

This Calendar Item No. 28
was approved as Minute Item
No. 28 by the State Lands
Commission by a vote of 3
to 0 at its 9-29-81
meeting.

MINUTE ITEM

9/29/81
W 21741
C 8148
A. Scott

28. CONTRACT WITH THE CITY OF SACRAMENTO

During consideration of Calendar Item 28 attached, Commission-Alternate Susanne Morgan requested that the cost to the State for the subject agreement be changed from an amount not to exceed \$35,000 to an amount not to exceed \$28,000. Ms. Morgan's main reason for this reduction was to ensure the continuation of the city's financial participation.

Upon motion duly made and carried, the following resolution was adopted by the vote of 3-0.

THE COMMISSION:

1. DETERMINES THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS PROJECT AS SUCH DOCUMENT IS NOT REQUIRED BECAUSE THIS IS A MINOR ALTERATION TO LAND FOR THE REMOVAL OF DERELICT OR HAZARDOUS STRUCTURES ON STATE WATERWAYS PURSUANT TO SECTION 2907, CLASS 4(c) OF 2 CAL. ADM. CODE.
2. CONCURS IN THE EXECUTION BY THE ASSISTANT EXECUTIVE OFFICER OF AN AGREEMENT BETWEEN THE STATE AND THE CITY OF SACRAMENTO FOR THE REMOVAL OF THE REMAINS OF THE RIVERLINES WAREHOUSE PROVIDED THE COST TO THE STATE SHALL NOT EXCEED \$28,000 AND THAT THE CONTRACTOR PROVIDE LIABILITY INSURANCE WITH THE STATE AS AN ADDITIONAL INSURED IN THE SINGLE LIMIT AMOUNT OF \$1,000,000.

A 4
S 4

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CALENDAR ITEM

28

9/29/81
W 21741
C 8148
A. Scott

CONTRACT WITH THE CITY OF SACRAMENTO

On July 24, 1981, a fire destroyed a portion of an existing structure, commonly known as Riverlines Warehouse, located in part on State sovereign land along the east bank of the Sacramento River, within the City of Sacramento. The remaining parts of the structure are in a very hazardous condition. Because the destroyed and damaged structure is located partially on State land and city-owned land both agencies may be liable for any personal injury occasioned because of the current hazardous condition of the building. Staff feels that the removal of this structure as quickly as possible is in the best interest of the State and the City feels likewise. The City agreed to arrange for the removal of the structure and to provide interim, 24 hour guards and upon removal to fence the cleared area, provided that the State assist financially in the site clearance.

Staff has arranged currently budgeted funds for the removal of the structure and due to the need to proceed quickly in order to limit the State's existing liability has executed a contract with the City of Sacramento to reimburse the city for the cost of removal of the structure provided the cost does not exceed \$35,000. Estimated cost is \$26,000 and a bid in the amount of \$26,000 has been accepted by the City of Sacramento.

AB 884: N/A.

EXHIBITS: A. Executed Contract.
B. Report of condition by City of Sacramento.
C. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS PROJECT AS SUCH DOCUMENT IS NOT REQUIRED BECAUSE THIS IS A MINOR ALTERATION TO LAND FOR THE REMOVAL OF DERELICT OR HAZARDOUS STRUCTURES ON STATE WATERWAYS PURSUANT TO SECTION 2907, CLASS 4(c) OF 2 CAL. ADM. CODE.

A 4

-1-

S 4

(Revised 9/25/81)

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2. CONCUR IN THE EXECUTION, BY THE ASSISTANT EXECUTIVE OFFICER, OF AN AGREEMENT BETWEEN THE STATE AND THE CITY OF SACRAMENTO FOR THE REMOVAL OF THE REMAINS OF THE RIVERLINES WAREHOUSE PROVIDED THE COST TO THE STATE SHALL NOT EXCEED \$35,000 AND THAT THE CONTRACTOR PROVIDE LIABILITY INSURANCE WITH THE STATE AS AN ADDITIONAL INSURED IN THE SINGLE LIMIT AMOUNT OF \$1,000,000.

AGREEMENT REGARDING DEMOLITION AND
REMOVAL OF FIRE DAMAGED REMAINS
OF RIVERLINE WAREHOUSE

This Agreement dated this 17th day of September,

1981, by and between the CITY OF SACRAMENTO, hereinafter referred to as the "CITY" and the STATE OF CALIFORNIA, acting by and through the State Lands Commission, hereinafter referred to as the "STATE".

WHEREAS, a recent fire has damaged or destroyed certain structures known as Riverline Warehouse located adjacent to the east bank of the Sacramento River, adjacent to the Tower Bridge; and,

WHEREAS, the STATE in its sovereign capacity holds title to those lands lying beneath such damaged or destroyed structures which constitute tide and submerged lands within the bed of the Sacramento River as it last existed in a natural state; and,

WHEREAS, the CITY holds title to the remaining lands on which such damaged or destroyed structures are located; and,

WHEREAS, the demolition and removal of such damaged or destroyed structures is in the public interest;

NOW, THEREFORE, the STATE and the CITY mutually agree as follows:

1. The CITY hereby agrees to cause the demolition and removal of the fire damaged or destroyed structures of the Riverline Warehouse; to continue providing twenty-four (24) hour security until such structures are removed, and to erect a chain link security fence around the site upon clearance of the site, and to require that the STATE is an additional assured on the demolition contractor's liability insurance in a face amount of at least \$1,000,000 for the duration of the demolition and removal project.

EXHIBIT A
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MINUTE PAGE

2. Subject to the availability of funds and approval of the State Department of Finance or the State Legislature, the STATE agrees to reimburse the CITY for the costs of demolition and removal of such structures, provided, however, that such reimbursement shall not exceed \$35,000 and shall not include the cost of security guard service or fencing.

CITY OF SACRAMENTO, a
municipal corporation

By Walter J. Slive
CITY MANAGER

ATTEST:

Lorraine Mayone
CITY CLERK

APPROVED AS TO FORM:

Richard J. Savage
DEPUTY CITY ATTORNEY

STATE OF CALIFORNIA, acting by
and through the State Lands
Commission

By James Y. Trout
JAMES TROUT
Assistant Executive Officer

Contract Review and
Approval Recommended
by Legal:

OH 9/17/81

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CITY OF SACRAMENTO

LORRAINE MAGANA
CITY CLERK

OFFICE OF THE CITY CLERK

815 I STREET
CITY HALL ROOM 203

SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 449-5428

September 17, 1981

At the regular meeting of September 8, 1981, the City Council approved demolition of the Riverlines Warehouse and fencing of the site in accordance with the attached report of the City Manager. Also attached is Resolution 81-676 adopted by the City Council.

Attest:

Anne J. Mason
Assistant City Clerk

EXHIBIT B
W 21741

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CITY OF SACRAMENTO
CALIFORNIA

OFFICE OF THE
CITY MANAGER

September 3, 1981

CITY HALL
915 I STREET - 95814
(916) 449-5704

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: River Lines Warehouse Building

SUMMARY

The north end of the River Lines Warehouse building was destroyed by fire on July 24, 1981 (see Attachment 1). Joint study by staff of the City, Housing and Redevelopment, and State Lands Commission has concluded that the remainder of the building should be demolished immediately with costs shared by the City, Housing and Redevelopment Agency, and State Lands Commission.

BACKGROUND

The River Lines Warehouse is located immediately south of the Capitol Avenue Bridge to Yolo County. Actual ownership of the building has been a matter of extensive discussion between State Lands Commission and the City for many years because it is located partly on the land but mostly over the course of the Sacramento River. It has been used for storage by the City and the Housing and Redevelopment Agency.

Current Situation

The building is an immediate and serious hazard to the public by virtue of its structural disability and accessibility from both land and water.

The Housing and Redevelopment Agency has posted a 24-hour private security guard at the site at a cost of \$1,050.00 per week. Expenditures for the service to date exceed \$6,000.00 which is being paid by the Housing and Redevelopment Agency.

Potential liability for the hazard is substantial. The City Attorney reports that risk of suit exists in the areas of attractive nuisance, navigation hazards, and the dangerous and defective condition of public property (see Attachment 2).

The City's insurance broker reports that liability insurance in the amount of \$1,000,000 can be purchased for \$4,000 per year provided the security guard is kept in place. Without the guard, insurance cannot be purchased at any price (see Attachment 3).

The building has little, if any, historical significance. Any historical value in the building that may have existed was related to the River Lines office which is now completely burned. An adequate historical record may be retained through photography and sketching prior to demolition (see Attachment 4).

The structural integrity of the building has been lost (see Attachment 5).

The City, Housing and Redevelopment Agency, and State Lands Commission are exposed to the on-going risk of liability. The Housing and Redevelopment Agency is incurring on-going costs for security guards.

Staff Analysis

Two alternatives appeared to be worthy of consideration: temporary closure and demolition.

Temporary Closure -

This would involve clearance of all debris, building a wall from the concrete deck to the roof of the remaining building, and fencing off the remainder of the deck with chain link fence. This would not actually secure the building. It would still be easily accessible from the west and south.

The cost would be approximately \$13,800.00 payable by the City and/or the Redevelopment Agency (see Attachment 6).

Demolition -

Demolition would involve total removal of the building, removal of all debris, and fencing of the deck. Costs would be approximately \$38,350. State Lands Commission has agreed to reimburse the costs of the demolition and debris removal which amounts to \$26,000 (see Attachment 6). The remainder is the fencing cost (\$12,350). The product of this action would be a clear concrete deck with fencing around the complete periphery.

The early action is very important because of the on-going liability risk and the continuing cost of security guards. Both can be significantly reduced by informal bidding of the work. City Engineer reports that a formal bid process for the demolition and clearance will take four to five weeks longer than an informal process (see Attachment 7). This would have the effect of increasing the security guard costs by about \$5,250.00.

FINANCIAL DATA

A comparison of the two alternatives is:

Temporary Closure -

<u>Item</u>	<u>Amount</u>	<u>Paid By</u>
Debris Removal	\$ 6,000	City
Wall	6,500	City
Fencing	<u>13,000</u>	City
Sub Total	\$13,800	City

<u>Item</u>	<u>Amount</u>	<u>Paid By</u>
Informal Bidding - 1 week @ \$1,050.00	<u>\$ 1,050</u>	City
Total A	\$14,850	City
Formal Bidding - 6 weeks @ \$1,050.00	<u>6,350</u>	City
Total B	\$20,150	City

Demolition -

<u>Item</u>	<u>Amount</u>	<u>Paid By</u>
Demolition, clearance	\$26,000	State Lands Commission
Fencing for slab	<u>12,350</u>	City
Sub Total	\$38,350	
Informal Bidding - 1 week @ \$1,050.00	<u>1,050</u>	
Total A	\$39,400	Total City Cost \$13,400
		Total State Cost \$26,000
Formal Bidding - 6 weeks @ \$1,050.00	<u>6,300</u>	
Total B	\$44,650	Total City Cost \$18,650
		Total State Cost \$26,000

The above chart indicates that the most economical course is to minimize the risk and security guard costs by utilizing informal bidding to demolish the building to the deck. State Lands Commission has offered to cover only those costs associated with demolition of the building (see Attachment 8).

RECOMMENDATION

It is recommended that the City Council:

1. Pass the attached resolution authorizing procurement of demolition by informal bid.
2. Direct staff to enter into an agreement with the California State Lands Commission calling for reimbursement of demolition costs.

3. Direct staff to proceed as quickly as practicable to accomplish demolition of the River Lines Warehouse at Front Street and Capitol Avenue.
4. Direct staff to provide for appropriate graphic work to maintain a record of the structure's appearance.

Respectfully submitted,



Mac Mailes
Assistant City Manager
for Community Development

Recommendation Approved:


Walter J. Slipa City Manager

COMPLETE FOR ALL INCIDENTS

SACRAMENTO FIRE DEPARTMENT

FIELD INCIDENT REPORT

FD-20

510	11/10/78	1	2	3	4	5	6	7	8	9	10
INCIDENT TYPE	EX-111	TYPE OF ACTION TAKEN	EXTINGUISHED				PROPERTY NAME	Old Delta Lines Building			
ADDRESS	Freight & Capital Mill				STREET ADDRESS	Freight Shed		ALTERNATE ADDRESS	None		
DISTRICT	01	PROPERTY CLASSIFICATION (COMPLEX)	Freight Shed				PROPERTY CLASSIFICATION (INDIVIDUAL PROPERTY)	A3			
OCCUPANT	Vacant				PIRE DISCOVERED BY	Street Box Alarm		PROPERTY REPRESENTATIVE OR PROPERTY OWNER	None Available		
PHONE	514 + Capital Mill				PHONE	None					

COMPLETE IF FIRE

511	LEVEL OF ORIGIN	1	2	3	4	5	6	7	8	9	10
LEVEL OF ORIGIN	Ground Floor				AREA OF ORIGIN	North Office Area				AREA OF ORIGIN	11
SOURCE OF HEAT OF IGNITION	Unknown				FORM OF HEAT OF IGNITION	Unknown				FORM OF HEAT OF IGNITION	12
TYPE OF MATERIAL IGNITED	Wood				FORM OF MATERIAL IGNITED	Interior Office Area				FORM OF MATERIAL IGNITED	13
SET BY CIRCUMSTANCES - ORIGIN OF FIRE	Suspicious Act				SET BY CIRCUMSTANCES - ORIGIN OF FIRE					SET BY CIRCUMSTANCES - ORIGIN OF FIRE	14
512	ALARM SYSTEM	FOR HOME SMOKE DETECTION UNITS ONLY				EFFECT	1. NO ALARM 2. SATISFACTORY 3. FAILED				
							1				

COMPLETE IF STRUCTURE FIRE

513	PROPERTY TYPE	EA	1	HEIGHT	EA	0	0	FIRE DAMAGE	TA	1
			10			14	16			

COMPLETE IF VEHICLE FIRE

514	TYPE OF VEHICLE	MAKE OF VEHICLE	MODEL OF VEHICLE	YEAR	LICENSE NUMBER

COMPLETE IF LOSS INVOLVED

515	ESTIMATED VALUE DOLLARS ONLY	ESTIMATED LOSS DOLLARS ONLY	516	AMOUNT OF INSURANCE	INSURANCE COMPANY
	None	None			None
517	CONTENT OF ENTIRE STRUCTURE	33 34	518	AGENT NAME	AGENT PHONE
	None			None	

COMPLETE FOR ALL INCIDENTS

REMARKS: FOR ADDITIONAL REMARKS USE REVERSE SIDE OF THIS FORM. LOS CONFIDENTIAL INFORMATION USE SECURITY LABEL

Old vacant Delta Lines Freight Shed & Terminal approx. 300' by 75' mill by framing corrugated metal siding & roof covering - Some old Old Sacto town facts were stored in the building - Street Box Alarm 5th & Capitol Mall hrs. Eng. 1 responded & observed the northend exterior of the building involved - code 5-5 0242 hrs. E-2 E-5 Tr's 1 & 5 Lite Unit 5 B-1 resp: B-1 code 2-11 0243 hrs. E-14 E-3 E-4 Tr. 20 Lite Unit 20 E-3 responded code 6-6 for special unit E-19 0301 hrs. - shut off 0548 hrs. - No Injuries Witness Mr Danial Reece age 23 1036 Charles Way West Sacto. 372-8399 saw he saw a Guy with a 5 gallon gas can in the area - See Sheriff Officer report - No electricity to the building SMUD Mr Grady verified - A Mr Mor at the Miller Park Boat Dock let the F.D. use a small outboard boat - Exposure: slight scorched paint area on the south/east area edge of the

REPORTING OFFICER	DATE	PAGE	MINUTE PAGE
H. Woodruff	11/10/78	113	1927



CITY OF SACRAMENTO

DEPARTMENT OF LAW
812 TENTH ST SACRAMENTO, CALIF 95814
SUITE 201 TELEPHONE (916) 443-5348

JAMES P. JACKSON
CITY ATTORNEY
THEODORE H. KOFY, JR.
ASSISTANT CITY ATTORNEY
LELIAND J. SAVAGE
SAMUEL L. JACKSON
WILLIAM P. CARNATI
SABINA ANN GILBERT
STEPHEN B. NOCITA
CHRISTINA PRIM
DEPUTY CITY ATTORNEYS

September 2, 1981

MEMORANDUM

TO: MAC MAILES, Assistant City Manager for Community Development
FROM: LELIAND J. SAVAGE, Deputy City Attorney
RE: RIVERLINE WAREHOUSE

At your request I examined the referenced property. It appears to me that a court could find the property is in dangerous and defective condition or constitutes an attractive nuisance which could lead to liability on the part of the owner and the entity in possession of the property. If the building collapsed into the channel of the Sacramento River, it would clearly constitute a hazard to navigation for which the owner or person in possession would be liable.

Lee Savage
LELIAND J. SAVAGE
Deputy City Attorney

LJS:kn



CITY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

8730 - 24th ST. BLDG #4

SACRAMENTO, CA. 95822
TELEPHONE (916) 449-5548

EQUIPMENT MAINTENANCE DIVISION
FACILITY MAINTENANCE DIVISION
RISK MANAGEMENT & INS. DIVISION
SUPPORT SERVICES DIVISION

FRANK MUGARTEGUI
DIRECTOR

September 3, 1981
GS:81080:EM:RP

MEMORANDUM

CITY MANAGER'S OFFICE
RECEIVED
SEP 3 1981

TO: Felton "Mac" Mailés
Assistant City Manager-Community Development

FROM: Frank Mugartegui
Director of General Services

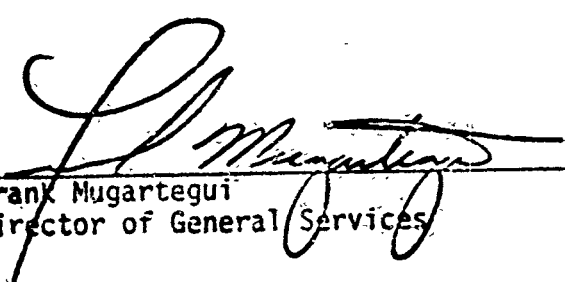
SUBJECT: River Lines Building - Liability Coverage

COPY TO: Wm. Radmond

At our meeting of August 27, 1981, you requested that we check with the City's insurance broker for the cost of a \$1 million (1st Dollar Coverage) General Liability Insurance Policy on the River Lines Building, 1300 Front Street.

The quotation received for a single limit \$1 million Liability Policy was an annual premium of \$4,000, providing there is a 24-hour watchman at the site. The underwriter was not interested in quoting a premium without a 24-hour watchman being at the site.

We feel the premium is not reasonable and the underwriter is not interested in providing the coverage.


Frank Mugartegui
Director of General Services

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CITY OF SACRAMENTO

DEPARTMENT OF COMMUNITY SERVICES

3820 FIFTH AVENUE
(916) 448-3200

SACRAMENTO, CA 95817

BOLON WISHAM, JR.
DIRECTOR

CITY MANAGER'S OFFICE
RECEIVED
SEP 3 1981

CROCKER ART MUSEUM DIVISION
GOLF DIVISION
METROPOLITAN ARTS DIVISION
MUSEUM AND HISTORY DIVISION
RECREATION DIVISION
PARKS DIVISION
ZOO DIVISION

TO: Mac Mailes
FROM: James E. Henley
DATE: September 3, 1981
RE: Municipal Warehouse/Riverlines Warehouse

In response to your request, I have gone back and reviewed research and materials that we have accumulated over the years on the Riverlines Warehouse. Some years ago, we prepared a research document on structures fronting the River south of the Tower Bridge for the Planning Department in a document they called "The Docks Study." In that document, we determined that the City had been responsible for the construction of a series of warehouse structures south of the Tower Bridge during the 20th Century. They extended as far south as what is now known as the Municipal Pier and adjacent to a coal station where ships used to bring in coal for the railroad.

The structure that we now know as the Riverlines Warehouse is actually a continuous evolution of a series of structures on that site. The oldest portion of it appears to be the end immediately adjacent to the Tower Bridge. A number of the remodelings occurred in the 1920's and 1930's, and perhaps even in the 1940's. The building served a number of municipal purposes, but it was also leased by the City for the largest portion of its life to various transportation or freight companies, and the Federal Government used it during World War II as a building in which to store burlap bags.

In looking through the structure before the recent fire and subsequent to it, it is my opinion that the most significant portion of the building, which was the north end near the Tower Bridge, has been consumed by the fire. This was the area in which the offices and the public structures for boarding and river boats had occurred -- all of which have now been consumed in the fire. The remaining portion of

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the building only contains one or two interesting architectural details left, the most interesting of which is the large ramp near the south end, which is controlled by cables and which was used for moving automobiles and large freight items to and from river boats.

The balance of the building is in very poor condition and would appear to me to have little historic significance, especially in that if it was restored for some use, surely almost nothing would survive in that restoration process.

An argument has been made that the building is of historical significance, based on the fact that it is the only river-related warehouse-type structure left in the Sacramento area, when in past years the entire river was lined with such structures. Even though that may be true, there is so little of the original structure left, and the portion that is still surviving is in such poor condition that it would have to be drastically remodeled in any restoration process. I would therefore seriously discount that contention.

My recommendation would be that, prior to any demolition of the surviving structure and cleaning up of the fire debris that occurs on the north end, the building should be carefully photographed by a professional architectural photographer and that it should be ascertained whether or not any of the plans for the structure still survive at the Engineering Department. If the plans are still not in existence, I think perhaps some sketch of the structure should be prepared so that there will be a historical record of its existence, and at that point I think it would be quite logical to remove it as a hazard.

JEH/shr



CITY OF SACRAMENTO

DIVISION OF BUILDING INSPECTIONS
927-10TH STREET SACRAMENTO, CALIFORNIA 95814
ROOM 100

September 3, 1981

MEMORANDUM

TO: Felton Mailles, Assistant City Manager
FROM: Tim Sullivan, Director, Building Inspections Division
SUBJECT: River Lines Building

A personal inspection of the subject building was made today. I would consider the structure to be a dangerous building for the following reasons:

1. The north 100 feet of the structure is completely damaged by a recent fire. Members of the remaining structure adjacent to the burn area are in danger of collapse.
2. There has been minor fire damage to a tinder dry exposed south wall.
3. There are interior posts that have no positive anchor to the concrete floor.
4. The horizontal braces in the e.w. direction are underdesigned and show evidence of splitting.
5. Several support columns have been damaged by vehicles or have been cut off.
6. There is dryrot in roof framing due to a leaking roof.
7. Several areas in the east and west walls have had structural bracing removed.

I feel it would be in the City's best interest to remove the structure from the concrete floor up and fence off the area.

TS:ml

cc: Ron Parker

CITY OF SACRAMENTO



DEPARTMENT OF GENERAL SERVICES

8720 - 24th ST. BLDG #4

SACRAMENTO, CA 95822
TELEPHONE: (916) 448-5548

EQUIPMENT MAINTENANCE DIVISION
FACILITY MAINTENANCE DIVISION
RISK MANAGEMENT & INS. DIVISION
SUPPORT SERVICES DIVISION

FRANK MUGARTEGUI
DIRECTOR

September 2, 1981

MEMORANDUM

TO: MAC MAILES, Assistant City Manager, Community Development
FROM: ANTHONY F. NASTRO, Facility Maintenance Superintendent
RE: River Lines Building

- Item #1 - Remove all debris, including tearing down elevator shaft and room -- \$6,000
- Item #2 - Build 3/4" plywood walls to close north end floor to ceiling, 2 x 8 framing -- 6,500
- Item #3 - Approx. 100 lin. of fencing, 8' high, barbed wire return -- 1,300
- Item #4 - Tear down total building, approx. 75' deep, and 400' long, remove all debris -- 26,000

Anthony F. Nastro
ANTHONY F. NASTRO
Facility Maintenance Superintendent

AN:KMF



CITY OF SACRAMENTO

DEPARTMENT OF ENGINEERING
915 I STREET SACRAMENTO, CALIFORNIA 95814
CITY HALL ROOM 207 TELEPHONE (916) 449-9281

CITY MANAGER'S OFFICE
RECEIVED
SEP 2 1981

R. H. PARKER
CITY ENGINEER
J. F. VARGOZZA
ASSISTANT CITY ENGINEER

September 2, 1981

MEMORANDUM

TO: Mac Mailes, Asst. City Manager for Comm. Dev.
FROM: R. H. Parker, City Engineer
SUBJECT: Riverlines Building

If the demolition of the Riverlines Building is done as part of the normal process, it will require writing of specifications and advertising for bids, which will take approximately four weeks. If this is done on an informal basis, several of the local demolition contractors could be contacted and we could conduct a walk through and get informal bids, which would greatly speed up the demolition process.

R. H. PARKER
City Engineer

RHP/hma

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STATE LANDS COMMISSION

KENNETH CORY, *Controller*
MIKE CURB, *Lieutenant Governor*
MARY ANN GRAVES, *Director of Finance*

EXECUTIVE OFFICE
1807 - 13th Street
Sacramento, California, 95811

WILLIAM F. NORTHROP
Executive Officer

September 3, 1981

Mac Mailes
Assistant City Manager
City of Sacramento
City Hall
Sacramento, CA 95814

Dear Mac:

RIVER LINES WAREHOUSE

This will confirm our understanding for proceeding with demolition of the River Lines Warehouse. As proposed, the State Lands Commission will seek funds, up to a maximum of \$35,000, for the actual razing of the structure and removal of the debris. The State will enter into an agreement with the City whereby the City will contract for the demolition. In addition, the City will provide at no cost to the State, \$1,000,000 in liability insurance and security services at the site until the structure is removed. The City will also erect a chain link security fence around the site when the demolition work is finished.

We have requested the funds and approval of the work from the State Department of Finance. Our agreement is subject to approval of the funds. We can make no binding commitment until this approval is obtained.

Alan Scott is assigned as project coordinator for the Commission. I have asked him and Dave Hadly, Staff Counsel, to work with you and the City Attorney's Office on the necessary agreement documents. You should be hearing from Alan shortly.

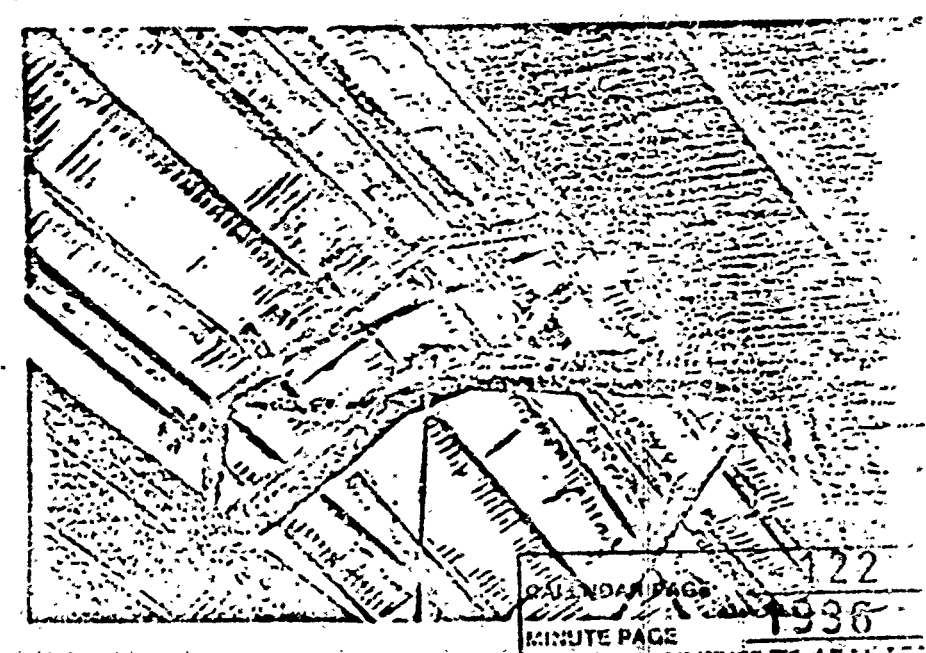
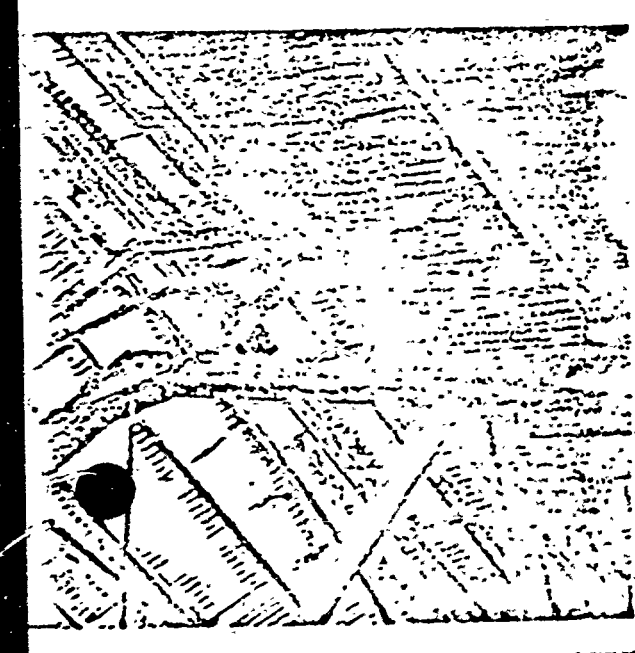
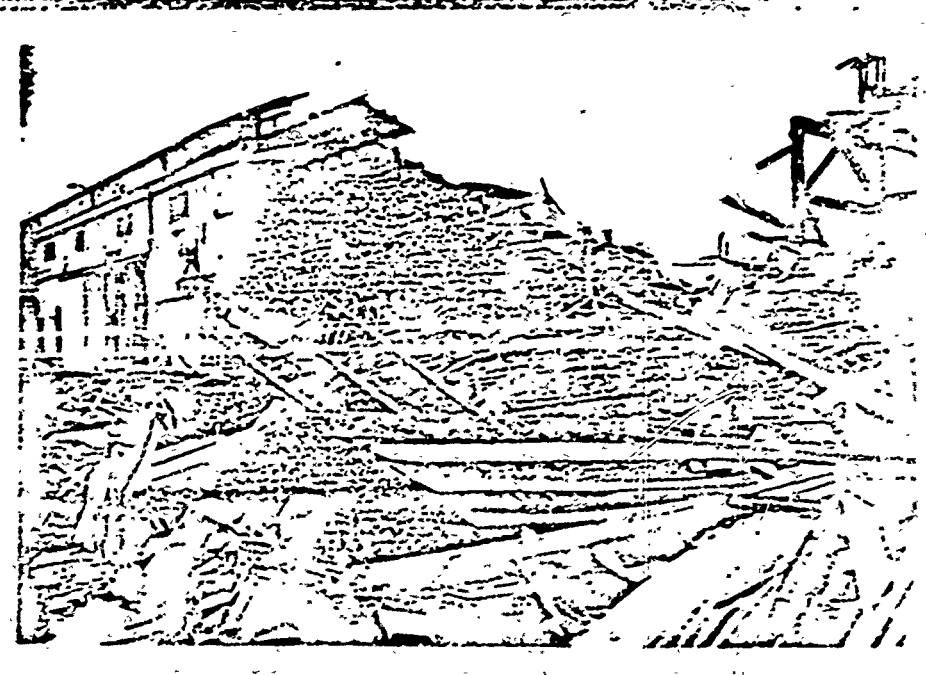
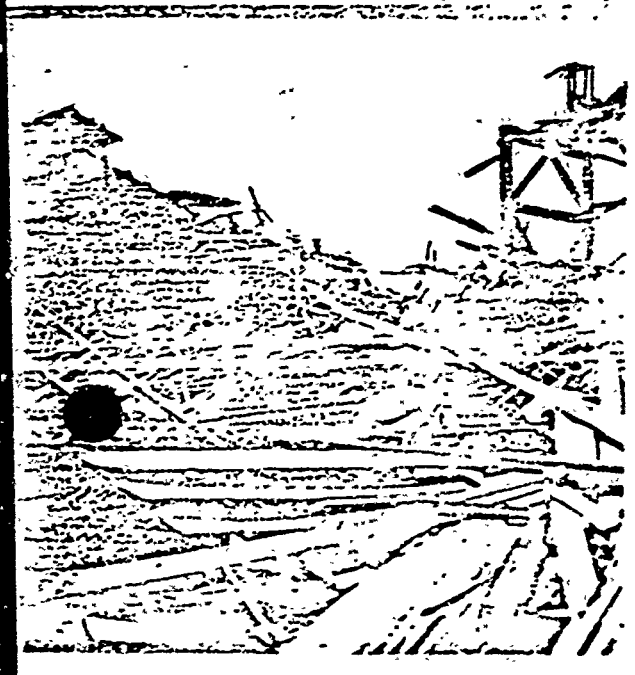
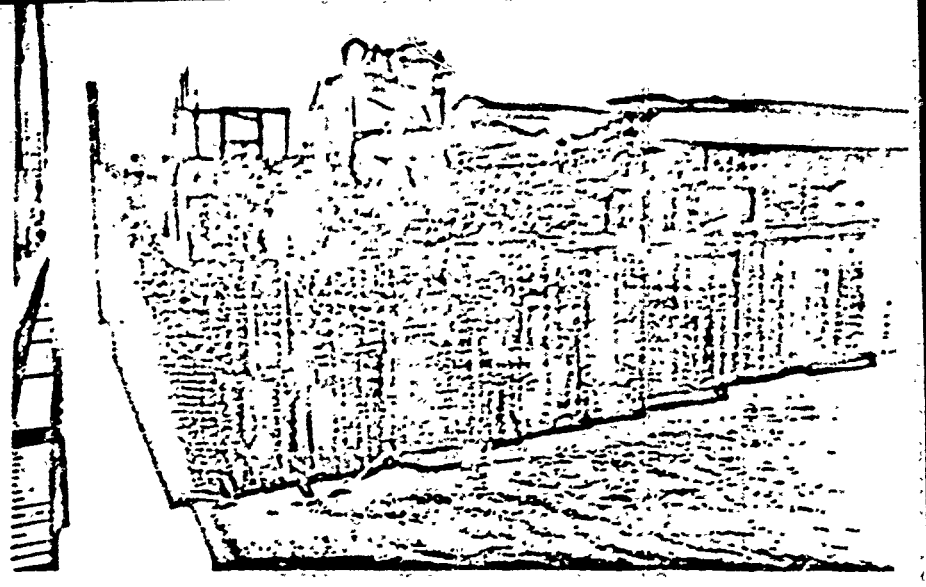
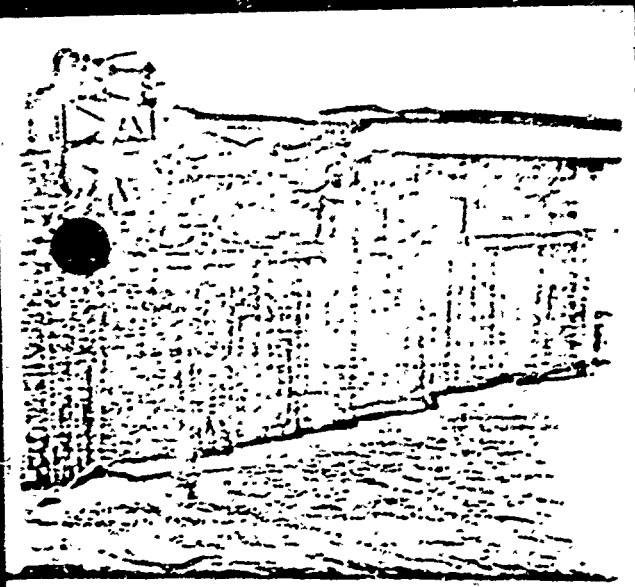
Sincerely,


JAMES F. TROUT
Assistant Executive Officer

cc: D. Brown
D. Hadly
A. Scott

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RESOLUTION NO. 81-676

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

SEP 8 1981

RESOLUTION SUSPENDING COMPETITIVE BIDDING FOR DEMOLITION OF RIVERLINES WAREHOUSE (2/3 VOTE REQUIRED)

WHEREAS, Riverlines Warehouse has been substantially damaged by fire; and,

WHEREAS, City has incurred and is incurring substantial expense for guard services for the damaged structure to protect itself from potential liability due to the condition of Riverlines Warehouse; and,

WHEREAS, the delay attendant to formal competitive bidding shall result in additional expense for guard services and additional exposure of the City to liability,

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO, TWO-THIRDS OF THE MEMBERS VOTING THEREFOR that the City Council finds that it is in the best interest of the City to suspend competitive bidding for the contract for demolition of the Riverlines Warehouse and for fencing the site; and,

FURTHER RESOLVED that the City Manager is authorized and directed to procure demolition of the Riverlines Warehouse and fencing of the site without competitive bidding.

PHILLIP L. ISENBERG

MAYOR

ATTEST:

LORRAINE MAGANA

CITY CLERK

CERTIFIED AS TRUE COPY
of Resolution No. 81-676

SEP 16 1981

DATE CERTIFIED

Lance Mason
Assistant CITY CLERK, CITY OF SACRAMENTO

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123

1937

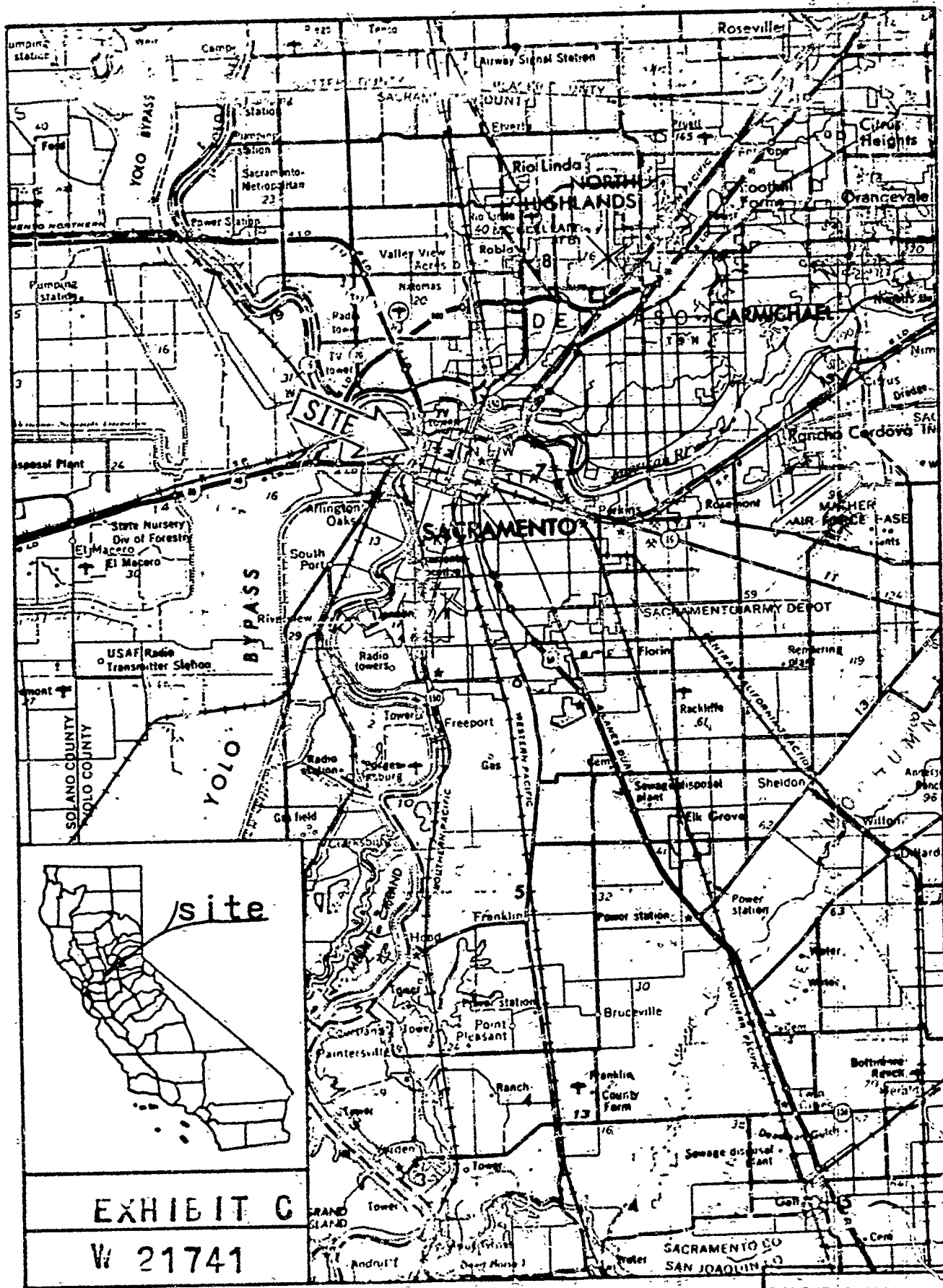


EXHIBIT C
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