

# City of Sacramento

## Legislation Text

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**File #:** 2018-01725, **Version:** 1

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**Title:**

**Amendment to the Updated Railyards Finance Plan Relating to Credits and Reimbursements and Credit Agreement for Construction of Railyards Infrastructure**

**File ID:** 2018-01725

**Location:** District 3

**Recommendation:**

1) Adopt a Resolution amending the Updated Railyards Finance Plan relating to credits and reimbursements; and 2) pass a Motion authorizing the City Manager or the City Manager's designee to execute a Credit Agreement for construction of infrastructure in the Railyards Specific Plan Area with Downtown Railyards Venture, LLC.

**Contact:** Arwen Wacht, Program Specialist, (916) 808-7535; Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

**Presenter:** None

**Attachments:**

1-Description/Analysis

2-Resolution

3-Credit Agreement for Construction of Railyards Infrastructure

**Description/Analysis**

**Issue Detail:** On September 25, 2018, City Council approved the Updated Railyards Finance Plan (Finance Plan) and established the associated Railyards Impact Fee (RIF) (Resolution 2018-0383). Property owners/developers are required to execute a reimbursement/credit agreement, prior to the release of credits or funds as payment for projects funded by the RIF. However, there was some language in the Finance Plan that required execution of such an agreement prior to construction of related improvements. This conflicts with the underlying intention of the finance plan which was to allow for credits for a limited set of projects that had been constructed prior to adoption of the Finance Plan. The attached resolution clarifies the intention of the Finance Plan to allow for the

release of credits for infrastructure constructed prior to approval of the Finance Plan for a limited set of projects.

Downtown Railyards Ventures, LLC (Developer) has completed construction of two public facilities identified as completed facilities in the RIF. The attached Credit Agreement with the Developer (Agreement) will authorize the City to issue credits against the RIF in the amounts authorized by the Finance Plan for the two completed facilities. The Standard-Form Credit and Reimbursement Agreements, approved by City Council on November 13, 2018 (Resolution 2018-0439), will be used for all projects constructed after the adoption of the Finance Plan.

**Policy Considerations:** Approval of the proposed resolution and execution of the Agreement are necessary to implement the Finance Plan and acquire public infrastructure identified in the RIF.

**Economic Impacts:** None.

**Environmental Considerations:** The project involves the establishment of a financing mechanism for the construction of certain public facilities required in the Railyards Specific Plan and included as a part of the Finance Plan. The Railyards Specific Plan Updated Environmental Impact Report (P15-040) was completed as part of the Sacramento Railyards project amendment and certified by the City Council on November 10, 2016 (Resolution 2016-0379).

**Sustainability:** Not applicable.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** Authorizing the City Manager or the City Manager's designee to execute the Agreement will ensure that the reimbursement of public infrastructure funded by development impact fee revenue is provided in a manner that makes sense in light of the fact that the work has been completed.

**Financial Considerations:** Fee credits provided under the attached Agreement are funded by fee revenue collected as part of the RIF program. Fees are collected solely within the boundaries of the Railyards Specific Plan Area and can be used only for the purposes outlined in the Finance Plan. There are no impacts on other funds of the City.

**Local Business Enterprise (LBE):** Not applicable.