

RESOLUTION NO. 2012-007

Adopted by the Sacramento City Council
Redevelopment Agency Successor Agency

November 20, 2012

APPROVING ASSIGNMENT OF MASTER OWNER PARTICIPATION AGREEMENT AND AGENCY FUNDING AGREEMENT AND MOPA PROJECT AGREEMENTS AND TRANSFER OF SHERATON PROCEEDS TO THE CITY OF SACRAMENTO

BACKGROUND:

- A. The City of Sacramento ("City") pledged a total of \$30.1 million of its proceeds from the sale of the Sheraton Grand Sacramento Hotel ("Hotel") and the City-owned parking garage at 13th and J Streets ("Garage") which served the Hotel (collectively the "Sheraton Proceeds"), to the Redevelopment Agency of the City of Sacramento ("Agency") to manage on its behalf to fund projects within the Merged Downtown Sacramento Redevelopment Project Area (the "Project Area") in compliance with the Hotel and Garage sale agreements.
- B. On May 2, 2008, the Agency entered into a Master Owner Participation Agreement and Agency Funding Agreement (the "MOPA") with Taylor/CIM Redevelopment Company, LLC ("Developer") using \$24.7 million of the Sheraton Proceeds to fund redevelopment projects in the Project Area.
- C. The MOPA was entered into in furtherance of the City's obligations under the Hotel and Garage Purchase and Sale Agreements to fund projects in the Project Area undertaken by the Developer. Thereafter, the Agency and Developer entered into the 1012-1022 K Street Disposition and Development Agreement, Participation Agreement and Regulatory Agreements (the "MOPA Project Agreements") to transfer Agency property and to provide \$5.4 million in Sheraton Proceeds for the 1012-1022 K Street project pursuant to the MOPA.
- D. The City elected to serve as the Redevelopment Agency Successor Agency ("RASA") and on February 1, 2012, by operation of law under AB1 X 26, RASA replaced Agency as the contracting party with the Developer under the MOPA and the MOPA Project Agreements and the balance of the Sheraton Proceeds were transferred from the Agency to RASA.
- E. Based on guidance from the State Department of Finance pursuant to its authority to implement AB1 X 26, the MOPA should be assigned from RASA to the City and the Sheraton Proceeds should be transferred back to the City because the funding available to the Developer under MOPA were City property sales proceeds and not Agency funds.

- F. On June 4, 2012, the Oversight Board for RASA authorized the assignment of the MOPA and the transfer of the balance of the Sheraton Proceeds from RASA to the City.
- G. The City is willing to accept from RASA the assignment of the MOPA and the related MOPA Project Agreements and the receipt of the balance of the Sheraton Proceeds to allow the City to oversee the Developer's compliance with the MOPA and the MOPA Project Agreement obligations. As a result of such assignment, the City would be the entity to approve funding additional projects with the remaining Sheraton Proceeds pursuant to the terms of the MOPA and any additional agreements.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY SUCCESSOR AGENCY RESOLVES AS FOLLOWS:

Section 1. The Redevelopment Agency Successor Agency ("RASA") approves the assignment of the MOPA, attached as Exhibit A, and the assignment of the MOPA Project Agreements and the transfer of the balance of the Sheraton Proceeds currently held by RASA to the City of Sacramento for implementation of the MOPA.

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Exhibit A - Master Owner Participation Agreement and Agency Funding Agreement Future Downtown Redevelopment Projects

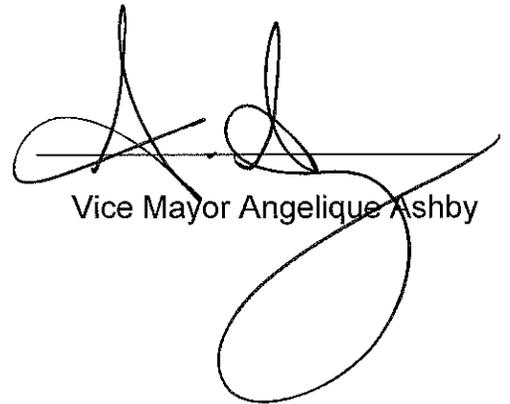
Adopted by the City of Sacramento City Council Redevelopment Agency Successor Agency on November 20, 2012 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



Vice Mayor Angelique Ashby

Attest:



Shirley Concolino, City Clerk