

APPROVED
BY THE CITY COUNCIL

FEB 9 1999

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THOMAS V. LEE
DEPUTY CITY MANAGER
DOWNTOWN DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

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January 29, 1999

AS 99-025

City Council
Redevelopment Agency of the City of Sacramento
Sacramento, California

Honorable Members in Session:

**SUBJECT: 5TH AMENDMENT TO LOAN AGREEMENT FOR OLD SACRAMENTO
VISITOR'S DOCK PROJECT; AUTHORIZE COOPERATIVE
AGREEMENT BETWEEN REDEVELOPMENT AGENCY AND CITY**

LOCATION AND COUNCIL DISTRICT: Old Sacramento Waterfront, Council District 1

RECOMMENDATION:

Staff recommends that

City Council authorize the City Manager to execute the 5th amendment to California State Department of Boating and Waterways Loan Agreement Number 94-102-176 (City agreement number 92-253) to extend the completion date for the Old Sacramento Visitor Docks Project to May 1, 1999; and

City Council and the Redevelopment Agency of the City of Sacramento (RACS) approve the attached Cooperative Agreement between RACS and the City which establishes a new payment schedule of Merged Downtown tax increment previously committed to fund the Boating and Waterways loan.

CONTACT PERSON: Ed Astone, Old Sacramento Town Manager, 264-7031
Paul Blumberg, Downtown Development Group, 264-7204

FOR COUNCIL MEETING OF: February 9, 1999

SUMMARY:

The proposed amendment to the existing Old Sacramento Visitor Dock Project agreement extends the project completion date to May 1, 1999. In addition, the attached resolution

approves a cooperative agreement between the Redevelopment Agency of the City of Sacramento (RACS) and the City, in order to establish a payment schedule of Merged Downtown tax increment previously committed to repay the Boating and Waterways loan.

COMMITTEE/COMMISSION ACTION: None.

BACKGROUND

- On June 30, 1992, Council and SHRA adopted companion resolutions: City resolution number 92-477 and 92-478, and Agency resolution number 92-054 authorizing City application for and acceptance of a loan totaling \$500,000 from the State of California Department of Boating and Waterways (DBW) for a Visitor Dock Project at the Old Sacramento Waterfront. These resolutions provided for the SHRA to make available to the City up to \$85,000 annually for up to 23 years to enable the City to repay the loan to the DBW with a Visitor Dock Project completion date of May 1, 1996. The DBW Loan Agreement Number assigned was 94-102-176 (City agreement number 92-253). Subsequent amendments approved by Council authorized the City to borrow a total of \$1.4 million from the DBW.
- City Resolution number 97-001, approved on January 7, 1997 authorized the City to borrow from DBW a total of \$1.4 million. Earlier, City Resolution number 96-429 authorized the City to amend its Memorandum of Agreement between the City and the SHRA (City Agreement number 92-253) to bind the SHRA to grant funds to the City of up to \$85,000 annually for up to 23 years to enable the City to repay a loan of up to \$1.4 million to the DBW. However, the actions at that time omitted the required RACS resolution to establish new repayment schedule and authorization to transfer to the City up to the total of \$1.4 million, and it is now necessary to obtain RACS authorization for the additional payments and establish a revised payment schedule.
- The new payment schedule will decrease the term of the loan and increase the annual payments from \$85,000 to \$105,000 annually. The change in schedule is due to the delay in the commencement of repayment of the loan, and the need to shorten the original 23 year term of the loan to 19 years. The year 2018 is the termination date for repaying debt under the Merged Downtown Redevelopment Plan.
- The execution of the 5th Amendment to DBW loan document number 94-102176 (City agreement number 92-253), included as Attachment I, will extend the Visitor Dock Project completion date to May 1, 1999. All other existing terms and conditions of previous agreements will remain unchanged.
- The execution of the attached Cooperative Agreement between the City of Sacramento and the Redevelopment Agency of the City of Sacramento, included as Attachment II, will establish a new payment schedule of tax increment from RACS to the City for repayment of the loan.

FINANCIAL CONSIDERATIONS:

The Redevelopment Agency will increase the amount of Merged Downtown tax increment budgeted annually for repayment of the loan from \$85,000 to \$105,175.94 annually.

ENVIRONMENTAL CONSIDERATIONS:

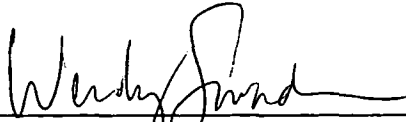
The extension of the Visitor Dock Project completion date will have no environmental consequences, therefore, the action recommended in this report is exempt from CEQA review pursuant to Section 15378 (b)(3) of the California Environmental Quality Act.

POLICY CONSIDERATIONS:

There are no policy considerations related to the actions recommended in the attached resolutions.

MBE/WBE CONSIDERATIONS: None. No goods or services are being purchased.

Respectfully submitted:



Wendy Saunders
Development Manager



Thomas V. Lee
Deputy City Manager

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR
City Manager



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ATTACHMENT 1

FIFTH AMENDMENT TO CONTRACT

Sacramento Boat Harbor - Downtown Visitors Dock

This amendment is entered into on May 1, 1998 between the California Department of Boating and Waterways (DEPARTMENT) and the City of Sacramento (BORROWER).

The DEPARTMENT and BORROWER agree to amend their contract of September 30, 1994 (Contract No. 94-102-176) as follows:

1. Section 4 shall read:

“The BORROWER shall complete the PROJECT (defined by EXHIBIT A) no later than May 1, 1999.”

Save as herein or previously amended, the contract of September 30, 1994 shall remain in full force and effect.

CITY OF SACRAMENTO

By 
Title: _____

12/8/98
Date Signed

STATE OF CALIFORNIA
DEPARTMENT OF
BOATING AND WATERWAYS

By _____
Director

Date Signed

AG99-025

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COOPERATIVE AGREEMENT
BETWEEN THE CITY OF SACRAMENTO AND
THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

Docks Area/Old Sacramento Visitor's Boating Dock Loan

This Agreement is made and effective as of February _____, 1999, by and between the **CITY OF SACRAMENTO**, a municipal corporation, 915 "I" Street, Sacramento, CA 95814 ("City") and the **REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO**, a public body corporate and politic, 630 "I" Street, Sacramento, CA 95814 ("Agency").

WHEREAS, the City and Agency have a mutual interest in development of the Sacramento River waterfront between the I Street Bridge and the Pioneer Bridge.

WHEREAS, the Merged Downtown Sacramento Redevelopment Project ("Redevelopment Project") project area includes the significant portion of the Sacramento River waterfront area.

WHEREAS, the Agency on June 30, 1992 approved Resolution No. 92-054 authorizing the Agency to commit annual payments of Project Area tax increment for a twenty-seven years in an amount not to exceed \$50,000 annually to the City for repayment of loan (for improvements on the Sacramento River waterfront within the Project Area) from the California Department of Boating and Waterways in the amount of \$500,000.

WHEREAS, the Sacramento City Council on June 30, 1992 approved Resolution No. 92-477 requesting the Boating and Waterways Loan based on the Redevelopment Agency's commitment for repayment of the Loan.

WHEREAS, the Sacramento City Council on August 7, 1996 approved Resolution No. 96-429 which authorized requesting an additional loan of \$700,000 from the State Department of the Boating and Waterways and which was to be repaid by the Redevelopment Agency.

WHEREAS, the proceeds of the said loans are being used solely for the redevelopment of the Sacramento Riverfront within the Project Area, which will alleviate blighting influences by using underutilized land and returning to productive use previously urbanized property.

WHEREAS, the Merged Redevelopment Project Areas will end on January 1, 2009 and the capacity to receive tax increment revenues will end on January 1, 2019.

In consideration of the mutual benefits stated above and their mutual obligations, the parties agree as follows:

1. The foregoing recitals are true.
2. The Agency shall make annual payments of \$105,176 to the City commencing in March 1999 and ending in March 2018, payable only from Merged Downtown Redevelopment Project tax increment. Agency shall be obligated to make such payments only from tax increment actually received from the Redevelopment Project as reduced by current obligations of the Agency repayment of which are secured by tax increment from the Redevelopment Project. It is the intent of the parties that such annual payments will fully reimburse the City for repayments of the California Boating and Waterway loan in the combined amount of \$1,368,122 and bearing interest at the rate of 4.5% per year (see Exhibit A).

Executed in Sacramento, California, as of February _____, 1999.

City of Sacramento

By: WILLIAM H. EDGAR
City Manager

Approved as to Form:

Approved as to Form:

City Attorney

Agency Counsel

EXHIBIT A

AMORTIZATION SCHEDULE
BOATING AND WATERWAYS LOAN

PAYMENT NUMBER	PAYMENT DATE	BEGINNING PRINCIPAL	PAYMENT	INTEREST	PRINCIPAL REDUCTION	ENDING PRINCIPAL	
						\$1,368,122.00	
1999		\$1,368,122.00	\$105,175.94	\$61,565.49	\$43,610.45	\$1,324,511.55	
2000		\$1,324,511.55	\$105,175.94	\$59,603.02	\$45,572.92	\$1,278,938.63	105,175.94
2001		\$1,278,938.63	\$105,175.94	\$57,552.24	\$47,623.70	\$1,231,314.93	
2002		\$1,231,314.93	\$105,175.94	\$55,409.17	\$49,766.77	\$1,181,548.16	
2003		\$1,181,548.16	\$105,175.94	\$53,169.67	\$52,006.27	\$1,129,541.89	
2004		\$1,129,541.89	\$105,175.94	\$50,829.38	\$54,346.56	\$1,075,195.33	
2005		\$1,075,195.33	\$105,175.94	\$48,383.79	\$56,792.15	\$1,018,403.18	
2006		\$1,018,403.18	\$105,175.94	\$45,828.14	\$59,347.80	\$959,055.39	
2007		\$959,055.39	\$105,175.94	\$43,157.49	\$62,018.45	\$897,036.94	
2008		\$897,036.94	\$105,175.94	\$40,366.66	\$64,809.28	\$832,227.66	
2009		\$832,227.66	\$105,175.94	\$37,450.24	\$67,725.70	\$764,501.96	
2010		\$764,501.96	\$105,175.94	\$34,402.59	\$70,773.35	\$693,728.61	
2011		\$693,728.61	\$105,175.94	\$31,217.79	\$73,958.15	\$619,770.46	
2012		\$619,770.46	\$105,175.94	\$27,889.67	\$77,286.27	\$542,484.19	
2013		\$542,484.19	\$105,175.94	\$24,411.79	\$80,764.15	\$461,720.04	
2014		\$461,720.04	\$105,175.94	\$20,777.40	\$84,398.54	\$377,321.50	
2015		\$377,321.50	\$105,175.94	\$16,979.47	\$88,196.47	\$289,125.03	
2016		\$289,125.03	\$105,175.94	\$13,010.63	\$92,165.31	\$196,959.72	
2017		\$196,959.72	\$105,175.94	\$8,863.19	\$96,312.75	\$100,646.96	
2018		\$100,646.96	\$105,175.94	\$4,529.11	\$100,646.83	\$0.14	

RESOLUTION NO. 99-051

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**5TH AMENDMENT TO LOAN AGREEMENT FOR
OLD SACRAMENTO VISITOR'S DOCK PROJECT;
APPROVAL OF COOPERATIVE AGREEMENT BETWEEN
REDEVELOPMENT AGENCY AND CITY**

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

Section 1. The City Manager is authorized to execute the 5th amendment to California State Department of Boating and Waterways Loan Number 94-102-176 (City agreement number 92-253) which extends the completion date for the Old Sacramento Visitor Docks Project to May 1, 1999.

Section 2. The City Manager is authorized to execute the cooperative agreement with the Redevelopment Agency as submitted in order establish a repayment schedule that increase the annual commitment of \$1.4 million in tax increment from \$85,000 to \$105,175.94 annually to be repaid by the year 2018.

MAYOR

ATTEST:

CITY CLERK

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RESOLUTION NO.: _____

DATE ADOPTED: _____ 9

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RESOLUTION NO. RA 99-004

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

APPROVED
FEB 9 1999
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

**APPROVAL OF COOPERATIVE AGREEMENT
BETWEEN REDEVELOPMENT AGENCY AND CITY OF SACRAMENTO
BOATING AND WATERWAYS LOAN**

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO:

The Executive Director is authorized to execute the attached cooperative agreement between the City of Sacramento and the Redevelopment Agency in order establish a repayment schedule that increase the annual commitment of Merged Downtown tax increment from \$85,000 to \$105,175.94. The total loan commitment, not to exceed \$1.4 million, is to be repaid no later than the year 2018.

CHAIR

SECRETARY
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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____