

## **RESOLUTION NO. 2006-939**

Adopted by the Sacramento City Council

**DECEMBER 28, 2006**

### **RESOLUTION APPROVING A RAILYARDS PURCHASE AND SALE AGREEMENT OF A \$25 MILLION PROMISSORY NOTE BETWEEN BANK OF AMERICA, S. THOMAS ENTERPRISES OF SACRAMENTO, LLC AND PLEDGE OF FUNDS IN PAYMENT OF NOTE FROM MEASURE A RECEIVED BY CITY FOR ITF AND OTHER SPECIFIED FUNDS**

#### **BACKGROUND**

- A. S. Thomas Enterprises of Sacramento, LLC is in escrow to buy the Sacramento Railyards property from the Union Pacific Railroad.
- B. The City of Sacramento has identified the Sacramento Valley Station-Intermodal Transportation Facility as its number one priority capital improvement project.
- C. On December 12, 2006, the City adopted Resolution 2006-933 approving a Purchase and Sale Agreement and joint escrow instructions for acquisition of the Intermodal Transportation Facility (ITF) site.
- D. S. Thomas Enterprises of Sacramento, LLC has notified the City that its lender, Bank of America, is requiring the City to formally pledge the Measure A funds for the Intermodal Transportation Facility (ITF) and other identified funding sources it will use in payment of the \$25 million Promissory Note ("Note") in order to satisfy its lending requirements.

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

- Section 1. The City pledges the following funding sources in payment of the Note: portions of the \$33.2 million Measure A Intermodal Project funded and approved by STA (\$16.4 million in FY 2008 and \$16.8 million in FY 2009) to the extent such funds have been allocated by the Sacramento Transportation Authority to the ITF project; \$5 million in revenues from sale of Lot A; and approximately \$5 million in proceeds from sale of city property located at 625 H Street – total not to exceed the \$25 million plus interest under the Note.

Section 2. The City Manager or designee is authorized to execute the Note Purchase Agreement, the Pledge and Security Agreement, and other documents, agreements and instruments reasonably necessary to implement the pledge arrangements and sale of the Note to Bank of America, all as approved by the City Attorney.

Adopted by the City of Sacramento City Council on December 28, 2006 by the following vote:

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

Noes: Councilmember McCarty.

Abstain: None.

Absent: None.

  
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Mayor, Heather Fargo

Attest:

  
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For Shirley Concolino, City Clerk