

RESOLUTION NO. 2007-405

Adopted by the Sacramento City Council

June 12, 2007

APPROVAL OF AGENCY'S SALE OF PROPERTY AT 1124 AND 1132 DEL PASO BOULEVARD, WITH THE NEWS AND REVIEW FOR DEVELOPMENT OF OFFICE SPACE

BACKGROUND

- A. The City of Sacramento approved by Ordinance the North Sacramento Redevelopment Plan ("Redevelopment Plan") for the North Sacramento Redevelopment Project Area ("Project Area").
- B. The Redevelopment Agency of the City of Sacramento ("Agency") owns the subject property located at 1124 and 1132 Del Paso Boulevard (APN 275 0165 002, 275 0165 003, 275 0165 016, 275 0165 017 and 275 0165 0018) in the Project Area ("Property").
- C. Agency and The Chico Community Publishing, Inc. or an affiliate organization to be formed and named, subject to approval of Agency Counsel, ("Developer") desire to enter into Disposition and Development Agreement ("DDA") to convey the Property to Developer for rehabilitation of an 18,500 square foot building into office space and headquarters for the News and Review including on-site parking and landscaping, as more specifically described in the DDA.
- 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 15301 ("Agency CEQA Action").
- E. A report under Health and Safety Code Section 33433 ("Section 33433 Report") has been prepared and is attached hereto as Exhibit A filed with the Agency Clerk, and made available for public review pursuant to Section 33433.
- F. 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 foregoing recitals, including the statements regarding the CEQA findings, are true and correct. The Agency CEQA Findings are approved and adopted.

Section 2. The Agency's sale of the Property for rehabilitation of the existing building on the property is consistent with the goals and objectives of the Redevelopment Plan to remove blight and strengthen the economic base of the Project Area, and is consistent with the Implementation Plan adopted for the Redevelopment Plan. The sale and development of the Property will assist in the elimination of blight as stated in the 33433 Report.

Section 3. The consideration for the Agency's conveyance of the Property to Developer is the Developer obligations under the DDA, and the fair reuse value of the Property with the covenants, conditions, restrictions required by the DDA and Grant Deed, which fair reuses value is \$1,550,000, as established in the 33433 Report (Exhibit A).

Section 4. The City Council approves the Agency's sale of the Property to the Developer for the Project pursuant to the terms of the DDA.

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Exhibit A – 33433 Report

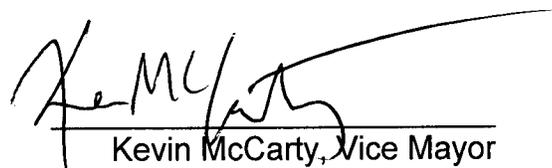
Adopted by the City of Sacramento City Council on June 12, 2007 by the following vote:

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

Noes: None.

Abstain: Mayor Fargo. (recused).

Absent: None.


Kevin McCarty, Vice Mayor

Attest:


Shirley Concolino, City Clerk

Exhibit A

Report Regarding the Disposition of Property Acquired Directly or Indirectly with
Tax Increment Funds (Health & Safety Code Section 33433)

I. Agreement

A copy of the Purchase and Sale or Lease Agreement ("Agreement") disposing of an interest in Agency real property is attached to this Report.

II. Summary of Terms of Disposition

| AGENCY'S COST OF ACQUIRING THE LAND | |
|---|---------------------|
| Purchase Price (or Lease Payments Payable During Agreement) | \$ 1,800,000 |
| Commissions | |
| Closing Costs | |
| Relocation Costs | |
| Land Clearance Costs | |
| Financing Costs | |
| Improvement Costs (e.g. utilities or foundations added) | \$350,000 |
| Other Costs | |
| TOTAL | \$ 2,150,000 |

| ESTIMATED VALUE OF INTEREST CONVEYED | |
|---|--------------|
| Value of the property determined at its highest and best use under the redevelopment plan | \$ 1,550,000 |

| ESTIMATED REUSE VALUE OF INTEREST CONVEYED | |
|--|--------------|
| Value of property determined with consideration of the restrictions and development costs imposed by the Agreement | \$ 1,550,000 |
| VALUE RECEIVED ON DISPOSITION | |
| The purchase price or the total of the lease payments due to the Agency under the Agreement | \$ 1,550,000 |

33433 Report

III. Explanation of Disposition for Less than Full Value

Not applicable.

IV. Elimination of Blight

The subject site was formerly occupied by a furniture store and the existing building and site have been vacant for approximately two years. The property with its boarded up, vacant building has had a serious blighting impact on the surrounding community. The Agency acquired the site in the fall of 2006 for the purpose of conveying it to the News and Review and rehabilitating the existing parking lot and building for its new headquarters. The transfer of property and the project are consistent with the 2005-2009 Implementation Plan for the North Sacramento Redevelopment Area. This project is a key element of the transit-oriented development planned for the nearby Globe Light Rail Station and the surrounding North Sacramento Redevelopment Area. The proposed project will assist with the elimination of blight by replacing the vacant lot and building with the vibrant use of a rehabilitated office building that provides employment for approximately 70 employees.