

RESOLUTION NO. 2007-003

Adopted by the Redevelopment Agency
of the City of Sacramento

January 9, 2007

MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT AREA: APPROVAL OF THE 1000 K STREET REHABILITATION PROJECT, AUTHORIZATION FOR EXECUTION OF A DISPOSITION AND DEVELOPMENT AGREEMENT WITH 1000 K STREET, LLC. AND APPROPRIATION OF TAX INCREMENT

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Merged Downtown Sacramento Redevelopment Plan ("Redevelopment Plan") and an "Implementation Plan" for the Merged Downtown Redevelopment Project Area ("Project Area");
- B. The 1000 K Street, LLC ("Developer") is requesting ownership of certain real property ("Property"), in the Project Area and which Property is generally described as 1000 K Street and more particularly described in the legal description, attached as Exhibit A to the proposed Development and Disposition Agreement. The sale of the property and the construction of the Project is consistent with the goals and objectives of the Redevelopment Plan to strengthen retail and commercial functions and to stimulate new commercial expansion and economic growth is consistent with the Implementation Plan adopted for the Redevelopment Plan. The sale of the Property will assist in the elimination of blight as stated in the 33433 Report.
- C. The Agency and Developer desire to enter into an Development and Disposition Agreement ("DDA") a copy of which is on file with the City and Agency Clerk, which DDA would assist with the financing of the 1000 K Street rehabilitation by entering into a Participation Agreement with Developer, as more specifically described in the DDA, and which would require the improvements within the Property, as further described in the DDA (collectively, "Project"); and
- D. The Agency and Developer desire to enter into an Reimbursement Agreement a copy of which is on file with the City and Agency Clerk, which Agreement would assist with the financing of hazardous abatement and interior demolition at the 1000 K Street, and
- E. The abatement and soft demolition work is an obligation of the City's, but is interwoven with the developer's improvements that they cannot be done practically by separate contract and competitive bidding would result in greater

public costs in project delay.

- F. The Agency, as a Responsible Agency pursuant to the California Environmental Quality Act has determined that the proposed project as described in the DDA is exempt from CEQA requirements.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The Executive Director will prepare a Notice of Exemption for the sale of the Property and for the execution of the DDA, Reimbursement Agreement and related documents for the Project based on the finding in the accompanying staff report in accordance with CEQA.
- Section 2: After due considerations of the facts presented, the findings, including the environmental findings that the project not create significant impacts to traffic, air quality, parking or historic resources, as stated in the staff report that accompanies this Resolution, are approved.
- Section 3. The consideration for the Agency's conveyance of the Property to Developer is the Developer obligations under the DDA, and the fair reuse value of the Property at the use and with covenants, conditions, restrictions required by the DDA and Grant Deed is -\$1,010,000.
- Section 4. The Development and Disposition Agreement is approved and the Executive Director or her designee is authorized to execute the Development and Disposition Agreement, in substantially the same form as that which is on file with the City and Agency Clerks and to take all such actions, execute said instruments, and amend the budget as may be necessary to effectuate and implement this resolution and the Development and Disposition Agreement to provide expenditures of \$5,750,000 from the Merged Downtown tax exempt bond funds toward costs outlined in the Development and Disposition Agreement for the construction of a mixed use project.
- Section 5. The Executive Director or her designee is authorized to enter in to the Reimbursement Agreement for the abatement of hazardous building materials and soft demolition in an amount not to exceed one million dollars (\$1,000,000) from the Merged Downtown tax-exempt bond funds.

Adopted by the City of Sacramento Redevelopment Agency on January 9, 2007 by the following vote:

Ayes: Members Cohn, Fong, McCarty, Pannell, Sheedy, Tretheway, Waters, and Chair Fargo.

Noes: None.

Abstain: None.

Absent: Member Hammond.



Heather Fargo, Chair

Attest:



Shirley Corcolino, Secretary