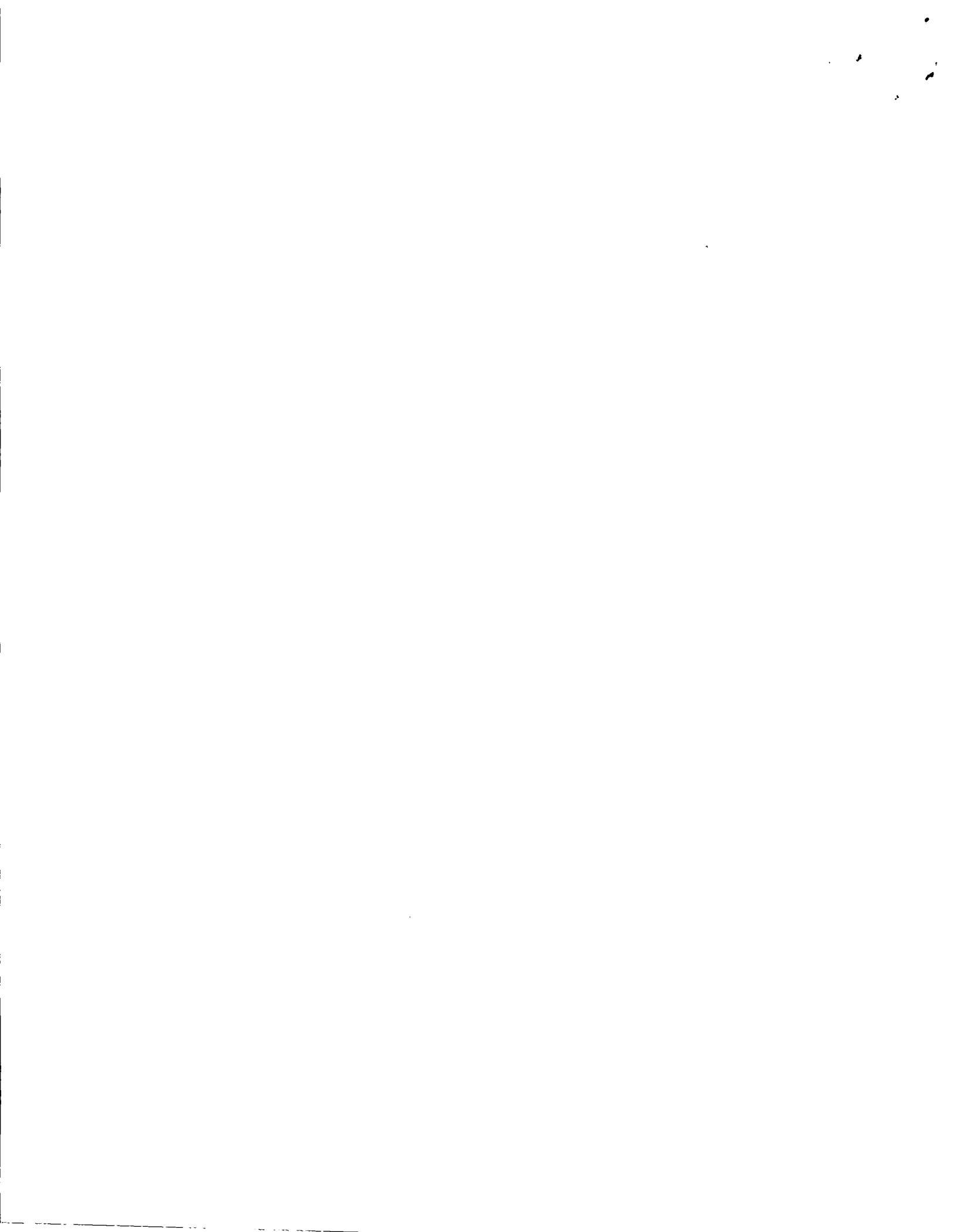
TYPE OF DEVELOPER

The City/Agency is seeking a quality developer with a proven track record, background, experience and financial capacity to undertake the project from beginning to end.

CRITERIA FOR SELECTION

1. Developer Experience

- 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.



2. Financial Capacity

- a. Net Worth - In keeping with the size, scale and complexity of the project, developers should have a minimum net worth of about \$20 million. One copy of a financial statement shall be submitted. This information will be kept confidential.
- b. Evidence, through appropriate letters from lenders, of the ability of the developer to raise necessary capital for the project including the initial sum of approximately \$5 million as a loan to the Agency for land assembly.

3. Management experience

Demonstrated commitment for high quality maintenance and operation of large scale projects.

4. Organization and Management Approval

- 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. Qualifications and experience of key people and entities associated with developer.

5. References

- a. Financial institutions.
- b. Corporate and public.

6. Other relevant information as deemed appropriate by the developer.

EXCLUSIVE RIGHT TO NEGOTIATE

Upon selection by the City Council, acting as the Redevelopment Agency, the developer shall be given an exclusive right to negotiate with the Agency. During this time, the developer would be responsible for the preparation of the preliminary master plan including incorporation of the Central Library's expansion program, cost estimates and financial plan. The specific phases requiring developer participation include items 2b (plan preparation) 2c (plan approval) 2d (pre-development agreement) and 2e (development agreement) and are illustrated in the bar chart in the staff report

At the beginning of the right to negotiate, the developer shall give the Agency \$100,000 as a good faith deposit to ensure timely performance. This money would be returned to the developer, with interest, if the project's planning phase (phase 2a through 2e) noted above are successful and a development agreement is approved or if the project cannot proceed because of action or delays caused by the City/Agency or other governmental entities. The monies would not be returned if the developer did not diligently proceed during the planning phase and consistently did not meet an agreed upon schedule of times and events.

REJECTION OF RFQ'S, RIGHT TO SELECT AND DEVELOPER CONTACT WITH AGENCY

The Agency has the right to reject any and all RFQ's and selection by the Agency shall be final. Upon submission of the RFQ, developers shall not contact the Agency or Commission members. Contact with either group will result in a disqualification.

TIME AND DELIVERY LOCATION OF RFQ'S AND NUMBER OF COPIES

1. The content of the RFQ's should be in the same sequence as requested above under criteria for selection, i.e.
 1. Developer experience
 2. Financial capacity
 3. Management experience
 4. Organization and management approach
 5. References
 6. Other relevant information as deemed appropriate by developer.

2. Developer shall deliver 20 copies of the RFQ with one separate financial statement to the Agency's clerk by 5:00 P.M. September 12, 1986. Any entries stamped later than the above date and time by the clerk shall not be accepted.
3. The RFQ's should be delivered to:

Joan Roberts, Agency Clerk
Sacramento Housing & Redevelopment Agency
630 I Street
Sacramento, CA 95814

FOR FURTHER INFORMATION

Contact Leo T. Goto, Director of Special Projects
(916) 440-1320



SCORING

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

CENTRAL LIBRARY EXPANSION PROJECT
DEVELOPER SELECTION CRITERIA

	MARKBOROUGH	LIBRARY PLAZA	MC CARTHY & MOESLAN	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				

	MARBOROUGH	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>				

CENTRAL LIBRARY EXPANSION
SUBMISSION INSTRUCTIONS FOR
DEVELOPER SELECTION PROCESS BASED ON QUALIFICATIONS

BACKGROUND

The Redevelopment Agency of the City of Sacramento, in conjunction with the City and County Library Department has approved a mixed use redevelopment project on the block bounded by 8th to 9th, I to J Streets. The project will include the renovation of the existing Central Library for Library administration, construction of a new Central Library, and other possible uses such as parking, retail, and offices.

This project will be a joint project between the Agency and a private developer. The preliminary studies prepared by Mc Manis Associates indicate a probable development level of about \$53 million. See enclosed staff report for details and further background information. A summary of the Central Library building program is also enclosed.

TYPE OF DEVELOPER

The City/Agency is seeking a quality developer with a proven track record, background, experience and financial capacity to undertake the project from beginning to end.

OFFER TO PURCHASE AND REDEVELOP LAND

Each Developer shall submit one (1) original and nineteen (19) copies, each executed, of "Offer to Purchase/Lease and Redevelop Land".

STATEMENT OF QUALIFICATIONS & CRITERIA FOR SELECTION

Each Developer shall submit 20 (twenty) copies, numbered serially, of a "Statement of Qualifications" containing the information outlined below. In order to facilitate review by staff and the Agency, please submit information in accordance with the following format, identifying each item by a number and/or letter. The Agency reserves the right to request additional information following review of the initial submission.

1. Identification of Developer and Associates

- a. Name, address and telephone number of the Developer and the principal person assigned by the Developer to negotiate on its behalf.

- b. Identification of the type of legal entity with whom the Agency would contract (e.g. individual, corporation, partnership, joint venture, other) and date of organization. If the legal entity which the Agency would contract with is different than the parent corporation, please indicate whether the parent corporation will guarantee performance.
- c. Principals of the development organization (corporate officers, principal stockholders, general and limited partners, project manager) including names, addresses, title of position, description of the character, extent and percentage of interest in the project.
- d. Identification and description of any relationship the Developer may have with a parent corporation, subsidiaries, joint ventures or other titles.
- e. Organization and management approach, including identification and role of key individuals who would be involved in background experience & resumes.
- f. The Developer shall list the specific key consultants who would work with the Developer on the project in this phase of the developer selection process, or list key specialists in the areas of planning, architecture, urban design and economics that have previously worked with the Developer on similar projects.

2. Developer Experience

- 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.

3. Financial Capacity

- a. Net Worth - In keeping with the size, scale and complexity of the project, developers should have a minimum net worth of about \$20 million. One copy of a financial statement shall be submitted. This information will be kept confidential.

The Developer shall attach a copy of a certified financial statement of the Developer showing all assets and liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the certified financial statement precedes the date of the submission by more than six (6) months, also attach an interim balance sheet no more than sixty (60) days old.

Copies of any annual reports, financial rating reports, or other documents indicating the financial condition of the Developer should also be submitted.

- b. Evidence, through appropriate letters from lenders, of the ability of the developer to raise necessary capital for the project including the initial sum of approximately \$5 million as a loan to the agency for land assembly.

4. Management Experience

Demonstrated commitment for high quality maintenance and operation of large scale projects.

5. Organization and Management Approval

- 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.

6. References

- a. Financial institutions.
- b. Corporate and public.

7. Other relevant information as deemed appropriate by the developer

EXCLUSIVE RIGHT TO NEGOTIATE

Upon selection by the City Council, acting as the Redevelopment Agency, the developer shall be given an exclusive right to negotiate with the Agency. During this time, the developer would be responsible for the preparation of the preliminary master plan including incorporation of the Central Library's expansion program, cost estimates and financial plan. The specific phases requiring developer participation include items 2b (plan preparation) 2c (plan approval) 2d (pre-development agreement) and 2e (development agreement) and are illustrated in the bar chart in the staff report.

At the beginning of the right to negotiate, the developer shall give the Agency \$100,000 as a good faith deposit to ensure timely performance. This money would be returned to the developer, with interest, if the project's planning phase (phase 2a through 2e) noted above are successful and a development agreement is approved or if the project cannot proceed because of action or delays caused by the City/Agency or other governmental entities. The monies would not be returned if the developer did not diligently proceed during the planning phase and consistently did not meet an agreed upon schedule of times and events. See offer to lease and redevelop land.

REJECTION OF RFQ'S, RIGHT TO SELECT AND DEVELOPER CONTACT WITH AGENCY

The Agency has the right to reject any and all RFQ's and selection by the Agency shall be final. Upon submission of the RFQ, developers shall not contact the Agency or Commission members. Contact with either group will result in a disqualification.

TIME AND DELIVERY LOCATION OF RFQ'S AND NUMBER OF COPIES

1. The content of the RFQ's should be in the same sequence as requested above under criteria for selection, i.e.
 1. Developer identification & experience
 2. Financial capacity
 3. Management experience
 4. Organization and management approach
 5. References
 6. Other relevant information as deemed appropriate by developer.
2. Developer shall deliver 20 copies of the REQ with one separate financial statement to the Agency's clerk by 5:00 P.M. September 12, 1986. Any entries stamped later than the above date and time by the clerk shall not be accepted.
3. The RFQ's should be delivered to:

Joan Roberts, Agency Clerk
Sacramento Housing & Redevelopment Agency, 3rd Floor
630 I Street
Sacramento, CA 95814

FOR FURTHER INFORMATION

Contact Leo T. Goto, Director of Special Projects
(916) 440-1320

SCORING

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- 2 = average
- 3 = above average

CENTRAL LIBRARY EXPANSION PROJECT
DEVELOPER SELECTION CRITERIA

	MARKBOUGH	LIBRARY PLAZA	MCCARTHY & MOSESIAN	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	DECONA 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>				

10/8/86



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



October 8, 1986

Library Plaza Group Partnership
Mr. Chris Steele
C/O 10969 Trade Center Drive,
Suite 100
Rancho Cordova, CA 95670

Dear Mr. Steele:

RE: Sacramento Central Library Expansion Project

Thank you for your recent submittal for the Central Library Expansion Project.

On October 3rd, the Selection Committee reviewed the written statements of qualifications and determined that all of the proposers were qualified.

This letter is a follow-up to my telephone conversation with you or your staff on October 6th, 1986 regarding the current status of the selection process and the next steps.

A public meeting has been scheduled for October 27th, at our office, located at 630 "I" Street, Sacramento, California, to give an opportunity for each of the developers to present themselves and answer questions from the committee (see attached schedule for times).

In general, your firm should focus on the following:

1. Presentation of your development team and track record.
2. What your team has done in the past that is relevant to the proposed Central Library project.
3. How you propose to organize the team for this project.
4. Experience in joint public/private projects.
5. Special qualifications or accomplishments that you may want to highlight to the panel.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

October 8, 1986

Page 2

6. Any initial thoughts of your development team on the Central Library Expansion Project e.g., complexity, approach, density, potential pitfalls, types of uses, size, market factors, tenants, etc. (NOTE: we are not requiring or looking for any drawings or design concepts in answer to #6, just your initial thoughts).

Each team should take approximately 20 to 30 minutes for their presentation followed by a question and answer period. The type of presentation is left up to your team. If the panel or staff have any specific questions they feel need to be raised and answered as a part of your presentation, they will be forwarded to you prior to October 27th.

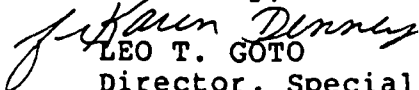
We are enclosing a copy of the Selection Criteria which will be used for scoring of the development teams. The following items are being researched by staff from various sources including your financial statements and our reference calls:

1.e, f, g; 2.a, b, c; and 5.a, b.

The final scoring will take into account the initial written submittals, your presentation and responses to questions and results of staff calls to your references and analysis of your financial statements.

Please feel free to call me at (916)440-1320 if you have any questions. We look forward to your presentation on October 27th.

Sincerely,


LEO T. GOTO

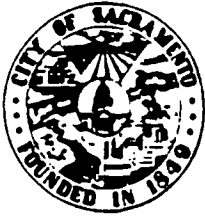
Director, Special Projects

LTG/kld

0309M

Enclosure

cc: Library Selection Committee
Andy Plescia
Carol Branan



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



November 19, 1986

SAMPLE

Decoma Venture
C/O Barker Interest, Ltd.
150 Post Street, Suite 400
San Francisco, CA 94108

Dear Dave,

With the withdrawal of Markborough California Properties, Inc. the recommended development group has withdrawn from further consideration as developer for the proposed Central Library Expansion Project. In light of the situation and desire to proceed with selection of a developer for the proposed project, the Redevelopment Agency on November 18, 1986, established a slightly revised developer selection process outlined as follows:

1. A joint meeting of the Sacramento Housing and Redevelopment Commission and Redevelopment Agency has been scheduled for December 5, 1986 at City Council Chambers, 2nd Floor, City Hall, 915 "I" Street, Sacramento, California, to hear oral presentations from each of the three remaining development teams. The order of presentation is scheduled as follows:
 - 2:00 P.M. - Decoma Venture
 - 3:00 P.M. - Library Plaza Group
 - 4:00 P.M. - McCarthy/Mosesian

The main purpose of this joint meeting is to give an opportunity for both the Commission and Agency to hear the entire developer presentations and pose questions of the developers.

2. All three developers will go into the selection process unranked. The previous evaluation of the Selection Committee has been negated.
3. The Commission and Agency will use criteria similar to the selection and evaluation criteria included in the original Request for Qualifications.
4. The Commission shall make a recommendation to the Redevelopment Agency.
5. The Agency shall then make a final decision.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

November 19, 1986
Page 2

The approach for your presentation is to be based on the following guidelines which are the similar as those submitted to you by letter dated October 8, 1986, prior to the original presentation before the Selection Committee.

Your presentation should specifically address the following items and be focused on qualifications and experience of the developer (including joint venture partners) component of proposed development team, and not the identified key consultants.

1. Presentation of your development team and track record.
2. What your team has done in the past that is relevant to the proposed Central Library project.
3. How you propose to organize the team for this project.
4. Experience in joint public/private projects.
5. Special qualifications or accomplishments that you may want to highlight to the panel.
6. Any initial thoughts of your development team on the Central Library Expansion Project e.g., complexity, approach, density, potential pitfalls, types of uses, size, market factors, tenants, etc. (NOTE: we are not asking to see any drawings, models, or design concepts in answer to #6, just your initial thoughts).

Each team should take approximately 20 to 30 minutes for their presentation followed by a question and answer period. The type of presentation is left up to your team.

The original Request for Qualifications contained language requesting that developers not make contact with the Agency and Commission during the selection process. During the recent joint committee meetings related to selection of a developer, a number of Councilmembers restated that request, therefore, we are requesting that you continue to abide by the original guidelines of no contact.

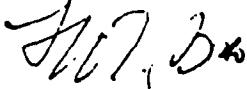
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

November 19, 1986

Page 3

We are requesting a written response by 5:00 P.M. November 25, 1986 confirming your interest and intended presence at the December 5, 1986 meeting. Thank you for your cooperation. Please feel free to call me at (916) 440-1320 if you have any questions or need additional information.

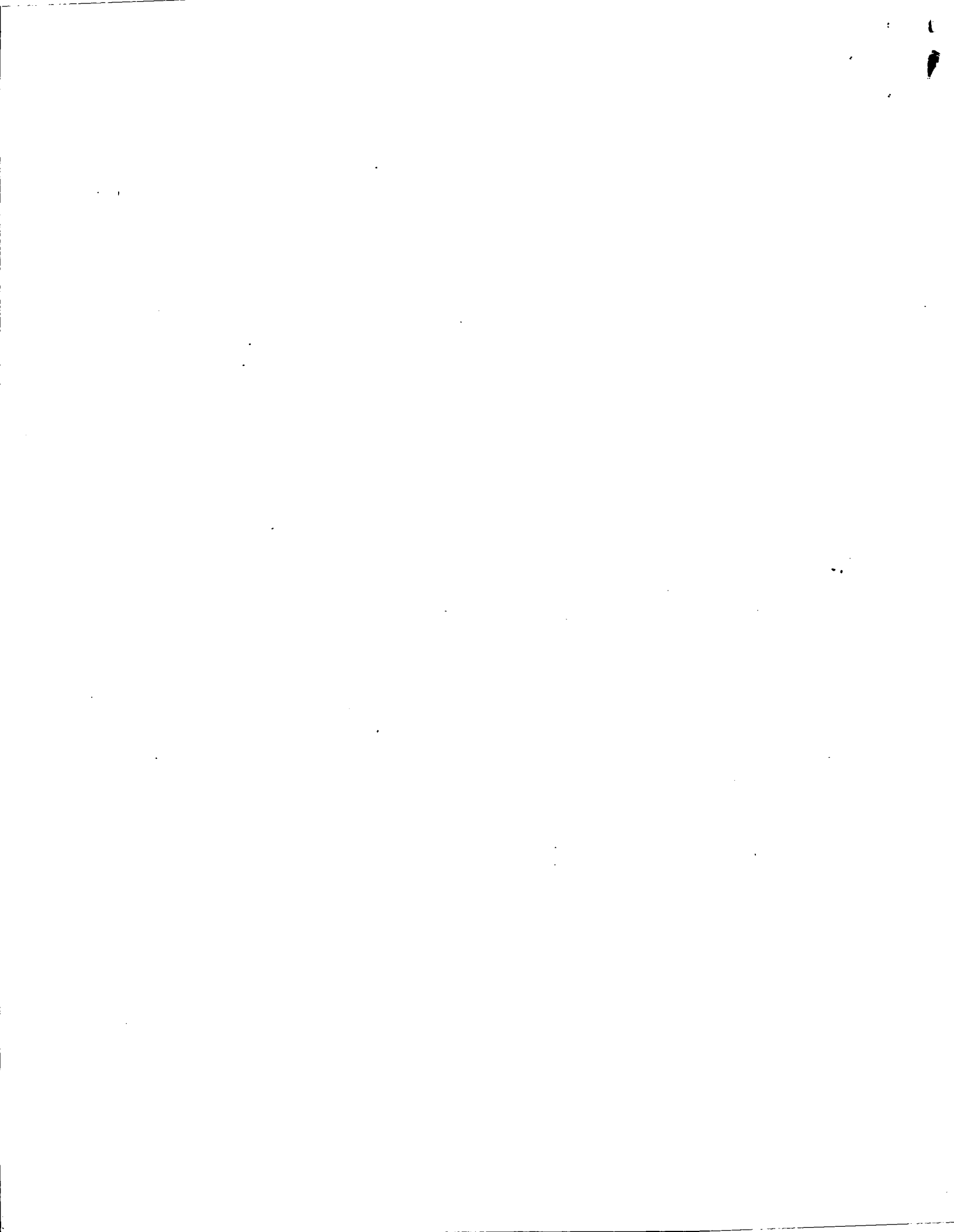
Sincerely,



LEO T. GOTO
Director, Special Projects

LTG/kld

0373M





SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



November 21, 1986

Redevelopment Agency of
the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Procedure for Central Library Project Developer
Selection Process

BACKGROUND

Based on action of the Redevelopment Agency on November 18, 1986, the following is the staff suggested procedure for proceeding with the slightly revised developer selection process for the Central Library Expansion Project.

PROCEDURE

1. A joint meeting of the Sacramento Housing and Redevelopment Commission and Redevelopment Agency has been scheduled for December 5, 1986 at City Council Chambers, 2nd Floor, City Hall, 915 "I" Street, Sacramento, California, to hear oral presentations from each of the three remaining development teams. The order of presentation is scheduled as follows:

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3:00 P.M. - Library Plaza Group
4:00 P.M. - McCarthy/Mosesian

The main purpose of this joint meeting is to give an opportunity for both the Commission and Agency to hear the entire developer presentations and pose questions of the developers.

A copy of the letter sent to each of the three developers listed above regarding the revised selection process is attached as Exhibit A. The letter includes specific instructions as to guidelines for the scheduled oral presentations.

11-25-86
D-1

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of
the City of Sacramento
November 21, 1986
Page 2

2. All three developers will go into the selection process unranked. The previous evaluation and ranking the Selection Committee would no longer be in effect.
3. The Commission and Agency will use criteria similar to the selection and evaluation criteria included in the original Request for Qualifications.
4. The Commission shall make a recommendation to the Redevelopment Agency either at the December 5, 1986 meeting or at a subsequent meeting.
5. The Agency shall then make a final decision either at the December 5, 1986 meeting or at a subsequent meeting.

INFORMATION/MATERIAL

Staff has previously submitted the following materials to the Redevelopment Agency members:

1. Complete proposals submitted by each of the development teams; and
2. Staff financial analysis and reference information (submitted confidentially).

In addition attached as Exhibits B, C, and D are:

1. Original Request for Qualifications and submission instructions;
2. Rating sheet; and
3. Selection Criteria.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of
the City of Sacramento
November 21, 1986
Page 3

RECOMMEDATION

Staff recommends proceeding with process as approved by the Redevelopment Agency on November 18, 1986 and outlined above.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

CENTRAL LIBRARY EXPANSION
SUBMISSION INSTRUCTIONS FOR
DEVELOPER SELECTION PROCESS BASED ON QUALIFICATIONS

BACKGROUND

The Redevelopment Agency of the City of Sacramento, in conjunction with the City and County Library Department has approved a mixed use redevelopment project on the block bounded by 8th to 9th, I to J Streets. The project will include the renovation of the existing Central Library for Library administration, construction of a new Central Library, and other possible uses such as parking, retail, and offices.

This project will be a joint project between the Agency and a private developer. The preliminary studies prepared by Mc Manis Associates indicate a probable development level of about \$53 million. See enclosed staff report for details and further background information. A summary of the Central Library building program is also enclosed.

TYPE OF DEVELOPER

The City/Agency is seeking a quality developer with a proven track record, background, experience and financial capacity to undertake the project from beginning to end.

OFFER TO PURCHASE AND REDEVELOP LAND

Each Developer shall submit one (1) original and nineteen (19) copies, each executed, of "Offer to Purchase/Lease and Redevelop Land".

STATEMENT OF QUALIFICATIONS & CRITERIA FOR SELECTION

Each Developer shall submit 20 (twenty) copies, numbered serially, of a "Statement of Qualifications" containing the information outlined below. In order to facilitate review by staff and the Agency, please submit information in accordance with the following format, identifying each item by a number and/or letter. The Agency reserves the right to request additional information following review of the initial submission.

1. Identification of Developer and Associates

- a. Name, address and telephone number of the Developer and the principal person assigned by the Developer to negotiate on its behalf.

- b. Identification of the type of legal entity with whom the Agency would contract (e.g. individual, corporation, partnership, joint venture, other) and date of organization. If the legal entity which the Agency would contract with is different than the parent corporation, please indicate whether the parent corporation will guarantee performance.
- c. Principals of the development organization (corporate officers, principal stockholders, general and limited partners, project manager) including names, addresses, title of position, description of the character, extent and percentage of interest in the project.
- d. Identification and description of any relationship the Developer may have with a parent corporation, subsidiaries, joint ventures or other titles.
- e. Organization and management approach, including identification and role of key individuals who would be involved in background experience & resumes.
- f. The Developer shall list the specific key consultants who would work with the Developer on the project in this phase of the developer selection process, or list key specialists in the areas of planning, architecture, urban design and economics that have previously worked with the Developer on similar projects.

2. Developer Experience

- 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.

3. Financial Capacity

- a. Net Worth - In keeping with the size, scale and complexity of the project, developers should have a minimum net worth of about \$20 million. One copy of a financial statement shall be submitted. This information will be kept confidential.

The Developer shall attach a copy of a certified financial statement of the Developer showing all assets and liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the certified financial statement precedes the date of the submission by more than six (6) months, also attach an interim balance sheet no more than sixty (60) days old.

Copies of any annual reports, financial rating reports, or other documents indicating the financial condition of the Developer should also be submitted.

- b. Evidence, through appropriate letters from lenders, of the ability of the developer to raise necessary capital for the project including the initial sum of approximately \$5 million as a loan to the agency for land assembly.

4. Management Experience

Demonstrated commitment for high quality maintenance and operation of large scale projects.

5. Organization and Management Approval

- 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.

6. References

- a. Financial institutions.
- b. Corporate and public.

7. Other relevant information as deemed appropriate by the developer

EXCLUSIVE RIGHT TO NEGOTIATE

Upon selection by the City Council, acting as the Redevelopment Agency, the developer shall be given an exclusive right to negotiate with the Agency. During this time, the developer would be responsible for the preparation of the preliminary master plan including incorporation of the Central Library's expansion program, cost estimates and financial plan. The specific phases requiring developer participation include items 2b (plan preparation) 2c (plan approval) 2d (pre-development agreement) and 2e (development agreement) and are illustrated in the bar chart in the staff report.

At the beginning of the right to negotiate, the developer shall give the Agency \$100,000 as a good faith deposit to ensure timely performance. This money would be returned to the developer, with interest, if the project's planning phase (phase 2a through 2e) noted above are successful and a development agreement is approved or if the project cannot proceed because of action or delays caused by the City/Agency or other governmental entities. The monies would not be returned if the developer did not diligently proceed during the planning phase and consistently did not meet an agreed upon schedule of times and events. See offer to lease and redevelop land.

REJECTION OF RFQ'S, RIGHT TO SELECT AND DEVELOPER CONTACT WITH AGENCY

The Agency has the right to reject any and all RFQ's and selection by the Agency shall be final. Upon submission of the RFQ, developers shall not contact the Agency or Commission members. Contact with either group will result in a disqualification.

TIME AND DELIVERY LOCATION OF RFQ'S AND NUMBER OF COPIES

1. The content of the RFQ's should be in the same sequence as requested above under criteria for selection, i.e.
 1. Developer identification & experience
 2. Financial capacity
 3. Management experience
 4. Organization and management approach
 5. References
 6. Other relevant information as deemed appropriate by developer.
2. Developer shall deliver 20 copies of the REQ with one separate financial statement to the Agency's clerk by 5:00 P.M. September 12, 1986. Any entries stamped later than the above date and time by the clerk shall not be accepted.
3. The RFQ's should be delivered to:

Joan Roberts, Agency Clerk
Sacramento Housing & Redevelopment Agency, 3rd Floor
630 I Street
Sacramento, CA 95814

FOR FURTHER INFORMATION

Contact Leo T. Goto, Director of Special Projects
(916) 440-1320

Central Library Expansion Project
Request for Qualifications

BACKGROUND

The Redevelopment Agency of the City of Sacramento, in conjunction with the City and County Library Department has approved a mixed use redevelopment project on the block bounded by 8th to 9th, I to J Streets. The project will include the renovation of the existing Central Library for library administration, construction of a new Central Library, and other possible uses such as parking, retail, and offices.

This project will be a joint project between the Agency and a private developer. The preliminary studies prepared by Mc Manis Associates indicate a probable development level of about \$53 million. See enclosed staff report for details and further background information. A summary of the Central Library building program is also enclosed.

TYPE OF DEVELOPER

The City/Agency is seeking a quality developer with a proven track record, background, experience and financial capacity to undertake the project from beginning to end.

CRITERIA FOR SELECTION

1. Developer Experience

- 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.

2. Financial Capacity

- a. Net Worth - In keeping with the size, scale and complexity of the project, developers should have a minimum net worth of about \$20 million. One copy of a financial statement shall be submitted. This information will be kept confidential.
- b. Evidence, through appropriate letters from lenders, of the ability of the developer to raise necessary capital for the project including the initial sum of approximately \$5 million as a loan to the Agency for land assembly.

3. Management experience

Demonstrated commitment for high quality maintenance and operation of large scale projects.

4. Organization and Management Approval

- 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. Qualifications and experience of key people and entities associated with developer.

5. References

- a. Financial institutions.
- b. Corporate and public.

6. Other relevant information as deemed appropriate by the developer.

EXCLUSIVE RIGHT TO NEGOTIATE

Upon selection by the City Council, acting as the Redevelopment Agency, the developer shall be given an exclusive right to negotiate with the Agency. During this time, the developer would be responsible for the preparation of the preliminary master plan including incorporation of the Central Library's expansion program, cost estimates and financial plan. The specific phases requiring developer participation include items 2b (plan preparation) 2c (plan approval) 2d (pre-development agreement) and 2e (development agreement) and are illustrated in the bar chart in the staff report

At the beginning of the right to negotiate, the developer shall give the Agency \$100,000 as a good faith deposit to ensure timely performance. This money would be returned to the developer, with interest, if the project's planning phase (phase 2a through 2e) noted above are successful and a development agreement is approved or if the project cannot proceed because of action or delays caused by the City/Agency or other governmental entities. The monies would not be returned if the developer did not diligently proceed during the planning phase and consistently did not meet an agreed upon schedule of times and events.

REJECTION OF RFQ'S, RIGHT TO SELECT AND DEVELOPER CONTACT WITH AGENCY

The Agency has the right to reject any and all RFQ's and selection by the Agency shall be final. Upon submission of the RFQ, developers shall not contact the Agency or Commission members. Contact with either group will result in a disqualification.

TIME AND DELIVERY LOCATION OF RFQ'S AND NUMBER OF COPIES

1. The content of the RFQ's should be in the same sequence as requested above under criteria for selection, i.e.
 1. Developer experience
 2. Financial capacity
 3. Management experience
 4. Organization and management approach
 5. References
 6. Other relevant information as deemed appropriate by developer.

2. Developer shall deliver 20 copies of the RFQ with one separate financial statement to the Agency's clerk by 5:00 P.M. September 12, 1986. Any entries stamped later than the above date and time by the clerk shall not be accepted.
3. The RFQ's should be delivered to:

Joan Roberts, Agency Clerk
Sacramento Housing & Redevelopment Agency
630 I Street
Sacramento, CA 95814

FOR FURTHER INFORMATION

Contact Leo T. Goto, Director of Special Projects
(916) 440-1320

SCORING

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

CENTRAL LIBRARY EXPANSION PROJECT
DEVELOPER SELECTION CRITERIA

	MARKBOROUGH	LIBRARY PLAZA	MC CARTHY & MOSESLAN	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>				

FINANCIAL ANALYSIS

MARKBOROUGH PROPERTIES, INC.

January 31, 1986 Financial Statement
Consolidated/Markborough Properties, Inc.
guarantees Markborough California Properties
Audited by Price Waterhouse

- 1.e. Evidence of consistent completion of major projects on time and within budget.

YES

Both financial and governmental references say projects are completed on/or ahead of schedule and budget.

- 1.f. Ability to perform in a timely fashion given other projects.

YES

This firm employs a large staff and has substantial cash reserves to carry numerous projects at one time. Two major projects under development in the U.S. (residential planned unit development and a multi-phase office park development) will continue during the time frame of the Central Library Project.

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

YES

Markborough Properties retains long term ownership in most projects but sells those which are developed as speculative projects. Spec projects make up a minority of their portfolio. Markborough views the Central Library Project as a long term hold. In one residential project subdivision builders filed for bankruptcy and Markborough came back into the project, bought out the builders and completed the project with its own financial resources.

- 2.a. Ability to gain necessary debt financing.

YES

Markborough Properties is in the position to either pay cash for the Central Library Project or to finance the project, if Markborough were selected. Strongest bank references of all four submittals.

- 2.b. Available net assets for equity contribution for Central Library Project.

YES

Markborough's net assets allow it to provide any level of cash equity.

- 2.c. Ability to provide working capital and cover start-up losses.

YES

Working capital and start up losses would be covered with cash or capitalized in permanent financing.



FINANCIAL ANALYSIS

THE LIBRARY PLAZA GROUP

AKT

December 31, 1985

Unaudited

McCuen and Steele (includes affiliates)

March 31, 1986

Unaudited

Without Notes

- 1.e. Evidence of consistent completion of major projects on time and within budget.

This partnership, consisting of AKT and McCuen and Steele has operated in the private sector and therefore governmental references could not provide information on time schedules and budgets. Financial references felt all projects had been completed according to their financial expectations.

- 1.f. Ability to perform in a timely fashion given other projects.

YES

Numerous financial references had no problems with debt servicing which suggests that the partnership's multiple projects are moving ahead in a timely fashion. One major project, the Laguna Project, will be "winding down" in terms of planning and the Library Plaza Group feels that the planning phase of the Central Library Project will dovetail with this schedule.

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

YES

The varied nature (residential development, business/office parks and mixed use rehabs) of the partnership's projects involve projects in which there is a five year (or longer) planning phase during which staying power has been demonstrated. Some projects are sold and others involve long term ownership of portions of the project.

- 2.a. Ability to gain necessary debt financing.

Some financial references said they could not provide the type of financing required for the Central Library Project due to their lending policies. Other banks said they would provide interim financing. One lender said it might be interested in financing the project based upon a financial review and underwriting criteria.

- 2.b. Available net assets for equity contribution for Central Library Project.

YES

It appears that net assets are available for an equity contribution. However, one financial statement did not include the standard audited reference notes. Therefore, it could not be determined how liquid these assets were. Potentially, this might be a problem with long term (non-liquid) assets making up the bulk of the portfolio. This issue was not resolved by the time these notes were prepared.

- 2.c. Ability to provide working capital and cover start up losses.

YES

Working capital and start-up losses would be covered as necessary and capitalized through financing.

FINANCIAL ANALYSIS

MCCARTHY/MOSESIAN

March 31 and June 30, 1986
Consolidated Financial Statements
audited by Price Waterhouse and
Touche Ross and Company

- 1.e. Evidence of consistent completion of major projects on time and within budget.

As a partnership, McCarthy/Mosesian is in the development phase and has not yet completed any joint projects. Financial references say all joint projects are on (or ahead of) schedule/budget. McCarthy is a well established contractor (St. Louis) and, in this capacity, has finished projects on schedule and budget.

- 1.f. Ability to perform in a timely fashion given other projects.

YES

As a partnership the group will be finishing one of its three major joint projects (the Kern County Library) around October/November, 1987. The partnership believes this timing will work well with a phase-in on the Central Library Project.

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

Mosesian Development Corporation has too short a history to cite specific examples of staying power, however, the three major projects mentioned above (welfare facility, Library, office) will involve long-term ownership. McCarthy has a long history as a construction company, but is only recently moving into the developer/owner position. Its financial capacity suggests that staying power is strong.

- 2.a. Ability to gain necessary debt financing.

YES

Financial references said they would finance the Central Library Project given the involvement of both entities. McCarthy is the stronger financial component of the partnership with highly liquid cash reserves.

- 2.b. Available net assets for equity contribution for Central Library Project.

YES

Each entity of the partnership will share 50%/50% in project costs. Based on the net worth of Mosesian Development Corporation it may be necessary to require a personal guarantee from Peter Mosesian. These guarantees have been provided on other transactions.

- 2.c. Ability to provide working capital and cover start up losses.

YES

As a contractor, McCarthy operates on a cash flow basis and relies on cash reserves for working capital. Mosesian has also funded working capital with cash. The partnership intends to capitalize start up losses through permanent financing.

FINANCIAL ANALYSIS

DECOMA TEAM

Barker Interests Ltd.
Unaudited Consolidated Financial Statement
June 30, 1986
Linbeck
Consolidated Financial Statement
March 31, 1986
Audited by Price Waterhouse

- 1.e. Evidence of consistent completion of major projects on time and within budget.

YES

The Decoma Team was formed in 1983. Since it is relatively young, most joint projects have not been completed but references say they are on budget and on schedule.

- 1.f. Ability to perform in a timely fashion given other projects.

YES

Financial and governmental references stress an excellent track record and ability to perform according to schedule with numerous major projects under construction or in the planning process. Decoma points out that it will be completing a major San Francisco office project by the end of the year and the Central Library Project would allow reassignment of existing staff.

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

YES

The general strategy of the Decoma Team is long term ownership and management. Its special expertise is pre-leasing and sale/lease-back combinations which involve joint ventures with pension funds/groups: All such major projects are structured for a long term hold and involve the level of financial resources that staying power is high.

- 2.a. Ability to gain necessary debt financing.

The Decoma Team forms a joint venture for each new project. It brings in new partners or third-party investors (pension funds/saving and loans). Such investors are selected to bring substantial cash and/or debt financing to the project.

- 2.b. Available net assets for equity contribution for Central Library Project.

As with previous question, available net assets would depend on the partners or investors selected to fund this particular project.

- 2.c. Ability to provide working capital and cover start up losses.

Same as above. On the Miami Arena project (a sale lease-back with the City), the City of Miami provided working capital. If necessary, Decoma says they will fund these costs.

CALLS TO LOCAL GOVERNMENT

(McCUEEN & STEELE AND AKT)

THE LIBRARY PLAZA GROUP

Public Works
County of SacramentoDept. of Planning & Community Dev't.
County of Sacramento

Project Identification

Numerous land developments

Numerous business/office parks

Performance Schedule
Adhered to?

The County has placed no specific performance schedules on these developers. However, feel projects are done in a timely fashion.

When the County has requested additional or follow-up information, deadlines are not always met or they don't receive the information requested.

Problems, if any?

No. May be various issues but are always professionally dealt with.

See above.

Project Completed as
Represented?

Yes.

See above.

Additional Comments

Would recommend.

Both groups are very professional. They have community concern. AKT has only recently been involved in the construction end of projects.



McCARTHY / MOSESIAN

Corporate Planning
Sutter Hospital, Sacramento

Redevelopment Agency
Bakersfield, CA

Project Identification

1. Sutter General Replacement Facility (28th&K)
2. Sutter Memorial Hospital (52nd&F)

1. Kern County Library
2. Kern County Welfare Facility
3. Redevelopment Office Building

Performance Schedule
Adhered to?

Yes.

Yes.
Projects not completed, but very pleased.

Problems, if any?

None.

None.

Finalizing permits, etc. took longer than expected, but this was not seen as the responsibility of McCarthy.

Project Completed
as Represented?

Yes.
Not yet completed, but no problems.

Yes. Under construction or in negotiation stage.

Additional Comments

Would highly recommend.
Chose McCarthy for an additional project based on the above performance.

Totally satisfied and would recommend.

THE DECOMA TEAM

City Planning
San Francisco

The Mayor's Office of Economic Dev't.
San Francisco

Project Identification

100 First, High Rise Office
San Francisco

Mission Cap Project
(low income housing)

Performance Schedule
Adhered to?

Yes. Many deadlines were
placed on them by the City
and they performed very
professionally and on time.
Very pleased.

Yes. The Mission Cap Project is a
requirement levied by the City for
building the high rise office at
100 First.

Problems, if any?

None.

None. They have been a pleasure to work
with, especially when you consider we are
extracting housing requirements from them.
A non-profit will run/own the housing once
completed, and Barker allowed their
financial statement to be used for long-
term financing.

Project Completed
as Represented?

Yes.

Not under construction, but yes.

Additional comments

They have a very prof-
essional team; hire the
best architects and meet
all requirements.
Would recommend.

Would recommend.

Michael Barker is especially good at
the financial portion of projects.

CALLS TO BANK REFERENCES

LIBRARY PLAZA GROUP	(MCUEN & STEELE) Bank Reference #1 Union Bank San Jose, CA	(MCUEN & STEELE) Bank Reference #2 First Interstate Vice President San Francisco, CA
Length of Relationship	5 years	3 years
Number/Names Projects/Loans	15 real estate loans 9 commercial loans (unsecured)	Metro Center, South Natomas
Working Relationship	Excellent	Excellent
Other comments:	Letters of Credit Lines of Credit Guidelines of Credit	We are a broker. Work w/ McCuen & Steele to obtain equity financing and long term financing. Feel they have competitive edge in Sacramento due to quality of their developments.
Would you be willing to lend on the Central Library Project?	Yes. As an interim lender only. Have also been involved with AKT.	Yes, in some form. But don't generally do long term financing.

LIBRARY PLAZA GROUP

Bank
Reference
#1

(AKT)

Sacramento Savings
Sacramento, CA

Length of Relationship

10 years

Number/Names
Projects/Loans

Various Joint Ventures

Working Relationship

Excellent

Other comments:

Have entered into the
projects as joint venture
owners and provide
financing.

Would you be willing to
lend on the Central
Library Project?

Feel comfortable working
with this group, but would
rely on loan to value and
underwriting criteria.

McCARTHY/MOSESIAN

Bank
Reference
#1

(Mosesian)

First Interstate
Fresno, CA

Bank
Reference
#2

(Mosesian)

Bank of America
Bakersfield, CA

Length of Relationship

10 months

30 years with the
Mosesian family

Number/Names
Projects/Loans

Excellent although new

Fresno Shopping Center
Kern County Library

Working relationship

Excellent although new

Excellent

Would you be willing
to lend on the Central

Absolutely, especially
if McCarthy is involved.

Would want to review
financial feasibility and
meet underwriting
criteria.

McCARTHY/MOSESIAN

Bank
Reference
#1

(McCarthy)

National Bank
St. Louis

Bank
Reference
#2

(McCarthy)

Mercantile Bank
St. Louis

Length of Relationship

20 years

17 years

Number/Names
Projects/Loans

Provide cash management
for construction contracts

Lines of Credit (unsec.)

Loans are for the
financing of equipment

Letters of Credit (unsec. &
secured)

Loans for equipment

Working relationship

Excellent

Excellent

Would you be willing to
lend on the Central
Library Project?

Maybe. Don't usually
loan outside of trade
area of Missouri &
Illinois, but if they
were to do so, it would
be only with McCarthy.

Yes. We would consider
interim financing based
upon permanent financing
being in place.

THE DECOMA TEAM

Bank
Reference
#1

Barclay's Bank
New York City

Bank
Reference
#2

First Interstate
San Francisco

Length of Relationship

1 year

18 months

Number/Names
Projects/Loans

100 First
San Francisco
construction loan (10 yrs)

Office project in Phoenix
Ft. Lauderdale, FL office
project

Working relationship

Excellent, although new.

Excellent. Put together
very sound financing
packages with a lot of
backing.

Would you be willing
to lend on the Central
Library Project?

Definitely.

Yes. Are looking at
other projects in
Sacramento and like the
market.

BARKER INTERESTS LIMITED
388 MARKET, SUITE 1200
SAN FRANCISCO, CALIFORNIA 94111
415/788-2993

November 26, 1986

Mr. Leo T. Goto
Sacramento Housing &
Redevelopment Agency
P. O. Box 1834
Sacramento, CA 95809

Re: Central Library Expansion Project

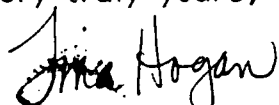
Dear Mr. Goto:

This letter will confirm your conversation with Michael Barker that the Decoma Venture will make a presentation at 2:00 p.m. on Friday, December 5, 1986 before the joint meeting of the Sacramento Housing and Redevelopment Commission and Redevelopment Agency for the Central Library Expansion Project.

We look forward to meeting with the Selection Committee again and discussing the Decoma Venture's qualifications and library proposal.

If you have any questions or need any information concerning the Decoma Venture before December 5, 1986, please do not hesitate call Michael Barker or me.

Very truly yours,


ALMA TINA HOGAN
Project Manager

cc: Michael D. Barker

File: Sacramento Library

ATH:sp:WWWW

10

LIBRARY PLAZA GROUP
c/o River West Developments
7700 College Town Drive
Suite 201
Sacramento, CA 95826

November 24, 1986

Mr. Leo T. Goto, Director HAND-DELIVERED
Special Projects
Sacramento Housing & Redevelopment Agency
630 I Street
Sacramento, CA 95814

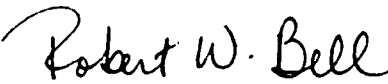
Dear Mr. Goto:

Thank you for your letter of November 19, 1986. Please be advised that the Library Plaza Group hereby confirms its interest in the Central Library Expansion Project and we intend to be present at the meeting to be held on December 5, 1986 at 2:00 p.m.

Thank you for your consideration in this matter.

Sincerely yours,

LIBRARY PLAZA GROUP

By 
Robert W. Bell

RWB:et

cc: Phil Angelides

MCCARTHY/MOSESIAN

1700 "K" Street
Bakersfield,
California 93301
(805) 327-9470

FEDERAL EXPRESS

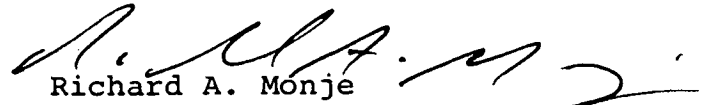
November 24, 1986

Mr. Leo T. Goto
Director, Special Projects
Sacramento Housing and Redevelopment
Agency
630 I Street
Sacramento, CA 95814

Dear Mr. Goto:

Thank you for your letter of November 19, 1986. McCarthy/
Mosesian does intend to participate in the December 5, 1986
selection process and thanks the Agency for that opportunity.

Sincerely yours,


Richard A. Monje

RAM/saw

21

EQUITABLE REAL ESTATE
INVESTMENT MANAGEMENT INC.



Richard B. Duffy
Senior Vice President
San Francisco Regional Office

December 4, 1986

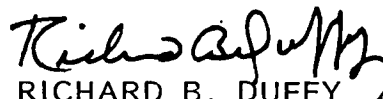
Mr. Michael D. Barker
General Partner
DECOMA VENTURE
c/o Barker Interests Limited
388 Market, Suite 1200
San Francisco, CA 94111

Re: Central Library Expansion

Dear Mr. Barker:

Thank you for your letter dated December 4, 1986. We accept your offer for an Exclusive Right to Negotiate with Decoma Venture under the terms contained therein. This office firmly believes in the future of Sacramento and desires to increase the size of Equitable's investment portfolio in the area. Should you be selected as developer for the Central Library Expansion, this office would look forward to discussing with you Equitable's possible participation in the project.

Very truly yours,


RICHARD B. DUFFY
Senior Vice President

RBD:cc:2403/dgh03

BARKER INTERESTS LIMITED
388 MARKET, SUITE 1200
SAN FRANCISCO, CALIFORNIA 94111
415/788-2993

December 4, 1986

Mr. Richard Duffy
Senior Vice President
Equitable Real Estate
Investment Management, Inc.
One Market Plaza
1900 Steuart Tower
San Francisco, CA 94105

Dear Mr. Duffy:

Per our previous discussions with your office, the Decoma Venture, (Decoma), a joint venture of Barker Interests Limited and Linbeck Construction Corporation, has requested from the Redevelopment Agency of the City of Sacramento (Agency) an option to negotiate exclusively with the Agency for a period of 270 days under the terms and conditions of the Agency's Request for Qualifications concerning the Library Expansion.

If Decoma is selected by the Agency as Developer, the Decoma grants Equitable Real Estate Investment Management, Inc. (Equitable) an Exclusive Right to Negotiate (Exclusive Right) to provide debt and/or equity financing on the Library Expansion. It is understood that Equitable would be acting as an advisor to either The Equitable Life Assurance Society of the United States and/or one or more of its clients. It is further understood that the possible terms and conditions of any such financing cannot at present be determined since the actual size, character and economics of the contemplated Library Expansion have not yet been determined. Therefore, it is the intention of Decoma, if selected as developer, and after determining the size, character and economics of the Library Expansion, to negotiate exclusively with Equitable to provide debt and/or equity financing. The term of this Exclusive Right shall extend until one year past the date that Decoma is selected as Developer by the Agency. If, during the term of this Exclusive Right Decoma receives a written offer from a third party to provide debt and/or equity financing (Offer), before accepting said Offer, Decoma shall first provide Equitable the opportunity to provide similar financing under the same general terms and conditions as those contained in the Offer.

This Exclusive Right to Negotiate can be terminated by Equitable prior to the one year term only upon written notice from Equitable.

Very truly yours,

THE DECOMA VENTURE
BIL DEVELOPMENT CORP.


MICHAEL D. BARKER
General Partner

MAYOR'S OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

CITY AND COUNTY OF SAN FRANCISCO



DIANNE FEINSTEIN
MAYOR

WILLIAM A. WITTE
EXECUTIVE DIRECTOR

December 2, 1986

Mr. Leo T. Goto
Director, Special Projects
Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, CA 95814

re: Barker Interests Ltd.

Dear Mr. Goto:

The purpose of this letter is to recommend Barker Interests Limited as a developer to the City of Sacramento. The City of San Francisco has enjoyed working with this highly competent firm both in the commercial development of 100 First Plaza and in the housing developments of Mission Capp Apartments and 737 Post Street.

100 First Plaza, a 27 story, \$130,000,000, 500,000 square foot office building in the heart of the Financial District was the first office development to comply with the new Office Affordable Housing Production Program, a city mandated program which requires that office developers must contribute not only to housing in the City, but also that such housing contain a component of affordable housing. Michael Barker exhibited a spirit of willingness and cooperation which, I feel, has been unequalled by others. In order to comply with his housing obligations, Mr. Barker contributed to the production of 250 units of rental housing in the downtown area, 737 Post Street, and also contributed much-needed equity to a 47-unit low and moderate income family project in the Mission District.

In the Mission housing development, Mr. Barker also achieved another "first" in the City of San Francisco. The project will house the first child care center to be developed under an obligation also incurred in the development of 100 First Plaza. Again, Mr. Barker exhibited a spirit of cooperation and developed a strong working relationship with each of the city agencies involved in the process.

Mr. Leo T. Goto
December 12, 1986
Page Two

The Mayor's Office of Housing and Economic Development has also been involved with Mr. Barker in the long-term financing of 737 Post and Mission Capp through the issuance of Multifamily Mortgage Revenue Bonds for these rental projects. They are both mixed - use projects:

1) 737 Post contains a renovated theater, a parking garage, retail space, and recreational facilities in addition to the housing; and

2) Mission-Capp contains a child care facility in addition to the family units.

Mr. Barker has performed in a thoroughly professional manner and has established an excellent track record in this City. His projects are of the highest quality, not only in the physical plant, but also in the their ability to attract high quality tenants, such as the Delta Dental Plan of California.

If you would like any other information regarding the qualifications or experience of Michael Barker in the City of San Francisco, please do not hesitate to call me.

Sincerely,



William A. Witte
Executive Director

WW/ER:rw



December 2, 1986

Mr. Leo T. Goto
Director, Special Projects
Sacramento Housing and
Redevelopment Agency
630 I Street
Sacramento, CA 95814

Dear Mr. Goto:

The San Francisco Department of City Planning had the opportunity over the past three years to work with Barker Interests Limited on two major projects.

One project is the 100 First Plaza, a 400,000 square foot office and retail complex featuring a major public open space. The other project is 737 Post Street (Metroplace), containing approximately 300 units of housing and restoration of an adjacent historic theatre building. Both projects are currently under construction.

Approval of these projects was discretionary and conditional from the City's standpoint. Barker Interests approached the project review and approval process in a most professional, timely and thorough manner. Mr. Michael Barker and his associates were patient with our demanding standards and vigorous review procedures and were compliant and cooperative with requests for studies, information and design revisions.

We were particularly impressed with Barker Interests' professional approach, commitment to quality, and ability not only to bring a project to the point of approval, but also to secure quality tenants, financing and construction management.

We now look forward to the completion of these two fine projects. We commend Barker Interest to you as a responsible organization capable of fulfilling Sacramento's expectations for its Central Library Expansion Project.

If we can be of further assistance, please feel free to let us know.

Sincerely yours,

Dean L. Macris
Dean L. Macris
Director of Planning

DLM



December 5, 1986

Sacramento Redevelopment Commission

Gentlemen:

The Miami Sports and Exhibition Authority has worked very closely with the Decoma Venture for the last three years in the overall planning and development of the Miami Sports Arena. Their creativity, originality, and strong financial skills garnered them the majority of the votes from the Authority and a unanimous vote of confidence from the Miami City Commission.

We highly recommend the Decoma Venture. They are in the midst of producing, under a grueling and tasking time frame, what we believe will be a source of pride for all of Miami.

It is important to mention their unique capacity of having maximized our local talent. Mr. C. Dean Patrinely, managing partner of Decoma, has been able to successfully assemble a team of some of our brightest local architects, engineers, and others.

The Decoma Venture are national experts on privatization. Their sound financial capabilities and commitment to professional excellence in the delivery of results have made the Decoma Venture a worthy partner in the development of what we feel will be the best multi-purpose arena in the nation.

Sincerely,

John A. Blaisdell
Executive Director

JAB:vek



BARCLAYS BANK PLC

75 Wall Street, New York, N.Y. 10265 Telephone: (212) 412-4000

December 3, 1986

Mr. Leo T. Goto
Director, Special Projects
Sacramento Housing and
Redevelopment Agency
630 "I" Street
Sacramento, CA 95814

Re: Barker Interests Limited

Dear Mr. Goto:

I am writing this letter on behalf of Barker Interests Limited, which I understand is the managing general partner of the Decoma Venture. Barclays Bank PLC, New York Branch ("Barclays") worked with both Michael Barker and Barker Interests Limited in connection with financing arrangements to 100 First Limited, of which Mr. Barker is the managing general partner, for the purpose of constructing a 27 story mixed-used project combining office, retail, garage and open spaces in downtown San Francisco to be known as 100 First Plaza (the "Project").

Both the Project and the financing arrangements are unique in several respects. The financing package for the Project is comprised of a traditional construction loan as well as the option to implement a commercial paper program and a rate swap transaction which allows the developer access to lower financing costs for the Project.

The \$95,000,000 construction loan phase of this transaction closed in May of this year. This aspect of the financing provides two interest rate options to the developer: prime rate and London Inter-Bank Offered Rate. The flexibility inherent in the developer's ability to select between these rates allows the developer the maximum benefit of the interest options available. The \$95,000,000 Barclays loan closing also involved a \$35,000,000 sale/leaseback arrangement and equity credit enhancement from a secondary lender. The complexity of the transaction was evidenced by more than 150 different documents at the closing.

Presently, Barclays and Mr. Barker expect to finalize documentation on the innovative commercial paper and interest rate swap aspects of the financing package. In the 100 First Commercial Paper program a wholly-owned subsidiary of the developer will issue short-term promissory notes to be sold to sophisticated investors in the commercial paper market which will yield cash proceeds for application to the construction costs of the Project. Barclays, through the issuance of a Letter of Credit, provides the credit enhancement necessary to achieve the top rating of these commercial paper notes by Moody's Investors Service Inc. and Standard & Poor's Corporation. The holders of the commercial paper notes as well as the developer's obligations to Barclays are secured by a deed of trust on the Project. The commercial paper notes are being marketed by Morgan Stanley & Co. Incorporated. The result is a less expensive, highly flexible financing technique that permits budget savings and new opportunities to accrue to the Project. To my knowledge, the 100 First transaction is the first time commercial paper has been utilized for a real estate financing on the West Coast. Similarly, the interest rate swap aspect of the 100 First transaction allows the developer to "lock into" a given interest rate for a specified period of time. This mechanism permits the developer to key into low interest rates and hedge against increased costs.

The Project is the first development approved under the newly implemented San Francisco Downtown Plan which involves, among other things, architectural review of the design and compliance with environmental and community enhancement concerns of the Plan. The Project also acquired transferable development rights from an adjoining site to take advantage of the maximum use of the Project site and these development rights were both "financeable" and "insurable." In addition, Barker Interests Limited secured a tenant to lease approximately 60% of the building before construction had commenced. Such substantial pre-leasing is even more impressive when one considers the present high vacancy rate in San Francisco. The tenant, Delta Dental Plan of California, is the largest dental insurer in the nation and a "AAA" tenant. The lease is the largest lease signed to date in San Francisco in 1986.


In summary, the 100 First transaction is a large complicated, sophisticated financing. From the start, the Barker team has managed and coordinated all the details of project management in a competent and professional manner: budgets, schedules, governmental compliance and permit

processing, consultants' contracts, leasing and marketing plans and property management/operation. They provide periodic project updates and keep all parties informed of project activities. Finally, they have utilized sophisticated financial mechanisms. The novelty of the transactions, the number of parties involved and the sheer size rank it as one of the "major deals" of 1986.

As indicated above, our experience with Mr. Barker and his organization to date has certainly been positive, and we look forward to working with him on additional transactions in the future. However, you must realize that we have no information relating to the Decoma Venture and its project, and this letter should not be construed as an offer or commitment for the financing of that project.

If you have any questions about the 100 First Plaza transaction or would like additional information, please do not hesitate to call me.

Very truly yours,


NICHOLAS ANDERSON,
Vice President,
Real Estate Group



First Interstate Mortgage Company
Income Property Department
One Embarcadero Center, Suite 2401
San Francisco, CA 94111
415 544-5907

Neil C. Nostrand
Executive Vice President

A subsidiary of
First Interstate Bancorp

December 5, 1986

Mr. Leo T. Goto
Director, Special Projects
Sacramento Housing and
Redevelopment Agency
630 "I" Street
Sacramento, CA 95814

Re: Barker Interests Limited

Dear Mr. Goto:

I understand that the Decoma Venture, of which Barker Interests Limited is a Managing General Partner, is being considered as the developer of the Central Library Expansion Project in Sacramento. First Interstate Mortgage Company has worked with Michael Barker and Barker Interests Limited on several occasions across the nation: California, Arizona and Florida.

The different projects exemplify the broad base and development expertise of the BIL development team. First, each of the projects involved a completely different type of development:

1. San Francisco: 250 unit residential/retail/theatre/
(\$34 million) parking complex
2. Phoenix: 30 acre master planned development
(\$11 million for Phase I) office/retail/hotel/parking
3. Ft. Lauderdale: 205,000 square foot office/5-level
(\$25 million) parking structure

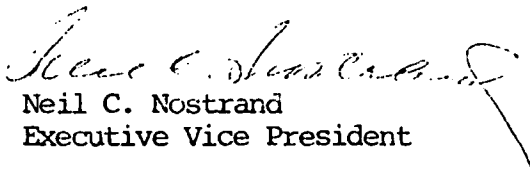
Second, these projects are in very different markets. The Barker Interests Limited development team has the ability to study a potential market, identify key locations, uses and tenants and become a viable market participant. Third, all these projects were undertaken at approximately the same time. The BIL team has the depth of organization to handle several projects in different stages of development in different locations across the nation.

Mr. Leo T. Goto
December 5, 1986
Page Two

Finally, in each case, the financial capability of each project was strong and the development could "stand on its own" financially. The projects involve many diverse features: traditional debt mortgage financing (Phoenix and Ft. Lauderdale), tax exempt bonds San Francisco international lenders (San Francisco) and pension funds (Ft. Lauderdale). In addition, the BIL team arranged through their private sources major equity contributions as necessary (San Francisco and Ft. Lauderdale). They have consistently provided detailed budget and cost data, complete and comprehensive loan draw packages and project update information in a professional and timely manner.

If you would like additional information on Barker Interests Limited financial capabilities, please give me a call.

Sincerely,


Neil C. Nostrand
Executive Vice President

NCN:gv

TEXAS COMMERCE BANK
WESTLAKE PARK
NATIONAL ASSOCIATION

JOSEF F. HALL
President and
Chief Executive Officer

December 4, 1986

Mr. Leo T. Goto
Director, Special Projects
Sacramento Housing and
Redevelopment Agency
630 "I" Street
Sacramento, CA 95814

Re: The Decoma Venture

Dear Mr. Goto,

Texas Commerce Bank-Houston and Texas Commerce Bank-WestLake Park have had financial relationships with the Decoma Venture and its principals for many years. Most recently, we issued a \$6.771 million letter of credit on behalf of Decoma to provide equity financing for the Miami Sports Arena, a public/private, mixed use complex including a 16,590 seat sports arena.

One of the Decoma Venture's principals, Barker Interests Limited has been a valued customer of this bank since January 1984. Barker Interests' principals, Michael D. Barker and C. Dean Patrinely, have also been personal loan and deposit customers since January 1983.

Linbeck Construction Company is also a prominent Houston firm and has been a long-time customer of Texas Commerce Bank-Houston.

Texas Commerce Bank-WestLake Park offices in a three building complex in West Houston which was developed by Michael Barker and Dean Patrinely while they were associated with Gerald D. Hines Interests. This project is one of the most prestigious office locations in West Houston and reflects most admirably on these individuals' real estate development skills.

In the Miami project, the Decoma Venture demonstrated the capability to structure and close a large scale complicated financing of over \$50 million involving tax exempt bonds plus private capital. In addition, because of its size and complexity, the project took three years to become a reality, reflecting Decoma's staying power.



WestLake Park

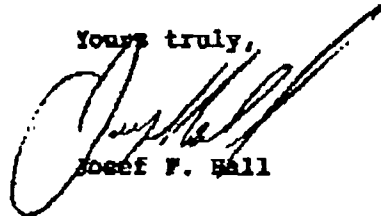
560 WestLake Park Blvd. P.O. Box 4600 Houston, Texas 77210 (713) 556-6500

Letter to Mr. Leo T. Goto
Re: The Decoma Venture
December 4, 1986
Page Two

Based on my knowledge of the Decoma Venture and its principals, I do not hesitate to recommend them for even the largest and most complicated development projects.

If I may provide further information, please do not hesitate to contact me.

Yours truly,

A handwritten signature in dark ink, appearing to read "Joseph F. Hall", written in a cursive style with a large loop at the end.

Joseph F. Hall

JFB:bb



First Interstate Mortgage Company
One Embarcadero Center
Suite 2401
San Francisco, CA 94111
415 544-5900

A subsidiary of
First Interstate Bancorp

December 1, 1986

Leo Goto
Director, Special Projects
Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, CA 95814

Re: Barker Interest Limited

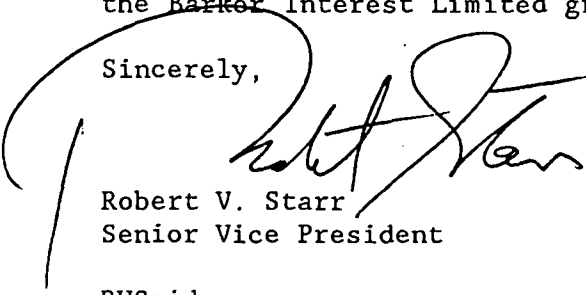
Dear Mr. Goto:

I understand that the Decoma Venture, of which Barker Interest Limited is a managing general partner, is being considered as the developer of the Central Library Expansion Project in Sacramento. First Interstate Mortgage Company has worked with Michael Barker and Barker Interest Limited in connection with the 737 Post Street project, a 250 unit mixed use residential/retail/theatre/parking complex in San Francisco. This \$34,000,000 project involves tax exempt bonds, private equity contributions, an interest rate swap, and national and foreign sources of credit. The project was developed in conjunction with the San Francisco Mayor's Office of Housing and Economic Development and involved the coordination of numerous local and state agencies.

My experience with Michael Barker and the BIL development team and my understanding of their background indicates to me they are competent in the broad spectrum of skills required to undertake and complete a first class development. They have evidenced their understanding of the complexities of structuring, documenting and closing sophisticated large-scale financings. They have the expertise and management information systems necessary to create financial models, develop and revise budgets and proformas, and analyse cash projections. In the 737 Post Street Project, they were able to arrange for substantial equity contributions and working capital requirements as needed.

Based on our past and present relationship, First Interstate Mortgage Company looks forward to additional future financing opportunities with the Barker Interest Limited group.

Sincerely,



Robert V. Starr
Senior Vice President

RVS:jds

BROOKS HARVEY

BROOKS HARVEY & CO., INC.
1633 BROADWAY
NEW YORK, NEW YORK 10019

December 2, 1986

Mr. Leo T. Goto
Director, Special Projects
Sacramento Housing and Redevelopment Agency
630 "I" Street
Sacramento, CA 95814

Re: Barker Interests Limited

Dear Mr. Goto:

Michael Barker has advised me that Barker Interests Limited, as part of the Decoma Venture, is one of the three developers currently under consideration for the Central Library Expansion Project in Sacramento. Having worked with Michael Barker to arrange the \$95,000,000 financing for 100 First Plaza in San Francisco, we believe that we are in a position to comment on and recommend the Barker team's financial capabilities.

The Barker team possesses a high degree of analytical expertise. They are sophisticated and seasoned developers who are not afraid to be innovative if a new financing mechanism can yield substantial cost savings for a project.

Having started his career in the financial industry, Michael Barker is familiar with underwriting procedures and lender requirements. He "knows what it takes to make a deal," which is evidenced by his financing the development and construction of more than four million square feet of prime office space.

The Barker team has undertaken projects across the nation. The financial contacts are as strong in New York, Houston and Florida as they are in California. They do "repeat business" with several major lenders. They are well connected with private capital sources and can obtain "equity" contributions as needed and appropriate.

Finally, the Barker team has the ability to coordinate the many details inherent in a large scale project and the talent to motivate and maintain a good working relationship among the all members of the project team.

In summary, we have enjoyed our professional association and look forward to more financings with Barker Interests in the future. Please feel free to call me at 212-703-2564 if you have any questions.

Sincerely,



William H. Walton
Vice President

①

EQUITABLE REAL ESTATE
INVESTMENT MANAGEMENT INC.

Richard B. Duffy
Senior Vice President
San Francisco Regional Office



December 4, 1986


Mr. Michael D. Barker
General Partner
DECOMA VENTURE
c/o Barker Interests Limited
388 Market, Suite 1200
San Francisco, CA 94111

Re: Central Library Expansion

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Very truly yours,


RICHARD B. DUFFY
Senior Vice President

RBD:cc:2403/dgh03



BARKER INTERESTS LIMITED
388 MARKET, SUITE 1200
SAN FRANCISCO, CALIFORNIA 94111
415/788-2993

December 4, 1986

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Senior Vice President
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Investment Management, Inc.
One Market Plaza
1900 Steuart Tower
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Dear Mr. Duffy:

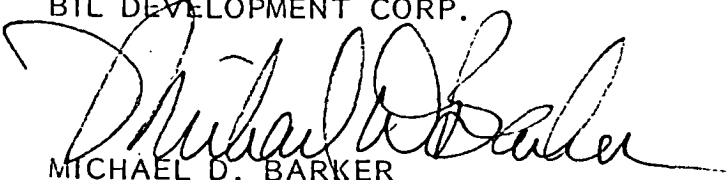
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THE DECOMA VENTURE
BIL DEVELOPMENT CORP.



MICHAEL D. BARKER
General Partner

①

MAYOR'S OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO



DIANNE FEINSTEIN
MAYOR

WILLIAM A. WITTE
EXECUTIVE DIRECTOR

December 2, 1986

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Director, Special Projects
Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, CA 95814

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If you would like any other information regarding the qualifications or experience of Michael Barker in the City of San Francisco, please do not hesitate to call me.

Sincerely,



William A. Witte
Executive Director

WW/ER:rw



December 2, 1986

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Sacramento Housing and
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630 I Street
Sacramento, CA 95814

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Director of Planning

DLM



December 5, 1986

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Sincerely,

John A. Blaisdell
Executive Director

JAB:vek



BARCLAYS BANK PLC

75 Wall Street, New York, N.Y. 10265 Telephone: (212) 412-4000

December 3, 1986

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Director, Special Projects
Sacramento Housing and
Redevelopment Agency
630 "I" Street
Sacramento, CA 95814

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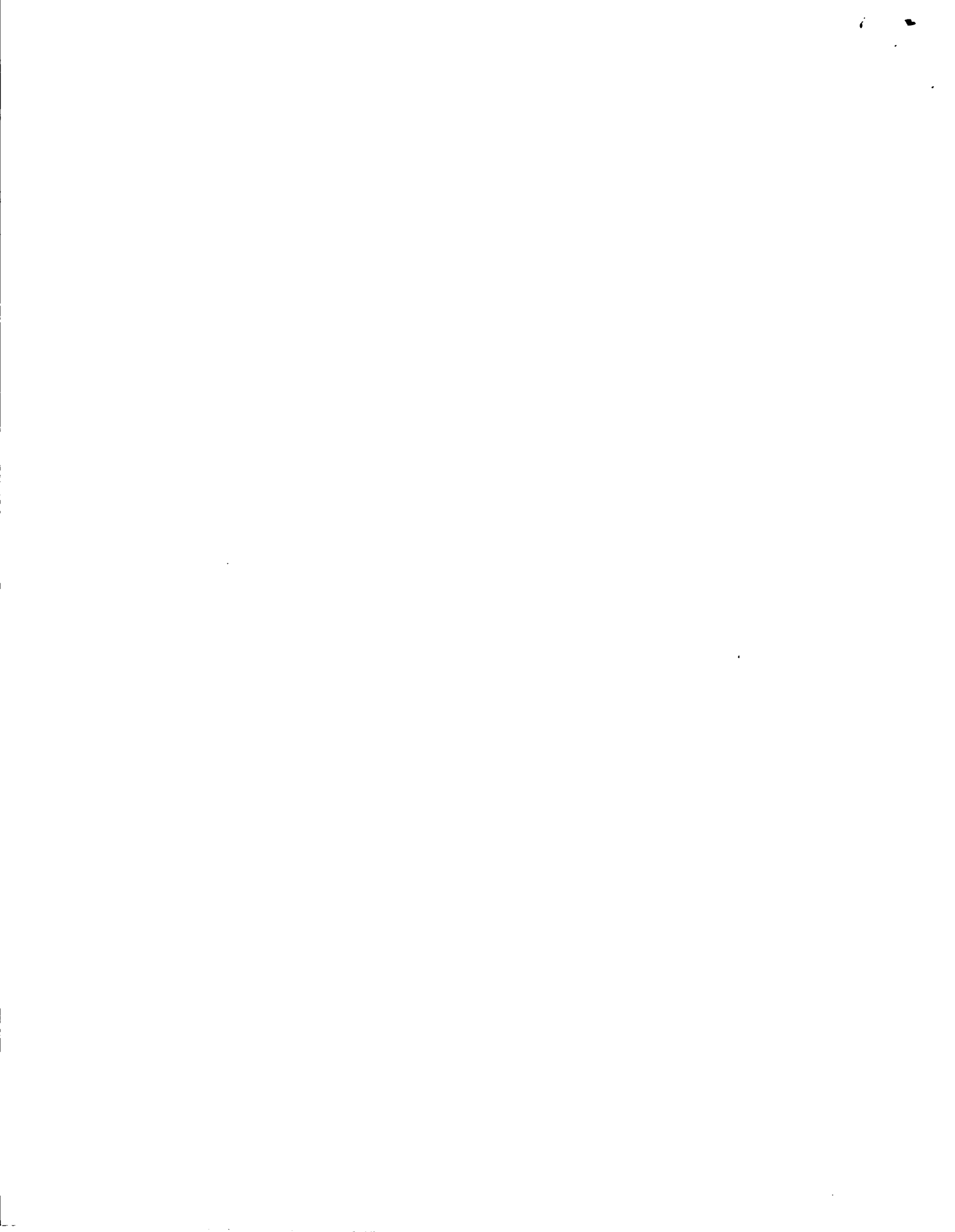
The \$95,000,000 construction loan phase of this transaction closed in May of this year. This aspect of the financing provides two interest rate options to the developer: prime rate and London Inter-Bank Offered Rate. The flexibility inherent in the developer's ability to select between these rates allows the developer the maximum benefit of the interest options available. The \$95,000,000 Barclays loan closing also involved a \$35,000,000 sale/leaseback arrangement and equity credit enhancement from a secondary lender. The complexity of the transaction was evidenced by more than 150 different documents at the closing.



Presently, Barclays and Mr. Barker expect to finalize documentation on the innovative commercial paper and interest rate swap aspects of the financing package. In the 100 First Commercial Paper program a wholly-owned subsidiary of the developer will issue short-term promissory notes to be sold to sophisticated investors in the commercial paper market which will yield cash proceeds for application to the construction costs of the Project. Barclays, through the issuance of a Letter of Credit, provides the credit enhancement necessary to achieve the top rating of these commercial paper notes by Moody's Investors Service Inc. and Standard & Poor's Corporation. The holders of the commercial paper notes as well as the developer's obligations to Barclays are secured by a deed of trust on the Project. The commercial paper notes are being marketed by Morgan Stanley & Co. Incorporated. The result is a less expensive, highly flexible financing technique that permits budget savings and new opportunities to accrue to the Project. To my knowledge, the 100 First transaction is the first time commercial paper has been utilized for a real estate financing on the West Coast. Similarly, the interest rate swap aspect of the 100 First transaction allows the developer to "lock into" a given interest rate for a specified period of time. This mechanism permits the developer to key into low interest rates and hedge against increased costs.

The Project is the first development approved under the newly implemented San Francisco Downtown Plan which involves, among other things, architectural review of the design and compliance with environmental and community enhancement concerns of the Plan. The Project also acquired transferable development rights from an adjoining site to take advantage of the maximum use of the Project site and these development rights were both "financeable" and "insurable." In addition, Barker Interests Limited secured a tenant to lease approximately 60% of the building before construction had commenced. Such substantial pre-leasing is even more impressive when one considers the present high vacancy rate in San Francisco. The tenant, Delta Dental Plan of California, is the largest dental insurer in the nation and a "AAA" tenant. The lease is the largest lease signed to date in San Francisco in 1986.

In summary, the 100 First transaction is a large complicated, sophisticated financing. From the start, the Barker team has managed and coordinated all the details of project management in a competent and professional manner: budgets, schedules, governmental compliance and permit




processing, consultants' contracts, leasing and marketing plans and property management/operation. They provide periodic project updates and keep all parties informed of project activities. Finally, they have utilized sophisticated financial mechanisms. The novelty of the transactions, the number of parties involved and the sheer size rank it as one of the "major deals" of 1986.

As indicated above, our experience with Mr. Barker and his organization to date has certainly been positive, and we look forward to working with him on additional transactions in the future. However, you must realize that we have no information relating to the Decoma Venture and its project, and this letter should not be construed as an offer or commitment for the financing of that project.

If you have any questions about the 100 First Plaza transaction or would like additional information, please do not hesitate to call me.

Very truly yours,


NICHOLAS ANDERSON,
Vice President,
Real Estate Group



First Interstate Mortgage Company
Income Property Department
One Embarcadero Center, Suite 2401
San Francisco, CA 94111
415 544-5907

Neil C. Nostrand
Executive Vice President

A subsidiary of
First Interstate Bancorp

December 5, 1986

Mr. Leo T. Goto
Director, Special Projects
Sacramento Housing and
Redevelopment Agency
630 "I" Street
Sacramento, CA 95814

Re: Barker Interests Limited

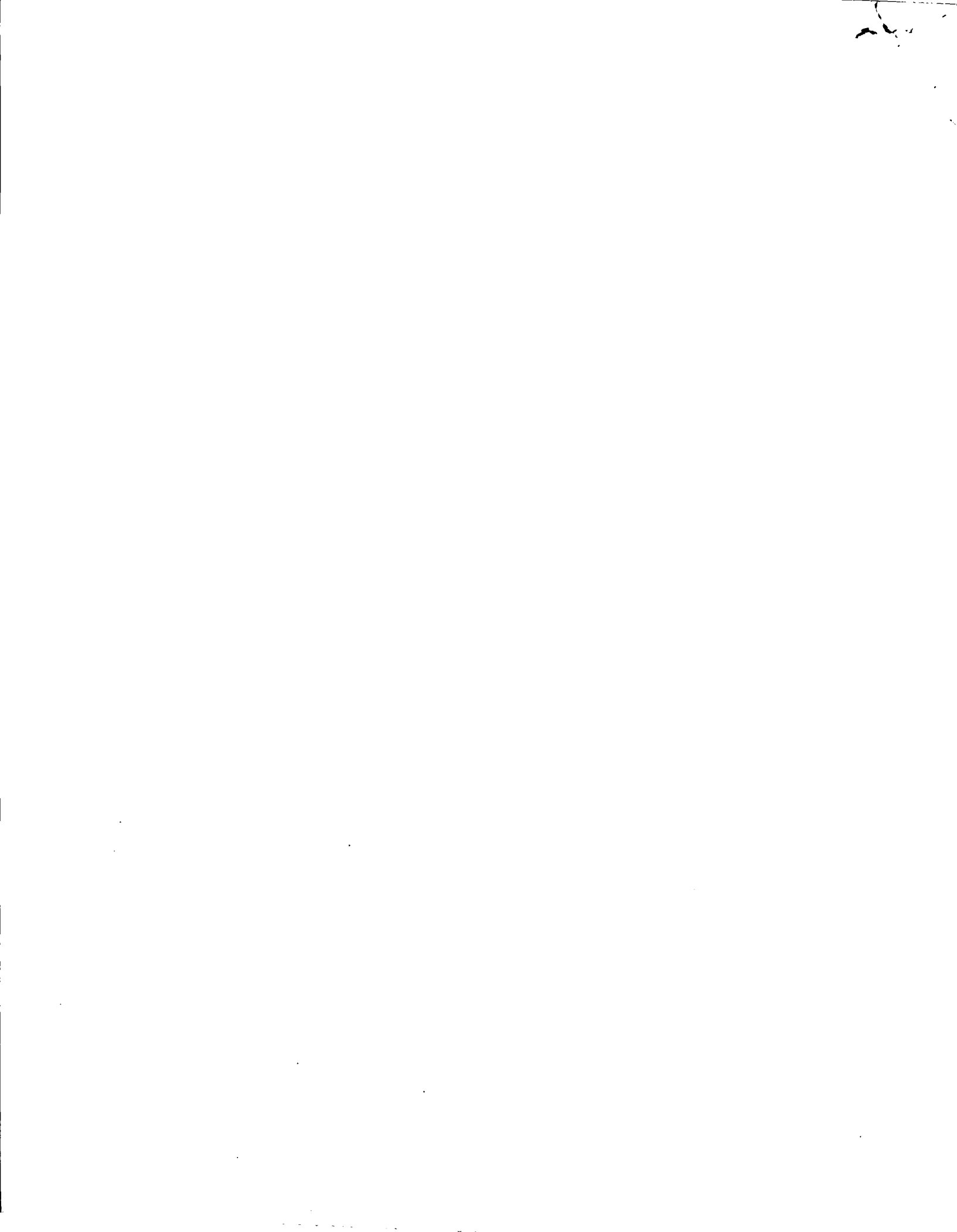
Dear Mr. Goto:

I understand that the Decoma Venture, of which Barker Interests Limited is a Managing General Partner, is being considered as the developer of the Central Library Expansion Project in Sacramento. First Interstate Mortgage Company has worked with Michael Barker and Barker Interests Limited on several occasions across the nation: California, Arizona and Florida.

The different projects exemplify the broad base and development expertise of the BIL development team. First, each of the projects involved a completely different type of development:

- | | |
|---|---|
| 1. San Francisco:
(\$34 million) | 250 unit residential/retail/theatre/
parking complex |
| 2. Phoenix:
(\$11 million for Phase I) | 30 acre master planned development
office/retail/hotel/parking |
| 3. Ft. Lauderdale:
(\$25 million) | 205,000 square foot office/5-level
parking structure |

Second, these projects are in very different markets. The Barker Interests Limited development team has the ability to study a potential market, identify key locations, uses and tenants and become a viable market participant. Third, all these projects were undertaken at approximately the same time. The BIL team has the depth of organization to handle several projects in different stages of development in different locations across the nation.

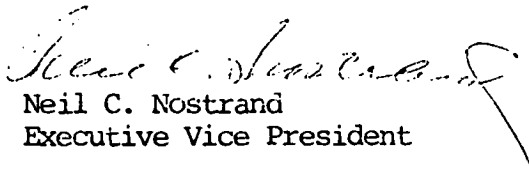


Mr. Leo T. Goto
December 5, 1986
Page Two

Finally, in each case, the financial capability of each project was strong and the development could "stand on its own" financially. The projects involve many diverse features: traditional debt mortgage financing (Phoenix and Ft. Lauderdale), tax exempt bonds San Francisco international lenders (San Francisco) and pension funds (Ft. Lauderdale). In addition, the BIL team arranged through their private sources major equity contributions as necessary (San Francisco and Ft. Lauderdale). They have consistently provided detailed budget and cost data, complete and comprehensive loan draw packages and project update information in a professional and timely manner.

If you would like additional information on Barker Interests Limited financial capabilities, please give me a call.

Sincerely,


Neil C. Nostrand
Executive Vice President

NCN:gv

TEXAS COMMERCE BANK
WESTLAKE PARK
NATIONAL ASSOCIATION

JOSEF F. HALL
President and
Chief Executive Officer

December 4, 1986

Mr. Leo T. Goto
Director, Special Projects
Sacramento Housing and
Redevelopment Agency
630 "I" Street
Sacramento, CA 95814

Re: The Decoma Venture

Dear Mr. Goto,

Texas Commerce Bank-Houston and Texas Commerce Bank-WestLake Park have had financial relationships with the Decoma Venture and its principals for many years. Most recently, we issued a \$6.771 million letter of credit on behalf of Decoma to provide equity financing for the Miami Sports Arena, a public/private, mixed use complex including a 16,590 seat sports arena.

One of the Decoma Venture's principals, Barker Interests Limited has been a valued customer of this bank since January 1984. Barker Interests' principals, Michael D. Barker and C. Dean Patrinely, have also been personal loan and deposit customers since January 1983.

Linbeck Construction Company is also a prominent Houston firm and has been a long-time customer of Texas Commerce Bank-Houston.

Texas Commerce Bank-WestLake Park offices in a three building complex in West Houston which was developed by Michael Barker and Dean Patrinely while they were associated with Gerald D. Binea Interests. This project is one of the most prestigious office locations in West Houston and reflects most admirably on these individuals' real estate development skills.

In the Miami project, the Decoma Venture demonstrated the capability to structure and close a large scale complicated financing of over \$50 million involving tax exempt bonds plus private capital. In addition, because of its size and complexity, the project took three years to become a reality, reflecting Decoma's staying power.



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Letter to Mr. Leo T. Goto

Re: The Decoma Venture

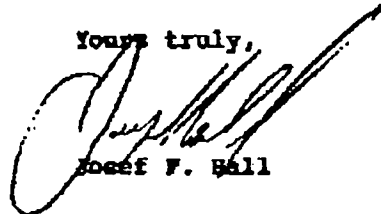
December 4, 1986

Page Two

Based on my knowledge of the Decoma Venture and its principals, I do not hesitate to recommend them for even the largest and most complicated development projects.

If I may provide further information, please do not hesitate to contact me.

Yours truly,

A handwritten signature in dark ink, appearing to read "Joseph F. Ball", written over a typewritten name.

Joseph F. Ball

JFB:bb



First Interstate Mortgage Company
One Embarcadero Center
Suite 2401
San Francisco, CA 94111
415 544-5900

A subsidiary of
First Interstate Bancorp

December 1, 1986

Leo Goto
Director, Special Projects
Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, CA 95814

Re: Barker Interest Limited

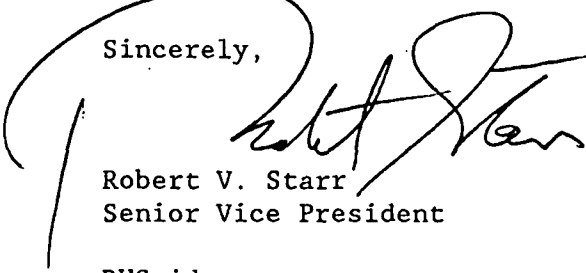
Dear Mr. Goto:

I understand that the Decoma Venture, of which Barker Interest Limited is a managing general partner, is being considered as the developer of the Central Library Expansion Project in Sacramento. First Interstate Mortgage Company has worked with Michael Barker and Barker Interest Limited in connection with the 737 Post Street project, a 250 unit mixed use residential/retail/theatre/parking complex in San Francisco. This \$34,000,000 project involves tax exempt bonds, private equity contributions, an interest rate swap, and national and foreign sources of credit. The project was developed in conjunction with the San Francisco Mayor's Office of Housing and Economic Development and involved the coordination of numerous local and state agencies.

My experience with Michael Barker and the BIL development team and my understanding of their background indicates to me they are competent in the broad spectrum of skills required to undertake and complete a first class development. They have evidenced their understanding of the complexities of structuring, documenting and closing sophisticated large-scale financings. They have the expertise and management information systems necessary to create financial models, develop and revise budgets and proformas, and analyse cash projections. In the 737 Post Street Project, they were able to arrange for substantial equity contributions and working capital requirements as needed.

Based on our past and present relationship, First Interstate Mortgage Company looks forward to additional future financing opportunities with the Barker Interest Limited group.

Sincerely,



Robert V. Starr
Senior Vice President

RVS:jds

BROOKS HARVEY

BROOKS HARVEY & CO., INC.
1633 BROADWAY
NEW YORK, NEW YORK 10019

December 2, 1986

Mr. Leo T. Goto
Director, Special Projects
Sacramento Housing and Redevelopment Agency
630 "I" Street
Sacramento, CA 95814

Re: Barker Interests Limited

Dear Mr. Goto:

Michael Barker has advised me that Barker Interests Limited, as part of the Decoma Venture, is one of the three developers currently under consideration for the Central Library Expansion Project in Sacramento. Having worked with Michael Barker to arrange the \$95,000,000 financing for 100 First Plaza in San Francisco, we believe that we are in a position to comment on and recommend the Barker team's financial capabilities.

The Barker team possesses a high degree of analytical expertise. They are sophisticated and seasoned developers who are not afraid to be innovative if a new financing mechanism can yield substantial cost savings for a project.

Having started his career in the financial industry, Michael Barker is familiar with underwriting procedures and lender requirements. He "knows what it takes to make a deal," which is evidenced by his financing the development and construction of more than four million square feet of prime office space.

The Barker team has undertaken projects across the nation. The financial contacts are as strong in New York, Houston and Florida as they are in California. They do "repeat business" with several major lenders. They are well connected with private capital sources and can obtain "equity" contributions as needed and appropriate.

Finally, the Barker team has the ability to coordinate the many details inherent in a large scale project and the talent to motivate and maintain a good working relationship among the all members of the project team.

In summary, we have enjoyed our professional association and look forward to more financings with Barker Interests in the future. Please feel free to call me at 212-703-2564 if you have any questions.

Sincerely,



William H. Walton
Vice President