

RESOLUTION NO. 2007-561

Adopted by the Sacramento City Council

July 24, 2007

APPROVAL OF THE SACRAMENTO ECONOMIC AND EMPLOYMENT DEVELOPMENT CORPORATION (SEEDCorp)

BACKGROUND

- A. In 2005, the City Council adopted a strategic goal of spreading economic development throughout the City of Sacramento (City).
- B. In 2006, the City Council directed the Economic Development Department (Department) to develop a nonprofit development corporation and return to Council for consideration.
- C. On May 29, 2007 the City Council adopted a comprehensive update of the City's Five-Year Economic Development Strategy (Strategy) which included the establishment of an Economic Development Corporation as one of its implementation actions.

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

- Section 1. The Sacramento Employment and Economic Development Corporation is hereby established.
- Section 2. The Mayor is authorized to appoint an Interim Board of Directors with powers limited to the establishment of the Corporation.
- Section 3. The Articles of Incorporation included in the staff report accompanying this resolution and attached hereto as Exhibit 1 are approved and staff is directed to file the Articles of Incorporation with the Secretary of State's Office.
- Section 4. Staff is directed to work with the Interim Board to complete the establishment of the Corporation, including adopting the proposed Bylaws and filing the tax exemption applications with the IRS and Franchise Tax Board.
- Section 5. Staff is directed to work with the Council P&PE Committee and Mayor's office to identify qualified candidates for appointment of a permanent Board of Directors and to return to the City Council for confirmation of those appointees.

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Exhibit 1 – Articles of Incorporation

Adopted by the City of Sacramento City Council on July 24, 2007 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

Attest:



Shirley Concolino, City Clerk

Exhibit 1

**ARTICLES OF INCORPORATION
OF
THE SACRAMENTO ECONOMIC AND EMPLOYMENT DEVELOPMENT
CORPORATION**

I.

The name of this corporation is: THE SACRAMENTO ECONOMIC AND EMPLOYMENT DEVELOPMENT CORPORATION

II.

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

B. The specific purpose of this corporation is to lessen the burdens of government by assisting the City of Sacramento, California (the "City") and the Redevelopment Agency of the City of Sacramento ("the RDA") to revitalize areas within the City and assist in economic growth within the City by: (i) owning, acquiring and disposing of, developing, financing (including but not limited to loaning money in connection with), assisting, leasing and managing projects in areas within the City; (ii) providing amenities or improvements associated with any projects undertaken by this corporation; (iii) providing financial support and other assistance to businesses and individuals within the City for the purpose of promoting economic growth within the City; (iv) assisting businesses within the City to encourage, attract, retain and expand job opportunities and private investment in the City; (v) assisting the City and RDA in its efforts to promote economic growth and otherwise revitalize areas within the City; and (vi) conducting or performing any ancillary or related activity in furtherance of the foregoing. Subject to Article IV.B of these articles, this corporation shall be permitted to conduct other lawful activities permitted under the California Nonprofit Public Benefit Corporation Law.

C. This corporation is formed for the benefit of, and to carry out the purposes of, the City and the RDA by helping the City and RDA revitalize areas within the City and assist in economic growth within the City and thereby lessening the burdens of government within the meaning of Section 1.501(c)(3)-1(d)(2) of the Treasury Regulations.

D. This corporation shall have no members.

III.

The name in the State of California of this corporation's initial agent for service of process is:

CT Corporation System

IV.

A. This corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

B. Notwithstanding any other provision of these articles, this corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office.

V.

A. The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net earnings or assets of this corporation shall inure to the benefit of (or be distributable to) any director or officer of this corporation or other private person, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its charitable purposes. The corporation shall be authorized and empowered to provide excess revenue to the City or the RDA for public purposes, including economic development purposes.

B. Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to the City for public purposes, including economic development. In the event that the City does not accept any asset of this corporation on dissolution then any such asset shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Dated: _____, 2007.

Heather Fargo, Incorporator