

## **RESOLUTION NO. 2009-079**

Adopted by the Sacramento City Council

February 10, 2009

**RECOGNIZING \$6 MILLION IN LOAN PROCEEDS FROM THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO TO THE PARKING FUND, AUTHORIZING UP TO A \$1 MILLION LOAN FROM THE PARKING FUND TO THE GENERAL FUND TO ADDRESS FY2009/10 YEAR END ISSUES, AND TERMINATING THE LOAN AGREEMENT BETWEEN THE CITY OF SACRAMENTO AND THE AGENCY, AND THE CITY RETURN THE EXECUTED NOTE**

### **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 the Parking Fund (Fund 6004) and the Redevelopment Agency (Agency) for investment into income generating projects.
- B. Of the 25 percent of net proceeds, funds were envisioned to be distributed to the Parking Fund to replace the revenue lost with the sale of the Sheraton and subsequent termination of the long term garage lease.
- C. On June 10, 2008 the Agency entered into a loan agreement with the City of Sacramento to borrow \$6 million from the Parking Fund to invest in redevelopment projects in the Merged Downtown Redevelopment Area.
- D. The Agency has not currently committed the borrowed funds to any projects and the funds are currently available for repayment of the loan.
- E. The City of Sacramento has requested repayment of the \$6 million in parking funds loaned to the Agency in an effort to address the continued decline in the economy and its impact on the City.

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

- Section 1. The City Manager is authorized to recognize repayment of the Agency's \$6 million loan from the Parking Funds (Fund 6004) proceeds of the Sheraton Hotel/Garage sale.
- Section 2. The City Manager is authorized to borrow up to \$1 million of the \$6 million from the Parking Fund to address FY2008/09 year end issues as necessary.

Section 3. The Loan Agreement dated July 1, 2008 between the Agency and the City of Sacramento is terminated and the City of Sacramento shall return the executed note to the Agency.

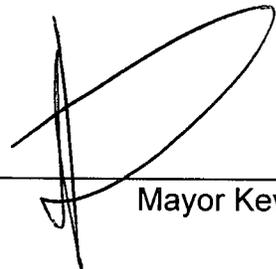
Adopted by the City of Sacramento City Council on February 10, 2009 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



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Mayor Kevin Johnson

Attest:



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Shirley Concolino, City Clerk