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DEPUTY CITY MANAGER  
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CITY OF SACRAMENTO  
CALIFORNIA

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SACRAMENTO, CA  
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APPROVED  
BY THE CITY COUNCIL

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APR 20 1999

OFFICE OF THE  
CITY CLERK

AG 99-075  
AG 99-076

April 9, 1999

City Council  
Sacramento, California

Honorable Members in Session

Subject: REQUEST FOR FEE DEFERRALS – RICHARDS BOULEVARD/  
RAILYARDS/DOWNTOWN AREA DEVELOPMENT IMPACT FEES

LOCATION /COUNCIL DISTRICT: Council District 1, 226 Jibboom and 1215 K Street

**RECOMMENDATION:**

This staff report recommends approval of the attached resolution authorizing a deferral on payment of impact fees for two projects. The first project is a 50-room hotel now under construction at 226 Jibboom Street. The second is Esquire Plaza, the high-rise, mixed-use office and theater project located at 1215 K Street. The fees to be deferred are the Richards/Railyards/Downtown impact fees approved by the Council in March of 1998.

CONTACT PERSON: Paul Blumberg , Downtown Development Group, 264-7204  
Wendy Saunders, Development Manager, 264-8196

FOR THE COUNCIL MEETING OF: April 20, 1999

**BACKGROUND AND SUMMARY:**

The Railyards/Richards Boulevard/Downtown Area development impact fees were adopted on March 10, 1998. The purpose of the fees is to pay for infrastructure to serve new growth in the three identified districts. Prior to adoption of the fees, two development projects were submitted to the planning department for entitlement approvals. Because approval of the fee program was imminent, payment of the fees was a condition of entitlements. Both developers requested the ability to pay the fees over a set period of time to mitigate the impact of the fees on project financing. Given the status of the applications at the time the fee program was established, staff believes the requests to be reasonable. Payment schedules for both projects are incorporated into the fee deferral agreements attached as Attachments I and II.

**ENVIRONMENTAL CONSIDERATIONS:** Not applicable.

**POLICY CONSIDERATIONS:**

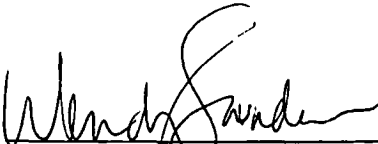
City policy calls for the payment of all development fees at the time a building permit is issued to a new development project subject. However, it is difficult to require payment of fees when a fee program is proposed but not yet adopted and in full effect. For projects that require special entitlements, staff may require a commitment to the fee program prior to its adoption as a condition of the special entitlement. In the case of Esquire Plaza, the developer agreed to pay the fees, although the fee program was not yet adopted. In the case of the Jibboom Street hotel, the fees were in place shortly before the developer received entitlements, but after he had arranged his project financing. Pursuant to the fee program ordinance, Council may, at its discretion, approve fee deferral requests. Given the timing of the two projects with respect to the timing of adoption of the fee program, the deferral requests seem reasonable. The staff does not anticipate any other requests for a deferral at this time.


**FINANCIAL CONSIDERATIONS:**

Attachment I, the deferral agreement between Esquire Partners, LLC and the City, shows a required payment of a total of \$175,000 in development impact fees. Half of the total is due five years from the date of building permit issuance, and half is due one year thereafter. Attachment II, the deferral agreement between Divine Investments and the City, shows a required payment of a total of \$80,279 in fees. On December 22, 1998 \$20,000 was paid. The balance is due in equal installments in December over the next three years.

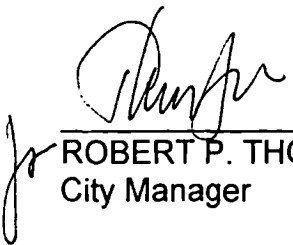
**ESBD CONSIDERATIONS:** Not applicable

Respectfully submitted

  
\_\_\_\_\_  
Wendy Saunders  
Development Manager

  
\_\_\_\_\_  
Thomas V. Lee  
Deputy City Manager

Recommendation approved:

  
\_\_\_\_\_  
ROBERT P. THOMAS  
City Manager

APPROVED  
BY THE CITY COUNCIL

**RESOLUTION NO. 99-181**

APR 20 1999

ADOPTED BY THE SACRAMENTO CITY COUNCIL

OFFICE OF THE  
CITY CLERK

ON DATE OF \_\_\_\_\_

**RESOLUTION AUTHORIZING DEFERRAL OF DEVELOPMENT FEES  
FOR ESQUIRE PLAZA AND 226 JIBBOM STREET**

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF  
SACRAMENTO:

**Section 1.** The City Council hereby approves two agreements as submitted that allow  
deferral of payment of impact fees required under the Richards/Railyards/Downtown  
Development Impact Fee Program, adopted on March 10, 1998, as follows:

- a. Esquire Partners, LLC, developers of Esquire Plaza, located at 1215 K Street, shall pay  
\$87,500 five years from the date that the City first issued building permit for Esquire Plaza.  
Esquire Partners, LLC, shall pay an additional \$87500 one year thereafter.
- b. Divine Investments, developer of a suites hotel, located at 226 Jibboom Street shall make  
payments of \$80,279 over a three year period with the payment schedule as follows:

|                   |          |
|-------------------|----------|
| December 22, 1998 | \$20,000 |
| December 22, 1999 | \$20,093 |
| December 22, 2000 | \$20,093 |
| December 22, 2001 | \$20,093 |

**Section 2:** The City Manager is authorized to execute deferral agreements to allow a deferred  
schedule for payment of the Railyards/Richards Boulevard/Downtown Area development fees as  
described in Section 1 above.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_