

RESOLUTION NO. 2019-0138

Adopted by the Sacramento City Council

April 30, 2019

Destination Sacramento Program Multi-Year Operating Project (MYOP) (I02185000) and Fund Transfer

BACKGROUND

- A. The dissolution of Redevelopment Agencies in 2011 resulted in the loss of an important source of funding for economic development projects within the city of Sacramento.
- B. The FY2016/17 budget priorities approved by the Mayor and City Council included an initiative to invest in the Sacramento waterfront as an economic driver for the region's economy.
- C. The City has pledged Transit Occupancy Tax (TOT) revenues to repay the bonds issued in November 2018 for the Convention Center Complex (C3) project.
- D. Proceeds from the TOT revenue bonds that were issued in November 2018 will be utilized for the Destination Sacramento Program in the amount of \$5,000,000 from the 2018 Transient Occupancy Tax Taxable Revenue Bond Fund (Fund 6331).
- E. Proceeds from Sacramento Tourism and Infrastructure District (STID) bonds that are expected to be issued in the summer of 2019, as well as other project funding sources including the potential issuance of an additional series of TOT Revenue Bonds, are expected to be up to \$42 million in excess of the amount needed to fully fund the C3 Project, thus allowing for the funding of other eligible waterfront projects within the Destination Sacramento Program that meet allowable uses of TOT in accordance with section 3.28.180 of the City Code. All projects will be subject to Council approval of content and funding.
- F. Investment in a renewed waterfront could represent a major boost to Sacramento's business and leisure visitations.
- G. A renewed Old Sacramento Waterfront would contribute significantly to the region's overall economic competitiveness by stimulating business growth, supporting additional downtown housing opportunities, and attracting and retaining a creative workforce.

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

- Section 1. The Destination Sacramento Program multi-year operating project (MYOP) (I02185000) is established.
- Section 2. \$5,000,000 from available fund balance in the 2018 Transient Occupancy Tax Taxable Revenue Bond Fund (Fund 6331) is transferred to I02185000.
- Section 3. After funding the costs of the C3 Project, all residual TOT Revenue Bond capacity, including that created by other funding sources and from the issuance of an additional series of TOT Revenue Bonds described in Background section E, shall be transferred to the Destination Sacramento Program as soon as it becomes available. The parameters of the potential issuance of the additional series of TOT Revenue Bonds shall be consistent with the parameters of the 2018 TOT Revenue Bonds – maintaining a targeted minimum balance of the Community Center Fund of at least \$8 million per year and maintaining necessary debt service coverage ratios.
- Section 4. Staff is directed to proceed with the project feasibility phase for the Destination Sacramento Program, starting with the waterfront. All projects will be subject to Council approval of estimated costs and content.

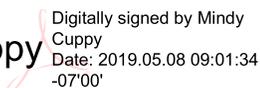
Adopted by the City of Sacramento City Council on April 30, 2019, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Jennings, Schenirer and Mayor Steinberg

Noes: None

Abstain: None

Absent: Members Harris and Warren

Attest:  Digitally signed by Mindy Cuppy
Date: 2019.05.08 09:01:34 -07'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.