

Meeting Date: 7/16/2013

Report Type: Consent

Report ID: 2013-00548

Title: Reimbursement of Developer Contributions for the River District Specific Plan and Finance Plan

Location: Districts 3 and 4

Issue: Several developers in the River District area contributed funds to facilitate the completion of the River Specific Plan and Finance Plan. Sufficient funds have since been collected from existing development impact fees to reimburse the developers as provided for in the covering agreement.

Recommendation: Pass a Resolution appropriating \$142,500 to reimburse River District Specific Plan area landowners, pursuant to City Agreement 2008-0858, for advances made to facilitate the completion of the River Specific Plan and Finance Plan.

Contact: Mark Griffin, Program Manager, (916) 808-8788, Department of Finance; Rachel Hazlewood, Senior Project Manager, (916) 808-8645, Economic Development Department

Presenter: None

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

1-Description/Analysis

2-Resolution

3-Exhibit (City Agreement 2008-0858)

City Attorney Review

Approved as to Form
Michael W. Voss
7/8/2013 4:45:28 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
6/27/2013 5:22:23 PM

Approvals/Acknowledgements

Department Director or Designee: Dennis Kauffman - 7/3/2013 1:45:08 PM

Description/Analysis:

Issue: On July 15, 2008, City Council passed Resolution 2008-496, establishing revenue and expenditure budgets for the complete update of the Richards Boulevard Area Plan and Finance Plan. The River District Specific Plan and Finance Plan, the result of that effort, were adopted on February 15, 2011 (Resolution 2011-081).

Four River District area landowners contributed \$200,000 under City Agreement 2008-0858 (Agreement) towards the cost of the updates. The Agreement provides for reimbursement in cash or credits if, prior to February 15, 2016, the City determines at its sole discretion that available funds are not needed for current projects. Sufficient funds are on hand and staff has determined they are not needed at the present time.

One of the four landowners has already received full reimbursement in the form of credits against permit fees. The remaining landowners are requesting full cash reimbursement in the amount of \$142,500. The attached resolution authorizes this reimbursement.

Policy Considerations: Pursuant to the Fiscal Year 2013-14 Budget Resolution 2013-00198, Section 4.1, City Council is required to approve appropriations to any project in excess of \$100,000.

Economic Impacts: This report does not have direct economic impacts.

Environmental Considerations:

California Environmental Quality Act (CEQA): Under the CEQA guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review.

Sustainability Considerations: There are no sustainability considerations applicable to administrative activities.

Commission/Committee Action: None

Rationale for Recommendation: The Agreement provides for reimbursement when funds are available for that purpose.

Financial Considerations: Reimbursements of \$142,500 will be made pursuant to the Agreement from development impact fees collected in the River District area which are available for this purpose. There is no impact on the General Fund.

Emerging Small Business Development (ESBD): None. No goods or services are being purchased.

RESOLUTION NO.

Adopted by the Sacramento City Council

APPROPRIATION OF REIMBURSEMENTS UNDER AGREEMENT 2008-0858 FOR THE RIVER DISTRICT FINANCE PLAN AND NEXUS STUDY

BACKGROUND

- A. On December 11, 2007, City Council adopted Resolution 2007-915, directing the City Manager to update the Richards Boulevard Area Plan and Financing Plan. Resolution 2008-496, adopted on July 15, 2008, established revenue and expenditure budgets for updating the River District Specific Plan and Financing Plan which were adopted on February 15, 2011 by Resolution 2011-081.
- B. Four Richards Boulevard area landowners contributed \$200,000 under City Agreement 2008-0858 (Agreement), which is attached as Exhibit 1. The Agreement provides for reimbursement in cash or credits if, prior to February 15, 2016, the City determines at its sole discretion that available funds are not needed for current projects. Sufficient funds have been collected in the River District area and are not needed at the present time.

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

Section 1. The City Manager is authorized to appropriate \$142,500 from the fund balance of the Richards/Railyards/Downtown Developer Fee (Fund 3202) to the River District Specific Plan and Finance Plan Project (I21000200).

Section 2. The City Manager is authorized to allocate and distribute payments pursuant to the Agreement as follows:

<u>Payee</u>	<u>Amount</u>
Capital Station 65, LLC	\$100,000
Armour Steel, Inc.	\$21,250
Carson Development Company, Inc.	\$21,250

Attachments:

1-City Agreement 2008-0858



City of Sacramento Contract Cover and Routing Form

Requires Council Approval: No YES Meeting: 7/15/08

General Information

Type: Reimbursement/Credit

CHANGE: None CH #:

\$ Not to Exceed: \$ 400,000.00

Original Contract Number:

Original Contract Amount:

Contractor: River District Specific Plan

Project Name: River District

CIP Number: None

Bid Transaction #:

E/SBE-DBE-M/WBE:

Department Information

Department: Economic Development

Division: Downtown Development

Project Mgr: Rachel Hazlewood

Division Mgr: Leslie Fritzsche

Contract Coordinator: Noreen James

Org Number: 4451

Phone Number: ext. 5470

Comment:

Review and Signature Routing

Department	Signature or Initial	Date
Rachel Hazlewood	<i>RH</i>	7/16/08
Noreen James	<i>NJ</i>	7/16/08
Leslie Fritzsche	<i>L</i>	7/16/08

City Attorney	Signature or Initial	Date
<i>Sheryl Parker</i> Angela Casagrande City Attorney: ORG #0500	<i>SC</i>	8/13/08

Send Interoffice Mail Notify for Pick Up

Authorization	Signature or Initial	Date
Department Director: Dave Spaur		
City Mgr: yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<i>JW</i>	8-21-08

For City Clerk Processing Finalized:
Initial: *RRB* Date: *8-26-08*

Imaged:
Initial: *V.M* Date: *8/27/08*

Resolution No: (If Applicable)

Contract No:

2008-0858

RECEIVED
CITY CLERK'S OFFICE
CITY OF SACRAMENTO
AUG 25 4 09:57 PM '08

This coversheet is to remain with the original signed Contract.

Responsibility

General Information: May be completed by Project Manager or Contract Services.

Department Information: May be completed by Project Manager or Contract Services.

Review and Signature Routing:

Department (not all roles required-dependent on Department Policy)

Project Manager: Verification of Technical Specs.

Accounting: Verification of Funding Sources. (this may be NA for some departments)

Contract Services: BOT Number, Insurance, Bonds, Solicitation (BID, RFP, RFQ, RFI, Quote, Sole Source, or Emergency), Contractor Signatures, E/SBE, DBE or M/WBE Project Participation.

City Attorney

Approval of Contract Form and Bonds (if applicable)

Verification that Insurance Documents are Included (if required for contract approval)

Authorization

Department Director: Review All Contracts; Signing Authority <\$100,000

City Manager: Signing Authority delegated for < \$100,000

Signing Authority delegated to Assistant City Manager for = or > \$100,000

AFTER Council Authorization

Types of Contracts

Type	City Code	Type	City Code
Commodity	3.56	Reimbursement/Credit	
Development	18.16	Settlement	
Grant		Supplies	3.56
Hold Harmless			
Individual Participation			
Master Services			
Memorandum			
Non-Professional Services	3.56		
Owner Participation		Received City Clerk (2nd Receipt)	
Professional Services	3.64		
Public Project	3.60		
Real Property Lease City Owned	3.68		
Real Property Sale City Owned	3.88		
Real Property Non-City Owned (NCO)			

**AGREEMENT TO REIMBURSE FEES AND COSTS
RIVER DISTRICT SPECIFIC PLAN
BETWEEN CITY OF SACRAMENTO AND RIVER DISTRICT LANDOWNERS**

This AGREEMENT TO REIMBURSE FEES AND COSTS (hereinafter "Agreement") is made and entered into as of this 26th day of August, 2008 ("Effective Date"), by and between the CITY OF SACRAMENTO, a municipal corporation (the "CITY"), and the following owners of property located within the River District Specific Plan boundary (which are individually referred to as "LANDOWNER" and collectively referred to as "LANDOWNERS"):

Legal Entity Name:

Legal Entity Form:

Armour Steel Company

California Company

Carson Development Co. Inc.

California Corporation

Grove Investment Company

California General Partnership

Capitol Station 65, LLC

California Limited Liability Corporation

RECITALS

WHEREAS, LANDOWNERS own property along or near Richards Boulevard within a 640 acre area referred to as the River District, which extends from the Sacramento River and the American River on the west and north, slightly east of 16th Street on the east, and North B Street and the UPRR tracks on the south. The River District area is shown in Exhibit A. The properties owned by LANDOWNERS are listed in Exhibit A (collectively the "Property"); and

WHEREAS, the existing land use plan for the River District, referred to as the Richards Boulevard Area Plan (RBAP), was approved in 1994. At the same time, CITY approved the Railyards specific plan to address development of the vacant property between the River District and the Central Business District. In addition, CITY also adopted the Facility Element to identify infrastructure improvements required within both the River District and the Railyards; and

WHEREAS, CITY recently adopted a new Railyards Specific Plan (RSP) and the Railyards Financing Plan, which changed some of the infrastructure assumptions in the Facility Element and updated the infrastructure costs. To properly plan for development of LANDOWNERS' Property in light of the changed circumstances since the RBAP was adopted, CITY needs to update the RBAP and the Facility Element by preparing a new River District Specific Plan (Specific Plan); and

WHEREAS, changes to the Facility Element will require preparation of an infrastructure financing plan (Financing Plan), and such plan is needed because state law requires specific plans to include financing measures necessary to implement the infrastructure improvements; and

WHEREAS, development impact fees were enacted after adoption of the RBAP, which allocated the costs and benefits of the Facility Element infrastructure improvements among the River District, Railyards and the Central Business District portion of downtown. Based on the Specific Plan

CITY

AGREEMENT NO. 2008-0858

and Financing Plan, as well as the Railyards Financing Plan, a new nexus study is needed to update the development impact fees within these three plan areas (Nexus Study); and

WHEREAS, in order for CITY to replace the RBAP and the Facility Element with the new Specific Plan, that land use plan along with the Financing Plan and Nexus Study needs to be prepared. These plans and studies will allow for development of LANDOWNERS' Property and imposition of impact fees appropriate for such development. State law allows CITY to collect the costs for preparing these plans and studies as development proceeds; however, CITY needs LANDOWNERS to advance funding to cover a portion of such costs in order to prepare such plans and studies; and

WHEREAS, CITY intends to prepare the Specific Plan with CITY staff, subject to CITY staff costs being funded under this Agreement. CITY also desires to enter into the contracts concerning preparation of an environmental impact report for the Specific Plan, and preparation of the Financing Plan and Nexus Study to benefit LANDOWNERS' Property (the "Contracts"), contingent on LANDOWNERS approval of this Agreement. LANDOWNERS are willing to pay, in advance and subject to the terms and conditions set forth below, a portion of the CITY's costs to prepare the Specific Plan and CITY's costs under the Contracts.

AGREEMENT

NOW, THEREFORE, based on the Recitals, the mutual promises and covenants of the Parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Preparation Costs.** The estimated costs for preparation of the Specific Plan, EIR, and Finance Plan and Nexus Study are \$1,100,000.

The foregoing costs include CITY staff and consultant costs as set out in Exhibit B to this Agreement (collectively "CITY Costs"). The scope of work for the Specific Plan has been provided to LANDOWNERS during prior meetings, and the scope of work for the EIR, and Financing Plan and Nexus Study are attached to this agreement as Exhibit C and D, respectively, (collectively "Scope of Work").

2. **LANDOWNERS' Obligation to Pay Costs.** LANDOWNERS agree to pay a portion of CITY's Costs up to an amount not to exceed \$400,000 (Total Deposit) as follows:

- (a) *Initial Deposit.* Within ten (10) calendar days after the Effective Date of this Agreement, CITY will invoice LANDOWNERS for a cumulative amount of \$200,000 (Initial Deposit), and LANDOWNERS shall make payment within sixty (60) calendar days from the date of the invoice. The Initial Deposit is to be paid by each of the LANDOWNERS as follows:

Capitol Station 65, LLC:	\$100,000
Armour Steel Company, Inc.:	\$21,250
Carson Development Company, Inc.	\$21,250
Grove Investment:	\$57,500

The foregoing allocation of payments by each LANDOWNER as set out above has been

determined by LANDOWNERS, and CITY is not responsible for the allocation's accuracy or fairness.

- (b) Subsequent Payments. After payment of the Initial Deposit, CITY will invoice LANDOWNERS for subsequent payments for CITY Costs (Subsequent Payments) only after CITY has fully expended the Initial Deposit, the additional CITY Costs have been incurred, and CITY has made payment for such additional costs. CITY will invoice LANDOWNERS for Subsequent Payments no more frequently than on a monthly basis and each LANDOWNER shall be invoiced in accordance with the same pro-rata funding breakdown as set out in subsection 2(a), above. Total billed expenditures may vary from the CITY Cost estimates for the Scope of Work set out in Exhibit B, but in no case will exceed \$400,000 collectively. LANDOWNERS shall make payment within thirty (30) calendar days from the date of the invoice.
 - (c) LANDOWNERS' Refusal. If one or more LANDOWNERS fail to pay CITY's invoice for Subsequent Payments then CITY shall notify the other LANDOWNERS of that occurrence and the amount outstanding. If the other LANDOWNERS are unwilling to individually or collectively pay the total amount outstanding within thirty (30) calendar days from the date of the CITY's written notice and request for payment ("LANDOWNERS' Refusal"), then, in its sole discretion, CITY may suspend or discontinue preparation of the Specific Plan and the work under the Contracts until additional funding is obtained. LANDOWNERS acknowledge that suspension of the work under the Contracts for an extended period of time could result in wasted work and the need to perform additional work to complete the plans and studies referenced herein. LANDOWNERS agree that CITY shall not be liable for completion of the plans and studies as referenced herein in the event of LANDOWNERS' Refusal. If CITY decides to discontinue work under the Contracts, CITY shall notify LANDOWNERS in writing of such decision and the CITY's obligation to complete the Specific Plan and the work under the Contracts shall be suspended until such time that LANDOWNERS' agree to pay to restart the work. The period of suspension shall not extend for longer than one year and thereafter CITY shall have no further obligation to complete the work under the Contracts. Each LANDOWNER's right to receive a credit and reimbursement, as set out in Section 5, below, will not be affected if CITY does not complete the plans and studies referenced herein.
 - (d) Late Payments. Any LANDOWNER that fails to make payment within the period set out above will owe CITY interest at the annual rate of a ten percent (10%).
3. **CITY's Obligation to Prepare Plans and Studies.** After receiving the Initial Deposit, CITY will proceed to prepare the Specific Plan and contract for preparation of the EIR, Financing Plan and Nexus Study in accordance with the Scope of Work.
4. **CITY's Obligation to Provide Expenditure Reports.** CITY shall use all payments received from LANDOWNERS under this Agreement solely to pay CITY Costs. CITY shall provide LANDOWNERS with an itemized accounting statement of the amount of the Initial Deposit and Subsequent Payments applied to CITY Costs on a monthly basis by providing copies of the consultant's invoices paid by CITY and a breakdown of CITY and consultant costs. LANDOWNERS shall appoint one representative to receive and approve the accounting statements. LANDOWNERS protest of any accounting statement must be provided to CITY within ten (10) business days from receipt of the statement to allow CITY the opportunity to

make any corrections to the statement or to the amounts of payments made by CITY to consultants.

5. **LANDOWNERS' Credit and Reimbursement.** After completion of the work under the Contracts, CITY shall prepare a statement for each LANDOWNER that sets out their respective total payments to the CITY for CITY Costs (LANDOWNER Credit) pursuant to this Agreement. The amount of LANDOWNER Credit shall increase annually by the same cost index adopted by CITY for the Automatic Inflation Factor as defined in the adopted Financing Plan and Nexus Study for the River District Specific Plan, but shall not otherwise accrue interest. LANDOWNER Credits are rights held by each LANDOWNER entity and do not run with the property LANDOWNER currently owns within the River District. However, LANDOWNER may sell or assign its LANDOWNER Credits as set out in subsection 5(c), below. CITY shall deduct the amount of LANDOWNER Credit against any and all development fees imposed pursuant to Government Code Section 66000 et seq. within the River District at the time that each LANDOWNER pays for building permits to develop its respective Property. CITY, in its sole and exclusive judgment, may reimburse LANDOWNER for the amount of its LANDOWNER Credit at any time during the term of this Agreement without LANDOWNER's prior written consent.

- (a) Conditional Reimbursement of LANDOWNER Credit. If five (5) years have passed since the date of CITY's adoption of the Specific Plan and an individual LANDOWNER has any LANDOWNER Credits remaining after applying such credits towards the amount of development fees owed, then CITY shall reimburse LANDOWNER for the remaining amount of its LANDOWNER Credit as referenced above, after receipt of LANDOWNER's written request for reimbursement and to the extent that: (1) CITY possesses sufficient uncommitted development impact fees from River District development projects to pay the LANDOWNER Credit, and/or (2) CITY has received sufficient tax increment revenues from the River District Redevelopment Project Area to reimburse CITY for a portion of CITY Costs and such revenues are available to pay the amount of the remaining LANDOWNER Credits. If CITY is unable to fully reimburse all of the LANDOWNERS which submit reimbursement requests due to insufficient development fees and/or tax increment revenues, then payments will be allocated on a pro-rata basis in accordance with the percentage of total funding each LANDOWNER has paid toward CITY's Costs.

Thereafter, at any time LANDOWNER may submit a reimbursement request for payment of all or a portion of the remaining LANDOWNER Credit. CITY's obligation to make payment of the remaining LANDOWNER Credit will be dependent on the amount of uncommitted development fees from development projects within the River District held by CITY at the time of receipt of such request. However, CITY shall not commit development fees received for improvement projects until LANDOWNER that has submitted a reimbursement request has been fully paid.

If after the Effective Date CITY enters into a reimbursement/credit agreement with a developer for an improvement within the River District regarding payment of development fees, or any other form of agreement that commits payment of such fees, LANDOWNERS' reimbursement rights herein will have priority over the party to such subsequent agreement.

- (b) No Obligation to Establish or Impose Fees. This Agreement does not obligate the City to establish, adopt, revise, impose, or collect development fees.

(c) *Sale or Assignment of LANDOWNER Credit.* A LANDOWNER may assign all or a portion of its LANDOWNER Credit to another owner of property within the River District if: (i) it provides CITY with written notice at least ten (10) business days prior to such sale or assignment that sets out the amount of credits proposed to be sold or assigned and the amount of credits to be retained by LANDOWNER (Credit Transfer Notice), and (ii) CITY confirms in writing the availability of credits to sell or assign. CITY's written confirmation must be obtained before the sale or assignment becomes effective. CITY may rely on LANDOWNER's Credit Transfer Notice and shall not be liable to LANDOWNER, assignee, purchaser or any third party for any errors made by LANDOWNER in the amount of LANDOWNER Credits that were available to assign or sell.

6. Non-liability of City for Reimbursement. If, based on a change in law or a court order after the Effective Date that provides that reimbursement of a LANDOWNER Credit with development fees or tax increment revenues is for any reason unlawful or otherwise inappropriate, then CITY will not be obligated to reimburse LANDOWNER as provided in Section 5(a), above, and LANDOWNER will not be entitled to reimbursement from CITY for LANDOWNER's payment under any theory, legal or equitable. In that event, LANDOWNER's only recourse is to apply its LANDOWNER Credit towards payment of its development fees or to sell or assign its LANDOWNER Credit, and such credits will not lapse until applied toward development fees and/or reimbursed as provided herein.

7. Indemnification. LANDOWNERS shall indemnify, defend, protect, and hold CITY and CITY's officers, employees, agents, and contractors harmless from all liabilities, claims, demands, damages, and costs (including attorneys' fees and litigation costs through final appeal) that arise out of or are in any way related to, caused by, or based upon disputes among LANDOWNERS and/or among purchasers or assignees of LANDOWNER Credits with respect to their proportionate share of development fee credits provided to LANDOWNERS by CITY's under this Agreement, as well as any third parties that may challenge the CITY's rights and obligations to make reimbursement and provide credits as set out herein. In particular and without limiting the foregoing, LANDOWNERS' indemnification obligation to CITY shall apply in the event of any disputes either among LANDOWNERS themselves related to their obligations and rights under this Agreement, or between LANDOWNER and an affiliate, assignee or purchaser of LANDOWNER's credits as referenced in Section 5(c). LANDOWNERS' obligation under this Section 7 will survive the expiration or early termination of this Agreement.

8. CITY's Obligations under this Agreement. Neither CITY's general fund nor any of CITY's other assets, accounts, funds, or monies, except development fees and tax increment revenues specified in Section 5, will be liable for payment of any obligations arising under this Agreement. The obligations under this Agreement are not a debt of CITY, nor are they a legal or equitable pledge, charge, lien, or encumbrance upon any of CITY's property, assets, income, receipts, or revenues. This Agreement embodies all of LANDOWNERS' rights to credit and reimbursement with respect to the Total Deposits described herein and CITY is not required to execute any other document. This Section 8 is not to be interpreted as limiting CITY's exercise of discretion under any other section of this Agreement.

9. Notices. Any notice, delivery, or other communication under this Agreement must be in writing and will be considered properly given when delivered or mailed in the manner provided in this Section 9 to the following persons:

(a) *If to City:* Mark Griffin
Attn: Public Improvement Financing
City of Sacramento
915 I Street, Third Floor
Sacramento, CA 95814

(b) *If to the LANDOWNERS:*

- | | |
|---|--|
| (1) Steve Ayers
Armour Steel Company
6601 26th St
Rio Linda, CA , 95673-3800
Phone: (916) 991-3333
Fax: (916) 992-1313 | (2) Johan Otto
Carson Development Company, Inc.
1722 3rd Street, Suite 202
Sacramento, CA 95811
Phone: (916) 443-3797
Fax: (916) 443-3797 |
| (3) Ernie Gallardo
Grove Investment Company
190 Newport Center Drive, Suite 220
Newport Beach, CA 92660
(949) 644-1860 | (4) Steve Goodwin
Capitol Station 65
424 North 7th Street, Suite 200
Sacramento, CA 95811
(916) 482-7900 |

Any Party may change its address for these purposes by giving written notice of the change to the other Party in the manner provided in this Section 9. If sent by mail, a notice, delivery, or other communication will be considered to have been given 48 hours after it has been deposited in the United States Mail, addressed as set forth above, with postage prepaid (registered or certified mail, return receipt requested).

- 10. Attorneys' Fees.** If a Party requires the services of any attorneys to secure the performance of this Agreement or to seek redress for another Party's breach or default, or if litigation or arbitration is necessary to enforce or interpret any provision of this Agreement, then the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that Party is entitled.
- 11. Interpretation and Venue.** This Agreement is to be interpreted and applied in accordance with California law. Exhibits A, B, C and D are part of this Agreement. Any litigation concerning this Agreement must be brought and prosecuted in the Sacramento County Superior Court.
- 12. Waiver.** A Party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon the other Party's breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A Party's waiver of the other Party's breach of any term or provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving Party.
- 13. Warranties and Representations.** The persons signing this agreement on behalf of each LANDOWNER warrant and represent that they have the capacity and legal authority to execute this agreement on that LANDOWNER's behalf and to bind that LANDOWNER to the obligations imposed by this Agreement.

14. **Execution of Agreement.** The Parties may sign this agreement in counterparts, each of which will be considered an original, but all of which will constitute the same Agreement.
15. **City Attorney Costs.** LANDOWNERS shall collectively pay CITY \$500 for costs the City Attorney incurred in negotiating and drafting this Agreement. Payment shall be due prior to execution of this Agreement by CITY.
16. **Entire Agreement.** This Agreement sets forth the Parties' entire understanding regarding the matters set forth. It supersedes all prior or contemporaneous agreements, representations, and negotiations (written, oral, express, or implied) and may be modified only by another written agreement signed by both Parties.

[signature pages follow]

IN WITNESS WHEREOF, CITY and LANDOWNERS have executed this Agreement as of the date first set forth above.

CITY OF SACRAMENTO

By: [Signature]
ASST City Manager
JOHN DANIGBERG

Attest: [Signature]
City Clerk 8-26-08

By: _____

Approved for Form:

By: [Signature]
Senior Deputy City Attorney

LANDOWNERS:

Armour Steel Company, Inc.

By: _____
Name: _____
Its: _____

Carson Development Company, Inc.

By: [Signature]
Name: JOHAN OTTO
Its: PRES

Grove Investment Company

By: _____
Name: _____
Its: _____

Capitol Station 65, LLC

By: [Signature]
Name: STEVE GOODWIN
Its: PRES

CITY 2008-0858
AGREEMENT NO. _____

IN WITNESS WHEREOF, CITY and LANDOWNERS have executed this Agreement as of the date first set forth above.

CITY OF SACRAMENTO

By: [Signature]
City Manager
Joint Resolution

Attest: [Signature]
City Clerk 8-26-08

By: _____

Approved for Form:

By: [Signature]
Senior Deputy City Attorney

LANDOWNERS:

Armour Steel Company, Inc.

By: [Signature]
Name: Steve Myers
Its: _____

Carson Development Company, Inc.

By: _____
Name: _____
Its: _____

Grove Investment Company

By: _____
Name: _____
Its: _____

Capitol Station 65, LLC

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, CITY and LANDOWNERS have executed this Agreement as of the date first set forth above.

CITY OF SACRAMENTO

By: [Signature]
ASST. City Manager
JOHN DWIGBERG

Attest: [Signature]
City Clerk
8-26-08

By: _____

Approved for Form:

By: [Signature]
Senior Deputy City Attorney

LANDOWNERS:

Armour Steel Company, Inc.

By: _____
Name: _____
Its: _____

Carson Development Company, Inc.

By: _____
Name: _____
Its: _____

Grove Investment Company

By: [Signature]
Name: GUY LEMMON
Its: TRUSTEE FOR CENT'L PARTNER OF GARDES (FACT B TRUST)

Capitol Station 65, LLC

By: _____
Name: _____
Its: _____

EXHIBIT A

LANDOWNER PROPERTY LIST

Armour Steel Company, Inc.

821 North B Street (leased)
721 North B Street

Carson Development Company, Inc.

1103 North B Street
250 Dos Rios Street
501 North 5th Street

Grove Investment Company

425 North 7th Street
601 North 7th Street
611 North 7th Street

Capitol Station 65, LLC

North of Richards Boulevard, between North 5th
& North 7th Streets

EXHIBIT B
ESTIMATED CITY'S COSTS

Development Services

Staffing and Contracting \$ 260,000

Environmental Review

Staffing and Contracting 350,000

Urban Design/Historic Preservation

Staffing 82,000

Circulation

Staffing and Contracting 200,000

Utilities

Staffing and Contracting 100,000

Parks

Staffing and Contracting 10,000

Legal

Staffing 50,000

Fire/Police/Miscellaneous/Contingency

Staffing and Contracting 48,000

TOTAL \$1,100,000

EXHIBIT C

EIR CONTRACT SCOPE OF WORK

Task 1. Scoping/Project Initiation

Task 2. Notice of Preparation

Task 3. Prepare the Administrative Draft EIR to include:

Table of Contents

Summary

Areas of Known Controversy

Project Description

Alternatives Description

Environmental Setting

Discussion of Significant Environmental Impacts

Organizations Consulted

Effects Not Found Significant

Mitigation Measures

Alternatives

Growth-Inducing Impacts

Significant Irreversible Changes

Task 4. Prepare and Circulate Draft EIR

Task 5. Prepare Response to Comments/Prepare Administrative Final EIR (AFEIR)

Task 6. Prepare and Circulate Final EIR and Mitigation Reporting Plans

Task 7. Attend Certification Hearings

Task 8. Project Management and Meetings

Exhibit D

Financing Plan and Nexus Study

Project Goals:

- ◆ Identify public infrastructure and public facilities to be constructed during the next 20 years in the project area
- ◆ Specify the estimated costs to construct and the phasing of the public facilities and infrastructure
- ◆ Identify the financing mechanisms and sources, costs of financing and phasing
- ◆ Identify the ongoing maintenance costs
- ◆ Develop a nexus study for the fair distribution of public infrastructure and facilities costs between Downtown, the Railyards and the River District

Project Tasks:

1. Initiate Project
 - a. Meet with City staff to establish methodology and approach
 - b. Gather relevant information for the plan, policies related to it
2. Identify Land Use Infrastructure and Public Facility Requirements
 - a. Includes detailed land use information such as densities, units, acres, square footage, number of employees
 - b. Work with City staff to develop preliminary cost estimates for typical City infrastructure/facility projects
3. Prepare Administrative Draft Financing Plan
 - a. Compile draft financing plan
 - b. Determine cost allocations or distribution of fair share of costs of infrastructure/facilities to Downtown/River District/Railyards
 - c. Identify appropriate financing methods and costs of methods
 - d. Circulate administrative draft and incorporate City input into document
 - e. Formulate financing strategy
4. Prepare Public Review Draft Financing Plan
 - a. Prepare and circulate public draft of Financing Plan
 - b. Prepare final Financing Plan

RESOLUTION NO. 2008-497

Adopted by the Sacramento City Council

July 15, 2008

APPROVAL OF THE RIVER DISTRICT SPECIFIC PLAN PROJECT, AGREEMENT TO REIMBURSE FEES AND COSTS, INDIVIDUAL PROJECT AGREEMENT AND ASSOCIATED APPROPRIATIONS

BACKGROUND

- A. The Richards Boulevard Area Plan (RBAP), adopted in 1994 as a community plan for the River District, contains many outdated assumptions, in particular land uses and the circulation system, and needs to be updated to plan for development of a vibrant urban corridor linking the River District with Downtown and the Railyards.
- B. In Resolution 2007-915, the City Council directed staff to proceed with an update to the RBAP Facility Element to reevaluate the conversion of 5th and 7th Streets to one way operation as specified in the Railyards Specific Plan. A more comprehensive update of the RBAP is needed. The total project cost for the River District Specific Plan is \$1.1 million for staff, financial and planning consultants and environmental review.
- C. In Resolution RA2008-08, City Council approved \$200,000 in redevelopment tax increment funds to be used towards this effort.
- D. River District property owners, listed in the Agreement to Reimburse Fees and Costs (Reimbursement Agreement) have agreed to advance \$400,000 to facilitate this update. This advance will be repaid from development impact fees and, if insufficient, fees have been credited or received within five years, by future tax increment revenues.
- E. The balance of \$500,000 is available from the Jobs Housing Grant Project (D21001300, also known as the Shovel-Ready Sites Program). This is consistent with the purpose of the Shovel-Ready Sites Program to leverage and attract private investment in order to encourage economic development.
- F. The boundaries of the River District Specific Plan are provided in Exhibit A.

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

- Section 1. Authorize the City Manager to enter into a Reimbursement Agreement with River District property owners in the amount of \$400,000, with repayment based on development impact fee credits and reimbursement, and contingent future tax increment revenues if in five years the property owners have not been fully repaid.
- Section 2. Authorize the City Manager to enter into an Individual Project Agreement with the Agency to pay the City in five years up to \$400,000 in future tax increment revenues for the costs of preparing the River District Specific Plan based on the City's remaining payment obligation under the Reimbursement Agreement.
- Section 3. Authorize the establishment of a multi-year operating project for the River District Specific Plan (I21000200) in the amount of \$1.1 million.
- Section 4. Authorize the transfer of \$500,000 in general funds (Fund 1001) from the Jobs Housing Grant Project (D21001300) to the River District Specific Plan project (I21000200).
- Section 5. Authorize the City Manager to contract with consultants as necessary to prepare the River District Specific Plan and related studies in conformance with City contracting policy.

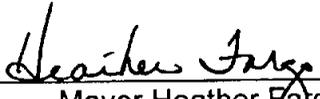
Adopted by the City of Sacramento City Council on July 15, 2008 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk

RESOLUTION NO. 2008-496

Adopted by the Sacramento City Council

July 15, 2008

APPROVE FUNDING FROM THE SHOVEL-READY SITES PROGRAM FOR PLANNING, ENVIRONMENTAL AND STAFF COSTS FOR THE RIVER DISTRICT SPECIFIC PLAN PROJECT AND FOR MASTER PLANNING FOR THE RAMONA AVENUE AREA IN THE 65TH STREET/ UNIVERSITY VILLAGE AREA

BACKGROUND

- A. The Richards Boulevard Area Plan (RBAP), adopted in 1994 as a community plan for the River District, contains many outdated assumptions and needs to be updated to result in a vibrant urban corridor linking the River District with Downtown and the Railyards.
- B. In Resolution 2007-915, the City Council directed staff to proceed with an update to the RBAP.
- C. The Ramona Avenue area has been identified in several planning and transportation studies for the 65th Street area.
- D. Providing better access in the Ramona Avenue area will open up vacant and underutilized land adjacent to Sacramento State University. These sites have significant potential for economic development given the proximity to the University and to SMUD.
- E. The purpose of the Shovel-Ready Sites Program is to leverage and attract private investment in order to encourage economic development.
- F. The use of these funds for planning, environmental and staff costs for the River District Specific Plan and for the access analysis of the Ramona Avenue area are consistent with the goals of the Shovel-Ready Sites Program.

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

- Section 1. Authorize the use of up to \$500,000 from the Shovel-Ready Sites Capital Improvement Project (D21001300) for planning, environmental and staff costs for the River District Specific Plan as identified in map attached as Exhibit A.
- Section 2. Authorize the use of up to \$50,000 from the Shovel-Ready Sites Capital Improvement Project (D21001300) for planning, environmental and staff costs for master planning of the Ramona Avenue area.

Table of Contents:

Exhibit A: River District Map – 1 Page

Adopted by the City of Sacramento City Council on July 15, 2008 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



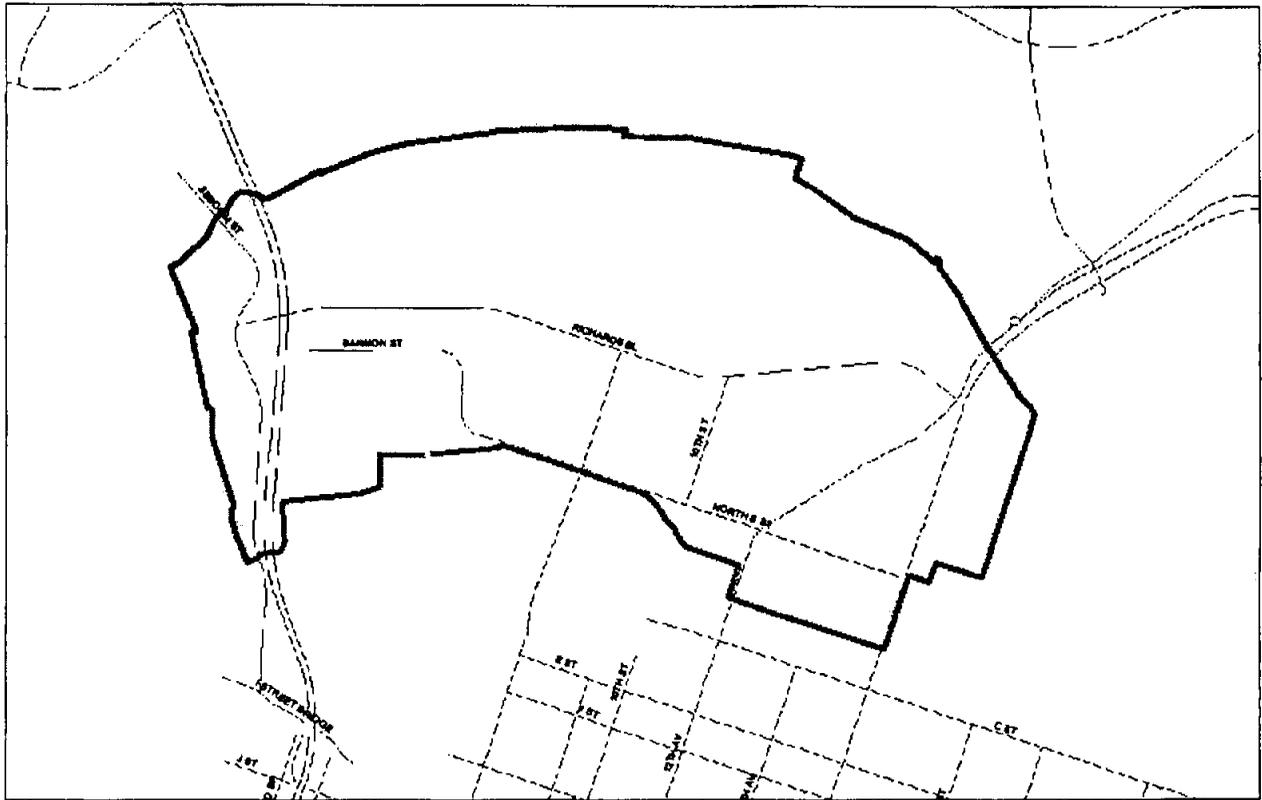
Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk

Exhibit A River District Specific Plan Area



-  River District Specific Plan Boundary
-  River District Parcels
-  Waterways
-  Major Surface Streets
-  Highways

**River District Specific Plan
PROJECT BOUNDARY**

0 750 1,500 Feet