

RESOLUTION NO. 2002-027

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF JUN 11 2002

**MERGED DOWNTOWN REDEVELOPMENT PROJECT AREA
ELLIOT LOFTS, INC.
(1530 J STREET)
APPROVAL OF OWNER PARTICIPATION AGREEMENT**

WHEREAS, the Amended Redevelopment Plan for the Merged Downtown Sacramento Redevelopment Project Area was prepared by the Redevelopment Agency of the City of Sacramento ("Agency") and approved and adopted on June 17, 1986, by Ordinance Nos. 86-063, -064, -065, -066, and -067 of the City Council of the City of Sacramento and subsequently amended;

WHEREAS, the goals of the Redevelopment Plan for the Project Area are:

- a) To eliminate blighted and blighting conditions; and
- b) To increase and develop economic activity in the area by attracting new business, assisting existing business and enhancing property values; and
- c) To enable commercial uses and uses that will contribute to revitalization within the Project Area which includes residential uses in the Central Business District.
- d) To encourage and assist with the rehabilitation and conservation of privately owned property and historic properties.

WHEREAS, the Agency adopted the Merged Downtown Five Year Strategic Plan and Implementation Plan for the Project Area on February 29, 2000 which identifies strategies which include:

- a) Encouraging the development of a mixed use district with ground floor destination retail and entertainment uses to animate and energize the Downtown area; and
- b) Developing corner sites and mixed use projects as key development catalysts; and
- c) Assisting developers with projects that contain complementary uses such as cafes and restaurants in the area conceptually known as the Convention and Theater District of which the subject property is a part; and
- d) Supporting market rate housing projects that cannot be financed through affordable housing programs as overall catalysts to Downtown revitalization; and
- e) Increasing downtown employment.

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WHEREAS, the City Council of the City of Sacramento adopted the Economic Development Strategy Framework on April 18, 2000 that identified strategies to attract new businesses and assist existing businesses in the 16th Street and Midtown Business Corridors; and

WHEREAS, Elliot Lofts, Inc. ("Developer") has proposed to redevelop the historic Elliot Building at 1530 J Street for a mixed use project; and

WHEREAS, the Property is properly zoned and situated for commercial redevelopment and the rehabilitation and dedication to a new use of the building would provide the following benefits:

- a) Redevelopment and adaptive reuse, seismic strengthening and substantial improvement of a prominent historic 40,000 square foot commercial building within the Redevelopment Project Area into an approximately 49,000 square foot mixed use project.
- b) Provide desirable, attractive market rate housing within walking distance of the Central Business District, Theater District and Capitol Area.
- c) Bring new businesses including restaurants and professional offices into the Redevelopment Project Area.
- d) Bring new business and residents to the corner of 16th and J streets, an intersection that is highly visible but lacking in commercial businesses and activity.
- e) Development of catalyst commercial and residential uses to complement the performing arts and event facilities in the Convention and Theater District and retail and employment uses in the Central Business District and the Midtown and 16th Street Commercial Corridors; and
- f) The preservation and enhancement of a landmark historic structure.

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

Section 1: The above statements are true and correct.

Section 2: The public purpose for use of Agency funds is the adaptive reuse and redevelopment of an existing commercial building within the Merged Downtown Sacramento Redevelopment Project Area with new offices, market rate housing and destination retail businesses, including quality restaurant uses so that such area can experience a revitalized economic life.

Section 3: For the foregoing reasons, the Redevelopment Agency finds and determines that:

- a) The public interest and necessity requires renewed commercial development and new residential development and occupancy in the project area;
- b) Such commercial and residential development is planned and located in the manner that will be most compatible with the greatest public good and the least private injury; and
- c) Such development could not occur without redevelopment assistance.

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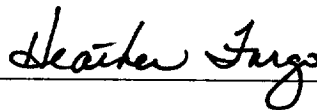
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Section 4: The Executive Director of the Agency is authorized to transfer \$3,211,594 of Merged Downtown Sacramento Development Assistance Project funds to the Elliot Lofts, Inc Mixed Use Project through escrow for the purchase of an operating covenant obligating the Developer to maintain the project uses as specified in the OPA for fifteen years, with the provision that alternate ground floor uses must be approved by the City's Economic Development Director in the event of a previously approved tenant's departure, for a period of ten years.

Section 5: The City's Downtown Development Group, by action of the Deputy City Manager is authorized to execute the Owner Participation Agreement (OPA) between the Redevelopment Agency and Developer on behalf of the Agency, a copy of which is on file with the City Clerk and Agency Clerk which OPA provides for Agency funding up to \$3,211,594 for the purchase of the operating covenant from the Merged Downtown Sacramento Redevelopment Project, on the terms provided in the OPA. The Deputy City Manager is further authorized to execute, on behalf of the Agency, all documents contemplated by the OPA, and to take all other actions necessary to consummate the purchase.

Section 6. The Mitigation Monitoring Plan, included as an attachment to the Initial Study & Mitigated Negative Declaration, dated March 18, 2002, which was adopted by the Agency on May 14, 2002, a copy of which is on file with the City Clerk and Agency Clerk, is hereby adopted.



CHAIR

ATTEST:



SECRETARY

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