

RESOLUTION NO. 2011-098

Adopted by the Sacramento City Council

February 22, 2011

ACCEPTING GRANITE REGIONAL PARK PHASE II PARK IMPROVEMENTS; AUTHORIZING THE THIRD AMENDMENT TO LEASE AGREEMENT RELATED TO GRANITE REGIONAL PARK; AND AUTHORIZING CONVEYANCE OF TWO PARCELS TO REGIONAL PARK GENERAL

BACKGROUND

- A. Granite Regional Park is located between Power Inn Road, Florin Perkins Road, the Jackson Highway and 14th Avenue in the Fruitridge Broadway Community Plan Area. In October 2000, the City and Regional Park General (a development partnership consisting of Separovich-Domich, Carl Panattoni and Granite Construction Company) entered into the Granite Regional Park Development Agreement (Ordinance 2000-042) to develop a 3.5± million square foot business park surrounded by a 142 acre regional park.
- B. In accordance with the Development Agreement, Regional Park General was obligated to develop \$9.2 million (with inflation, this figure is currently \$12,334,848) in park improvements for which it would receive 72.446 acres of city owned land in the form of eight separate parcels. One of the parcels was conveyed to Regional Park General in accordance with an earlier agreement. The current request for conveyance of Assessor Parcel Numbers 079-0430-010 and -011 will bring the total acreage of land conveyed to 22.787 acres, which represents 31.45% of the total acreage to be conveyed. In order to convey the parcels to RPG, it is necessary to remove them from the existing lease pursuant to the proposed Third Amendment.
- C. In 2006, Regional Park General completed \$1,677,090 in Phase II park improvements. The City has previously accepted \$2,292,115 in eligible park improvements completed by Regional Park General, bringing the total park improvement value to \$3,969,205, which represents 39.18% of the total park improvements.
- D. On September 1, 2010, the Second Amendment to Lease Agreement Related to Granite Regional Park, between the City of Sacramento and Granite Construction Company was executed. It is City Agreement Number 2005-0110-2. The Lease covers 42.92 acres in the west basin, including APNs 079-0430-010 and -011.
- E. The Environmental Services Manager has reviewed this project for compliance with the requirements of the California Environmental Quality Act (CEQA) and determined that the conveyance of the two parcels is exempt from the requirements of the CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines. Exemption 15061(b)(3) consists of an activity covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it

can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

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

- Section 1. Accepts Granite Regional Park Phase II park improvements valued at \$1,677,090 to be credited against Regional Park General's park development obligation of \$9.2 million (plus inflation). In 2010 dollars, the remaining park development obligation is estimated at \$8,365,643. A breakdown of the park improvements and annual adjustment to show the remaining park obligation is attached as Exhibit A and is part of this resolution.
- Section 2. Authorizes the City Manager or City Manager's designee to execute the Third Amendment to Lease Agreement Related to Granite Regional Park, in a form approved by the City Attorney's office, the only change being removing Assessor Parcel Numbers 079-0430-010 and -011 from the Lease Agreement. A map showing the new lease premises is attached as Exhibit B and is part of this resolution.
- Section 2. Authorizes the City Manager or City Manager's designee to execute all other documents necessary to convey Assessor Parcel Numbers 079-0430-010 and -011 to Regional Park General.

Table of Contents:

- Exhibit A – Value of Park Improvements and Remaining Park Obligation
Exhibit B – GCC Leased Premises Map

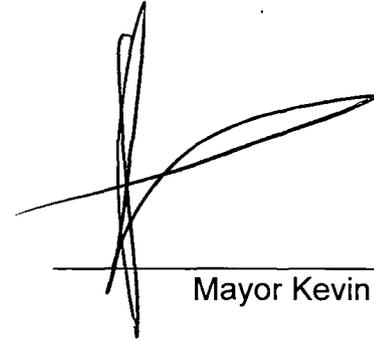
Adopted by the City of Sacramento City Council on February 22, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Mayor Kevin Johnson

Attest:


Shirley Concolino, City Clerk

EXHIBIT A

Granite Regional Park: Park Improvements and Remaining Park Obligation

Based on Engineering News Review Construction Cost (ENRCC) Index for 20-City Average

<i>ENRCC Index Date</i>	<i>Index Amount</i>	<i>Adjustment Rate</i>	<i>Park Improvements</i>	<i>Park Obligation</i>
8/1/1998	5929	Base Year		\$9,200,000
			\$168,750 + interest*	-\$192,115
				\$9,007,885
1/1/1999	6000	1.01		\$9,115,755
1/1/2000	6130	1.02		\$9,313,263
1/1/2001	6281	1.02		\$9,542,676
			Phase I Park Credit**	-\$2,100,000
				\$7,442,676
1/1/2002	6462	1.03		\$7,657,152
1/1/2003	6581	1.02		\$7,798,161
1/1/2004	6825	1.04		\$8,087,289
1/1/2005	7297	1.07		\$8,646,586
1/1/2006	7660	1.05		\$9,076,723
			Phase II Park Credit***	-\$1,677,090
				\$7,399,633
1/1/2007	7880	1.03		\$7,612,155
1/1/2008	8090	1.03		\$7,815,017
1/1/2009	8549	1.06		\$8,258,416
1/1/2010	8660	1.01		\$8,365,643
1/1/2011	not yet available			tbd

* Per OR2000-042 (the Development Agreement) Section 2, \$168,750 paid in 1996 as a land payment + interest through 9/30/2000 shall be a credit against the \$9.2M park obligation. With interest, the \$168,750 grew to \$192,115.

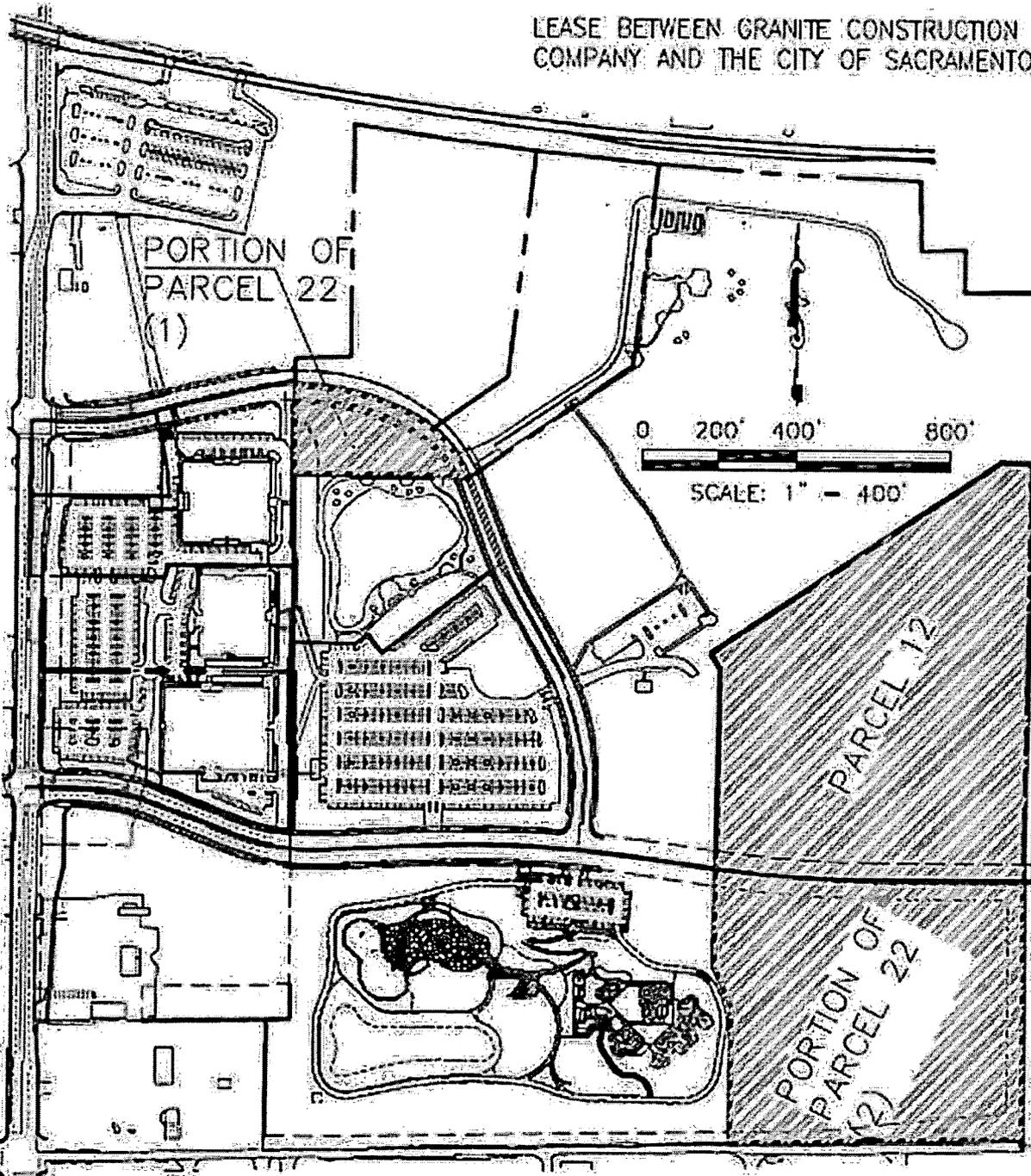
** Phase I Park Credit of \$2.1M were accepted by City Council by adoption of Resolution 2001-214, dated April 17, 2001

*** Phase II Park Credit of \$1,677,090 pending City Council acceptance

Note: Inflation factors for January 2011 will be available mid-February

MdB 1/27/2010

LEASE BETWEEN GRANITE CONSTRUCTION COMPANY AND THE CITY OF SACRAMENTO



AREA OF:

PARCEL 12 - 16.02AC GROSS; 15.19AC NET

PORTION OF PARCEL 22 (1) - 1.78AC GROSS; 1.38AC NET

PORTION OF PARCEL 22 (2) - 12.21AC GROSS; 10.05AC NET