

RESOLUTION NO. 84-013

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

February 28, 1984

REHABILITATION LOAN FOR
CREST THEATER RENOVATION PROJECT

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

Section 1. The Executive Director is authorized to assist the Guild Partnership to obtain Economic Development Administration Loan Guarantees for the renovation of the Crest Theater located at 1013 K Mall.

Section 2. In the event the Guild Partnership is unable to obtain Economic Development Administration Loan Guarantees, the Executive Director is authorized to execute a loan agreement, subject to approval by the Sacramento Housing and Redevelopment Commission and the City Council of the City of Sacramento, with the Guild Partnership to cover part of the cost of renovating the Crest Theater. The loan agreement shall be in a form approved by Agency Counsel and shall provide at a minimum:

- (a) A maximum loan amount of \$350,000;
- (b) An interest rate at current SBA levels;
- (c) A note which is due and payable in full in twenty (20) years;
- (d) Security adequate to cover the amount of the loan;
- (e) A provision that disbursements will be made only to pay for completion of specified improvements of the Crest Theater. Such disbursements shall be made as these improvements are completed. The first such disbursement shall be made only after all loan funds from the Small Business Administration and the bank lender are fully disbursed.
- (f) Signatures of each general partner of the Guild Partnership on the loan agreement, promissory note and security documents;
- (g) Prior Agency review and approval of loan documents with co-lenders on the project in order to assure consistency of these documents with the terms of the Agency's loan agreement, promissory note and security documents;

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(h) Any other provisions which in the opinion of Agency Counsel are necessary to assure appropriate use of loan funds and repayment of such funds to the Agency.

Section 3. Prior to execution of the loan agreement, Agency staff shall complete a review of the Guild Partnership's credit worthiness, shall obtain a copy of a signed lease between the Guild Partnership and the owners of the Crest Theater for a term not less than twenty-five (25) years, shall have received satisfactory evidence of loan commitments sufficient to finance all improvements to the Crest Theater necessary to operate the Theater as proposed by the Guild Partnership, and satisfactory evidence that the bank lender will not take a security interest in the lease, equipment or leasehold improvements in the Theater.

Section 4. The 1984 Capital Improvements Budget is hereby amended by transferring \$350,000 of the \$500,000 of tax increments previously appropriated for Downtown Commercial Loans (Cost Center 0811) to the Crest Theater Renovation Project (Cost Center 0813) for the purposes stated above.

Anne Ruder

CHAIRMAN

ATTEST:

William H. Elgar

SECRETARY

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