

RESOLUTION NO. 2009-545

Adopted by the Sacramento City Council

August 18, 2009

APPROVING THE SACRAMENTO DOWNTOWN RAILYARDS TITLE SETTLEMENT AND EXCHANGE AGREEMENT WITH STATE LANDS COMMISSION, STATE DEPARTMENT OF PARKS AND RECREATION AND S. THOMAS ENTERPRISES OF SACRAMENTO, LLC

BACKGROUND

- A. In order to resolve the public trust claim of the State Lands Commission (State Lands) regarding the location of the prior channel of the American River within the Railyards property owned by S. Thomas Enterprises of Sacramento, LLC (Thomas Enterprises), the Sacramento Downtown Title Settlement and Exchange Agreement (Exchange Agreement) is proposed to allow for transfer of the State Lands' public trust claim to property currently owned by the City of Sacramento (City) and the State Department of Parks and Recreation (State Parks) along the Sacramento River.
- B. The Exchange Agreement provides for the City to transfer title to Sand Cove Park to State Lands and for State Parks to transfer its jurisdiction over the Waterfront Parcel to State Lands. ~~These properties will then become subject to a public trust claim to limit~~ their use to public access and recreation and be leased to the City. The City would obtain title to these two properties under the terms of proposed legislation. The proposed 49- year leases and legislation are included as part of the Exchange Agreement and State Lands is bound to confer those interests to the City, subject to approval by the State Legislature for the subsequent property transfer.
- C. The consideration for the City's transfer of title to Sand Cove Park to State Lands is the agreement to obtain rights to the Waterfront Parcel to allow for future development of Riverfront Park in accordance with the Sacramento Riverfront Master Plan and the Railyards Specific Plan, as well as the agreement to lease-back to the City Sand Cove Park, all at no cost.
- D. In accordance with City Code Section 3.88.100, the City Council finds that the conveyance of title to Sand Cove Park to State Lands at no cost is in the best interest of the City because the property will still be under the City's jurisdiction and used as a public park under the terms of the lease with State Lands, the City will obtain rights to develop the Waterfront Parcel as a public park, and the City will likely be able to obtain title to these two properties in the future, all at no cost to the City.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Sacramento Downtown Title Settlement and Exchange Agreement (Exchange Agreement) between the City of Sacramento, the State Lands Commission, the State Department of Parks and Recreation, and S. Thomas Enterprises of Sacramento, LLC, is hereby approved. The City Manager is hereby delegated the authority to execute the Exchange Agreement.
- Section 2. The sale of Sand Cove Park to the State Lands Commission at no cost, as set out in the Exchange Agreement, is hereby approved. The City Manager is authorized to execute the grant deed on behalf of the City of Sacramento and to execute all required escrow agreements to facilitate the transfer of title for Sand Cove Park to the State Lands Commission.
- Section 3. The lease of Sand Cove Park and the Waterfront Parcel by the City from the State Lands Commission, in accordance with the form lease set out in the Exchange Agreement, is hereby approved. The City Manager is hereby delegated the authority to execute the leases for Sand Cove Park and the Waterfront Parcel with the State Lands Commission.
- Section 4. The draft legislation to allow for the State Lands Commission to subsequently transfer title for Sand Cove Park and the Waterfront Parcel to the City, as set out in the Exchange Agreement, is hereby approved. Staff is directed to work with the State Lands Commission to seek an author to introduce this legislation, subject to the oversight of the legislative process and approval of any changes to the proposed legislation by the Law and Legislation Committee.

Adopted by the City of Sacramento City Council on August 18, 2009 by the following vote:

Ayes: Councilmembers Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

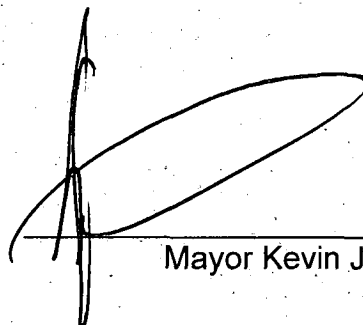
Noes: None.

Abstain: None.

Absent: Councilmember Cohn.

Attest:


Shirley Concolino, City Clerk



Mayor Kevin Johnson