



APPROVED  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO



Com. Report

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## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

March 23, 1982

APR 13 1982

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California

CITY MANAGER'S OFFICE  
**RECEIVED**  
APR 7 1982

Honorable Members in Session:

SUBJECT: Acquisition of the Enterprise Hotel, 912-916 Second Street, Old Sacramento Parcel No. 26, Enterprise Hotel Group, Owner

### SUMMARY

The ownership of the Enterprise Hotel has failed to enter into an Owner Participation Agreement for the rehabilitation of the Enterprise Hotel, Old Sacramento Parcel No. 26. The staff recommends that the Agency proceed with the acquisition of the Enterprise Hotel property.

### BACKGROUND

At the May 12, 1981 Planning Development/Old Sacramento (PD/OS) Committee meeting, the Committee granted the owners, Enterprise Hotel Group, sixty (60) days in which to submit ownership information, a program for rehabilitation and a Schedule for Performance.

The Committee further recommended the Agency secure an appraisal and investigate other costs of acquisition.

By letter dated June 16, 1981 from Fred P. Harris, Attorney, the Agency was notified that he is representing the Enterprise Hotel Group and that a Scope of Development and Schedule of Performance were being prepared by Mr. Ken Marr and Mr. Ralph Vitiello. By letter dated July 7, 1981 from Mr. Harris, a proposed Schedule of Performance has been submitted. The Agency was verbally informed that Mr. Ken Marr and Mr. Ralph Vitiello have been designated the managing partners. By letter dated July 10, 1981 Mr. Harris submitted a list of the Enterprise Hotel Group partnership as then thought to be the property owners.

On July 28, 1981 the PD/OS Committee continued its hearing on the matter until August 11, 1981. Subsequently, Enterprise Hotel Group discovered that a question of the ownership existed and commenced litigation to ascertain who the true owners are.

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# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California  
March 23, 1982  
Page Two

By letter dated October 7, 1981 Mr. Harris indicated that the then known owners of the Enterprise Hotel had agreed to execute the Owner Participation Agreement and proceed with development of the property pending the outcome of the litigation to determine the ownership.

The Commission at its November 16, 1981 meeting considered the possible acquisition of property and granted the owners an informal temporary time extension in which to identify and resolve their ownership interest problems as the Agency would need to identify the ownership should it elect to acquire the property.

The Agency has learned that the ownership litigation has been concluded and the ownership interest resolved. The Agency has not yet received the required executed Owner Participation Agreement which per Mr. Harris' letter of October 7, 1981 is to be forthcoming from the owners. The Owner Participation Agreement is to incorporate the proposed Scope of Development and the Schedule of Performance. Though the Schedule of Performance has been submitted, a copy of which is attached as Exhibit I, a Scope of Development has not been presented. The managing partners have proposed that this be delineated and detailed by the preliminary plans. However, a narrative is required for inclusion in the Agreement.

The owners, by letter dated March 18, 1982 to Mr. Harris and the managing partners have been reminded of the Agency's requirement for an Owner Participation Agreement and of the possible acquisition by the Agency of their property should they not enter into the Agreement. Should the Enterprise Hotel ownership choose not to execute the Owner Participation Agreement, the Agency may proceed with the acquisition of the property. If the Agency elects to initiate eminent domain proceedings, it may stop its acquisition at any time. Thus the Enterprise Hotel ownership could prevent acquisition if within the time period of the eminent domain action they execute the Owner Participation Agreement.

## FINANCIAL DATA

The market value of the Enterprise Hotel property has been established by an appraisal of August 1981 as being \$100,000. Acquisition funds would come from the \$1.5 million Tax Increment Revolving Loan Fund included in the Report on the Use of Tax Increment Funds for 1982-1986 as adopted by the Redevelopment Agency on March 9, 1982. The Agency's

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California  
March 23, 1982  
Page Three

acquisition cost would be reimbursed to the Agency, in part or in whole; by a Redeveloper; in part, if the Agency chose to write down any of the acquisition cost. Upon acquisition, the Agency would advertise the property for redevelopment. The Agency will incur advertising cost which may exceed \$1,000.00, depending upon the type and frequency of advertisement.

### VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of April 5, 1982 the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

- AYES: Dickinson, Knepprath, Luevano, A. Miller, Walton
- NOES: None
- ABSTAIN: Fisher
- ABSENT: Angelides, B. Miller, Teramoto

### RECOMMENDATION

The staff recommends that if an Owner Participation Agreement is not executed within forty-five (45) days that the attached resolutions relating to the acquisition of the property be adopted.

Respectfully submitted,

*William H. Edgar*  
 WILLIAM H. EDGAR  
 Executive Director

TRANSMITTAL TO COUNCIL:

*Walter J. Sipe*  
 \_\_\_\_\_  
 WALTER J. SIPE  
 City Manager

Contact Person: Theodore R. Leonard

# RESOLUTION NO. 82-021

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

ON DATE OF

April 13, 1982

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**APR 13 1982**

RESOLUTION OF NECESSITY AUTHORIZING  
ACQUISITION BY EMINENT DOMAIN OF CERTAIN  
PROPERTY LOCATED IN THE CAPITOL MALL  
RIVERFRONT PROJECT, PROJECT NO. 4

WHEREAS, the owners of the Enterprise Hotel, Old Sacramento Parcel No. 26, have refused to enter into an Owner Participation Agreement with the Agency for the rehabilitation of the property in accordance with the provisions of the Redevelopment Plan for the Capitol Mall Riverfront Project, Project No. 4.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, TWO-THIRDS OF ALL MEMBERS OF SAID AGENCY VOTING IN FAVOR:

Section 1. The Redevelopment Agency intends to acquire in fee simple, by eminent domain, the property described below, and is empowered to acquire said property by eminent domain pursuant to Health and Safety Code Section 33391:

That certain property known as the Enterprise Hotel, Old Sacramento Parcel No. 26, located at 912-916 Second Street, Sacramento.

Section 2. The public use for which the property is to be acquired is the rehabilitation of the building located at the above-mentioned address, which building is situated in an Historic Preservation Area.

Section 3. The property is located in the Capitol Mall Riverfront Project, Project No. 4, a portion of Redevelopment Area No. One, Sacramento, California.

Section 4. The Redevelopment Agency finds and determines that:

- (a) The public interest and necessity require the rehabilitation of the aforementioned historic building.
- (b) Said building is located in an Historic Preservation Area and the rehabilitation of the building

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APR 13 1992

will be compatible with the greatest public good and the least private injury.

- (c) The property to be acquired is necessary to implement completion of the Old Sacramento Historic Area and the Capitol Mall Riverfront Project, Project No. 4.

Section 5. The Executive Director is authorized to negotiate for the purchase of the aforementioned property, and to institute and prosecute to conclusion litigation in eminent domain to acquire said property, taking any action necessary or desirable for such purposes under the California Eminent Domain Law.

\_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
SECRETARY



## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

March 18, 1982

Mr. Fred Harris, Attorney  
3465 American River Drive, Suite C  
Sacramento, CA 95815

Re: Enterprise Hotel, Old  
Sacramento Parcel No. 26

Dear Mr. Harris:

On November 16, 1981 the Agency Commission considered the matter of the Enterprise Hotel Owner Participation Agreement. As a question existed as to the ownership of the property and a quiet title suit was being undertaken by the Enterprise Hotel Group to identify the ownership interest, the Commission elected to afford Enterprise Hotel Group the opportunity and necessary time to resolve the question of ownership. The Agency has been informed that the action has been concluded and that the ownership is now known. It is requested that you provide the Agency with a correct list of the ownership and with their addresses.

By letter dated July 7, 1981 you submitted a proposal for rehabilitation and a Schedule of Performance for the Enterprise Hotel. You also indicated that the owners were then executing a partnership agreement setting forth the duties and responsibilities of the owners of the Enterprise Hotel and that as soon as this document had been executed by all of the owners a copy of it would be forwarded to the Agency. The Agency requests the status of this document and a copy of same or the date upon which it will be available.

By letter dated October 7, 1981 you requested a copy of the Agency's Owner Participation Agreement and indicated that the then known owners had agreed to execute the Agreement and proceed with the development of the property pending the outcome of the litigation to ascertain who the true owners are. According to my records, a copy of the Owner Participation Agreement was sent to you on June 22, 1981. However, as our Legal Department can find no record of their sending a copy of the Owner Participation Agreement request in October to you, I am enclosing another copy. The Agreement requires the inclusion of the Scope of Services and a Schedule of Performance.

Please be advised that the status of an Owner Participation Agreement and the proposed Agency acquisition of the Enterprise Hotel has been tentatively scheduled for discussion on March 30, 1982 at 2:00 p.m. at the Agency by the Planning Development/Old Sacramento Subcommittee of the Commission.



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Mr. Fred Harris  
March 18, 1982  
Page Two

Should you have any questions please contact me. Your earliest reply is requested and appreciated.

Sincerely,



THEODORE R. LEONARD  
Agency Architect/  
Old Sacramento Project Manager

Enclosure (1)

cc: Enterprise Hotel Group  
c/o Mr. Ralph Vitiello

Mr. Ken Marr

LAW OFFICES OF  
CUTTER AND HARRIS  
AMERICAN RIVER DRIVE OFFICE PARK  
3465 AMERICAN RIVER DRIVE, SUITE C  
SACRAMENTO, CALIFORNIA 95825

KERRY E. CUTTER  
FRED L. HARRIS

TELEPHONE  
(916) 482-4310

July 7, 1981

Mr. Theodore R. Leonard  
Sacramento Housing and Redevelopment  
Agency  
P. O. Box 1834  
Sacramento, CA 95809

Re: Enterprise Hotel, Old Sacramento Parcel #26

Dear Mr. Leonard:

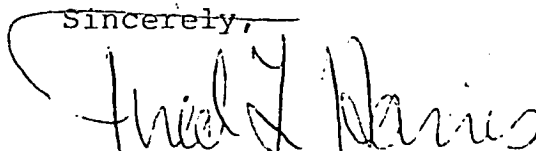
The owners of the Enterprise Hotel hereby submit the following proposal for rehabilitation and schedule of performance for the Enterprise Hotel:

1. Signature of architectural agreement
2. Preliminary drawings -- 3 months
3. Redevelopment Agency approval
4. Construction documents -- 6 months
5. Construction Bidding -- 1 month
6. Redevelopment Agency and City approval -- 1 month.
7. Start of construction

As I had indicated in my last letter to you, the owners of the Enterprise Hotel are currently executing a partnership agreement setting forth the duties and responsibilities of the owners of the Enterprise Hotel. As soon as this document has been executed by all of the owners of the Enterprise Hotel, I will forward a copy of it to your office.

In the meantime if you need any additional information concerning the Enterprise Hotel, please do not hesitate to call.

Sincerely,

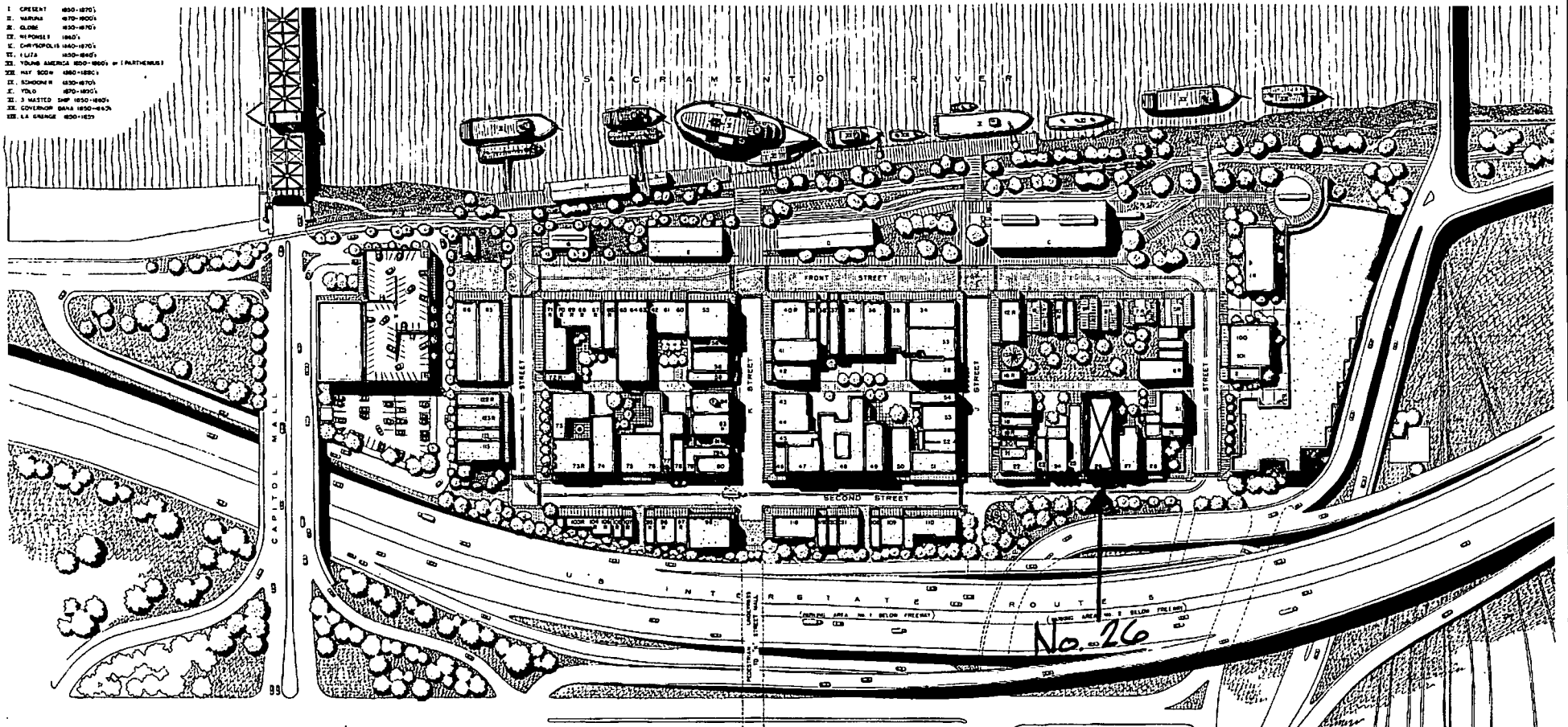


FRED L. HARRIS

bml

**SHIPS**

- I. CLEVELAND 1850-1870'S
- II. WARREN 1870-1900'S
- III. CLINE 1850-1870'S
- IV. W. POWELL 1880'S
- V. CANTONVILLE 1840-1870'S
- VI. LITA 1850-1880'S
- VII. YOUNG AMERICA 1800-1850'S (PARTIAL)
- VIII. WAT. BODY 1880-1890'S
- IX. SCHOONER 1830-1870'S
- X. YOLO 1870-1890'S
- XI. 3 Masted SHIP 1850-1880'S
- XII. GOVERNOR BARRA 1870-1880'S
- XIII. LA. GARAGE 1850-1870'S



**Key to Building Numbers**

SHIP 17 ON PLAN INDICATES RECONSTRUCTION. ALL OTHER BUILDINGS ARE RESTORATION. \* IN KEY INDICATES BUILDING TO BE DEVELOPED BY STATE DEPT. OF PARKS AND RECREATION

1 CITY HALL & WATER WORKS	19 MARGOLIA BALCON	31A BOOTH BUILDING	57 GREGORY BUILDING	88 STROUSS & CO	108 SMITH BUILDING
2 BRIDLEY SPACE WALL	20 LUNDY'S RESTAURANT	37 LEDGETT ALE HOUSE	51 PIONEER HALL AND BAKERY	83 EAGLE MILLS	109 HEYWOOD BUILDING
3	31 HARRIS BUILDING	38 UNITED STATES HOTEL	54 CITY MARKET	70 ADAMS MCNEEL & CO	111
4	23 SAZERAC BLEND & BLUE WINE BALCON	39 NEW YORK DRUG STORE	55 WHAT CHEER HOUSE	71 ADAMS MCNEEL & CO	112
5 HENRIEY-FRADING & CO	22 CLAY HOUSE BALCON	40 BOYO & DAVIS	56 KING, BARNHILL & CO	72 W. F. BROWN HOTEL	113 E.P. FINE
6 F. OGDEN	24 BAKER-HAMILTON BUILDING	41 HOWARD HOUSE	57	73 CLARENDON HOTEL	114
7 WOODRUFF MARKET	25 KARNATH HOTEL	42 LADY ADAM'S BUILDING	58 NATIONAL HOTEL	74 PACIFIC STABLES	115 BALTO BUILDING
8 HOTEL DE FRANCE	26 HALL, LEWIS AND CO.	43 HARRIS BUILDING	59 WHOLESALE BAKERY	75 DWARRE BUILDING	116 HENRIEY BUILDING
9 CITY HOTEL	27 BOHRSTADT BUILDING	44 HARRIS BUILDING	60 STEVENS, CHESELEY & CO	76 STAGGS BUILDING	117 "100 BAY" BUILDING
10 T. MCCONELL & CO	28 FOSTER BALCON	45 UNION HOTEL	61 HILL, CLARK & CO.	77 SACRAMENTO CHURCH CO NO 1	118 ST CHARLES STORE
11 EAGLE THEATRE	31 MECHANIC'S EXCHANGE	46 BANK EXCHANGE BUILDING	62 LARAMIE FLOUR MILLS	78 SACROCELL'S CARPENTER SHOP	119 CARPENTER BUILDING
12 S. TAYLOR BUILDING	32 VERNON - BRANHAM HOUSE	47 UNION HOTEL	63 SACRAMENTO CRACKER CO	79 FRYETT-FULLER BUILDING	120 SADDLE ROCK RESTAURANT
13 ROUND TENT	33 BRANHAM BUILDING	48 ORLEANS HOTEL	64 SACRAMENTO CRACKER CO	80 DEMOCRATIC STATE JOURNAL	121 FASHION BALCON
14 HARRIS'S SEED STORE	34 BRANHAM BUILDING	49 ADAMS EXPRESS BUILDING	65 SACRAMENTO CRACKER CO	81 CLEMENTE BUILDING	122 DANA BALCON
15 BARNETT'S MASING HALL	35 SOUTH BUILDING	50 ANGLER HOTEL	66 BROOKLYN HOTEL	82	
16 SACRAMENTO UNION	36 SOUTH BUILDING	51 HASTINGS BUILDING	67 CLINE & CO	83 EMMAE HOUSE	



# OLD SACRAMENTO

A REGISTERED NATIONAL HISTORIC LANDMARK

- \* 4 CALIFORNIA STATE RAILROAD MUSEUM HISTORY BUILDING
- \* 6 CITY, COUNTY HISTORICAL MUSEUM
- \* 8 CLAY BRIDGE PRESERVE STATION MUSEUM
- \* 9 CENTRAL POINT FREIGHT DEPOT
- \* 11 STEAM MARINE BUILDING
- \* 12 HISTORIC STREET CAR BARN
- \* 13 SOUTH PARKING GARAGE
- \* 14 HISTORIC SCHOOL MUSEUM
- \* 15 THOMAS JACOB MONUMENT AND PLAZA
- \* 16 PEDESTRIAN UNDERPASS TO DOWNTOWN PLAZA AND "H" ST. MALL
- \* 17 SOME CONSTRUCTION EXPRESS MONUMENT AND PLAZA
- \* 18 CS&C/CPRR WORKSHOP-WAREHOUSE
- \* 19 CS&C/CPRR STEAMBOAT OFFICE



**PICTORIAL PLAN**

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

