RESOLUTION NO. 2006-898

Adopted by the Sacramento City Council

December 12, 2006

AGREEMENT REGARDING CONDITIONS PRECEDENT TO LEASE OF LAND BETWEEN THE CITY AND MEL RAPTON, INC. FOR THE FULTON AVENUE DEVELOPMENT PROJECT (CB33)

BACKGROUND

A. The City of Sacramento owns the property at 3701 Fulton Avenue, the proposed site of the Fulton Avenue Development Project.

B. In 2002, the City Council directed staff to examine potential alternatives for the "highest and best" uses for the site that would offer a compatible and productive use of the property.

C. An Exclusive Rights to Negotiate (ERN) was executed on June 1, 2004, between the City and Mel Rapton, Inc. The ERN grants Mel Rapton, Inc. the exclusive right to negotiate with the City for a lease of 3701 Fulton Avenue. It has been renewed by City Council three times and expires on August 31, 2007.

D. The Fulton Avenue Development Project is currently undergoing environmental analysis under California Environmental Quality Act (CEQA) and will not be presented to the City Council for consideration until January 2007; therefore, the City cannot execute a lease for this project at this time.

E. The Agreement Regarding Conditions Precedent to Lease of Land presented to the City Council at this meeting is a legal instrument that was negotiated by the Economic Development Department and the City Attorney's Office with Mel Rapton Honda's representatives. It memorializes the parties' progress in negotiating a lease and commits both parties to perform specified actions.

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

Section 1. The facts set forth in the Background are correct.

Section 2. The agreement regarding the conditions precedent to lease of land between the City and Mel Rapton, Inc. is approved and the City Manager is authorized to execute such agreement.

Section 3. The City Manager may make non-substantive changes to the Agreement with the approval of the City Attorney.

Adopted by the City of Sacramento City Council on December 12, 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, City Clerk