

# RESOLUTION NO. 2000-060

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF AUG 29 2000

## MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT AREA: 10<sup>TH</sup> AND K STREETS: ACCEPTANCE OF ASSIGNMENT OF PURCHASE AGREEMENT AND NEGOTIATION OF DISPOSITION AND DEVELOPMENT AGREEMENT

WHEREAS, the Amended Redevelopment Plan for the Merged Downtown Sacramento Redevelopment Project Area was prepared by the Redevelopment Agency of the City of Sacramento ("Agency") and approved and adopted on June 17, 1986, by Ordinance Nos. 86-063, -064, -065, -066, and -067 of the City Council of the City of Sacramento and subsequently amended;

WHEREAS, two of the goals of the Redevelopment Plan for the Project Area are:

- a) To eliminate blighted and blighting conditions; and
- b) To increase and develop economic activity in the area by attracting new business, assisting existing business and enhancing property values.

WHEREAS, the Agency adopted the Merged Downtown Five Year Strategic Plan and Implementation Plan for the Project Area on February 29, 2000;

WHEREAS, the Downtown Five Year Strategy and Implementation Plan identifies the site at the southeast corner of 10<sup>th</sup> and K Streets ("Parcel") as one of the key development catalyst sites, and as having the greatest potential for retail development;

WHEREAS, the Agency will engage in serious negotiations with the owners of the Parcel for the purpose of purchasing the Parcel;

WHEREAS, the Parcel is properly zoned and situated for commercial redevelopment, and there are no other sites in the Project Area which would be as compatible with the greatest public good and the least private injury as the subject site for the following reasons, among others:

- a) The Parcel is located at the corner of 10<sup>th</sup> and K Streets, one of the K Street District's principal commercial intersections;
- b) The site offers a scale and location necessary for the development of catalyst commercial;

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- c) 10<sup>th</sup> Street's high traffic volumes offer significant visibility;
- d) The site is located in proximity to the State Capitol, and enjoys significant pedestrian traffic;
- e) It is the center of the 5-block area of K Street (between 7<sup>th</sup> and 12<sup>th</sup>) most in need of redevelopment attention;
- f) Unlike most buildings on K Street, the building is large enough (approx. 51,000 square feet) to house a significant retail venue; and
- g) Public parking to support the site is available behind the building at 10<sup>th</sup> and L Streets.

WHEREAS, the City of Sacramento has available certain Packard Bell Loan Funds which are available and appropriate for Agency use for acquisition of the Parcel.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The above statements are true and correct.

Section 2: The public purpose for which the Parcel is to be acquired is for commercial development of a news broadcasting facility within the Merged Downtown Sacramento Redevelopment Project Area so that such area can experience a revitalized economic life.

Section 3: For the foregoing reasons, the Redevelopment Agency finds and determines that:

- a) The public interest and necessity requires renewed commercial development and occupancy in the project area;
- b) Such commercial development is planned and located in the manner that will be most compatible with the greatest public good and the least private injury; and
- c) The properties to be acquired are necessary for the proposed use.

Section 4: The Deputy City Manager is authorized to accept assignment of the purchase agreement between CNS and Principal Capital Management, owner of the building, and to execute documents, in a form approved by Agency Counsel, and take all other actions necessary to complete the acquisition of the Parcel.

Section 5: The Deputy City Manager is authorized to borrow \$2.3 million from the City Packard Bell Loan Funds for purchase of the building, and to execute loan documents, in a form approved by Agency Counsel, and take all other actions necessary to consummate the loan;

Section 6: The Loan shall be issued for a term of one year, and shall carry an interest cost of 6.53%.

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Section 7: The Deputy City Manager is authorized to negotiate, within 30 days, a Disposition and Development Agreement (DDA) between the City and CNS which specifies the following:

- a) Within 90 days of execution of the DDA, CNS will demonstrate to the City that it has made significant progress toward accumulating funds to construct planned building improvements and commence operation of CNS. After an additional 90 days, CNS must demonstrate that it has raised the money required to purchase the land, construct planned building improvements, and commence operations.
- b) Following the demonstrations outlined above, the City will sell the property to CNS for the amount expended by the City to close escrow (approximately \$2.3 million).
- c) If CNS fails to raise sufficient funds to become fully operational, as outlined above, its right to repurchase the building will expire. The staff will then seek a buyer for the building whose use is consistent with the redevelopment goals for K Street.
- d) The City will retain a right of first refusal to purchase the property should CNS cease to operate in the following five years.

  
CHAIR

  
SECRETARY

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