

RESOLUTION NO. 2009-041

Adopted by the Redevelopment Agency
of the City of Sacramento

June 23, 2009

APPROVAL OF AN INTERNAL REIMBURSEMENT AGREEMENT BETWEEN RIVER DISTRICT REDEVELOPMENT AREA ADMINISTRATIVE EXPENSES AND RAILYARDS REDEVELOPMENT PROJECT; FUNDING TRANSFER AND CONTRACT AMENDMENT FOR LEGAL SERVICES WITH STOEL RIVES, LLP RELATED TO THE RAILYARDS REDEVELOPMENT PROJECT AREA

BACKGROUND

- A. On May 13, 2008 the City Council approved the River District Redevelopment Plan Amendment and Railyards Redevelopment Plan thereby creating the Railyards Redevelopment Project Area.
- B. Start-up costs associated with the Railyards Redevelopment Project Area have exceeded the original \$350,000 start-up budget established in May 2008.
- C. Costs to the Railyards Redevelopment Project Area related to legal challenges that have been filed against the approval of the Project Area and Redevelopment Plan, and the approval of the Railyards' Owner Participation Agreements, have exceeded the original contract amount with the law firm of Stoel Rives, LLP.
- D. In February 2009, the City Council and Agency Board approved an additional internal loan of \$300,000 to continue the defense of the River District Redevelopment Plan Amendment and Railyards Redevelopment Plan, which funds, due to unforeseen events, are insufficient to complete the defense.
- E. The proposed action does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378 (b) (4), which exempts government fiscal activities that do not involve a commitment to any specific project from environmental review.

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 finding regarding this action, as stated in this Resolution are approved and adopted.
- Section 2. The Executive Director or her designee is authorized to execute a reimbursement agreement in the amount of \$85,000 to provide funding for the Railyards Redevelopment Project Area for the defense of the River District Redevelopment Plan Amendment and Railyards Redevelopment Plan, and the obligations of the reimbursement agreement shall be satisfied upon collection of future tax increment generated by the Railyards Redevelopment Project Area.

Section 3. The Executive Director or her designee is authorized to increase the Railyards Redevelopment Project Area budget for predevelopment services, administrative fees such as consulting services and legal services by \$85,000 and make necessary budget adjustments.

Section 4. The Executive Director or her designee is hereby authorized to amend the existing contract for legal services with Stoel Rives, LLP to increase the contract authority by \$176,000 (of which \$91,000 was previously budgeted by the Board on February 24, 2009) for legal services related to the Railyards Redevelopment Project.

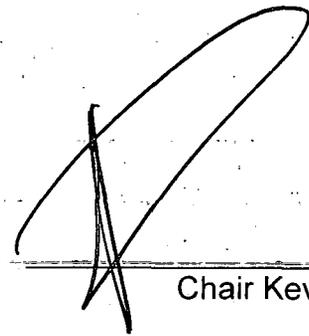
Adopted by the Redevelopment Agency of the City of Sacramento on June 23, 2009 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



Chair Kevin Johnson

Attest:



Shirley Concolino, Secretary