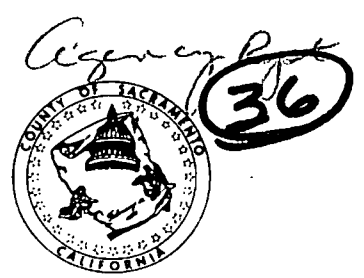


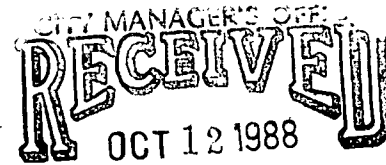


**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



October 18, 1988

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California



Honorable Members in Session:

SUBJECT: Amendment to Memorandum of Understanding (MOU) for Docks Hotel Project

SUMMARY

This report regards a third amendment to the Memorandum of Understanding (MOU) for the Docks Hotel Project. The attached resolution:

- 1) acknowledges the joint venture partnership of Riverview Development Group, Inc. and Embassy Suites, Inc. as the developer of the Docks Hotel Project and authorizes exclusive negotiations with the new Joint Venture;
- 2) approves the assignment of the Docks Hotel Project MOU from Riverview Development Group to the new joint venture (known as Riverview-Embassy Joint Venture);
- 3) authorizes a time extension of the MOU term to allow adequate time to complete and process the Predevelopment Agreement, Development Agreement, Ground Lease and Parking Lease for the Agency's approval;
- 4) sets a deadline and automatic termination date of January 16, 1989, for submission of final development agreements for Agency approval; and
- 5) authorizes the Executive Director to execute the MOU amendment.

BACKGROUND

As you recall, on June 6, 1988, the Redevelopment Agency authorized the extension of the Docks Hotel Project MOU in order to allow Riverview Development Group, Inc. an opportunity to submit full executed joint venture papers with Embassy Suites, Inc. for development of the Docks Hotel Project at Front Street and Capitol Mall.

10-20-88  
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(1)

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

Redevelopment Agency of the  
City of Sacramento  
October 18, 1988  
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A second extension of term was approved on September 13, 1988 as a result of approval of the joint venture by the Holiday Hotel Corporation (parent company of Embassy Suites, Inc.) which set a final deadline of October 7, 1988, for submission of fully executed partnership papers. Based on the submission of the joint venture papers, Agency staff is recommending that the Agency proceed with completion and processing of development agreements for the development of the Docks Hotel Project. In order to allow adequate time to finalize the subject development agreements and have the developer submit revised concept plans, staff is recommending that the existing MOU be assigned to the joint venture and that the term be extended until January 16, 1989 (approximately 90 days).

During the extended term, staff and developer will complete preparation of a Predevelopment Agreement; Development Agreement; Ground Lease and Parking Lease which set forth the terms and conditions for the project and a schedule of performance. In addition, the developer is to submit a revised architectural concept plan and subject development agreements. As you may recall, this project calls for a Predevelopment Phase in order to allow adequate time for site assembly, design review, evidence of financing, etc.

**POLICY IMPLICATIONS**

The proposed action is consistent with previously approved Agency policy and no policy changes are recommended as a result of the proposed action.

**FINANCIAL IMPLICATIONS**

Approval of the attached resolution does not itself have any direct financial impact on the Agency. Should, however, the MOU period successfully conclude in executed development agreements, the Agency and City will be committed to financing the site assembly, the public improvements immediately surrounding the site and a parking garage for the hotel. Total costs for these items are estimated to be approximately \$5.5 million. Financing for these improvements is proposed from leveraged sources (revenue bonds backed by transient occupancy taxes and other revenues). A significant step under the proposed Predevelopment Agreement is the approval of a financing plan for the subject public improvements, including any necessary credit guarantees provided by the developer and/or the Agency and City.

**ENVIRONMENTAL REVIEW**

A complete Environmental Impact Report (EIR) for the Docks Project was previously prepared and certified. This action is in conformance with the actions contemplated by the certified EIR.

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the  
City of Sacramento  
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### VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of October 17, 1988, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action. In the event they fail to do so, you will be advised prior to your October 18, 1988 meeting.

### RECOMMENDATIONS

The staff recommends the approval of the attached resolution which: (1) acknowledges the joint venture partnership of Riverview Development Group, Inc. and Embassy Suites, Inc.; (2) assigns the Docks Hotel Project MOU to the joint venture known as Riverview-Embassy Joint Venture; (3) amends and extends the MOU until January 16, 1989 for purposes of preparing and submitting for approval the necessary development agreements for this project; (4) sets January 16, 1989 as a deadline and automatic termination date submission of final development agreements for Agency approval; and (5) authorizes the Executive Director to execute the MOU amendment.

Respectfully submitted,

  
WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COUNCIL:

  
Walter J. Slife  
City Manager

Contact Person: Andrew J. Plescia, 440-1333

1100WPP(170)

# RESOLUTION NO. 88-077

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

ASSIGNMENT AND AMENDMENT TO MEMORANDUM OF UNDERSTANDING AND RELATED DOCUMENTS REGARDING THE DOCKS HOTEL DEVELOPMENT

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

Section 1: The joint venture partnership of Embassy Suites, Inc. and Riverview Development Group, known as Riverview-Embassy Joint Venture, as the developer of the Docks Hotel Project is hereby acknowledged and exclusive negotiations with the joint venture are hereby authorized.

Section 2: The assignment of the Hotel Project portion of the Offer to Purchase and Redevelop Land and the Memorandum of Understanding (MOU) to the new joint venture (known as Riverview-Embassy Joint Venture) is hereby approved.

Section 3: The Executive Director is authorized to amend the ending date of the MOU to January 16, 1989 in order to allow adequate time to complete preparation and process the Docks Hotel Project Predevelopment Agreement, Development Agreement, Ground Lease and Parking Lease for the Redevelopment Agency's approval.

Section 4: The Executive Director is authorized to amend the MOU by including an automatic termination date of January 16, 1989, for submission of final Docks Hotel development agreements for Agency approval.

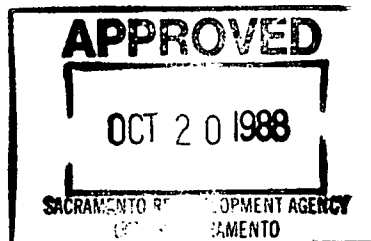
Section 5: The Executive Director is authorized to execute the MOU amendment agreement.

CHAIR

ATTEST:

SECRETARY

1100WPP2(161)



THIRD AMENDMENT TO THE DOCKS HOTEL PROJECT  
MEMORANDUM OF UNDERSTANDING (MOU)

This Amendment Agreement is entered into this the twentieth (20th) day of October, 1988, by and between the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO (the "Agency") and the RIVERVIEW DEVELOPMENT GROUP, a California corporation, and RIVERVIEW-EMBASSY JOINT VENTURE, a California general partnership (the "Redeveloper").

RECITALS

A. WHEREAS, the Agency and Riverview Development Group, Inc. entered into a Memorandum of Understanding (the "MOU") dated July 6, 1987 (Exhibit "A"), as amended by agreement of the parties on June 6, 1988, (Exhibit "B"), and September 13, 1988, (Exhibit "C") for the purposes of providing Riverview Development Group the opportunity to negotiate a legally binding joint venture agreement with Embassy Suites, Inc. for the Docks Hotel project; and

B. WHEREAS, on October 7, 1988, Riverview Development Group and Embassy Suites, Inc. submitted a legally binding joint venture agreement, creating a California general partnership known as Riverview-Embassy Joint Venture, in accordance with the requirements of the MOU, as amended; and

C. WHEREAS, on October 18, 1988, the Agency approved the assignment of the Hotel portion of the MOU and all related documents from Riverview Development Group to Riverview-Embassy Joint Venture; and

D. WHEREAS, the Agency further authorized an extension of term for the MOU in order to provide time to complete preparation of Predevelopment Agreement, Development Agreement, Ground Lease and Parking Lease for the Docks Hotel Project.

NOW, THEREFORE, THE PARTIES HERETO DO AGREE TO THE FOLLOWING AMENDMENT TO THE "MOU":

1. Section A (1) (b) of the MOU is amended to read as follows:

"b. The developer for the Docks Hotel Project shall be Riverview-Embassy Joint Venture, a California general partnership, a joint venture of Riverview Development Group, Inc. and Embassy Suites, Inc., as set forth in a joint venture agreement between the parties dated October 7, 1988. The Redeveloper for any other projects as part of the Offer and MOU shall be Riverview Development Group, Inc."

2. Section B.1 of the amended MOU is amended to read as follows:

"1. For purposes of the Offer, Redeveloper Selection and this MOU, the Negotiation Period is extended to January 16, 1989 to allow Redeveloper and Agency time to finalize and process the Predevelopment Agreement; Development Agreement; Ground Lease and Parking Lease relating to the development of the Docks Hotel Project and certain public improvements for the Agency's approval.

In the event the Redeveloper fails to negotiate with Agency staff a mutually acceptable set of development documents including a Predevelopment Agreement; Development Agreement; Ground Lease and Parking Lease and/or developer fails to show evidence of acceptance of such agreements prior to January 16, 1989, parties relating to the Project shall automatically terminate with no further legal obligations to each other relating to the future development of the Docks Project. For purposes of this MOU, evidence of acceptance shall mean that the Redeveloper shall have a fully authorized representative(s) execute the necessary portions of the subject development documents by January 16, 1989. Such documents then executed by developer shall be presented to the Redevelopment Agency for final authorization and approval."

3. In all other respects, the MOU shall remain the same.

IN WITNESS HEREOF, the parties hereto have executed this document as of the date first above written.

REDEVELOPMENT AGENCY OF THE  
CITY OF SACRAMENTO

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
AGENCY COUNSEL

BY: \_\_\_\_\_

DEVELOPERS  
RIVERVIEW-EMBASSY JOINT VENTURE,  
A California General Partnership

RIVERVIEW DEVELOPMENT  
GROUP, INC. A California  
Corporation

BY: \_\_\_\_\_  
Title

EMBASSY SUITES, INC.  
A Delaware Corporation

BY: \_\_\_\_\_  
Title

# RESOLUTION NO.

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

ASSIGNMENT AND AMENDMENT TO MEMORANDUM OF UNDERSTANDING  
AND RELATED DOCUMENTS REGARDING THE DOCKS HOTEL DEVELOPMENT

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

Section 1: The joint venture partnership of Embassy Suites, Inc. and Riverview Development Group, known as Riverview-Embassy Joint Venture, as the developer of the Docks Hotel Project is hereby acknowledged and exclusive negotiations with the joint venture are hereby authorized.

Section 2: The assignment of the Offer to Purchase and Redevelop Land and the Memorandum of Understanding (MOU) to the new joint venture (known as Riverview-Embassy Joint Venture) is hereby approved.

Section 3: The Executive Director is authorized to amend the ending date of the MOU to January 16, 1989 in order to allow adequate time to complete preparation and process the Predevelopment Agreement, Development Agreement, Ground Lease and Parking Lease for the Redevelopment Agency's approval.

Section 4: The Executive Director is authorized to amend the MOU by including an automatic termination date of January 16, 1989, for submission of final Docks Hotel development agreements for Agency approval.

Section 5: The Executive Director is authorized to execute the MOU amendment agreement.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

THIRD AMENDMENT TO THE DOCKS HOTEL PROJECT  
MEMORANDUM OF UNDERSTANDING (MOU)

This Amendment Agreement is entered into this the twentieth (20th) day of October, 1988, by and between the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO (the "Agency") and the RIVERVIEW DEVELOPMENT GROUP, a California corporation, and RIVERVIEW-EMBASSY JOINT VENTURE, a California general partnership (the "Redeveloper").

RECITALS

A. WHEREAS, the Agency and Riverview Development Group, Inc. entered into a Memorandum of Understanding (the "MOU") dated July 6, 1987 (Exhibit "A"), as amended by agreement of the parties on June 6, 1988, (Exhibit "B"), and September 13, 1988, (Exhibit "C") for the purposes of providing Riverview Development Group the opportunity to negotiate a legally binding joint venture agreement with Embassy Suites, Inc. for the Docks Hotel project; and

B. WHEREAS, on October 7, 1988, Riverview Development Group and Embassy Suites, Inc. submitted a legally binding joint venture agreement, creating a California general partnership known as Riverview-Embassy Joint Venture, in accordance with the requirements of the MOU, as amended; and

C. WHEREAS, on October 18, 1988, the Agency approved the assignment of the MOU and all related documents from Riverview Development Group to Riverview-Embassy Joint Venture; and

D. WHEREAS, the Agency further authorized an extension of term for the MOU in order to provide time to complete preparation of Predevelopment Agreement, Development Agreement, Ground Lease and Parking Lease for the Docks Hotel Project.

NOW, THEREFORE, THE PARTIES HERETO DO AGREE TO THE FOLLOWING AMENDMENT TO THE "MOU":

1. Section A (1) (b) of the MOU is amended to read as follows:

"b. the developer shall be Riverview-Embassy Joint Venture, a California general partnership, a joint venture of Riverview Development Group, Inc. and Embassy Suites, Inc., as set forth in a joint venture agreement between the parties dated October 7, 1988."

2. Section B.1 of the amended MOU is amended to read as follows:

"1. For purposes of the Offer, Redeveloper Selection and this MOU, the Negotiation Period is extended to January 16, 1989 to allow Redeveloper and Agency time to finalize and process the Predevelopment Agreement; Development Agreement; Ground Lease and Parking Lease relating to the development of the Docks Hotel Project and certain public improvements for the Agency's approval.



In the event the Redeveloper fails to negotiate with Agency staff a mutually acceptable set of development documents including a Predevelopment Agreement; Development Agreement; Ground Lease and Parking Lease and/or developer fails to show evidence of acceptance of such agreements prior to January 16, 1989, parties relating to the Project shall automatically terminate with no further legal obligations to each other relating to the future development of the Docks Project. For purposes of this MOU, evidence of acceptance shall mean that the Redeveloper shall have a fully authorized representative(s) execute the necessary portions of the subject development documents by January 16, 1989. Such documents then executed by developer shall be presented to the Redevelopment Agency for final authorization and approval."

3. In all other respects, the MOU shall remain the same.

IN WITNESS HEREOF, the parties hereto have executed this document as of the date first above written.

REDEVELOPMENT AGENCY OF THE  
CITY OF SACRAMENTO

APPROVED AS TO FORM:

BY: \_\_\_\_\_

BY: \_\_\_\_\_  
AGENCY COUNSEL

DEVELOPERS  
RIVERVIEW-EMBASSY JOINT VENTURE,  
A California General Parntership

RIVERVIEW DEVELOPMENT  
GROUP, INC. A California  
Corporation

BY: \_\_\_\_\_  
Title

EMBASSY SUITES, INC.  
A Deleware Corporation

BY: \_\_\_\_\_  
Title