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CITY MANAGER'S OFFICE
RECEIVED
OCT 7 1987

OFFICE OF THE
CITY ATTORNEY

JAMES P. JACKSON
CITY ATTORNEY

THEODORE H. KOBAY, JR.
ASSISTANT CITY ATTORNEY

CITY OF SACRAMENTO
CALIFORNIA

812 TENTH STREET
SACRAMENTO, CA
95814-2694

916-449-5346

October 5, 1987

APPROVED
BY THE CITY COUNCIL

OCT 13 1987

OFFICE OF THE
CITY CLERK

DEPUTY CITY
ATTORNEYS:

SAMUEL L. JACKSON
WILLIAM P. CARNAZZO
LAWRENCE M. LUNARDINI
GARLAND E. BURRELL, JR.
DIANE B. BALTER
RICHARD F. ANTOINE
TAMARA MILLIGAN-HARMON
RICHARD E. ARCHIBALD
LINDA M. GONZALEZ

City Council
Council Chambers
Sacramento, CA 95814

AG 87091

**Re: A Resolution Authorizing the City Manager
and City Clerk to Execute the First Amendment
to the Safe Harbor Lease Reimbursement Agreement
Between the City and the Sacramento Regional
Transit District Dated January 30, 1987**

HONORABLE MEMBERS IN SESSION:

SUMMARY

This report recommends that the Council approve an amendment to the Safe Harbor Lease Reimbursement Agreement between the City and the Sacramento Regional Transit District dated January 30, 1987.

BACKGROUND

On January 30, 1987, a tax benefit transfer transaction (Safe Harbor Lease) between Zayre Corporation and Sacramento Regional Transit District resulted in proceeds of approximately \$1,500,000 to the LRT/RACS account. As part of that transaction, the City of Sacramento made certain guarantees to Zayre Corporation. In addition, SRTD and City entered into a Reimbursement Agreement which governs the relationship between City and SRTD in the event Zayre should call upon the city's guaranty.

City staff felt that the Reimbursement Agreement dated January 30, 1987, did not adequately set forth SRTD's obligations to maintain the subject light rail vehicles in service during the life of the Safe Harbor Lease. The SRTD Board has subsequently approved an amendment to Article 7 of the Reimbursement Agreement which resolves City staff concerns, and that amendment is presented for your approval.

A technical amendment to Article 10 is also included in this First Amendment to Reimbursement Agreement.

RECOMMENDATION


It is recommended that the Council adopt the attached resolution authorizing the City Manager and City Clerk to sign the First Amendment to Reimbursement Agreement.

Respectfully submitted,

JAMES P. JACKSON, City Attorney

By 
DIANE B. BALTER
Deputy City Attorney

RECOMMENDATION APPROVED:


WALTER J. SLIPE, City Manager

DISTRICTS: All
October 13, 1987

RESOLUTION NO. 87-857

Adopted by The Sacramento City Council on date of

**A RESOLUTION AUTHORIZING THE CITY MANAGER
AND CITY CLERK TO EXECUTE THE FIRST
AMENDMENT TO THE SAFE HARBOR LEASE
REIMBURSEMENT AGREEMENT BETWEEN THE CITY
AND THE SACRAMENTO REGIONAL TRANSIT
DISTRICT DATED JANUARY 30, 1987**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

- 1. The City Manager and the City Clerk are authorized to execute the First Amendment to the Safe Harbor Lease Reimbursement Agreement between the City and the Sacramento Regional Transit District dated January 30, 1987.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

OCT 13 1987

OFFICE OF THE
CITY CLERK

Exchange

October 23, 1987

David A. Boggs
General Manager
Sacramento Regional Transit District
P.O. Box 2110
Sacramento, CA 95810-2110

Dear Mr. Boggs:

On October 13, 1987, the Sacramento City Council adopted a Resolution No. 87-857, authorizing the execution of City Agreement #87091, First Amendment to the Safe Harbor Lease Reimbursement Agreement.

Enclosed, for your records, is one fully certified copy of said agreement and authorizing resolution.

Sincerely,

LORRAINE MAGANA, CITY CLERK

JANICE BEAMAN
Deputy City Clerk

JB/cc/#32,
Enclosure

cc: City Manager
Risk Management