

RESOLUTION NO. 2008-372

Adopted by the Sacramento City Council

June 10, 2008

APPROVING DISTRIBUTION OF TWENTY-FIVE PERCENT OF THE NET PROCEEDS FROM THE SALE OF THE SHERATON GRAND HOTEL AND RELATED GARAGE TO THE PARKING FUND AND AGENCY; APPROVING A LOAN OF \$6,000,000 FROM THE PARKING FUND TO THE REDEVELOPMENT AGENCY FOR INVESTMENT INTO MERGED DOWNTOWN REDEVELOPMENT PROJECTS

BACKGROUND

- A. On March 25, 2008 the City Council approved the sale of the Sheraton Grand Hotel with 25 percent of the net proceeds to be distributed to Parking Services and the Redevelopment Agency for investment into income generating projects. Of the 25 percent of net proceeds, funds were envisioned to be distributed to the Parking Fund (Fund 412 / 6004) to replace the revenue lost with the sale of the Sheraton and subsequent termination of the long-term Garage lease and the remainder to be distributed to the Redevelopment Agency.
- B. The City desires to lend \$6,000,000 from the Parking Fund to the Redevelopment Agency for further investment into redevelopment projects in the Merged Downtown Redevelopment Area. The Agency will repay the Parking Fund (Fund 412 / 6004) the principal with 6 percent (6%) interest in semi-annual payments as set out in the Loan Agreement.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Based upon presentations made by the City Manager and other City staff to the City Council at the time of the adoption of this resolution, and upon such other matters as have previously been presented to the City Council, the City Council hereby determines that all statements set forth in paragraphs A and B above are true.
- Section 2. The City Budget is amended allocating \$7,350,000 of the net proceeds from the sale of the Sheraton Hotel to the Parking Fund (Fund 412 / 6004) and the remaining 25% of net proceeds is allocated to the Agency.
- Section 3. The City Manager is authorized to Loan \$6,000,000, from the Parking Fund (Fund 412 / 6004) to the Redevelopment Agency and execute required documents to ensure repayment of the loan pursuant to the Loan Agreement.

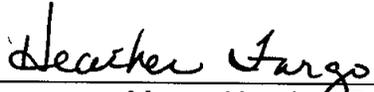
Adopted by the City of Sacramento City Council on June 10, 2008 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk