

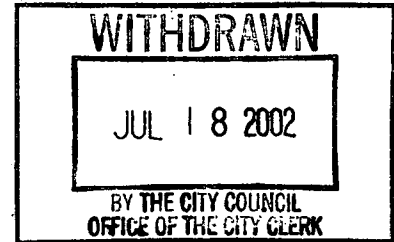
ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO

2.4

June 25, 2002

Redevelopment Agency of the City of Sacramento  
Sacramento, California



Honorable Members in Session:

**SUBJECT: RESOLUTION OF OFFICIAL INTENT OF THE AGENCY TO REIMBURSE CERTAIN EXPENDITURES FOR THE EAST END LOFTS PROJECT FROM PROCEEDS OF INDEBTEDNESS**

**LOCATION AND COUNCIL DISTRICT: 1530 J Street and 1015 15<sup>th</sup> Street, District 1**

**RECOMMENDATION:**

Adopt the attached resolution for reimbursement from bond proceeds of expenditures advanced from Agency funds.

**CONTACT PERSONS:** David Harzoff, Senior Project Manager, 264-8646  
Wendy Saunders, Downtown Development Manager, 264-8196  
Satoshi Matsuda, SHRA Finance Director 440-1370

**FOR COUNCIL MEETING OF:** July 18, 2002

**SUMMARY:**

This report recommends the adoption of a resolution providing the legal authority to reimburse Agency funds advanced for the East End Lofts project OPA from bond proceeds. This resolution is "permissive" and does not obligate the Agency in any way to finance such costs in this way if other funding is available.

**BACKGROUND:**

Most future redevelopment projects approved to implement the goals and objectives of the Merged Downtown Redevelopment Plan and Five Year Implementation Plan are planned to be funded through the proceeds of the Sacramento City Financing Authority 2002 Revenue Bonds, Series A. Some projects may incur expenditures that require advances of Agency funds prior to the bond sale. One of these projects is the East End Lofts project proposed at the southwest corner of 16<sup>th</sup> and J

Streets. An Owner Participation Agreement (OPA) was approved by the Agency to financially participate in the project on June 11, 2002.

United States Treasury Regulations require the Agency to declare its official intent to reimburse expenditures made in advance of the bond issuance. The attached resolution accomplishes this declaration. The declaration is "permissive" and does not require that the Agency issue bonds, make any expenditures, or proceed with the project.

**FINANCIAL CONSIDERATIONS:**

The project is planned to ultimately be funded by bonds that are planned for issuance in the near future. Staff is requesting that the attached reimbursement resolution be approved to allow the reimbursement of expenditures incurred prior to the bond sale. The resolution is "permissive" to allow the Agency the ability to reimburse the cost in advance but would not obligate the Agency to finance the costs in this way. The Agency's portion of the bond debt will be repaid from Merged Downtown Project Area tax increment revenues.

**ENVIRONMENTAL CONSIDERATIONS:** Not Applicable

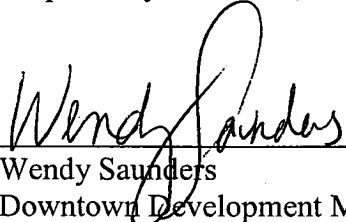
**POLICY CONSIDERATIONS:**

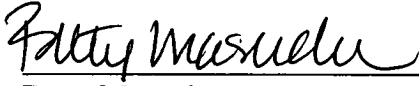
The reimbursement of advances is consistent with prior Agency actions. Reimbursements allow projects to commence in advance of bond issuance and thereby permit pooling of a series of projects, making the bond issuance process more efficient.

**ESBD EFFORTS:** There are no ESBD considerations applicable to the requested action.

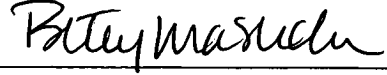
Respectfully submitted,

APPROVED:

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

  
\_\_\_\_\_  
Betty Masuoka  
Acting Economic Development Director

RECOMMENDATION APPROVED:

  
\_\_\_\_\_  
ROBERT P. THOMAS  
CITY MANAGER

# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

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

## RESOLUTION OF OFFICIAL INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS

**WHEREAS**, the Redevelopment Agency of the City of Sacramento ("Agency") intends to participate with Elliot Lofts, Inc. ("Developer") through an Owner Participation Agreement in the financing of the East End Lofts project (the "Project") in the Merged Downtown Sacramento Redevelopment Project Area ("Project Area") as authorized by Resolution 2002-027. The Project includes renovating the historic Elliot Building for a four-story mixed use development including ground floor retail/restaurant uses, second floor offices and residential uses on the third and a new fourth floor in furthering the goals and objectives of the Project Area Redevelopment Plan and 5-Year Implementation Plan. An existing parking facility on the same block will be acquired and improved for additional project parking; and

**WHEREAS**, the Project is located at 1530 J Street and the additional parking facility is located at 1015 15<sup>th</sup> Street in the City of Sacramento; and

**WHEREAS**, the Agency expects to participate in the payment of certain expenditures associated with the development of the Project, but not limited to, design, environmental review, permits, fees, land acquisition, construction and administration (the "Reimbursement Expenditures") in connection with the Project prior to issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

**WHEREAS**, Agency has agreed, pursuant to the Merged Downtown Loan Agreement and the Merged Downtown Advance Repayment Agreement, both dated June 1, 2002 to borrow funds from the Sacramento City Financing Authority ("Authority") for the purposes of financing redevelopment activities in the Project Area to be repaid by property tax increment revenues, as authorized in Agency Resolution 2002-023, adopted May 7, 2002; and

**WHEREAS**, the Authority reasonably expects to issue its Sacramento City Financing Authority 2002 Revenue Bonds, Series A, (the "Bonds") in an amount not expected to exceed \$225,000,000 to assist the City of Sacramento ("City") and Agency to finance capital improvements and redevelopment activities by advancing proceeds of the bonded indebtedness.

FOR CITY CLERK USE ONLY

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

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

**NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO DECLARES AS FOLLOWS:**

Section 1. The Agency finds and determines that the foregoing recitals are true and correct.

Section 2. This resolution is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations (the "Regulation"). This resolution does not bind the Agency to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. As a qualified Issuer, as that term is defined in the Regulation, Agency hereby declares its official intent to use proceeds in indebtedness to reimburse itself for the Reimbursement Expenditures.

Section 4. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
SECRETARY

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**WHEREAS**, the Authority reasonably expects to issue its Sacramento City Financing Authority 2002 Revenue Bonds, Series A, (the "Bonds") in an amount not expected to exceed \$225,000,000 to assist the City of Sacramento ("City") and Agency to finance capital improvements and redevelopment activities by advancing proceeds of the bonded indebtedness.

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