

RESOLUTION NO. 2012-001

Adopted by the Sacramento City Council
Redevelopment Agency Successor Agency

February 7, 2012

APPROVAL OF USE FOR 1012 K STREET FOR RESTAURANT, BAR AND ENTERTAINMENT VENUE

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento ("Agency") adopted the Merged Downtown Sacramento Redevelopment Plan ("Redevelopment Plan") and an "Implementation Plan" for the Merged Downtown Redevelopment Project Area ("Project Area").
- B. On March 25, 2008, the Agency approved a Master Owner Participation Agreement (Master OPA) with David Taylor Interests and the CIM Group in conjunction with the sale of the Sheraton Hotel. The Master OPA contractually set aside a portion of the proceeds from the Sheraton Hotel sale to be used solely for downtown projects undertaken by the Taylor/CIM group.
- C. On April 13, 2009 the Agency entered into a Disposition and Development Agreement (DDA), Regulatory Agreement, and Loan Agreement with 1012 K Street LLC, a partnership between David Taylor Interests and the CIM Group, for all properties located at 1012 -1022 K Street. Subsequently, ownership of the properties were transferred to 1012 K Street LLC.
- D. The executed DDA, and related loan and regulatory agreements, allocated \$5.4 million in Sheraton proceeds in the following manner: \$2.03 million for shell and core improvements to 1016-1022 K Street; \$1.36 million for shell and core improvements to 1012 K Street; and \$2.01 million for future tenant improvements at 1012 K Street once a use is identified by 1012 K Street LLC and approved by the Agency.
- E. On March 17, 2009 the Agency Board directed staff to return for approval of a use for 1012 K Street that provides for a destination attraction that will be active during the daytime hours as well as nighttime hours (Resolution 2009-021).
- F. The 1012 K Street LLC partnership intends to enter into a lease with George Karpaty to open a destination attraction that will be open during the day as well as the evening hours. The proposed venue is a three level restaurant and bar that will provide: active and unique entertainment opportunities for families, adults, and children as well as for teams and leagues as follows: lower level bocce ball courts; ground floor casual dining restaurant and bar with large screen televised sports; and an upper level restaurant and bar with a large screen gaming area with virtual golf, shuffle board, and a lounge.

- G. On January 31, 2012 the City elected to become the Successor Agency following the dissolution of Agency as provided for in Assembly Bill 26, (Chapter 5, Statutes of 2011).
- H. The City, as the Successor Agency under AB 26, is authorized to take actions necessary to implement the terms of prior Agency agreements. Approving the use for 1012 K Street will allow for completion of construction of this project. Completing the tenant improvements to 1012 K Street is the final condition of the executed agreements for the 1012-1022 K Street project.

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

Section 1. The City, acting as the Successor Agency pursuant to AB 26, approves the use of the 1012 K Street site as a destination restaurant, bar, and active entertainment venue under the terms of the Disposition and Development Agreement, Regulatory Agreement, and Loan Agreement between the Redevelopment Agency of the City of Sacramento (Agency) and 1012 K Street LLC, as executed by the Agency on April 13, 2009.

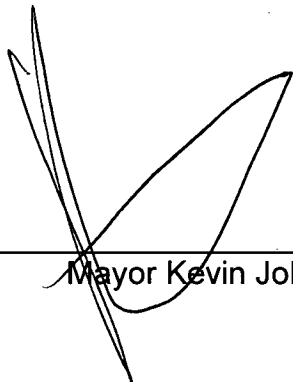
Adopted by the City of Sacramento Council as the Redevelopment Agency Successor Agency on February 7, 2012 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



Mayor Kevin Johnson

Attest:



Shirley Concolino, City Clerk

Site Location Map 1012 - 1022 K Street

