

## **RESOLUTION NO. 2011-014**

Adopted by the Redevelopment Agency  
of the City of Sacramento

March 15, 2011

### **APPROVAL OF AMENDMENT TO THE EXCLUSIVE RIGHT TO NEGEOTIATE AGREEMENT, PREDEVELOPMENT LOAN AGREEMENT WITH 700 BLOCK INVESTORS, LP AND AUTHORIZING ALLOCATION OF FUNDS FOR PREDEVELOPMENT EXPENSES**

#### **BACKGROUND**

- A. The Redevelopment Agency of the City of Sacramento (Agency) has adopted the Merged Downtown Sacramento Redevelopment Plan (Redevelopment Plan) and an Implementation Plan for the Merged Downtown Sacramento Redevelopment Project Area (Project Area).
- B. Portions of the 700 and 800 blocks of K Street are identified in the Amended Merged Downtown Sacramento Redevelopment Plan and Implementation Plan as having continuing blight conditions characterized by vacant parcels, deteriorating buildings, uneconomic land uses and unsafe sidewalks.
- C. In 2004, the JKL Corridor Workshop identified the 700/800 blocks of K and L streets as a critical location for revitalization of K Street, with a focus on mixed-use development including ground floor retail; housing; cultural and commercial uses envisioned on this property to eliminate blight, stimulate economic growth and provide for a range of housing types.
- D. In December 2009, the Agency, represented by the Economic Development Department, issued a Request for Qualifications (RFQ) soliciting qualifications and concept proposals for the development of a mixed-use project in the heart of downtown on the K Street Mall including properties on the southern half of the 700 blocks of K Street and portions of the 800 blocks of K and L streets. Four responses were received in February, 2010.
- E. On July 13, 2010, the Agency Board selected D&S Development and CFY Development for the redevelopment of Agency-owned properties on the south side of the 700 block of K Street and the 800 K Street Block LLC and 8<sup>th</sup> and L Partners, LP (David Taylor Interests, Inc., CIM Group, and Domus Development) for redevelopment of the Agency-owned properties in the 800 blocks of K and L Streets.
- F. On August 24, 2010, the Agency Board approved an Exclusive Right to Negotiate with 700 Block Investors, LP for redevelopment of the 700 block of K Street.
- G. The Agency wishes to amend the ERN to facilitate the utilization of predevelopment funds for the proposed project consistent with Community Redevelopment Law set forth in Health and Safety Code section 33020.

- H. Predevelopment Funds are needed to pay for project design, fees, studies, and other expenses related to the preparation of Agency underwriting.
- I. The activity recommended in this resolution is a commitment to feasibility and planning studies. It is, therefore, statutorily exempt under the California Environmental Quality Act (CEQA) Guidelines Section 15262.

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

- Section 1. The above statements, including but not limited to the environmental statement, are found to be true and correct.
- Section 2. The Agency budget is amended to transfer \$300,000 in Downtown Tax increment funds from Agency's 700/800 K Street Development (630 100 4523) to the City's 700 K Street Planning Design CIP (B18215501).
- Section 3. The Executive Director, or her designee, is authorized to execute the attached Exclusive Right to Negotiate Amendment, with 700 Block Investors, LP (D&S Development and CFY Development).
- Section 4. The Executive Director, or her designee, is authorized to execute a Predevelopment Loan Agreement in substantially the same form as that which is attached, with 700 Block Investors, LP (D&S Development and CFY Development) and any related documents that may be deemed necessary or advisable to carry out or comply with the terms and intent of this Resolution.

Adopted by the Redevelopment Agency of the City of Sacramento on March 15, 2011 by the following vote:

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

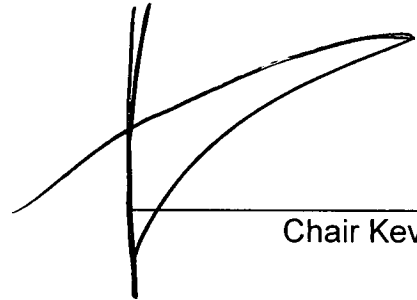
Noes: None.

Abstain: None.

Absent: None.

Attest:

  
Shirley Concolino, Secretary

  
Chair Kevin Johnson