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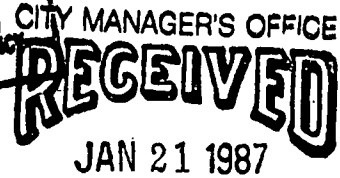


SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



December 22, 1986

Redevelopment Agency of
the City of Sacramento
Sacramento, California



Honorable Members in Session:

SUBJECT: Report Old Sacramento Management Board

SUMMARY

This report is a report on the formation, operation and funding of the Old Sacramento Management Board (OSMB) established to provide centralized/coordinated management in the Old Sacramento Project Area. The report recommends the request by OSMB for Agency to provide added financial support at an increased level of \$25,000 per year, instead of \$15,000 for two years to fund the OSMB Manager and related operating and promotional costs. The report also recommends that the Agency representative on OSMB be a Commissioner instead of Agency staff.

BACKGROUND

The formation of the Old Sacramento Management Board (OSMB) is a direct result of the Agency's Old Sacramento Problem Analysis and Business Development Plan prepared by Halcyon Ltd. This report was prepared in December 1984 and distributed to all Old Sacramento property owners, businesses, and concerned governmental entities in the spring of 1985. The report stated unequivocally that a form of coordinated area management must be established if Old Sacramento is to realize its economic potential, its place in the community, the significance of its history and, indeed, its economic survival. A copy of the Executive Summary and other appropriate sections from the Halcyon Report are attached as EXHIBIT "A".

In December 1985 representatives from the Old Sacramento Property Owners Council (OSPOC), the Old Sacramento Citizens and Merchants Association (OSMA), the State of California, the City and the Agency commenced discussions and the formation of Old Sacramento

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Centralized management board. It was determined at that time that two tasks would be undertaken: First, the setting of goals and objectives and determination of the structure or the form of coordinated centralized management; and second, the resolving of issues and the determination of methods for funding a manager's duties.

In May and June 1986 formal support and recognition of an Old Sacramento Management Board was received from the administrations of the participants naming their designated representatives to the OSMB. The recognition of the OSMB was not accompanied by any formal commitment of financial support for the OSMB.

In October 1986 the representatives from the participating groups began the formalization of an Old Sacramento Management Board with the filing of the Articles of Incorporation. A copy of the By Laws, Mission, Goals and Objectives, and Articles of Incorporation are attached as EXHIBIT "B".

The participants in the OSMB are briefly described as follows:

Old Sacramento Property Owner's Council (OSPOC). OSPOC is an organization formed in 1984 by the property owners. Subsequent to its formation OSPOC members have approved the formation of an Old Sacramento Maintenance Assessment District in support of an increased level of area maintenance and have commenced the development of a marketing brochure. OSPOC is represented on the OSMB by two (2) representatives, the OSPOC President and another designated officer or an appointed property owner.

Old Sacramento Citizens and Merchants Association (OSCMA). OSCMA was formed in the early 1970's with both membership and financial support being voluntary. With the recent approval and formation of the Old Sacramento Business Improvement Area (B.I.A.) all Old Sacramento businesses are now members of OSCMA and financially support the B.I.A. and the OSCMA via a fee paid in conjunction with their business license fee. OSCMA is represented on the OSMB by two (2) representatives, the OSCMA president and vice-president.

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State of California (State) The State of California is represented on the OSMB as a property owner by its Department of Parks and Recreation's Director of Sacramento Area State Historic Parks and Museums.

City of Sacramento (City) The City is represented on the OSMB as a property owner by the City's Parks and Community Services Division's Waterfront Management Section's Recreation General Supervisor.

Sacramento Housing and Redevelopment Agency (Agency) The Agency is represented on the OSMB as a property owner by the Agency's Old Sacramento Project Manager.

All board members are voting members. The composition of the Board is such that the private sector has four representatives and the public sector has three representatives. This make-up and balance is most important to the private sector.

Should the Commission wish direct representation on the Board and in order to avoid a change in the structure of the Board, the Agency's representation could be provided from the Commission with Agency staff providing support in a non-voting capacity.

Of the two initial tasks undertaken by the representatives to the Management Board, the first, the formation of the OSCMB has been accomplished. The second, which is very important but very difficult, is funding of a manager to carry out OSMB goals and objectives which remains to be accomplished. The OSMB has turned to the Agency for financial assistance in underwriting the position of an OSMB manager.

By letter dated December 2, 1986 OSMB transmitted to the Agency the proposed duty statement for the Old Sacramento manager position and requested that the Agency specify the conditions for its financial support of the position. A copy of the December 2 request along with the Agency's reply dated December 11, 1986 is attached as EXHIBIT "C".

The OSMB is seeking direct financial support from the Agency to fund an area manager's position for a two year "start up" period.

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FINANCIAL DATA

The OSMB had initially projected an operational cost totaling approximately \$65,000 per year. This amount represented an anticipated annual salary of \$40,000 for a full time area manager, \$21,000 for a staff person and \$4,000 for marketing materials and necessary related office costs. While one of the OSMB goals remains the accomplishment of centralized area management and the hiring of an area manager, it has become apparent that insufficient funding is available from the OSPOC and/or the OSCMA to initially support the OSMB at the originally projected level.

It has been determined by OSMB that the primary goal and objective of marketing Old Sacramento and its properties can be accomplished for a cost of \$25,000 per year plus estimated expenses of approximately \$5,000 per year for each year of a two year "start up" period.

At this time only the Agency has conditionally committed some funding toward the manager. To date no other OSMB representative has committed funding for a manager.

The present financial position, level of available funding and commitment of each OSMB participant is as follows:

Old Sacramento Property Owners Council

OSPOC is financially supported by voluntary contributions from the property owners and \$3,000 which OSPOC receives through the City which is generated from the Maintenance Assessment District. These funds are received by OSPOC twice a year in increments of approximately \$1,500 each.

In October, 1986, the OSPOC Board of Directors sought funds for the publication of an Old Sacramento marketing brochure and is attempting to solicit \$250.00 from each property owner. As of December 1986 out of 38 property owners, only 14 property owners (including the Agency) have contributed the requested funds. This represents less than a thirty-seven percent (37%) financial support factor.

The property owners inability or reluctance to financially support OSPOC is consistent with the inability or reluctance of some property owners to pay their Maintenance District assessments. In a November 18, 1986 report to the City Council, the City Department of Finance informed the Council and OSMB that there is

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an approximate thirty-eight percent (38%) delinquency rate amongst Old Sacramento property owners in the payment of Maintenance Benefit area fees which is resulting in a \$22,483 shortfall in funding to provide the requested and agreed upon level of maintenance service. The Fiscal year 1986-87 Old Sacramento Maintenance Benefit Area Budget is \$59,900.

Old Sacramento Citizens And Merchants Association

OSCMA is now financially supported through funding received from Old Sacramento Business Improvement Area fees. In June 1986 a budget for fiscal year 1986-87 in the amount of \$43,000 was recommended to the City Council and approved. Subsequent to the adoption of the budget, the City Department of Finance advised the OSCMA that a \$10,000 shortfall exists between the budget amount and collectable fees. This shortfall is attributed to \$6,000 in delinquencies and a \$4,000 loss of anticipated revenues from Old Sacramento businesses that have closed. Somewhat offsetting the \$10,000 loss of BIA fee income, OSCMA successfully increased its income from fund-raisers by an additional \$4,000.

It is the opinion of OSCMA that the declining BIA funding and present regulations governing the use of BIA funds preclude consideration for the use of BIA funds to directly support the OSMB.

To date OSCMA has underwritten the cost related to the formation and operation of the OSMB. OSCMA and OSPOC have also provided all clerical support to the OSMB.

A summary of OSPOC and OSCMA 1986 related cost in support of OSMB is attached as EXHIBIT "D".

The State

The State of California Department of Parks and Recreation has supported the formation of the OSMB. By memorandum dated May 14, 1986, Director, William S. Briner endorsed the formation of OSMB citing the State's \$25 million investment, but qualified the State's endorsement stating "... the State will not provide financial support to the Old Sacramento Management Board ". A copy of this memorandum is attached as Exhibit "E".

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The City

The City currently is not providing any direct financial support to the OSMB. However, through its various departments and divisions, the City provides substantial support to the Old Sacramento area and for events and activities in the area sponsored or endorsed by the OSCMA. The City's commitment of staff and resources demonstrates and represents a strong concern and commitment for the success of Old Sacramento. The City provides three staff persons to the waterfront management section at an annual cost of \$282,000.

Notwithstanding the delinquency of the property owners in meeting their financial obligation to the Maintenance Benefit area, the City has continued to provide the agreed services and thus is subsidizing the funding of the maintenance by the amount of the delinquency which currently is approximately \$22,483. To date, the City has not committed any future funding to the direct financial support of the OSMB.

The Agency

The Agency has committed substantial staff time to the support of Old Sacramento and the formation of the OSMB. The formation of the OSMB has occurred as a result of the Agency's Old Sacramento Problem Analysis and Business Development Plan/ the Halcyon Report which was commissioned by the Agency at a cost of \$30,000. The Agency, as a property owner, has contributed the OSPOC requested \$250 toward the development of a marketing brochure and has tentatively committed an additional \$1,250 to its production subject to the OSPOC development and presentation of a marketing plan for the use of the brochure.

At present the Agency has made a conditional commitment to the direct financial support of the OSCMB. The Agency's proposed 1987 budget for Special Projects contains the amount of \$15,000 for the support of the OSMB. Commitment and utilization of the Agency funds has been conditioned upon the direct financial participation of the other OSMB participants and that the funds be used to implement the goals and objectives of the OSMB with specified emphasis directed toward marketing properties including agency parcels, the area, and improving economic conditions and not for another study or planning.

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POLICY IMPLICATION

The Agency presently provides funding for the support of Neighborhood Commercial Strip Coordinators for other commercial areas including Broadway, Stockton Boulevard, Franklin Boulevard, and Marysville Boulevard. Each of these contracts has been in the approximate amount of \$25,000 per year plus annual expenses of approximately \$5,000. Under those contracts the Agency contracts for consultant services and the consultant thus works for the Agency. The OSMB proposes that the requested funding be used by the OSMB to retain an area manager/or coordinator consultant and that the manager or consultant work directly for the OSMB. The Agency would provide the requested funding to the OSMB and OSMB would select and retain the manager. To that extent the proposed action differs from existing policy. As the goals and objectives are similar, the actions proposed in this staff report are consistent with previously approved policy and no policy changes are being recommended.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular of meeting of January 5, 1987, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

Ayes: Glud, Moose, Pettit, Sanchez, Sheldon, Simon
Simpson, Wiggins, Wooley, Yew, Amundson

Noes: None

Absent: None

RECOMMENDATION

The following was recommended for approval:

1. The funding for the Old Sacramento Management Board;
2. The Sacramento Housing and Redevelopment Agency representative on the Old Sacramento Management Board be a Commissioner;
3. Redevelopment Agency contribute \$25,000 a year for two years toward the cost of the Old Sacramento Management Board Manager, instead of \$15,000 per year;
4. State Department of Parks and Recreation be requested to contribute \$5,000 toward cost of the Old Sacramento Management Board Manager;

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5. A formal report back from the Old Sacramento Management Board Manager within one year of the date such Manager is retained on the progress of the Board; and
6. Commission representative on the Old Sacramento Management Board report back as requested by the Commission.

Respectfully submitted,



WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:



WALTER J. SLUPE
City Manager

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RESOLUTION NO. 87-011

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

January 27, 1987

CONTRIBUTION TO OLD SACRAMENTO MANAGEMENT BOARD

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

Section 1: A Commissioner of the Sacramento Housing and Redevelopment Agency shall be the Agency's representative on the Old Sacramento Management Board.

Section 2: Redevelopment Agency shall contribute \$25,000 a year for years of 1987 and 1988 as a portion of the cost of the Old Sacramento Management Board Manager. The Agency's 1987 budget is hereby amended by transfer of \$10,000 from the Old Sacramento Construction Account (Cost Center A00497) to the Old Sacramento Miscellaneous Service Account.

Section 3: State Department of Parks and Recreation shall be requested to contribute \$5,000 toward cost of the Old Sacramento Management Board Manager.

Section 4: The Old Sacramento Management Board Manager shall submit a formal report to the Agency within one year of the date such Manager is retained on the progress of the Board.

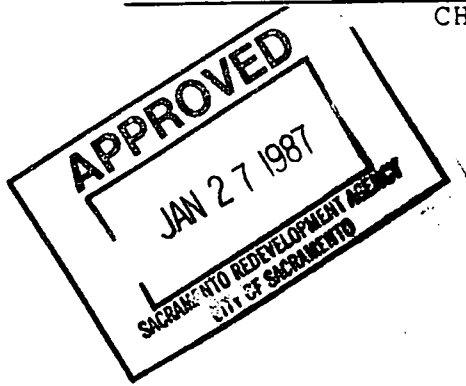
Section 5: The Executive Director is authorized to enter into a contract with the Old Sacramento Management Board for \$25,000 a year for the years of 1987 and 1988 for the purpose of paying a portion of the cost for the Old Sacramento Management Board Manager.

CHAIR

ATTEST:

SECRETARY

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SECTION 1.0 EXECUTIVE SUMMARY

The following report summarizes Halcyon's analysis of the major problems and critical issues facing the Old Sacramento Historic District today. As there have been a number of lengthy and generally comprehensive market analyses, economic studies, and traffic studies in the past eight years, we sought purposely to avoid duplication as much as possible. Rather we have focused on finding solutions and concepts to existing problems, and presenting methods for implementing them.

Today, Old Sacramento is a quasi-success teetering on a fine line dividinn exciting new growth and absolute disaster.

Throughout this report halcyon has made a variety of recommenuations summarizing the major ones in Section 3.4. The following general statements, however, should be kept in mind by the reader as common threads and/or major strategies:

- o Old Sacramento is and should be a potentially "self-contained" community and a vital component of the larger downtown Sacramento fabric.
- o Area "management" is the key to long term success. Old Sacramento must function as a unit for its individual players to ever be successful.
- o Retail businesses, their image, quality level, and methods of doing business has a very strong influence on the leasability of office space.
- o A major hotel (300-400 rooms) should be located in or immediately adjacent to Old Sacramento.
- o An area must be established and maintained for service businesses.
- o Cars cannot be eliminated from the area.
- o Time is of the essence.

Old Sacramento is much like a man with a variety of ailments lying open on the operating table. Doctors can discuss the reason for his ailments and the merits of various treatments indefinitely but the one certainty is that if some action is not taken, the patient will bleed to death during the discussion.



SECTION 4.0 BUSINESS DEVELOPMENT PROGRAM

4.1 Development Management Program

Introduction

While Old Sacramento is an official State Historical District governed by a variety of regulations and restrictions overseen by various State, County and City entities, the ownership and development of the properties has been allowed to become splintered and largely uncoordinated. At present the State owns approximately 30% of the district; the City owns 8 parcels plus the waterfront/docks area and has loose control over the development of several other properties; and there are approximately 67 privately owned properties; and roughly 41 different owners, some absentee. Of the private properties, it appears that approximately 70% of the total square footage is owned by about 20 individuals or companies. At best this leaves an unwieldy situation, lacking continuity and coordination, hindering growth, and preventing the district from recognizing its full potential for any of the participants. Hindsight with its unerring accuracy should dictate that a well controlled management program would have been instituted from the very beginning thereby avoiding many, if not all, problems plaguing Old Sacramento today. However, since that was not the case, we must deal with the situation as it stands today.

Old Sacramento is in every sense a mixed or multi-use project with definitive boundaries in which people live, work, and play. Yet even though it has offices, apartments, museums and other public facilities in addition to its retail shops and restaurants, it can best be compared to suburban shopping malls because it is the shops and restaurants which set the tone and with which the public primarily interacts. The management of most downtown business districts is grossly inferior to its competition in the suburban shopping malls and Old Sacramento is no exception. Downtowns across the country are booming with new office buildings, hotels and government buildings, due in part to the availability of pro-downtown federal money and policies and the intense new interest in urban revitalization, yet their business (retail) districts are still far behind.

Sacramento is enjoying much of that same resurgence and growth, but the business districts are struggling and Old Sacramento is primarily a business district and commercial enterprise. Local officials and private citizens alike are wrestling with ways of improving their downtown business districts and millions of federal, state, city and private monies are being invested in pedestrian malls, building rehabilitation, public transportation, parking and other physical improvements. However, it is becoming increasingly



apparent that capital improvements by themselves will not solve the economic problems that have resulted from the competition with suburban shopping centers.

In addition to capital improvements, there must be a program. If Old Sacramento is going to survive and prosper as a commercial district, then all the stakeholders are going to have to work together to formulate a common plan to combine the sophisticated management techniques of the shopping center and mixed-use development with their own natural advantages of location, historic district and unique ambiance.

4.2 District Management

What Can Be Done Today?

One major advantage Old Sacramento has over other business districts facing similar problems is that a majority of the stake holders not only realize that their future and their economic health lies in their closer cooperation, but in that they have already begun the process through their support of the BIA, the Maintenance Improvement District, the Service Courtyard Construction Assessment District, and perhaps most importantly, their general agreement that something has to be done now.



In Management Concepts (Appendix D) we discuss more extensively the concept of management corporations for a business district, outline the management organization of the typical suburban shopping center making some comparisons with the business district, outline a "for-profit" management corporation and discuss the process to get it organized, accepted and implemented. While we consider that such a management corporation is the optimum solution, we recognize that it will take a great deal of discussion and organization before it can come about and that action must be taken now both to coalesce the various programs already under way and to make the various committees more effective and more productive. In this way other participants in Old Sacramento will see that it is in their own self interest to join and support their efforts. The purpose of this section therefore is to discuss what the three major groups can do to become more effective. The three groups are the Liaison Committee, the Old Sacramento Property Owner's Association and the Old Sacramento Merchants and Citizen's Committee. These groups have also been briefly described in Section 3.3.E.

Old Sacramento Property Owner's Association

The largest private stake holders in Old Sacramento are the property owners. While the needs and goals of each property owner are different, they all have one thing in common: the desire to develop and/or lease their properties. As an addendum to this report (Appendix A), there is a "Primer" for leasing and marketing strategy in Old Sacramento. The primer deals with general marketing plan and marketing activities, negotiating and closing techniques and common language for lease agreements. One purpose of this primer is to discuss the organizational mechanism by which property owners, through a cooperative effort, may increase their chances for developing and leasing their properties. The recent establishment of a Maintenance District is one step in this direction, however considerably more needs to be done. The rationale for a more cooperative effort through a central "management" organization is elucidated by the following points:

- o The value of individual properties will increase as a result of a successfully implemented, coordinated leasing effort;
- o a unified set of goals and strategies for development, leasing and management of individual properties will create a more comprehensible product with which to approach the tenant market;
- o Old Sacramento will be able to present a unified front in its dealings with the City, the State and the brokerage community;
- o through a centrally coordinated effort, Old Sacramento will be able to undertake an aggressive marketing and canvassing program for leasing space without favoring any given property over another.

Proposed Coordinating Council

Halcyon proposes the establishment of an Old Sacramento Coordinating Council which would incorporate the activities of both the Property Owner's Council and the Merchant's and Citizen's Association into one organization with a single office. Each organization would still maintain its own meetings and agenda, but, through the Council, there would be better coordination of all activities in Old Sacramento.

The formation of this Coordinating Council would expand the responsibilities and capabilities of both organizations beyond their current levels. It would also mean development of a more professional and aggressive "management" organization (see Appendix C) would be easier. To effect

this change, it must be done with the full support of a majority of both the property owners and the business owners in the quarter. The Coordinating Council would be set up much like a shopping center operation with a management/operations arm overseen by the property owners and with an advertising/promotion arm overseen by the merchants. A common office and staff would be established for both efficiency and ease of operation. The Council would then have two choices: 1) hire an Executive Director with a strong background in commercial real estate and management; or 2) contract out to a management firm which can help expand the organization by acting as the director for a limited time and providing complete backup, marketing, economic and project management capabilities.

The Coordinating Council would have three primary responsibilities:

a. Advertising and Promotion

One of the problems facing Old Sacramento is that it is not really clear what it stands for or what its market is. Depending on who one speaks to, it is a tourist center, a historic center, a business district and even a quaint experiment that's never quite taken hold. And then there are those who have never heard of it at all. The Coordinating Council's job would be to oversee the funds generated by the Business Improvement District to develop a comprehensive advertising and public relations program for Old Sacramento and to help coordinate the efforts of the various entities.

b. Development Planning

The Coordination Council, working with the City Redevelopment Agency, would become more of a catalyst for developing alternative uses and financing for the rehabilitation and redevelopment of buildings and properties within Old Sacramento. The Coordinating Council could take a non-profit "broker" position by helping to seek out and bring together property owners, business people and investors on various projects. Over a period of time the Coordinating Council could take over some of the activities and responsibilities being relinquished by the Redevelopment Agency.

c. Leasing and Marketing Space

The Coordinating Council would act as a catalyst and a clearing house for leasing efforts in Old Sacramento by undertaking the following tasks:



- o Compiling and maintaining facts sheets on Old Sacramento and individual buildings (see Exhibit 4 for sample fact sheet);
- o Compiling and updating a mailing list for direct mail marketing of properties;
- o Actively assisting property owners in developing creative destination driven uses;
- o Sending out a bi-monthly news letter or inventory report listing available space in Old Sacramento, targeting all commercial brokerage houses and individual brokers as well as building owners (see Exhibit 4);
- o Aggressively seeking out new tenants;
- o Canvassing selected areas for potential tenants (see Appendix A);
- o Interviewing potential tenants interested in Old Sacramento (see Appendix A for sample interview questions);
- o Developing a marketing and advertising program targeting potential tenants with emphasis on office users. The Coordinating Council would be charged with keeping property owners informed about other activities in Old Sacramento and keeping the brokerage community interested in the district. The Coordinating Council's job would be to market Old Sacramento in general and not to comment on or interpret information given to it by property owners or brokers. While it will at times be difficult, it is essential that the Coordinating Council and its staff be totally objective and provide all brokers and property owners with the same level or exposure and information.



Interaction with Property Owners

For this clearing house plan to be successful, it is imperative that the support of as many property owners as possible be committed to the policies and procedures proposed herein. This can only be done if the owners, their representatives, and the City Redevelopment Agency are convinced of their validity and are willing to proceed with the suggested leasing guidelines as spelled out in Appendix A.

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Bad omens from elsewhere for Old Town

COULD OLD SACRAMENTO die?
 After 20 years and \$100 million in redevelopment — most of it private funds — could our Old Town revert to a slum? The question was raised by a few people interviewed for stories about Old Sacramento that were published last month.

It's just unthinkable. Or is it? Old Towns can die. Or, more likely, be killed, by a combination of factors. Underground Atlanta, now being re-redeveloped, went from slum to roaring success to boarded-up ghost town in little more than a dozen years. The Atlanta Constitution last year cited a number of reasons for the first failure, "from fear of crime and poor management to ripoff prices and increased attendance by riffraff."

Ouch. Every one of those problems were mentioned in our Old Sacramento

CAPITAL ACCOUNTS

By Margaret Peterson

interviews — except that it was said prices were not actually higher, but the public perceived them to be.

Then there was St. Louis' Gaslight Square, whose nightclubs in the 1960s drew such biggies as Miles Davis, the Smothers Brothers and Phyllis Diller. But Gaslight Square died and was replaced by low-income housing. One of Gaslight Square's big problems was crime — or the fear of crime from low-life types in nearby neighborhoods. Another was a parking squeeze.

Sounds familiar.

Still, even with its problems, Old Sacramento is miles ahead of some historical areas.

I visited San Diego a few weeks ago and strolled through the Gaslamp Quarter, a national historic district downtown. Couldn't believe it. Sure, there were vintage streetlights, brick sidewalks, some beautiful old buildings and nice restaurants. But there also were peep shows, sex shops, a lavender-painted "Dirty Book Store," and the world's largest accumulation of "no loitering signs." There were, of course, numerous loiterers, some of whom made dubious suggestions to a woman walking alone at midday.

And Old Sacramento has survived — so far — some problems that helped sink other old towns. When Underground Atlanta and St. Louis' Gaslight Square began to decline, there was an influx of youth nightspots and other attractions that drew hordes of rowdy kids. The kids in turn helped drive away older, more affluent customers.

"Kids from opposing high schools would

somehow get a couple of beers in them and they'd fight," said Dante Stephensen, who owned a bar, Dante's Down the Hatch, in Underground Atlanta. "You'd see a couple of teens fighting and you're four little old ladies walking down the street and it scares the hell out of you."

Stephensen said in a recent phone interview that, "I don't think unescorted teenagers should be allowed (in the area). You get a bunch of teenaged kids in a group, they do silly things they wouldn't do as individuals. And you get six or seven together and they're playing one-upmanship."

Old Sacramento hasn't succeeded in driving out all rowdy kids, although it's been years since the news stories about youth brawls there. But while the numbers of kids are down, there's a lot of anti-kid

See PETERSON, page AA2

6/2/85

CHIEF OF INDUSTRIAL DISTRICT

Peterson

Continued from page AA1
 sentiment in Old Sacramento.

Jim Muncill, owner of the tour boat River City Queen, points out skid marks from skateboards on the sharp-angled ramp at the L Street landing. He said that skateboarders have collided with some of his passengers on the ramp — which is owned by the city of Sacramento, a city that has no liability insurance.

There are other complaints about kids. The new crowd at a video arcade, one of Old Town's few remaining youth attractions, seems to be into graffiti. The scrawls are exploding across nearby storefronts, the K Street pedestrian tunnel and the bike trail.

Many people complain of mouthy kids crowding together on the boardwalks at night to force adults to walk around.

Muncill said that he sees parents drive up in a van and let out a group of kids with skateboards. Then the parents leave for the evening. "They don't want to stay in this atmosphere," Muncill said.

Then there's the matter of transients, which our local government has housed —

"temporarily" for several years now — a few blocks south of Old Sacramento. That's been bad for Old Town generally, but it can be particularly dangerous for kids. On the bike trail just north of Old Town I recently saw two bums leading three clean-cut teens through a break in a fence — into a former junkyard considered one of the more hazardous waste sites in California.

However, Stephensen of Underground Atlanta suggested there might be a positive role for some kids — as part of a merchant-organized plainclothes patrol to assist the police in an old town area. "A lot of cities have done that," he said.

Stephensen suggested Old Sacramento merchants could do what their Underground counterparts did — organize a kind of vigilance committee of volunteers to patrol the streets, walkie-talkies in hand, and alert the beat cops of any problems. The Underground effort was effective. But, Stephensen said, it came too late.

Old Sacramento merchants now are trying to organize. Let's hope their effort is not too late. Better, if there are ways the rest of us can help them, let's do so.

Peterson is a business writer with The Bee.

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O L D S A C R A M E N T O M A N A G E M E N T B O A R D

November 21, 1986

Mr. William Edgar,
 Executive Director
 Sacramento Housing and Redevelopment Agency
 630 I Street
 Sacramento, Cal. 95814

Received in E.D.'s Office

DEC 1 1986

SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY

Bill
 Dear ~~Mr.~~ Edgar:

This letter is to thank you for past support in establishing centralized management and coordination for Old Sacramento.

I've attached copies of the Articles of Incorporation and the Bylaws (pending approval by the Secretary of State) and the Goals and Objectives adopted by the Board on October 20th, 1986. In the future, we will also send minutes from our meetings to you.

Aside from our these initial organizational and planning chores, we have devoted considerable time to the parking issue in recent months. In the coming months, we will be focussing on the following:

1. Funding of Management Board staff and activities;
2. Defining and hiring a coordinator;
3. Moving forward with centralized leasing; and,
4. Developing policy and procedure for special event approval in Old Sacramento.

Thanks again for your support. As a board, we are excited about the potential of centralized management and the future success of Old Sacramento.

Sincerely,



Dick Troy,

Chairman

Old Sacramento Management Board

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ARTICLES OF INCORPORATION
OF
OLD SACRAMENTO MANAGEMENT BOARD

ONE: The name of this corporation is Old Sacramento Management Board.

TWO: This corporation is a nonprofit mutual benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes. The specific purposes for which this corporation is organized are to provide a forum where members of the Old Sacramento community can meet to mutually resolve issues, take independent action and recommend to appropriate agencies. The Old Sacramento Management Board will provide the broad management of the affairs of Old Sacramento and recommend action to the State of California, Department of Parks and Recreation; City of Sacramento; Redevelopment Agency, City of Sacramento; Old Sacramento Property Owners' Council and Old Sacramento Citizens and Merchants Association.

THREE: The name and address in the State of California of this corporation's initial agent for service of process is Richard E. Troy, 130 J Street, Old Sacramento, Cal. 95814.

FOUR:

(a) This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

(b) Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from

federal income tax under Section 501(c)(3) of the Internal revenue Code or (2) by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

(c) No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

FIVE: The names and addresses of the persons appointed to act as initial Directors of this corporation are:

James H. Burson, 4049 Ramel Way, Sacramento, Cal. 95864

Lina Y. Fat, 1001 Front Street, Old Sacramento, Cal. 95814

Kenneth R. Harris, 1107 Second Street, Old Sacramento, Cal. 95814

Bruce W. Kleinschmidt, 115 I Street, Old Sacramento, Cal. 95814

Theodore R. Leonard, 630 I Street, Sacramento, Cal. 95814

Catherine MacMillan, 1112 Second St., Old Sacramento, Cal. 95814

Richard E. Troy, 111 I Street, Old Sacramento, Cal. 95814

SIX: The property of this corporation is irrevocably dedicated to charitable promotion purposes and no part of the net income or assets of the organization shall ever inure to the benefit of any Director, officer or member thereof or to the benefit of any private person.

On the dissolution or winding up of the corporation, its assets remaining after the payment of, or provision for payment of, all debts and liabilities of this corporation, shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable promotion in Old Sacramento purposes and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

September 9, 1980

James H. Burson
James H. Burson, Director

Lina Y. Fat
Lina Y. Fat, Director

Kenneth R. Harris
Kenneth R. Harris, Director

Bruce W. Kleinschmidt

Bruce W. Kleinschmidt, Director

Theodore R. Leonard

Theodore R. Leonard, Director

Catherine MacMillan

Catherine MacMillan, Director

Richard E. Troy

Richard E. Troy, Director

We, the above-mentioned initial Directors of this corporation, hereby declare that we are the persons who executed the foregoing Articles of Incorporation, which execution is our act and deed.

James H. Burson

James H. Burson, Director

Lina Y. Fat

Lina Y. Fat, Director

Kenneth R. Harris

Kenneth R. Harris, Director

Bruce W. Kleinschmidt

Bruce W. Kleinschmidt, Director

Theodore R. Leonard

Theodore R. Leonard, Director

Catherine MacMillan

Catherine MacMillan, Director

Richard E. Troy

Richard E. Troy, Director

BY - LAWS OF

OLD SACRAMENTO MANAGEMENT BOARD

(A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION)

ARTICLE I. OFFICES

Section 1. PRINCIPAL OFFICE

a) The principal office of the Old Sacramento Management Board, herein referred to as the "Board", shall be located in Sacramento County, California.

Section 2. CHANGE OF ADDRESS

The county of the corporation's principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these Bylaws:

_____ Dated: _____, 19__

_____ Dated: _____, 19__

_____ Dated: _____, 19__

SECTION 3: OTHER OFFICES

The corporation may also have offices at such other places, within or without the State of California, where it is qualified to do business, as its business may require and as the Board of Directors may, from time to time, designate.

ARTICLE II. PURPOSES

Section 1. PURPOSES AND OBJECTIVES

a) The primary purposes and objectives of this corporation shall be to provide a forum where members of the Old Sacramento community can meet to mutually resolve issues, take independent actions and recommend to appropriate agencies. The Board will provide the broad management of the affairs of Old Sacramento and recommend action to the California State Department of Parks and Recreation, City of Sacramento, Old Sacramento Citizens and Merchants Association, Old Sacramento Property Owners' Council and the Sacramento Housing and Redevelopment Agency. In addition, the Board may engage in any lawful act or activity for which a Board may be organized under the California Nonprofit Public Benefit Corporation Law, including the promotion, preservation and enhancement of the community within the geographic boundaries established by this Board.

ARTICLE III. MEMBERSHIP

Section 1. DETERMINATION OF MEMBERS

This corporation shall make no provision for members, however, pursuant to Section 5310(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law or the provisions of the Articles of Incorporation or Bylaws of this corporation, require approval by a majority of all members or approval by the members, shall only require the approval of the Board of Directors.

ARTICLE IV. DIRECTORS

Section 1. NUMBER

The corporation shall have seven Directors and collectively they shall be known as the Board of Directors. The number may be changed by amendment of this Bylaw, or by repeal of this Bylaw and adoption of a new Bylaw, as provided in these Bylaws.

Section 2. CATEGORIES

a) There will be two categories of Directors: property owners and merchants.

i) Property owners shall be considered to be the City of Sacramento; the Redevelopment Agency, City of Sacramento; the Old Sacramento Property Owner's Council; and, the State of California, Department of Parks and Recreation.

ii) Merchants shall be considered to be the Old Sacramento Citizens and Merchants Association.

b) All Directors shall be ex officio members, and shall represent the following bodies as indicated:

City of Sacramento - 1 Director
State of California, Department of Parks and Recreation - 1
Director
Old Sacramento Citizens and Merchants Association - 2
Directors
Old Sacramento Property Owners Council - 2 Directors
Sacramento Housing and Redevelopment Agency - 1 Director

Section 3. POWERS

a) Subject to the provisions of the California Nonprofit Public Benefit Corporation Law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the Board of Directors.

Section 4. DUTIES

It shall be the duty of the Directors to:

(a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this corporation, or by these Bylaws.

(b) Appoint and remove, employ and discharge, and, except as otherwise appointed in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the corporation.

(c) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly.

(d) Meet at such times and places as required by these Bylaws.

(e) Register their addresses with the Secretary of the corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

Section 5. APPOINTMENT AND TERM OF DIRECTORS

a) APPOINTMENT: Directors shall be appointed by their respective bodies.

b) TERM: Directors shall serve until replaced by their respective bodies.

Section 6. COMPENSATION

a) Directors shall serve without compensation except that they shall be allowed and paid their actual and necessary expenses incurred in attending Director's meetings. In addition, they shall be allowed reasonable advancement or reimbursement for expenses incurred in the performance of their regular duties as specified in Section 4 of this Article. Directors may not be compensated for rendering services to the corporation in any capacity other than Director unless such other compensation is reasonable and is allowable under the provisions of Section 7 of this Article.

Section 7. RESTRICTION REGARDING INTERESTED DIRECTORS

Notwithstanding any other provision of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. For the purposes of this Section, "interested persons" means either:

(a) any person currently being compensated by the corporation for services rendered it within the previous twelve (12) months, whether as a full- or part-time officer or other employee, independent contractor, or otherwise, excluding any

reasonable compensation paid to a Director as Director; or,

(b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person.

Section 8. PLACE OF MEETINGS

Meetings shall be held at the principal office of the corporation unless otherwise provided by the Board or at such place within or without the State of California which has been designated from time to time by resolution of the Board of Directors. In the absence of such designation, any meeting not held at the principal office of the corporation shall be valid only if held on the written consent of all Directors given either before or after the meeting and filed with the Secretary of the corporation or after all Board members have been given written notice of the meeting as hereinafter provided for special meetings of the Board. Any meeting, regular or special, may be held by conference telephone or similar communications equipment, so long as all Directors participating in such meeting can hear one another.

Section 9. REGULAR AND ANNUAL MEETINGS

Regular meetings of the board shall be held not less than quarterly, and at any place and time that has been designated from time to time by the Board.

The annual regular meeting of Directors shall be the last regularly scheduled meeting of the calendar year.

SECTION 10. SPECIAL MEETINGS

Special meetings of the Board may be called by Chairman, the President, any two officers or any three members of the Board, and such meetings shall be held at the place, within or without the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the corporation.

SECTION 11. NOTICE OF MEETINGS

Regular meeting of the Board may be held without notice. Special meetings of the Board shall be held upon four (4) days' notice by first-class mail or forty-eight hours' notice delivered personally or by telephone or telegraph. If sent by mail or by telegram, the notice shall be deemed to be delivered on its deposit in the mails or on its delivery to the telegraph company. Such notices shall be addressed to each Director at his or her address as shown on the books of the corporation. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place of the adjourned meeting are fixed at the meeting adjourned and if such adjourned is held no more than twenty-four (24) hours from the time of the

original meeting. Notice shall be given of any adjourned regular or special meeting to Directors absent from the original meeting if the adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting. 25

SECTION 12. CONTENTS OF NOTICE

Notice of meetings not herein dispensed with shall specify the place, day and hour of the meeting. The purpose of any Board meeting need not be specified in the notice.

SECTION 13. WAIVER OF NOTICE AND CONSENT TO HOLDING MEETINGS

The transactions of any meeting of the Board, however called and noticed or wherever held, are as valid as though the meeting had been duly held after proper call and notice, provided as quorum, as hereinafter defined, is present and provided that either before or after the meeting each Director not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals, shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 14. QUORUM FOR MEETINGS

A quorum shall consist of a majority of the Board of Directors.

Except as otherwise provided in the bylaws or in the Articles of Incorporation of this corporation, or by law, no business shall be considered by the Board at any meeting at which a quorum, as hereinafter defined, is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn. However, a majority of the Directors present at such meeting may adjourn from time to time until the time fixed for the next regular meeting of the Board.

When a meeting is adjourned for lack of a quorum, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted at such meeting, other than by announcement at the meeting at which the adjournment is taken, except as provided in Section 11 of this Article.

The Directors present at a duly-called and -held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of Directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meeting or such greater percentage as may be required by law, or the Articles of Incorporation or Bylaws of this corporation.

SECTION 14. MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of directors, unless the Articles of Incorporation or Bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

SECTION 15. CONDUCT OF MEETINGS

Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or, if no such person has been designated or, in his or her absence, the President of the corporation or, in his or her absence, by the Vice-President of the corporation or, in the absence of each of these persons, by a Chairman chosen by a majority of the Directors present at the meeting. The Secretary of the corporation shall act as Secretary of all meetings of the Board, provided that in his or her absence, the presiding officer shall appoint another person to act as Secretary of the meeting.

Meetings shall be governed by Roberts' Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with these Bylaws, with the Articles of Incorporation of this corporation, or with provisions of law.

Section 16. ACTION BY UNANIMOUS WRITTEN CONSENT WITHOUT A MEETING

Any action required or permitted to be taken by the Board of Directors under any provision of law may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. For the purposes of this section only, "all members of the Board" shall not include any "interested Director" as defined in Section 5233 of the California Nonprofit Public Benefit Corporation Law. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as the unanimous vote of the Directors. Any certificate or other document filed under any provision of law which relates to action so taken shall state that the action was taken by unanimous written consent of the Board of Directors without a meeting and that the Bylaws of this corporation authorize the Directors to so act, and such statement shall be prima facie evidence of such authority.

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SECTION 17. NON-LIABILITY OF DIRECTORS

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

SECTION 18. INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

To the extent that a person, who is, or was, a Director, officer, employee or other agent of this corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against him or her, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

SECTION 19. INSURANCE FOR CORPORATE AGENTS

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent or the corporation (including a Director, officer, employee or other agent of the corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE V. OFFICERS

Section 1. NUMBER OF OFFICERS

The officers of this corporation shall be a President, a Secretary and a chief financial officer who shall be designated the Treasurer. The corporation may also have, as determined by the Board of Directors, a Chairman of the Board, one or more Vice-Presidents, Assistant Secretaries, Assistant Treasurers, or other officers. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve as the President or Chairman of the Board.

Section 2. QUALIFICATION AND TERM

Any person may serve as officer of this corporation. Officers shall be elected by the Board of Directors, at any time, and each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first.

SECTION 3. SUBORDINATE OFFICER

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

SECTION 4. REMOVAL AND RESIGNATION

Any officer may be removed, either with or without cause, by the Board of Directors, at any time. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board of Directors relating to the employment of any officer of the corporation.

SECTION 5. VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled as the Board shall determine.

Section 6. DUTIES OF PRESIDENT

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, supervise and control the affairs of the corporation and activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be prescribed from time to time by the Board of Directors. Unless another person is specifically appointed as Chairman of the Board of Directors, he or she shall preside at all meetings of the Board of Directors. If applicable, the President shall preside at all meetings of the

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members. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

SECTION 7. DUTIES OF VICE-PRESIDENT

In the absence of the President, or in the event of his or her inability or refusal to act, the Vice-President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president. The Vice-President shall have other powers and perform other such duties as may be prescribed by law, by the Articles of Incorporation, or as may be prescribed by the Board of Directors.

SECTION 8. DUTIES OF SECRETARY

The Secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy, of the Bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the Board may determine, a book of minutes of all meetings of the Directors, and if applicable, meetings of committees of Directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

Be custodian of the records and of the seal of the corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the corporation under its seal is authorized by law or by these Bylaws.

Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.

Exhibit at all reasonable times to any Director of the corporation, or to his or her agent or attorney, on request therefor, the Bylaws, the membership book, and the minutes of the proceedings of the Directors of the corporation.

In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this corporation, or by these Bylaws, or which may be assigned to him or her from time to time

by the Board of Directors.

SECTION 9. DUTIES OF TREASURER

Subject to the provisions of these Bylaws relating to the "Execution of Instruments, Deposits and Funds," the Treasurer shall:

Have charge and custody of, and be responsible for all funds and securities of the corporation, and deposit all such funds and securities of the corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed the funds of the corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Exhibit at all reasonable times the books of account and financial records to any Director of the corporation, or to his agent or attorney, on request therefor.

Render to the President and Directors, whenever requested, an account of any or all of his or her transactions as Treasurer and of the financial condition of the corporation. Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the Articles of Incorporation of the corporation, or by these Bylaws, or which may be assigned to him or her from time to time by the Board of Directors.

SECTION 10. COMPENSATION

No officer of the corporation shall be compensated for the performance of his or her duties, except as provided under Article 4, Section 6 of these Bylaws.

ARTICLE VI. COMMITTEES

SECTION 1. COMMITTEES

The corporation shall have such committees as may from time to time be designated by resolution of the Board of Directors.

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Such other committees may consist of persons who are not also members of the board. These committees shall act in an advisory capacity only to the Board and shall clearly be titled as "advisory" committees.

Section 2. EX OFFICIO MEMBERS

a) The President shall serve ex officio on all committees.

SECTION 3. MEETINGS AND ACTION OF COMMITTEES

Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board of Directors, with such changes in the context of such Bylaw provision as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be fixed by resolution of the Board of Directors or by the committee. The time for special meetings of committees may also be fixed by the Board of Directors. The Board of Directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws.

ARTICLE VII. EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS

SECTION 1. EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2. CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the Treasurer and countersigned by the President of the corporation.

SECTION 3. DEPOSITS

All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 4. GIFTS

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

ARTICLE VIII. CORPORATE RECORDS, REPORTS AND SEAL

SECTION 1. MAINTENANCE OF CORPORATE RECORDS

The corporation shall keep at its principal office in the State of California:

(a) Minutes of all meetings of Directors and committees of the Board, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof.

(b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses.

(c) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

SECTION 2. CORPORATE SEAL

The Board of Directors may adopt, use, and at will alter, a corporate seal. Such seal shall be kept at the principal office of the corporation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

SECTION 3. DIRECTORS' INSPECTION RIGHTS

Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation.

SECTION 4. RIGHT TO COPY AND MAKE EXTRACTS

Any inspection under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

SECTION 5. ANNUAL REPORT

The Board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of

the corporation's fiscal year to all Directors of the corporation, which report shall contain the following information in appropriate detail: 25

(a) The assets and liabilities, including trust funds, of the corporation as of the end of the fiscal year.

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year.

(c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the fiscal year.

(d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the fiscal year.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that such statements were prepared without an audit from the books and records of the corporation.

ARTICLE IX. FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of July and end on the last day of June in each year.

ARTICLE X. BYLAWS

SECTION 1. AMENDMENT

Subject to any provision of law applicable to the amendment of Bylaws of public benefit nonprofit corporations, these Bylaws, or any of them, may be altered, amended, or repealed and new Bylaws adopted by approval of the Board of Directors.

ARTICLE XI. AMENDMENT OF ARTICLES

SECTION 1. AMENDMENT BY THE BOARD OF DIRECTORS

Any amendments of the Articles of Incorporation may be adopted by approval of the Board of Directors.

SECTION 2. CERTAIN AMENDMENTS

Notwithstanding the above Section of this Article, this corporation shall not amend its Articles of Incorporation to alter any statement which appears in the original Articles of Incorporation and of the names and addresses of the first Directors of this corporation nor the name and address of its initial agent, except to correct an error in such statement or to

delete either statement after the corporation has filed a "Statement by a Domestic Non-Profit Corporation" pursuant to Section 6210 of the California Nonprofit Corporation Law.

ARTICLE XI. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

Section 1. PROHIBITION AGAINST SHARING CORPORATE PROFITS AND ASSETS

No Director, officer, employee or other person connected with this corporation, or any private individual, shall receive at any time any of the net earnings or pecuniary profit from the operations of the corporation, provided, however, that this provision shall not prevent payment to any such person of such reasonable compensation for services performed for the corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by these Bylaws and is fixed by resolution of the Board of Directors; and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on dissolution of the corporation. On such dissolution or winding up of the affairs of the corporation, whether voluntarily or involuntarily, the assets of the corporation, after all debts have been satisfied, then remaining in the hands of the Board of Directors, shall be distributed as required by the Articles of Incorporation of this corporation and not otherwise.

WRITTEN CONSENT OF DIRECTORS ADOPTING BYLAWS

We, the undersigned, are all of the persons named as the initial Directors in the Articles of Incorporation of Old Sacramento Management Board, a California nonprofit corporation, and, pursuant to the authority granted to the Directors by these Bylaws to take action by unanimous written consent without a meeting, consent to, and hereby do, adopt the foregoing Bylaws, consisting of 15 pages, as the Bylaws of this corporation.

Dated: September 1, 1980

James H. Burson
James H. Burson, Director

Lina Y. Fat
Lina Y. Fat, Director

Kenneth R. Harris
Kenneth R. Harris, Director

Bruce W. Kleinschmidt 25
Bruce W. Kleinschmidt, Director

Theodore R. Leonard
Theodore R. Leonard, Director

Catherine MacMillan
Catherine MacMillan, Director

Richard E. Troy
Richard E. Troy, Director

CERTIFICATE

This is to certify that the foregoing is a true and correct copy of the Bylaws of the corporation named in the title thereto and that such Bylaws were duly adopted by the Board of Directors of said corporation on the date set forth above.

Dated: September 9, 1986

Bruce W. Kleinschmidt
Bruce W. Kleinschmidt, Secretary

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MISSION, GOALS AND OBJECTIVES

Preamble

Old Sacramento is one of America's most carefully restored historic areas. With modern intrusions kept to a minimum, the structures in Old Sacramento have been restored and reconstructed as close to the original as possible, reflecting the period of 1849 to 1880. The success of this tremendous undertaking is the result of a major investment of public and private dollars. The outcome is a unique mix of successful public facilities and private commercial enterprises housed in one of California's most historic settings.

The private and public elements in Old Sacramento are **interdependent**. Neither can function alone. If one fails, Old Sacramento fails. If both succeed, Old Sacramento flourishes.

Mission Statement

Accordingly, the mission of the Old Sacramento Management Board is to build on the success of Old Sacramento by taking and encouraging actions which

Insure the continuing commercial and popular successes of Old Sacramento's private and public enterprises while assuring the preservation and continued interpretation of Sacramento's historic past.

Goals and Objectives

I. INSURE THE CONTINUING COMMERCIAL AND POPULAR SUCCESSES OF OLD SACRAMENTO'S PRIVATE AND PUBLIC ENTERPRISES BY PROVIDING CENTRALIZED MANAGEMENT.

- A. Serve as Coordinating Body for Old Sacramento
 - 1. Represent all interests
 - 2. Develop long-range plans
 - 3. Approve events for Old Sacramento
 - 4. Serve as clearinghouse for significant issues affecting Old Sacramento

- B. Insure A Successful Commercial Mix
 - 1. Offer centralized leasing
(Provide aggressive leasing services, develop leasing plans, focus on distressed properties)
 - 2. Encourage uniform hours of operation
 - 3. Coordinate a marketing program serving tourists and locals
 - 4. Provide training for merchants
- C. Develop a "User-Friendly" Image for Old Sacramento
 - 1. Encourage more visitor-serving amenities
(Trees, lighting, street furnishings, boardwalk furniture, shaded areas, public signing, security, creature comforts, etc.)
 - 2. Maintain positive press relations
 - 3. Insure an adequate number of easily accessible passenger vehicle and bus parking spaces in and near Old Sacramento
 - 4. Insure safe and easy pedestrian access to and within Old Sacramento
 - 5. Insure reasonable and prudent vehicular access to the Old Sacramento area
 - 6. Minimize unnecessary vehicle intrusions into Old Sacramento
 - 7. Insure reasonable handicapped access to Old Sacramento
- D. Provide for the optimum number of program activities in Old Sacramento These activities should accomplish as many of the following objectives as possible:
 - 1. Interpret the history of Old Sacramento
 - 2. Enhance the commercial success of Old Sacramento
 - 3. Improve the public image of Old Sacramento

II. ASSURE THE PRESERVATION AND CONTINUED INTERPRETATION OF OLD SACRAMENTO'S PRIVATE AND PUBLIC ENTERPRISES

- A. Encourage completion of historic buildings and waterfront area of Old Sacramento according to the approved master plan
- B. Encourage continued maintenance of existing structures and environs
- C. Increase interpretation of Old Sacramento's historical past through programs, exhibits, displays and special events
- D. Encourage and develop an historic ambience for Old Sacramento
(Wagons, street furniture, period signs, period costuming, noise and traffic abatement, etc.)

Adopted
October 20, 1986

25

December 2, 1986

Mr. William Edgar,
Executive Director
Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, Cal. 95814

Dear Bill:

I have attached a duty statement developed by the Board, for the Old Sacramento Manager position. This represents our assessment of the key job requirements for this important post.

Please review this attachment and provide a written reply with your suggested changes. Also, your staff has indicated that the Agency will support this position under certain conditions. Can you specify these conditions in the same letter? May we have your response by our next Board meeting on December 15th?

Thank you for your continuing and generous support.

Sincerely,



Dick Troy,
President

cc: Members

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Program and Activity Description for Old Sacramento Manager

The Old Sacramento Manager will serve under contract to the Old Sacramento Management Board (O.S.M.B.), and will carry out the directives of the Board.

Administration and Management

The Manager will be responsible for the daily operations of the O.S.M.B. office, with duties including, but not limited to: coordinating meetings of the O.S.M.B., including distribution of minutes and meeting notices; ensure coordination of special events/promotions and other activities with other Old Sacramento organizations; identifying specific problems and issues for Board action; record keeping; maintaining correspondence; establishing an annual budget for O.S.M.B. programs; and, establishing a master calendar for Old Sacramento organizations.

Property Marketing

To encourage success of retail and non-retail business, the Manager must first develop a revitalization strategy based on a detailed analysis of the area. This analysis should include data on vacancies, vacant sites, physical needs inventory, property turnover rate, leasing prices, capital improvement needs, business mix, etc. From such an analysis the Manager will then develop a marketing strategy for desired tenant mix and will actively recruit retail and non-retail business to fill vacancies and to balance present business mix. Such a marketing strategy would include, but would not be limited to, working with real estate brokers and redevelopers, gathering information on desirable tenants, and maintaining a data bank on space available for lease or purchase.

The Manager will be responsible for the development and/or distribution of leasing materials such as promotional brochures, posters and similar items.

Funding

The Manager will be responsible for finding continuing funding sources for the position and O.S.M.B. programs.

Coordination with Organizations Represented by O.S.M.B.

The Manager will work closely with the represented groups. This will include assisting merchants, on an individual or group basis, on technical marketing techniques which can be used to improve their present business, using workshops and referrals to appropriate community resources; and, serving as the focal point for the receipt and dissemination of information on behalf of the O.S.M.B..

Approved 12/1/86

Initial Work Program for the Old Sacramento Manager

The Manager will be responsible for a detailed work program within 30 days of the onset of the contract. This program will identify a time frame, phasing of activities, and a budget showing the costs of activities and sources of funds.

Approved 12/1/86

25

JOB ANNOUNCEMENT FOR OLD SACRAMENTO MANAGER

Under the direction of the Old Sacramento Management Board (O.S.M.B.), the Manager's primary responsibility is to carry out the mission of the O.S.M.B., which is: To insure the continuing commercial successes of Old Sacramento's private and public enterprises while assuring the preservation and continued interpretation of Sacramento's historic past.

The Manager's service agreement will be for a period of two years. Fee for the two-year period will be \$50,000. Office space and limited office expenses will be provided by the O.S.M.B..

The Manager's responsibilities will include four broad tasks: administration, property marketing, funding and coordination with the organizations represented on the O.S.M.B.. These tasks are described in further detail in the Program and Activity Description.

Approved 12/1/86



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



25

December 11, 1986

Mr. Dick Troy, President
Old Sacramento Management Board
C/O OLD Sacramento Citizens and
Merchants Association
130 "J" Street
Sacramento, CA 95814

RE: Old Sacramento Manager Position

Dear Mr. Troy:

As you are aware, the Agency is a participant in and supports the concept of the Old Sacramento Management Board (OSMB) and the Board's goal and objectives. With regard to the Board's description for an Old Sacramento Manager, it is felt that the proposed manager's duties should not duplicate or overlap the functions of the organization and governmental entities participating in the management board. The following comments by subject are offered for the Board's consideration:

Administration and Management

The Board should continue to provide policy direction with the manager focusing on implementation. While the manager is to ensure coordination of special events/promotions and other activities with other Old Sacramento organizations, the responsibility for and administration of the event should rest with the sponsoring entity. The manager should remain autonomous from events in order that the manager may objectively implement Board policy and/or carry out the Board's direction regarding events.

Property Marketing

In order to expedite a detailed analysis of the area, the OSMB might obtain the data on vacancies, vacant sites, turnover rate, leasing prices, business mix, etc., from the Board's Old Sacramento Property Owners Council (OSPOC) and Old Sacramento Merchants Associations (OSMA) representatives who could obtain the data from members of their respective organization.

OSMB
agreed
12/15

OSMB
agreed
12/15

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Mr. Dick Troy
December 11, 1986
Page 2

As the gathering of the necessary data would need to occur and would be obtained from the same sources before a manager could effectively commence property marketing, the gathering of the data in advance of the hiring of a manager should result in the manager being able to develop a marketing strategy and commence its implementation.

The fee to the manager would be paid for implementation and not for research.

Funding

Under this activity the proposed manager will be responsible for finding continuing funding sources for the position and for OSMB programs. This, of course, provides incentive, but may be counter productive if finding sustaining funding for the manager's position becomes the predominant activity of the manager. Realistically, the solution to funding the position and gaining full value from the manager's time is for the participants of the OSMB to fund the position. If the manager is distracted from the goals and objectives of the Board by the continuing need to address the manager's own economic needs, the Board will not realize its desired goals and objectives and the manager's position will be of little value to Old Sacramento or the Board or to anyone other than the manager who will need to use the position as a full-time job to fund his job.

Coordination with Organizations Represented by OSMB

As it will be necessary for the proposed manager to work closely with the OSMB represented organizations it will be important that the lines of authority and communication be clearly delineated in order to avoid cross direction to the manager from OSMB representatives when various representatives hold differing points of view or have special interests. The proposed manager's position should be an 'A-political' as possible. The manager's position should be one of an implementator as opposed to that of an arbitrator. The OSMB should resolve differences and provide definitive direction to the manager.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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Mr. Dick Troy
December 11, 1986
Page 2

Job Announcement for Old Sacramento Manager

The announcement does not indicate the desired experience level or what minimum level of experience would be expected or acceptable. The inclusion of an indication of the necessary minimum qualifications should be considered. The qualification equated to the available fee will determine the quality of service the Board could expect i.e., if the qualifications are high and the fee low the position would then most likely be a part-time position. Conversely, if the time commitment is expected to be full-time, the qualifications high and the fee low, either no interest in the position will be received or the Board will have to settle for less qualifications and/or fewer hours of service.

OSMB
request
12/15

Agency Financial Support

The amount of \$15,000 has been submitted in the Agency's 1987 budget for special projects for the support of the OSMB. The Agency and the City have already invested a great deal of money in support of the Old Sacramento business community.

OSMB
request
12/15

The City and Agency continue to underwrite and provide public sector support for Old Sacramento. Such items as the Agency commissioned business development plan, a useful tool intended for the benefit of Old Sacramento property owners and businesses, from which the OSMB concept has been developed, and the City's continued level of area maintenance despite the delinquency of property owners in paying their maintenance assessments demonstrate Agency and City 'hard dollar' support. In order for the OSMB to effectively function as a representative body of all Old Sacramento interests each participant group needs to financially participate by providing funds to underwrite and support the proposed manager's position and the implementation of the Board's goals and objectives.

But?
How?

For one participant entity to solely fund the operations of the OSMB will be tantamount to that participant being in financial control of the OSMB. It could be difficult for the proposed manager to objectively represent OSMB if his position is solely funded by someone else. This would neither be acceptable nor equitable.

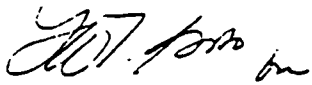
Therefore, the commitment of Agency funds to the OSMB should occur upon the commitment of funds and the financial participation of all the participants of the OSMB. The OSMB will be stronger (and far more effective) if not dependent upon one source for its financial existence.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Mr. Dick Troy
December 11, 1986
Page 4

It is also felt that Agency funds would more effectively be used and of more value for and more value received from the actual implementation of the OSMB goals and objectives as opposed to being used for data gathering and programing.

It is hoped that the OSMB will consider the above comments constructively and will continue its efforts to develop and provide direction for the economic growth of Old Sacramento.



WILLIAM H. EDGAR
Executive Director

WHE/TRL/kld

0409M

1986

Financial and/or in-kind contributions to O.S.M.B.

From O.S.C.M.A.

Monthly:	Office space	\$15
	($\frac{1}{4}$ of office, 15% of time)	
	Based on rental value of .50/ft.)	
	Clerical assistance	\$92
	Based on \$8/hr. rate	
	Administration	\$225
	Based on \$15/hr. rate	
	Mailings	\$18
		<u>\$350 Total</u>
One time:	IRS Incorporation fees	\$45
	Attorney's fees/By-laws review	320
	Marketing study--conducted by	2250
	Research Unlimited, 3 times	
	at \$ 750 each time	
		<u>2615 Total</u>

From O.S.P.O.C.

Monthly:	Meeting facilities	\$50
	Clerical	24
	Administration	110
	(Including maintenance of	
	central listings)	
		<u>\$190 Total</u>
One time:	Compilation of central	
	leasing data	\$320
	Brochure (Printing costs)	5,280
	Brochure (copy development,	
	photography, layout assistance)	650
		<u>\$ 6,250</u>

OSCMA--12 months/monthly fees	4200
One-time costs	<u>2615</u>
	6815

OSPOC--12 months/monthly costs	2280
One-time costs	<u>6250</u>
	8530

Memorandum

MAY 14 1986

Date :

To : Dick Troy, Acting Chairperson
Old Sacramento Management Board
111 I Street
Sacramento, CA 95814

From : Department of Parks and Recreation

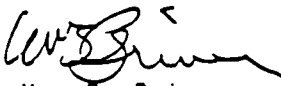
Subject : Endorsement of Old Sacramento Management Board

Please consider this the Department's formal endorsement of the Old Sacramento Management Board as outlined in your recent letter and as described in the Bylaws.

I agree that form of centralized management is necessary if Old Sacramento is to realize its full potential. As State Parks Director, it is my responsibility to protect the \$25 million dollar State investment in Old Sacramento. While the Department's primary role in Old Sacramento is historic preservation and interpretation, I recognize that the success of our program is heavily dependent upon the success of commercial and other interests in Old Sacramento.

I must qualify my endorsement of the management board by stating that management and development of the State Park System is guided by State law, including the Public Resources Code. As you know, I must always consider these statutes as they apply to any future recommendation made to me by the Old Sacramento Management Board. Also, I wish to point out that the State will not provide financial support to the Old Sacramento Management Board.

The Department must manage its lands and improvements in the interests of all 25 million Californians. Accordingly, our actions must consider a perspective that extends far beyond the city limits of Sacramento. However, I am excited about this centralized management concept and confident that the board's recommendations will reflect sound judgement and effective leadership. Dick, I would like you to be the department's formal representative on the board for the Department at this time.


Wm. S. Briner
Director

cc: Garth. R. Tanner,
Chief Deputy Director
for Operations
William J. Monaghan,
Regional Director



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



January 12, 1987

CITY MANAGER'S OFFICE

RECEIVED

JAN 21 1987

Redevelopment Agency of the
City of Sacramento
Sacramento, California



Honorable Members in Session

SUBJECT: Purchase of Reno Club at 415 12th Street in Alkali Flat
and Execution of Agreement for Sale and Grant Deed

SUMMARY

This report authorizes the Executive Director of the Redevelopment Agency to execute a Grant Deed and an Agreement for Sale of Real Property with Mr. Ramiero Martinez for the purchase of the Reno Club located at 415 12th Street. Should this sales agreement not be concluded, on February 13, 1987 this report requests authorization to reinstate eminent domain proceedings.

BACKGROUND

On March 25, 1986, by Resolution 86-013, the Redevelopment Agency established just compensation and authorized the purchase of the Reno Club located on 12th Street.

An initial purchase offer of \$205,000 (established as fair market value as of 02/19/86) was made on April 15, 1986. On April 29, 1986 the owner's attorney rejected the offer, in writing, as unacceptable and indicated that the owner did not wish to sell. Subsequently, on June 10, 1986 the Agency invoked its power of Eminent Domain and adopted the required Resolution No. 86-029. The owner's attorney then contacted the Agency regarding a voluntary purchase. Negotiations continued for several months with the result that both parties agreed to a sales price of \$288,000, less any funds previously paid by Regional Transit for its substation on the site. Regional Transit has agreed to participate in this purchase with us since they needed part of the property for a substation. See attached "Property Acquisition Agreement" between Agency and Regional Transit.

1-27-87

D-1

(1)

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY 26

Redevelopment Agency of the
City of Sacramento
January 12, 1987
Page 2

Their total share will be \$31,680 or 11%. This ratio is proportionate to each legal entity's portion of the total property taking. To date Regional Transit has paid Mr. Martinez \$15,500 towards the total purchase price.

The Agreement for Sale and Grant Deed have been attached for your reference. These documents are executed by the owner. However, in accordance with the State of California community property law, Mr. Martinez's wife, a resident of Mexico, must consent to the transfer of the property before escrow can close. Mr. Martinez's attorney has informed the Agency that Mrs. Martinez will be flown to Sacramento on the designated closing date. Should this action fail to take place on or before February 13, the staff requests that the Executive Director be authorized to return to court and reinstate eminent domain proceedings.

In summation this staff report requests that you accept proposed terms for the transfer of the property and authorize the Executive Director to execute all documents related to the purchase. Ultimately the Agency will clear this site for future commercial development in accordance with the adopted Alkali Flat Redevelopment Plan.

FINANCIAL DATA

The final purchase price of \$288,000 was arrived at as follows:

\$205,000	2/19/86 Fair Market Value
31,680	RT 11% Contribution for Substation
10,000	Estimated Relocation Costs for Business
41,320	Goodwill payment
<u>\$288,000</u>	

Subtracting RT's payment of \$31,680, the Agency will pay a total of \$256,320 to Mr. Martinez for all property and services.

The Reno Club will be purchased with funds set aside for 12th Street Commercial Revitalization (Cost Center 0621) in the approved 1987 Agency Budget Carryover Capital Improvement Program.

ENVIRONMENTAL REVIEW

The proposed acquisition is catagorically exempt; however, at such time as construction plans for new development are ready for consideration a further environmental analysis may be performed.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
January 12, 1987
Page 3

POLICY IMPLICATIONS

The above recommended actions are consistent with adopted Agency policy and no new policies are being recommended.

VOTE AND RECOMMENDATION OF THE COMMISSION

At its special meeting of January 12, 1986 the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

- AYES: Glud, Moose, Pettit, Sanchez, Simon, Simpson, Wiggisn, Wooley, Yew, Amundson
- NOES: None
- ABSENT: Sheldon

RECOMMENDATION

Staff recommends the adoption of the attached resolution which authorizes the Executive Director to execute an Agreement for Sale of Real Property and a Grant Deed for purchase of the Reno Club at 415 12th Street.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slive

WALTER J. SLIVE
City Manager

Contact Person: Trish Davey, 440-1322

Attachments

2378K

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RESOLUTION NO. 87-012

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

January 27, 1987



AUTHORIZING THE EXECUTIVE DIRECTOR
TO EXECUTE A PURCHASE AGREEMENT
AND GRANT DEED FOR RENO CLUB

WHEREAS, the Executive Director was authorized by Resolution No. 86-013 to negotiate the purchase of certain property; and

WHEREAS, the owner of such property has agreed to convey his property on the terms of the purchase agreement and grant deed attached hereto as Exhibits A and B; now, therefore,

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

Section 1: The Executive Director is hereby authorized to execute the purchase agreement and grant deed attached hereto as Exhibits A and B.

Section 2: The Executive Director is authorized to reinstate eminent domain under Resolution 86-029, adopted June 10, 1986, if Mrs. Ramiero Martinez does not appear and execute a quitclaim deed to the Agency on or between February 13, 1987 as a part of escrow closing on the subject property.

CHAIR

ATTEST:

SECRETARY

0672L

PROPERTY ACQUISITION AGREEMENT

THIS AGREEMENT is entered into as of December 15, 1986, by and between the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO (hereinafter "Agency") and the SACRAMENTO REGIONAL TRANSIT DISTRICT (hereinafter "District").

Recitals

WHEREAS, the Agency proposes to acquire by eminent domain certain property referred to as the "Reno Club" and identified in Exhibit A attached hereto (the "Property"); and

WHEREAS, District desires to acquire a portion of the Property for use as part of District's Light Rail Transit System;

NOW, THEREFORE, the parties hereto agree and covenant as follows:

Agreement

1. That if the Agency, after a public hearing, adopts a Resolution of Necessity and thereafter acquires the Property, that portion of the Property identified in Exhibit B shall be conveyed to District by Grant Deed for use as part of the Light Rail Transit System upon payment of the amount specified below.

2. District shall pay to Agency eleven percent (11%) of the total amount Agency pays to the owner to acquire the Property, excluding court costs and attorneys fees associated with the acquisition. The Agency has notified District that the total agreed upon acquisition amount is TWO HUNDRED AND EIGHTY-EIGHT THOUSAND DOLLARS (\$288,000.00). Therefore, District will owe the Agency THIRTY-ONE THOUSAND SIX HUNDRED AND EIGHTY DOLLARS (\$31,680.00) for the cost of acquiring a portion of the Property as identified in Exhibit B. This amount shall be due and payable before Agency shall convey any interest to the area shown in Exhibit B.

3. Agency agrees to indemnify and hold harmless District from any liability incurred by District in the course of carrying out its obligation under this Agreement due to the acts or omissions of the Agency, its agents, or employees.

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

SACRAMENTO REGIONAL TRANSIT DISTRICT

REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

By *Arthur Bauer*
ARTHUR BAUER, Chairman

By _____
WILLIAM H. EDGAR
Executive Director

ATTEST:

APPROVED AS TO LEGAL FORM:

DAVID A. BOGGS, General Manager

DWIGHT MOORE, General Counsel

APPROVED AS TO LEGAL FORM:

APPROVED:

MARK W. GILBERT, Attorney

FINANCE DEPARTMENT

Fund:
Object Code:
Organization:
Cost Center:

ORGANIZATION APPROVAL

EXHIBIT A

LEGAL DESCRIPTION OF THE PARCEL TO BE
ACQUIRED BY THE REDEVELOPMENT AGENCY OF THE
CITY OF SACRAMENTO THROUGH EMINENT DOMAIN

All that real property in the City of Sacramento, County of Sacramento, State of California, described as follows:

Lot 1, in the block bounded by 12th and 13th. "D" and "E" Streets, in the City of Sacramento, according to the Official Plat thereof.

EXHIBIT B

LEGAL DESCRIPTION OF THE PORTION OF
PROPERTY TO BE DEEDED TO THE
SACRAMENTO REGIONAL TRANSIT DISTRICT

All that real property in the City of Sacramento, County of Sacramento, State of California described as follows:

The Northerly 93.00 feet of the Westerly 20.00 feet of Lot 1 in the block bounded by 12th and 13th, "D" and "E" Streets, in the City of Sacramento, according to the Official Plat thereof.

PARCEL NO. 002-121-01

Ramiro Martinez
Seller(s)

AGREEMENT FOR SALE OF REAL PROPERTY

AGREEMENT between the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, (hereinafter called "Buyer") and RAMIRO MARTINEZ (hereinafter called "Seller(s)") of the real property described in Paragraph 1 below.

IT IS AGREED AS FOLLOWS:

1. Seller(s) agrees to sell to Buyer and Buyer agrees to purchase from Seller(s) all that certain real property (hereinafter called "the real property") situated in the City of Sacramento, County of Sacramento, State of California, described in Exhibit "A" attached hereto upon the terms and for the considerations set forth in this Agreement.

2. (a) The total purchase price shall be the sum of \$288,000.00 (ONE HUNDRED EIGHTY-EIGHT THOUSAND AND NO/100 DOLLARS) and is full consideration and compensation for the real property, loss of goodwill and patronage associated with the Seller's business on the real property, personal property direct losses and all relocation payments, and all other claims of damage relating to this purchase.

(b) Seller agrees to provide Buyer with a \$15,500.00 credit against the purchase price in that the Sacramento Transit Development Agency has previously paid Seller \$15,500.00 as part of an eminent domain action relating to a partial taking of th real property. As a result of such credit, Buyer shall be required only to pay Seller the amount of \$272,500.00 for the real property.

3. Buyer shall take title in fee simple to the real property free and clear of all liens and encumbrances, except any public utility easements affecting a portion of the real property or any supplemental tax lien assessed pursuant to Chapter 3.5 of the Revenue and Taxation Code, Sections 75 et seq.

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4. Seller shall within 5 days after the date of this Agreement provide Buyer with copies of any leases relating to such real property.

5. Security deposits and prepaid rent from Seller's tenants, if any, held by the Seller shall be refunded by Seller to such tenants before the close of escrow.

6. Taxes and assessments shall be paid in the following manner:

(a) Any taxes which are due but not paid at the closing of escrow shall be prorated in the customary manner as of the date of closing. If taxes have been paid by seller prior to the closing of escrow, there shall be no proration of such taxes and it shall be the responsibility of the Seller(s) to apply for a tax refund in the normal manner, through the office of the Tax Collector of the County of Sacramento.

(b) Any assessments, as well as notes and/or deeds of trust, shall be paid in full by the Seller(s) before the close of escrow.

7. Title insurance premium, recording fees and other escrow expenses shall be borne by Buyer, except for any expenses relating to any liens, encumbrances and assessments, which shall be borne by Seller(s).

8. An escrow will be established to carry out this Agreement with a title company. Seller(s) hereby authorizes Buyer to select the title company and prepare and file escrow instructions in accordance with this Agreement on behalf of both Buyer and Seller(s). Escrow shall close on or before February 9, 1987.

9. All tenants and the Seller shall remove any and all personal property and fixtures and equipment from the premises and totally vacate the premises of the real property prior to the close of escrow.

10. A Grant Deed conveying the real property to Buyer will be executed by the Seller and delivered to the escrow agent for the representative of Buyer who has signed this Agreement. Such Deed shall be a No Fee Document recorded for the benefit of the REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, pursuant to Rev. and Tax Code Sec. 11922.

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11. Buyer shall deposit the total amount of the purchase price in escrow before the close of escrow. Proceeds of the sale shall be mailed to Seller(s) by the title company at 1700 Alhambra Boulevard, Suite 200, Sacramento, CA 95816. Such proceeds shall be in the form of a check made payable to Roy E. Brewer and Ramiro Martinez.

12. Seller shall retain possession until the close of escrow.

13. If any real estate commissions are payable on this transaction, the commissions shall be fully-paid by Seller(s).

14. In the event of a default hereunder and the necessity of litigation to enforce any provision of this Agreement, the non-prevailing party in any litigation shall pay to the prevailing party therein, a reasonable sum as attorney fees and costs as shall be established by the Court.

15. This sale and purchase, at the sole discretion of Buyer, is subject to the results of a soil test showing no toxic substances are on the sites. Should toxic substances be identified on the sites, at the sole discretion of Buyer, this Agreement may be cancelled.

16. Agency warrants that the Executive Director has been duly authorized to execute this Agreement.

17. Seller warrants that he owns the real property as separate property from his spouse.

Dated: _____

APPROVAL RECOMMENDED:

Ramiro Martinez
Seller(s)

I.D. (or Social Security No.)

APPROVED AS TO FORM:

Spousal Consent

BY: _____
General Counsel

REDEVELOPMENT AGENCY OF THE
CITY OF SACRAMENTO

BY: _____
WILLIAM H. EDGAR
Executive Director

FINANCE DEPARTMENT APPROVAL:

BY: _____

Fund Code: 246
Object Code: 4840
Organization: ~~6300~~
Cost Code: 0621 *MLP*

ORGANIZATIONAL APPROVAL:

BY: _____

0518L

Exhibit "A"

The real property is situated in the State of California, County of Sacramento, City of Sacramento and is described as follows:

Lot 1, in the Block bounded by "D" and "E", 12th and 13th Streets of the City of Sacramento, according to the map or plan thereof.

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RECORDING REQUESTED BY
Redevelopment Agency of the City of Sacramento

WHEN RECORDED MAIL TO:

TECHNICAL SERVICES DIVISION (17-TS)
Sacramento Housing & Redevelopment Agcy
462 "I" Street, Sacramento, CA 95814

ESCROW NO. G-323403-KAB Western Title

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Parcel No. ,002-0121-001

GRANT DEED

RAMIRO MARTINEZ, a married man

grant(s) to REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, a public body corporate and politic, the real property in the City of Sacramento, County of Sacramento, State of California, described as follows:

Lot 1, in the Block bounded by "D" and "E", 12th and 13th Streets of the City of Sacramento, according to the map or plan thereof.

Executed on _____

RAMIRO MARTINEZ

Signed in the presence of:

NO FEE DOCUMENT. Recorded for the benefit of the Redevelopment Agency of the City of Sacramento