

RESOLUTION NO. 2006-092

Adopted by the City of Sacramento

January 31, 2006

APPROVAL OF SETTLEMENT AGREEMENT WITH U.S. NATIONAL LEASING, LLC; THIRD AMENDMENT TO THE SACRAMENTO ARMY DEPOT REDEVELOPMENT PLAN

BACKGROUND

- A. The Sacramento Army Depot Redevelopment Plan was adopted in 1995 to insure the long term viability of the Sacramento Army Depot by supporting the conversion of an existing military facility to effective public and private uses.
- B. U.S. National Leasing, LLC is the assignee of the Industrial Development Lease and Option to Purchase between the City of Sacramento and Packard Bell Electronics, Inc., and pursuant to such assignment holds a leasehold interest in the site formerly known as the Sacramento Army Depot, and presently known as Depot Park. Depot Park is located within the Sacramento Army Depot Redevelopment Project Area.
- C. The Redevelopment Agency of the City of Sacramento ("Agency") prepared the Third Amendment to the Sacramento Army Depot Redevelopment Plan to expand the Army Depot Project Area boundaries to include adjacent blighted territory referred to as the "Added Area".
- D. On June 29, 2004, over the objections of U.S. National Leasing, LLC, the City Council acting on behalf of the City of Sacramento ("City") and as the governing body of the Redevelopment Agency of the City of Sacramento, approved the Third Amendment to the Sacramento Army Depot Redevelopment Plan ("Third Amendment").
- E. Thereafter, U.S. National Leasing, LLC filed that certain action entitled *U.S. National Leasing, LLC v. Redevelopment Agency of the City of Sacramento, the City of Sacramento, the City Council of the City of Sacramento, et al.* (Sacramento County Superior Court Case No. 04CS01123) seeking to invalidate the Agency's and City's approval of the Third Amendment by challenging the Agency's and City's determination that the Added Area was blighted, as well as raising other allegations.
- F. U.S. National Leasing, LLC, Agency and City desire to settle the litigation by allocating Sacramento Army Depot Project Area the net tax increment revenues generated from Depot Park to fund redevelopment of Depot Park. The Agency approved the Settlement Agreement for said litigation on January 10, 2006. A copy of the Settlement Agreement is on file with the City Clerk.

- G. Allocating tax increment funding for redevelopment of Depot Park is consistent with the community development goals in the Sacramento Army Depot Redevelopment Plan and Implementation Plan, and the City's Strategic Plan goal to promote and support economic vitality.

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

Section 1. After due consideration of the facts presented, the findings, including the environmental findings regarding this action, as stated in the staff report, are approved.

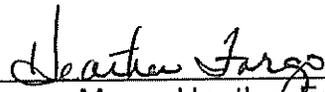
Section 2. The Interim City Manager or his designee is authorized to execute the Settlement Agreement on behalf of the City Council and the City of Sacramento.

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

Noes: None.

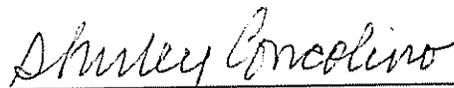
Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk