

# City of Sacramento

## Legislation Text

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**File #:** 2019-01138, **Version:** 1

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**Title:**

**(Pass for Publication) Ordinance Dissolving the Streetcar Community Facilities District No. 2017-01 and Rescinding Ordinance No. 2017-043**

**File ID:** 2019-01138

**Location:** Districts 3 and 4

**Recommendation:**

1) Review an Ordinance dissolving the Streetcar Community Facilities District No. 2017-01 (CFD) and rescinding Ordinance No. 2017-0043 levying the special tax; 2) pass for publication the Ordinance title as required by Sacramento City Charter 32(c) to be adopted August 20, 2019; and 3) pass a Motion directing the City Manager, or City Manager's designee, to return to City Council within 60 days with a recommendation related to the future disposition of the Riverfront Joint Powers Authority and potential options for a successor project.

**Contact:** Sheri Smith, Special Districts Manager, (916) 808-7204, Department of Finance

**Presenter:** None

**Attachments:**

- 1-Description/Analysis
- 2-Ordinance

**Description/Analysis**

**Issue Detail:** On March 21, 2017, City Council (Council) held a public hearing and passed Resolution No. 2017-0105 establishing the CFD to fund maintenance of the proposed streetcar. The City conducted a special election (mail-ballot) on the proposed special tax to fund the CFD which passed with a 78.05% approval and on July 25, 2017, the Council adopted Ordinance No. 2017-0043 to levy the special tax within the CFD.

Following the formation of the CFD, Horizon Capital Investments, LLC and others sued to invalidate the CFD. The City has entered into a Settlement Agreement, City Agreement No. 2019-0541

(Agreement) and agreed to dissolve the CFD and to not levy the special tax in exchange for dismissal of the lawsuit. The actions in the attached ordinance will result in the dismissal of the lawsuit under the Agreement.

On March 21, 2017, Council approved Resolution No. 2017-0103 establishing the Riverfront Joint Powers Authority (Riverfront JPA) with West Sacramento to construct, own, operate, and maintain the streetcar project. With the dissolution of the CFD and the financial challenges of implementing the streetcar project as previously envisioned, the need for the Riverfront JPA is unclear. In January 2019, bids were received for the proposed streetcar project indicating a cost of approximately \$75 million over the project budget. Since that time, staff has been engaged in an effort to evaluate conceptual options for a successor project. Staff will return, as directed, with recommendations related to the Riverfront JPA and potential successor projects.

**Policy Considerations:** The procedures for CFD dissolution are set forth in Government Code section 53338.5.

**Economic Impacts:** Not applicable

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** This report concerns administrative activities and governmental fiscal activities that do not constitute a “project” as defined by the CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines Section 15060(c)(3)).

**Sustainability:** Not applicable

**Commission/Committee Action:** None

**Rationale for Recommendation:** Adoption of the Ordinance will implement the Agreement approved by Council on July 23, 2019.

**Financial Considerations:** None

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