RESOLUTION NO. 2006-445

Adopted by the Sacramento City Council

June 13, 2006

APPROVAL OF THE AGENCY'S SALE OR LEASE OF ALL PROPERTY LOCATED ON THE SOUTH SIDE OF K STREET BETWEEN 7TH & 8TH STREETS, 731 K, AND THE KIOSK AT ST. ROSE OF LIMA PARK TO ZEIDEN PROPERTIES, LLC FOR DEVELOPMENT OF A DESTINATION RETAIL DISTRICT

BACKGROUND

A. The City of Sacramento approved by Ordinance the Merged Downtown Redevelopment Plan ("Redevelopment Plan") for the Merged Downtown Project Area ("Project Area").

B. The Redevelopment Agency of the City of Sacramento ("Agency") owns certain real property or is in the process of acquiring property generally described as the south side of K Street between 7th & 8th streets, 731 K and the kiosk at St. Rose of Lima Park ("Property") in the Project Area, which was or is being acquired with tax increment funds targeted for commercial revitalization.

C. Agency and Zeiden Properties, LLC ("Developer") desire to enter into Disposition and Development Agreement ("DDA") to convey the Property to Developer for rehabilitation and re-tenanting of existing buildings on the property for a destination retail district, as more specifically described in the DDA ("Project"). A copy of the DDA is on file with the Agency Clerk.

D. In accordance with the California Environmental Quality Act (CEQA) and its implementing regulations, the Project is exempt under CEQA Guidelines for the reasons set out in the Agency staff report that accompanies this resolution, and the Agency Executive Director has been directed to prepare a Notice of Exemption for the sale of the Property for the Project in accordance with CEQA Guidelines Section 15062.

E. A report under Health and Safety Code Section 33433 ("Section 33433 Report") has been prepared, filed with the Agency Clerk, and made available for public review pursuant to Section. A proper notice of this action has been given and a public hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433.

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

Section 1. The Agency's sale of the Property for construction of the Project is consistent with the goals and objectives of the Redevelopment Plan to strengthen retail and commercial functions, to stimulate new commercial expansion and economic growth and to preserve and/or restore historically or architecturally significant structures, and is consistent with the Implementation Plan adopted for the Redevelopment Plan. The sale of the Property will assist in the elimination of blight as stated in the Section 33433 Report.

Section 2. The consideration for the Agency's conveyance of the Property to Developer is not less than the fair reuse value of the Property at the use and with the covenants, conditions, restrictions required by the DDA and the related Regulatory Agreement and Grant Deed.

Section 3. The City Council hereby approves the Agency's sale of the Property to the Developer for the Project pursuant to the terms of the DDA.

Adopted by the City of Sacramento City Council on June 13, 2006 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.

Heather Fargo

Mayor, Heather Fargo

Attest:

Shirley Concolino

Shirley Concolino, City Clerk