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OFFICE OF THE
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August 4, 1998
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City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: DISSOLUTION OF THE PARKING AUTHORITY OF THE CITY OF
SACRAMENTO**

LOCATION / COUNCIL DISTRICT: Citywide

RECOMMENDATION

This report recommends that the City Council adopts the attached resolution declaring that there is no longer a need for a Parking Authority of the City of Sacramento, under and pursuant to the Parking Law of 1949, to function in the City of Sacramento.

CONTACT PERSON: Thomas P. Friery, City Treasurer (916) 264-5168

FOR COUNCIL MEETING OF: August 18, 1998

SUMMARY

This resolution will allow for the dissolution of the Parking Authority of the City of Sacramento (the "Authority") that was established in 1968 to issue parking revenue bonds. All of the bonds outstanding have been redeemed, and all property owned by the Authority has been conveyed to the City. Therefore, there is no longer a need for the Authority to exist.

COMMITTEE/COMMISSION ACTION: None

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BACKGROUND INFORMATION

On September 12, 1968, the City Council, by Resolution No. 421, established the Parking Authority of the City of Sacramento, under and pursuant to the Parking Law of 1949, and declared itself as the legislative body of the Parking Authority. The Authority was needed to issue bonds for the purpose of financing the cost of extensions and improvements to the municipal parking system including the construction of the multi-level off street parking facility at 10th and L Streets. Parking revenue from five parking lots in the City (commonly known as Lot A, B, C, E, and H) was used as security for the bonds. Some of the benefits of using a Parking Authority to issue bonds versus the City issuing parking revenue bonds at that time were:

- Parking revenue bonds issued by the City would require a covenant to maintain parking rates which would produce net income equivalent to 125% of the debt service requirement on the bonds. Issuing bonds through the Authority and then leasing the facilities back to the City, eliminated this coverage requirement, as investors looked to the City's General Fund as their source of payment.
- Funds generated by the parking facilities would have been required to stay within the parking system as security for the City's parking revenue bonds, while, with the Authority, parking facility revenues would flow into the General Fund of the City without restriction. Parking facility revenues in excess of the lease rental payments to the Authority could be used for further parking facility projects.
- Because of a provision in the City Charter at that time, City parking revenue bonds would have been callable in 5 years, while Authority bonds were callable in 13 years, resulting in a great difference in the call premium in favor of the Authority.
- There also existed an interest cost differential between the Authority bonds versus City bonds of approximately 1/2 to 3/4 of one percent (1%) in favor of the Authority.

Due to enhancements in the Government Code (section 6500 et seq.) regarding joint powers agreements, the City is now able to achieve the above benefits through a general authority, the Sacramento City Financing Authority. Specific role authorities, such as the Parking Authority and Community Center Authority, are no longer needed.

On April 14, 1998, all of the outstanding bonds related to the 1968 Parking Revenue Bond issue of the Authority were redeemed. Furthermore, at its meeting on May 19, 1998, the City Council, acting in its capacity as the legislative body of the Authority, authorized the transfer of all property owned by the Authority (Lot A, B, C, E, and H) to the City.

Therefore, there is no longer a need for the Authority to function in the City of Sacramento.

FINANCIAL CONSIDERATIONS: None

POLICY CONSIDERATIONS

Adoption of a resolution declaring there is no longer a need for the Authority to function is consistent with Section 32666 of California Streets and Highways Code (Parking Law of 1949).

ENVIRONMENTAL CONSIDERATIONS

This action is exempt from the California Environmental Quality Act (CEQA) under section 15061 (b)(3) of the CEQA Guidelines.

MBE/WBE


This transaction does not involve the purchase of goods or services for the City, therefore, M/WBE efforts are not applicable.

Respectfully submitted,



Thomas P. Friery
City Treasurer

Recommendation Approved:

for 

William H. Edgar, City Manager

Attachment (1)

APPROVED
BY THE CITY COUNCIL

AUG 18 1998

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-414

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION DECLARING THAT THERE IS NO LONGER A NEED FOR A PARKING
AUTHORITY OF THE CITY OF SACRAMENTO, UNDER AND PURSUANT TO THE
PARKING LAW OF 1949, TO FUNCTION IN THE CITY OF SACRAMENTO**

WHEREAS, the Council of the City of Sacramento in its Resolution No. 421 dated September 12, 1968, determined that there was a need for a Parking Authority of the City of Sacramento, under and pursuant to the Parking Law of 1949, to issue parking revenue bonds; and declared itself as the Parking Authority; and,

WHEREAS, all bonds issued by the Parking Authority of the City of Sacramento (1968 Parking Revenue Bonds, Series A and Series B) have been redeemed; and,

WHEREAS, title to all property owned by the Parking Authority of the City of Sacramento has been conveyed to the City of Sacramento via the grant deeds on file at the City Clerk's Office executed May 20, 1998, and recorded by the County of Sacramento on June 3, 1998.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Sacramento, that there is no longer a need for a Parking Authority of the City of Sacramento, under and pursuant to the Parking Law of 1949, to function in the City of Sacramento.

Mayor

ATTEST:

City Clerk

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____