

RESOLUTION NO. 2012-088

Adopted by the Sacramento City Council

April 3, 2012

APPROVING PREDEVELOPMENT AGREEMENTS AND CONTRACTS FOR THE ENTERTAINMENT AND SPORTS COMPLEX AS WELL AS NECESSARY BUDGET TRANSFERS

BACKGROUND

- A. On September 13, 2011, the City Council authorized the City Manager to proceed with negotiations with ICON Venue Group and David S. Taylor Interests (collectively, "ICON-Taylor") for the development of an entertainment and sports complex (ESC) on City-owned property adjacent to the Union Pacific Depot.
- B. On December 13, 2011, City Council authorized the City Manager to release a request for qualifications (RFQ) in order to begin the parking monetization process to provide the majority of the City's contribution for development of the ESC.
- C. On February 14, 2012, the Council approved a list of 11 qualified bidder teams if Council later decided to initiate the parking monetization request for proposals (RFP) process.
- D. On March 6, 2012, the City Council approved the Term Sheet between the City, the Sacramento Kings, and AEG for the development, operation, and use of the ESC and directed staff to begin the first phase of the parking monetization RFP process.
- E. Predevelopment work has an estimated budget of approximately \$13 million, to be split as follows: City -50%; Sacramento Kings -25%; and AEG -25%.
- F. Additionally, on March 6, 2012, Council authorized \$850,000 for the necessary legal and consultant services for predevelopment work.
- G. A critical part of the predevelopment work is development of a site plan for the ESC and the surrounding area as well as the preparation of the environmental impact report for the project as required under the California Environmental Quality Act (CEQA).
- H. The National Basketball Association (NBA) has agreed, on behalf of the Sacramento Kings, to advance \$200,000 of the Kings' proposed obligation under the draft predevelopment funding agreement.

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

- Section 1. The City Manager or his designee is authorized to execute a predevelopment funding agreement with the Sacramento Kings LP and AEG Facilities, LLC

(AEG) with the material terms of, and in substantial conformity with, the attached Exhibit A, subject to approval as to form by the City Attorney, and contingent upon the signatures of the Sacramento Kings LP and AEG.

- Section 2. The City Manager or his designee is authorized to execute the amendment to the Sheraton Master Owner Participation Agreement (MOPA) with Taylor/CIM Redevelopment Company, LLC, attached hereto as Exhibit B, in order to authorize the use of \$5 million for ESC predevelopment expenses.
- Section 3. The City Manager or his designee is authorized to transfer \$5 million of Sheraton proceeds from the Sheraton OPA (U18001040) to the ESC Project Fund (102000000).
- Section 4. The City Manager or his designee is authorized to transfer \$1,518,116 from the Parking Fund (Fund 6004) to the ESC Project Fund (102000000).
- Section 5. The City Manager or his designee is authorized to transfer \$850,000 from the Parking Fund (Fund 6004) to the ESC Project Fund (102000000) as approved by the City Council on March 6, 2012.
- Section 6. A revenue and expenditure budget in the ESC Project (102000000, Fund 2703) for \$3,259,058 from the Sacramento Kings LP is hereby established.
- Section 7. A revenue and expenditure budget in the ESC Project (102000000, Fund 273) for \$3,259,058 from the AEG Facilities LLC is hereby established.
- Section 8. The City Manager or his designee is authorized to execute an agreement for site planning consultant services with AECOM for \$555,745, attached hereto as Exhibit C.
- Section 9. The City Manager or his designee is authorized to execute an agreement for site planning consultant services with AECOM for \$99,880, attached here to as Exhibit D.
- Section 10. The City accepts and approves the NBA's advance of \$200,000 on behalf of the Sacramento Kings, on the terms and conditions stated in the NBA's March 30, 2012, letter attached hereto as Exhibit E.

Table of Contents

- A – Predevelopment Funding Agreement
- B – MOPA Amendment
- C – Professional Services Agreement (environmental services)
- D – Professional Services Agreement (site planning)
- E – NBA Letter of March 30, 2012

Adopted by the City of Sacramento City Council on April 3, 2012 by the following vote:


Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, Pannell, Schenirer, and Mayor Johnson.

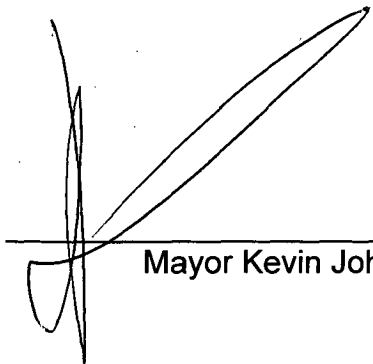
Noes: Councilmembers McCarty and Sheedy

Abstain: None.

Absent: None.

Attest:


Shirley Concolino, City Clerk


Mayor Kevin Johnson