

RESOLUTION NO. 2009-009

Adopted by the Redevelopment Agency
of the City of Sacramento

February 10, 2009

AUTHORIZING THE REPAYMENT OF \$6 MILLION IN LOANED PROCEEDS FROM THE SALE OF THE SHERATON HOTEL/GARAGE TO THE CITY OF SACRAMENTO PARKING FUND (FUND 6004) AND TERMINATING THE LOAN AGREEMENT DATED JULY 1, 2008 BETWEEN THE AGENCY AND THE CITY OF SACRAMENTO

BACKGROUND

- A. On March 25, 2008 the City Council approved the sale of the Sheraton Grand Hotel with 25 percent of the net proceeds to be distributed to the Parking Fund (Fund 6004) and the Redevelopment Agency for investment into income generating projects.
- B. Of the 25 percent of net proceeds, funds were envisioned to be distributed to the Parking Fund to replace the revenue lost with the sale of the Sheraton and subsequent termination of the long term garage lease.
- C. On June 10, 2008 the Redevelopment Agency entered into a loan agreement with the City of Sacramento to borrow \$6 million from the Parking Fund to invest in redevelopment projects in the Merged Downtown Redevelopment Area.
- D. The Redevelopment Agency has not currently committed the borrowed funds to any projects and the funds are currently available for repayment of the loan.
- A. The City of Sacramento has requested repayment of the \$6 million in parking funds loaned to the Agency in an effort to address the continued decline in the economy and its impact on the City.

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 is authorized to repay \$6 million in borrowed funds from the Sheraton Hotel/Garage sale to the City of Sacramento's Parking Fund (Fund 6004).
- Section 2. The Loan Agreement dated July 1, 2008 between the Agency and the City of Sacramento is terminated.

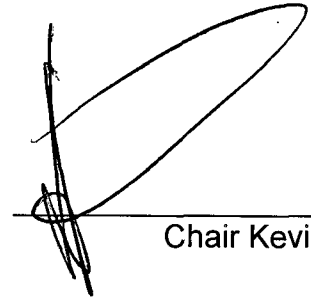
Adopted by the Redevelopment Agency of the City of Sacramento on February 10, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



Chair Kevin Johnson

Attest:


Shirley Concolino, Secretary