

RESOLUTION NO. 2008-031

Adopted by the Redevelopment Agency
of the City of Sacramento

May 13, 2008

FORGIVE LOANS TO THE RICHARDS BOULEVARD REDEVELOPMENT AREA AND ESTABLISH BUDGET AUTHORITY FOR RAILYARDS REDEVELOPMENT AREA

BACKGROUND

- A. On May 13, 2008, in order to address the unique challenges to redevelopment of the Railyards area and to protect the Richards Boulevard Redevelopment Area from the significant costs associated with that redevelopment, the City Council adopted ordinances amending the boundaries of the Richards Boulevard Redevelopment Project Area and creating the Railyards Redevelopment Project Area.
- B. The Seventh Amendment to the Richards Boulevard Redevelopment Project (now the "River District Project Area") deletes the Railyards Area from within its boundaries and establishes the Railyards Redevelopment Project as a separate redevelopment area.
- C. In 2002 and 2003, two loans with outstanding balances totaling \$649,241 were made to the Richards Boulevard Redevelopment Project Area for projects which are now located in the Railyards Project Area. With the creation of the separate Railyards Project Area, tax increment revenues generated from the Railyards Project Area will stay in that Project Area and, therefore, will be unavailable to repay the outstanding loans.
- D. A loan made in 2006 for \$350,759 for the California Indian Heritage Center will not be needed as the Center announced its plans to move to West Sacramento.
- E. Tax increment revenues are not expected to begin to flow to the Railyards Redevelopment Project Area until the 2009-2010 fiscal year, while the redevelopment program is planned to be implemented immediately, necessitating the loan of start up funds to the Railyards Redevelopment Project Area.
- F. The proposed actions authorize a budget to undertake predevelopment activities and engage consultants in support of the Railyards Redevelopment Project and is exempt from environmental review under CEQA Guidelines Section 15262 as planning studies for possible future actions which have not yet been approved. An appropriate level of environmental analysis will be completed prior to consideration and approval of any proposed Agency actions.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. After due consideration of the facts presented, the findings, including the foregoing recitals and the environmental findings regarding this action, as stated in this Resolution are approved and adopted.
- Section 2. The Executive Director is authorized and directed to forgive two loans made to the Richards Boulevard Redevelopment Project Area for Rail Depot Improvements in the amount of \$348,241 and for the Intermodal Facility Study in the amount of \$301,000; and to defund the project budget for the California Indian Heritage Center project, representing \$350,759 in funds that were allocated but never expended, and to decrease the associated loan to the Richards Boulevard Redevelopment Project Area in the same amount.
- Section 3. The Executive Director is authorized and directed to execute an internal loan agreement in the amount of \$350,000 from the Lot A fund, in a form approved by Agency counsel, to the River District Redevelopment Project Area which will be repaid from future tax increment generated by the Railyards project.
- Section 4. The Executive Director is authorized and directed to establish Railyards Redevelopment Project Area budget authority, using the proceeds of the loan authorized in Section 3 above, for predevelopment services and consultants in the amount of \$350,000 to facilitate actions necessary to support the Railyards Redevelopment Project.

Adopted by the Redevelopment Agency of the City of Sacramento on May 13, 2008 by the following vote:

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

Noes: None.

Abstain: None.

Absent: Councilmember Hammond.



Chair Heather Fargo

Attest:



Shirley Concolinho, Secretary