RESOLUTION NO.2006-039

Adopted by the Redevelopment Agency
of the City of Sacramento

June 13, 2006

700 BLOCK OF K STREET DISPOSITION AND DEVELOPMENT AGREEMENT WITH ZEIDEN PROPERTIES, LLC

BACKGROUND

A. The 700 block of K Street is identified in the Second Amendment to the Merged Downtown Sacramento Redevelopment Plan as having continuing blighting conditions characterized by vacant and deteriorating buildings, uneconomic land uses, and small and irregularly sized lots not suitable for modern use.

B. In January 2005, the Redevelopment Agency (Agency) approved the issuance of a Request for Proposal (RFP) to property owners of the properties on the 700 block of K Street, as well as portions of the 800 block of K Street. Zeiden Properties, LLC (Zeiden) submitted proposals for both the 700 and 800 blocks of K Street.

C. On August 16, 2005, the Agency adopted a resolution concluding the RFP process and selected Zeiden for the redevelopment of the 700 Block and Saca Development, LLC, M.H. Mohanna and Urban Innovation Partners, LLC (Saca) for a portion of the 800 block.

D. On April 18, 2006, the Agency approved the execution of five separate, but interrelated agreements to complete the assembly and transfer of the properties within the two blocks as well as establishing the parameter for individual project negotiations. One of the agreements was the Exclusive Negotiation Agreement (ENA) with Zeiden containing specific milestones to perform to further refine the development concept.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. After due consideration of the facts presented, the findings, including but not limited to the environmental findings regarding this action, as stated in the staff report that accompanies this Resolution, are approved.

Section 2. The City Manager, acting as the designated authority for the Redevelopment Agency, is authorized to execute a Disposition and Development Agreement, in substantially the same form as that which is on file with the City and Agency Clerks, and to take such actions, execute such instruments, and amend the

Agency Clerks, and to take such actions, execute such instruments, and amend the budget as may be necessary to effectuate and implement this Resolution and the DDA to provide property and funding for the rehabilitation of the properties located on the south side of K Street, 731 K Street and the Kiosk in St. Rose of Lima Park into a destination retail district;

Section 3. The City Manager, acting as the designated authority for the Redevelopment Agency, is authorized to execute a 20-year lease with Zeiden for the renovation of the kiosk in St. Rose of Lima Park;

Section 4. The City Manager is authorized and directed to transfer $4 million from the Merged Downtown tax-exempt bond funds to the 700 Block Rehabilitation Project

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

Ayes: Members Cohn, Fong, Hammond, McCarty, Pannell Sheedy, Tretheway, Waters, and Chair Fargo.

Noes: None.

Abstain: None.

Absent: None.

Heather Fargo

Heather Fargo, Chair

Attest:

Shirley Concolino

Shirley Concolino, Secretary