

RESOLUTION NO. 2007-917

Adopted by the Sacramento City Council

December 11, 2007

APPROVING FINDINGS RELATED TO THE OWNER PARTICIPATION AGREEMENT BUSINESS TERMS FOR THE SACRAMENTO RAILYARDS PROJECT

BACKGROUND

- A. On November 20, 2007, December 4, 2007 and December 11, 2007, the City Council conducted noticed public hearings in accordance with Government Code Sections 65355, 65453 and 65867 and received and considered evidence concerning the Sacramento Railyards Project.
- B. The Railyards Specific Plan specifies the public facility and infrastructure improvements necessary for implementation of the Specific Plan and the Railyards Specific Plan Public Facilities Financing Plan sets forth the estimated costs of those public facility and infrastructure improvements and identifies potential funding sources for those improvements.
- C. As part of the evaluation of the Sacramento Railyards Project, a Pro Forma Analysis was prepared to assess the capacity of the Sacramento Railyards Project to incur the costs for the required public facilities. This Analysis demonstrated that developer can only pay up to \$49 million towards the \$290 million estimated costs for the public facilities and infrastructure necessary to develop Phase 1, and there is a cumulative financial feasibility gap for this Project of approximately \$860 million.
- D. The Redevelopment Agency of the City of Sacramento is considering appropriating up to \$50 million in 2007 dollars, net present value at a six percent discount rate, in tax increment revenues from the Railyards portion of the Richards Boulevard Project Area to assist the developer in funding public facilities and infrastructure improvements required for the Initial Phase of the Project.

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

Section 1. Pursuant to Section 33445 of the Health and Safety Code of the State of California, the City Council finds that:

- a. The implementation of the public facility and infrastructure improvements specified in the Railyards Specific Plan will benefit the Richards Boulevard Redevelopment Project Area by improving inadequate infrastructure and by constructing and installing public facilities and infrastructure required for redevelopment within both the Railyards and the Richards Boulevard portions of the Project Area;
- b. Based on the Railyards Specific Plan Public Facilities Financing Plan, the cost of the Railyards public facilities and infrastructure improvements will exceed the available public and private funding sources, and there is no other reasonable means of financing the public facilities and infrastructure improvements available to the community except for redevelopment area tax increment proceeds; and
- c. The use of redevelopment tax increment proceeds for the Railyards public facilities and infrastructure improvements will result in the elimination of blighting influences of inadequate, under capacity, and dilapidated infrastructure within the Richards Boulevard Project Area and the public facilities and infrastructure improvements set out in the Railyards Specific Plan are consistent with the Implementation Plan for the Richards Boulevard Redevelopment Plan that was adopted pursuant to Health and Safety Code Section 33490.

Section 2. The preceding statements are findings of the City Council on behalf of the City, and do not predispose the action of the Redevelopment Agency of the City of Sacramento, acting in its independent discretion as a separate and public entity, in considering the use of tax increment funds for the proposed project.

Adopted by the City of Sacramento City Council on December 11, 2007 by the following vote:

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

Noes: None.

Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk