

RESOLUTION NO. 2007-921

Adopted by the Sacramento City Council

December 18, 2007

AUTHORIZING THE CITY MANAGER TO SIGN AN INDIVIDUAL PROJECT AGREEMENT WITH THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RELATING TO FINANCING FOR THE BASIN 31DETENTION BASIN PROJECT (WK06); AUTHORIZING THE CITY MANAGER TO SIGN A LOAN AGREEMENT WITH THE REDEVELOPMENT AGENCY TO PROVIDE INTERIM FUNDING TO ACQUIRE TWO PARCELS FOR THE PROJECT; AUTHORIZING THE CITY MANAGER TO SIGN AN INDIVIDUAL PROJECT AGREEMENT WITH THE REDEVELOPMENT AGENCY RELATING TO THE ACQUISITION AND IMPROVEMENT OF PROPERTY ADJACENT TO THE PROJECT FOR PARK PURPOSES; AUTHORIZING THE CITY MANAGER TO SIGN AN AGREEMENT TO PURCHASE WETLAND MITIGATION UNITS; APPROVING PURCHASE OF THESE PARCELS; AND ALLOCATING FUNDS TO THE WK06 PROJECT BUDGET

BACKGROUND:

- A. The Basin 31Detention Basin Project (the "Project") is proposed to be constructed on property located east of the intersection of 65th Street and Broadway, consisting of 2 adjacent parcels (Assessor Parcel Numbers 015-9091-044 and 045) totaling approximately 6.95 net acres. In December, 2005, the City Council adopted a Resolution of Necessity to initiate the eminent domain process for acquisition of these parcels.
- B. Through mediation in the eminent domain process, agreement has been reached with the owners of these two parcels to purchase the parcels for \$1,925,000, subject to approval by the City Council and approval of loan financing for the Project by the California Infrastructure and Economic Development Bank (the "I Bank"). The I Bank has required City Council approval of the purchase before its Board will authorize loan financing for the Project.
- C. Acquisition of these parcels and construction of the Project will be financed by a \$3,500,000 low interest loan from the I Bank (if approved by the I Bank Board), and by using \$600,000 from a Workforce Housing Reward Program

Grant (Agreement No. 07-WFH-229) issued to the City by the State Department of Housing and Community Development (the "WFH Grant"), the combination of which will cover the estimated \$4,100,000 cost of the Project.

- D. Because the I Bank loan (if approved by the I Bank Board) and WFH Grant both provide for reimbursement of Project costs after expenditure, City staff is proposing to enter into an agreement with the Redevelopment Agency of the City of Sacramento for the Redevelopment Agency to provide interim funding for the property acquisition, in the amount of \$1,925,000, from the Agency's 2006 65th Street Taxable Bond funds. The agreement also requires the Redevelopment Agency to repay one-half of the Project's I Bank loan costs (principle, interest, and related fees and charges) from 65th Street Redevelopment Area tax increment revenue, and provides the Redevelopment Agency with future drainage impact fee credits to offset this repayment.
- E. The Project is designed to allow for joint use of some detention basin facilities for park purposes, provided that any park improvements would be constructed as part of a separate project or projects. City staff is recommending entering into a separate agreement with the Redevelopment Agency that (1) provides for the conveyance to the City of 3 additional adjacent parcels (APNs 015-0091-041, 015-0091-047, and 015-0091-0480) being acquired by the Agency, for park purposes, (2) allocates Quimby fees collected in the 65th Street Redevelopment Area during the next ten years for the potential acquisition of additional parcels, and (3) allocates Park Impact Fees collected in specified Community Planning Areas of the 65th Street Redevelopment Area during the next ten years for the development of park improvements on the parcels acquired.
- F. The Project site contains 0.904 acres of seasonal wetlands, and the impact of constructing the Project in this area will be mitigated through the purchase of mitigation credits in a mitigation bank approved by the U.S. Army Corps of Engineers.
- G. Council has determined that current funding sources are insufficient to fully fund this Project.

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

- Section 1. In accordance with California Health and Safety Code Section 33445, the City Council finds and determines that:
 - a. The Project will benefit the 65th Street Project Area by providing protection from a 100-year storm event, reducing flooding in the basin area, providing infrastructure for future redevelopment, and

allowing for joint use of some detention basin facilities for park purposes in the East Broadway Planning Area that currently is park deficient.

- b. No other reasonable means of financing the Project are available to the community.
- c. The funding for the Project is consistent with the goals of the 65th Street Five-Year Implementation Plan adopted by the Sacramento City Council, that includes eliminating blight by funding infrastructure improvements to support higher-density development envisioned in the Transit Village Plan and as identified in the Infrastructure Needs Assessment.

Section 2. After loan financing for the Project has been approved by the I Bank Board, the City Manager is authorized to sign the following agreements:

- a. An Individual Project Agreement with the Redevelopment Agency of the City of Sacramento to obtain interim funding in the amount of \$1,925,000 for the City to purchase two parcels for construction of the Project, to provide for repayment of one-half the Project's I Bank loan costs (principle, interest, and related fees and charges) from 65th Street Redevelopment Area tax increment revenue, and to provide the Redevelopment Agency with future drainage impact fee credits to offset this repayment;
- b. An Individual Project Agreement with the Redevelopment Agency relating to the acquisition and improvement of property for park purposes; and
- c. An agreement with Wetland Resources LLC to purchase wetland mitigation units in the Elsie Gridley Mitigation Bank as required for construction of the Project.

Section 3. The City Council approves the purchase of two parcels (Assessor Parcel Numbers 015-9091-044 and 045) for construction of the Project, after loan financing for the Project has been approved by the I Bank Board, by stipulated judgment and final order in condemnation, for the amount of \$1,925,000.

Section 4. The City Manager is authorized to establish a budget in the amount of \$4.1 million with (a) \$3,500,000 from the storm drainage fund (Fund 425) upon acceptance of the I Bank loan and (b) \$600,000 for the Workforce Housing Reward Program Grant for the Project (WK06).

Adopted by the City of Sacramento City Council on December 18, 2007 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk