



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**

Consent Rpt
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December 5, 1988

CITY MANAGER'S OFFICE
RECEIVED
DEC 07 1988

AG 88139

Sacramento City Council and
Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Approval of Agreement for Transfer of Land for
Redevelopment for 1111 G Street Project and Related
Actions

SUMMARY

The attached resolutions: 1) authorize the execution of an Agreement for Transfer of Land for Redevelopment between the City and Agency regarding the transfer, clearance and relocation of City-owned property at 1111 G Street; 2) authorize the Executive Director to call for bids for asbestos removal and demolition of structures on the City-owned site; and 3) authorize the Executive Director to take all necessary actions to assess toxic liability on the site and to remediate any toxics on the site provided the costs of such remediation do not exceed \$100,000.

BACKGROUND

On September 13, 1988 the City Council and Agency approved a Disposition and Development Agreement (DDA) with 1111 G Street Associates for the development of land bounded by G Street (south); 12th Street (east); alley (north); and 10th Street (west) (see attached map.) A portion of the site is currently owned by the City ("City Site") and the balance owned by the Redevelopment Agency.

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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Redevelopment Agency of the
City of Sacramento
December 5, 1988
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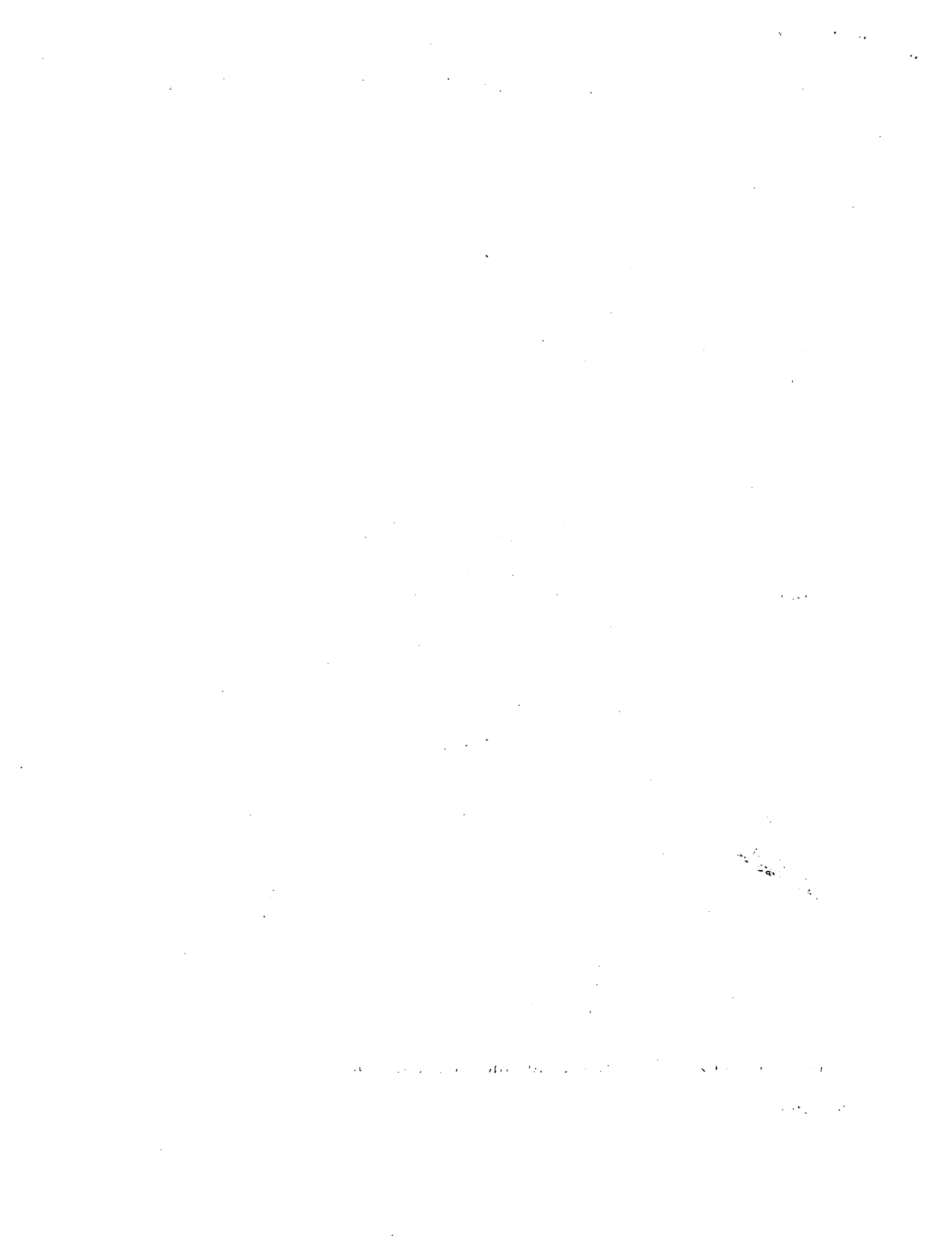
In accordance with Resolution No. 88-793 approved by the City Council on September 13, 1988, the City will transfer the site to the Agency, who will in turn administer the disposition of the site to the developer. Also, in accordance with the approved DDA for the site, the Redevelopment Agency is to serve as lead agency for the relocation, demolition and toxic assessment and cleanup of the City site.

The attached Agreement for Transfer of Land for Redevelopment ("Agreement") sets forth the administrative procedures and responsibilities between City and Agency for implementing Resolutions No. 88-793 and RA-88-069 and the approved DDA. A summary of key points follows:

1. The Agreement sets forth procedures for the transfer of City-owned land to the Agency per Resolution No. 88-793.
2. The Agreement further assigns the net proceeds of the sale of City-owned property (which is \$900,000) to the City.
3. The Agreement designates the Redevelopment Agency as lead for the relocation; demolition and toxic cleanup of the City site on behalf of the City.
4. The Agreement sets forth procedures for City reimbursement to the Agency for costs incurred related to relocation of tenants on the site, demolition of structures, and removal of toxic wastes.
5. The Agreement sets \$100,000 as a maximum sum to be expended on toxic cleanup of the City site in accordance with the approved DDA. In the event cleanup costs do exceed \$100,000, the City reserves the option to terminate the DDA. In the event of termination, the City shall reimburse the Agency for Agency costs incurred up to that date, and the Agency shall relinquish or reconvey the City site back to the City.

In addition to approval of the Agreement, the attached resolutions also authorize the Executive Director to call for bids for the demolition of the site and to award to the lowest responsible bidder; to solicit proposals for toxic assessment studies and to take actions necessary to remediate such toxics.

Demolition work includes clearance of the Tony's European Auto Repair, Van Alstines Electric Repair and the Old Brownies Blueprint building. Relocation of the site is currently in process and is anticipated to conclude by January, 1989.



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FINANCIAL DATA

Relocation costs are estimated at \$120,000. Demolition and soils testing are estimated at \$97,000. Per the DDA, the City will receive \$940,000 for the sale of land, less the costs of relocation, demolition and toxic cleanup. Estimated net proceeds to the City then, would be in the range of \$600,000 to \$700,000 depending on the costs of toxic cleanup.

There is no long term financial impact to the Agency since all costs are to be reimbursed by the City. Adequate funds are available for short term advance of expenditures (pending reimbursement) in the Alkali Flat ownership sites cost centers (Downtown Tax Increment cost center A00682 and Alkali Flat Tax Increment cost center B00682).

ENVIRONMENTAL REVIEW

A negative declaration was prepared for the 1111 G Street project and certified by City Council and the Redevelopment Agency on September 13, 1988. The above actions are part of the project for which the negative declaration was prepared.

POLICY IMPLICATION

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

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of December 5, 1988, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The vote was as follows:

AYES: Amundson, Pettit, Simon, Simpson, Strong, Wiggins,
Wooley, Yew, Moose

NOES: None

ABSENT: Sheldon

1950-1951

1952-1953

1954-1955

1956-1957

1958-1959

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RECOMMENDATION

The staff recommends adoption of the attached resolutions which:
1) authorize the City Manager and the Executive Director of the Redevelopment Agency to execute the attached Agreement; 2) authorize the Executive Director to call for bids for demolition and clearance of the site and to award to the lowest most responsible bidder or to reject all bids; 3) authorize the Executive Director to enter into contracts as necessary and appropriate to assess the extent and nature of toxic contamination on the site; and 4) authorize the Executive Director to call for bids for tank removal and toxic cleanup and to award to the lowest responsive bidder provided such costs do not exceed \$100,000.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

RECOMMENDATION APPROVED:

Walter J. Sipe

WALTER J. SIPE
City Manager

Contact Person: Trish Davey, 440-1315

1537M
11/28/88

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RESOLUTION NO. 88-090

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

AUTHORIZING EXECUTION OF MEMORANDUM OF UNDERSTANDING (MOU)
FOR RELOCATION SERVICES AND PAYMENTS;
DEMOLITION AND TOXIC WASTE
ASSESSMENT AND REMEDIATION
1111 G STREET SITE

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

Section 1: The Executive Director is authorized to execute the Agreement for Transfer of land for Redevelopment ("Agreement") attached to this resolution, with the City of Sacramento in connection with City-owned parcels (APN: 002-155-22, 002-155-23 & 002-155-24) in Alkali Flat project area.

Section 2: The Executive Director is authorized to call for bids for demolition, site clearance and asbestos removal and to award to the lowest responsive and responsible bidder, or to reject all bids.

Section 3: The Executive Director is authorized to enter into professional services contracts as reasonable and necessary to assess the extent and nature of toxic contamination on the site and to prepare a remediation plan and budget for the site.

Section 4: The Executive Director is authorized to call for bids for tank removal and toxic cleanup and to award a contract to the lowest, responsible and responsive bidder.

Section 5: The amount of the contracts authorized by this resolution shall not exceed the limits set out in the attached Agreement and shall be paid in accordance with the Agreement.

Section 6: The Executive Director is authorized to carry out the terms of the attached Agreement.

CHAIR

ATTEST:

SECRETARY

1100WPP2(178)



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RESOLUTION NO. 88-1088
~~1086~~

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

MEMORANDUM OF UNDERSTANDING (MOU) FOR RELOCATION SERVICES AND PAYMENTS, AND PREPARATION OF PLANS, AND SPECIFICATION FOR DEMOLITION, SOILS TESTING, AND TOXIC WASTE REMOVAL FOR SPECIFIED ALKALI FLAT PARCELS

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

Section 1: The City Manager is authorized to execute the Agreement for Sale of Land for Redevelopment ("Agreement") attached to this resolution, with the Redevelopment Agency of the City of Sacramento in connection with City-owned parcels (APN 002-155-22, 002-155-23, 002-155-24) in Alkali Flat project area.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

DEC 13 1988

OFFICE OF THE
CITY CLERK

1100WPP2(179)

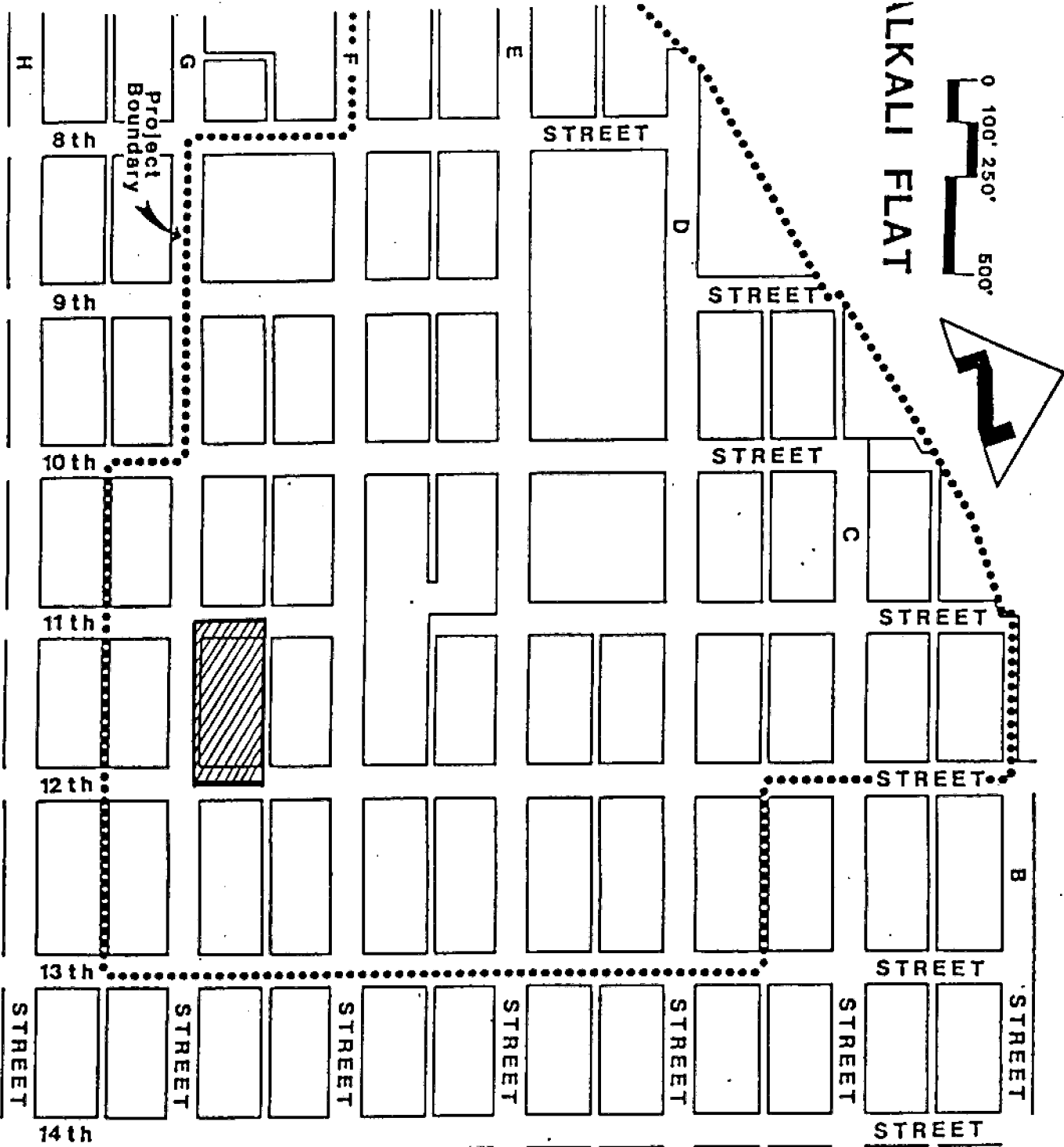
LEGAL DESCRIPTION OF PROPERTY
OWNED BY CITY OF SACRAMENTO

ATTACHMENT A

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APN: 002-155-22, 23, & 24

Lots 5, 6, 7 and 8 in the block bounded by 11th and 12th and "F" and "G" Streets in the City of Sacramento, according to the official plat thereof.



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AGREEMENT FOR TRANSFER OF LAND
FOR REDEVELOPMENT

(1111 G STREET)

The City of Sacramento ("City") and the Redevelopment Agency of the City of Sacramento ("Agency") enter into this Agreement as of this _____ day of _____, 1988. City and Agency agree as follows:

1. Recitals

1.1 Purpose

The purpose of this Agreement is to set forth the procedures necessary to implement Resolution No. 88-793 adopted by the City Council of Sacramento and Resolution No. 88-069 adopted the Redevelopment Agency of the City of Sacramento, copies of which are attached as Exhibit 1 and the Disposition and Development Agreement ("DDA") between Agency and 1111 "G" Street Partners ("Developer") a copy of which is attached and incorporated in this Agreement as Exhibit 2 by this reference. City and Agency intend by this Agreement to establish their respective rights regarding transfer of the City Property to Agency to carry out the provisions of the DDA.

THE UNIVERSITY OF CHICAGO

PH.D. THESIS

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1.2. Project

City and Agency desire to redevelop the real property ("Property") described in Exhibit 1 attached and incorporated in this Agreement by reference, as a mixed-use development ("Project") containing 57 residential condominium units, approximately 86,600 square feet of office space and approximately 9,400 square feet of retail space. Agency owns that portion of the Property ("Agency Property") described in Exhibit 2 attached and incorporated in this Agreement by reference. City owns that portion of the Property ("City Property") described in Exhibit 3 attached and incorporated in this Agreement by reference.

1.3 Authority

The Agency is a redevelopment agency established under the Community Redevelopment Law of the State of California, and the Property is located in the redevelopment project area known as Alkali Flat Project Area, subject to the Alkali Flat Redevelopment Plan ("Redevelopment Plan"). By City Code Section 12.110, City has the authority to transfer land to a public

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agency for the public benefit. City and Agency find the Project to be of benefit in that it benefits the general community and furthers the goals of the Redevelopment Plan.

2. Property Transfer

City shall transfer the City Property to Agency within fifteen (15) days after written request of the Agency therefore, subject to the provisions of this Agreement.

3. Payment

Except as provided in this Agreement, Agency shall pay to City all monies received under the DDA from Developer for the City Property, when received from Developer.

3.1 Relocation, Demolition and Hazardous Waste Clean-up

Agency shall use the monies received from Developer first for relocation of the tenants on the City Property, for demolition and removal of the structures and underground storage tanks on the City Property and for testing for, and decontamination of, hazardous wastes on the City Property.

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3.2 Refund upon Termination of DDA

If, after Agency testing of the City Property for hazardous waste, Agency reasonably determines that the cost of decontaminating the City Property will exceed \$100,000, Agency shall notify City in writing of such estimated cost. City shall, within ten days after the receipt of such notice, direct Agency in writing either to continue such decontamination or to terminate the DDA by its terms. In the event of such decision to terminate, City shall, within ten days of notice to Agency to terminate the DDA, pay to Agency an amount equivalent to the total amount expended by Agency from Developer's monies under Paragraph 3.1 above. Agency shall thereafter reimburse Developer the amounts received by Agency from Developer under the DDA and terminate the DDA. Agency shall not be obligated to terminate the DDA unless and until City makes said payment to Agency for reimbursement of Developer. City shall hold Agency harmless from any claims by Developer or others, arising from City's failure to pay said amounts to Agency for reimbursement to Developer.

^ | 3.3 Advance Costs

| If the City Manager authorizes the Agency to incur reasonable costs associated with the relocation or

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clearance of the City's site in advance of this agreement, the City agrees to reimburse Agency for said costs.

3.4 Excess Cost

If Agency has notified City in writing that the cost of hazardous work decontamination is estimated to exceed \$100,000 and that all costs to be incurred on the City Property are estimated to exceed \$800,000 and City has elected not to terminate the DDA, City shall reimburse Agency all such costs in excess of \$800,000.

3.5 Street Demolition

If said decontamination costs do not exceed \$100,000 or if City determines not to terminate the DDA, Agency shall inform Developer to commence demolition of the street which marks the border between Agency Property and City Property. City shall not be obligated to pay the cost of said street demolition.

4. Reconveyance of the Property to City

4.1 No Developer Conveyance

In the event that the City Property is not conveyed

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under the DDA for any reason, Agency shall reconvey the City Property to City in its condition as of that time. ^

4.2 Termination For Hazardous Waste

If as a result of excessive cost of hazardous waste decontamination, City directs Agency that the DDA shall be terminated, Agency shall reconvey the City Property to City. ^

5. Agency Obligations

Agency shall monitor and take reasonable and necessary actions to assure Developer's development of the Project in accordance with the DDA and compliance with the terms of the DDA. Agency shall act on behalf of City to protect the interests of City under this Agreement and the DDA.

6. No DDA Amendments

Agency shall permit no amendments to the DDA which shall materially affect the rights and interests of City related to the transfer of City Property under this Agreement and the DDA.

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7. Indemnification for Hazardous Wastes

City shall indemnify, defend and hold harmless the Agency, its officers, directors, employees and agents from and against all claims arising from or related to hazardous or toxic waste or materials present on the City Property at or prior to conveyance of the City Property to Agency, including, without limitation, the costs to remove such waste or materials and decontaminate the City Property and any groundwater contaminated by such waste or materials on the City Property.

Executed on the date first written above in Sacramento, California.

THE REDEVELOPMENT AGENCY OF
THE CITY OF SACRAMENTO

APPROVED AS TO FORM:

Dwight L. Moore
General Counsel

BY _____
William H. Edgar
Executive Director

APPROVED:

CITY OF SACRAMENTO

Terry Wolford
Director of Finance

BY _____
Walter Slipe
City Manager

Account Code: _____
Organization: _____
Cost Center: _____

APPROVED AS TO FORM:

Organization Approval

City Attorney

February 6, 1989

Sacramento Housing and Redevelopment Agency
Attn: William Edgar
630 I Street
Sacramento CA 95814

On December 13, 1988, the Sacramento City Council adopted Resolution No. 88-1088 authorizing the execution of Agreement No. 88139 regarding Memorandum of Understanding (MOU) for relocation services and payments, and preparation of plans, and specification for demolition, soils testing, and toxic waste removal for specified Alkali Flat Parcels.

Enclosed, for your records, is one fully certified copy of said agreement and authorizing resolution.

Sincerely,

Janice Beaman
Acting Assistant City Clerk

mls/62

Enclosures

cc: Public Works
Risk Management