

RESOLUTION NO. 2013-0063

Adopted by the Sacramento City Council

February 26, 2013

FUNDING DUE DILIGENCE AND NEGOTIATION OF PRELIMINARY TERMS FOR POTENTIAL DEVELOPMENT OF A DOWNTOWN ENTERTAINMENT AND SPORTS CENTER

BACKGROUND

- A. In mid-January 2013, reports surfaced that a Seattle-based group was pursuing the acquisition of the controlling interest in the Sacramento Kings, with the purpose of relocating the team to Seattle for the 2013-14 basketball season.
- B. The National Basketball Association (NBA) Board of Governors, a body constituted of the league's team owners, has confirmed it will be taking up the issue at their annual meeting scheduled for April 18-19, 2013.
- C. Also in January 2013, Mayor Johnson attempted to identify potential qualified buyer(s) to prepare a competitive offer to purchase the team and commit to keeping the team in Sacramento long-term.
- D. A new Sacramento-based ownership group will need to provide a plan to develop and finance a new venue because the current arena does not meet the long-term needs of the team or NBA.
- E. Additional due diligence, preparation of preliminary terms for subsequent Council consideration, and the formation of a specialized team of professionals to maximize the City's benefits and protect its interests are required.

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

Section 1: The City Manager is authorized to transfer \$150,000 from the General Fund administrative contingency to the City Manager's Office budget to fund professional and legal services for due diligence and negotiation of preliminary terms for the potential development of a downtown entertainment and sports center.

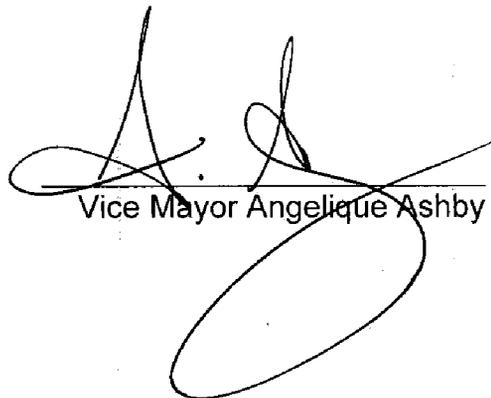
Adopted by the City of Sacramento City Council on February 26, 2013 by the following vote:

Ayes: Councilmembers Ashby, Cohn, Hansen, Pannell, Schenirer, Warren, and Mayor Johnson.

Noes: Councilmembers D. Fong and K. McCarty.

Abstain: None.

Absent: None.



Vice Mayor Angelique Ashby

Attest:



Shirley Concolino
Shirley Concolino, City Clerk