

RESOLUTION NO. 2021-0071

Adopted by the Sacramento City Council

April 6, 2021

Approval of Loan Agreement and Budgetary Adjustments for \$1.1 Million to 4401 Broadway Investors, LLC for Development of a Rancho San Miguel Market at 4401 Broadway

BACKGROUND

- A. In 1999, with the assistance of the Redevelopment Agency of the City of Sacramento, a grocery store was constructed at the northwest corner of Stockton Avenue and Broadway to provide food access for the residents of the Oak Park neighborhood who had few grocery options.
- B. In March 2020 that grocery store, Food Source, ceased operation leaving the surrounding community with little access to a full-service grocery store.
- C. The property owner, 4401 Broadway Investors, LLC have identified a new grocery store operator, PAQ, Inc. to build out and operate a Rancho San Miguel Market (the "Project").
- D. Rancho San Miguel Markets are located in other locations in California, but this would be the first one in the Sacramento region.
- E. In order to make the Project financially feasible, financial assistance from the City is required for the renovation of the existing building at this 4401 Broadway location. The funding source for the Project, the Oak Park Development Bond funds cannot be used for loans that require repayment. As a result, fund transfers to apply the bond funds for other City projects to free up General Fund monies is needed.
- F. In the City's effort to increase in investment in our underserved communities, opportunities to establish the revolving loan fund programs have increased necessitating the need for additional financial authority. The ongoing financial authority recommended and included in this Resolution will be included in the Budget Resolution beginning in FY2021/22.
- G. Staff recommends establishing a revolving loan fund program for investments in the Oak Park community.

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

Section 1. The Oak Park Revolving Loan Fund Program (I02423100) project is hereby established.

Section 2. The City Manager or the City Manager’s designee is authorized to transfer expenditure budgets between projects and funds as reflected below in order to provide the resources for the loan:

Project Name (Project No.)	Fund Name (Fund No.)	Expenditure Budget
Oak Park Broadway (I02180300)	2005 TAB Oak Park CIP TE (Fund 3817)	(1,100,000)
Subtotal I02180300		(1,100,000)
Stockton Boulevard Specific Plan (I22000100)	2005 TAB Oak Park CIP TE (Fund 3817)	1,100,000
	Measure U Fund (Fund 2401)	(1,100,000)
Subtotal I22000100		-
Sacramento River Parkway Bike Trail (K15185000)	Measure U Fund (Fund 2401)	1,100,000
	General Fund (Fund 1001)	(1,100,000)
Subtotal K15185000		-
Oak Park Revolving Loan Fund (I02423100)	General Fund (Fund 1001)	1,100,000
	General Fund (Fund 1001)	(1,100,000)
	Revolving Loan Fund (Fund 2029)	1,100,000
Subtotal I02423100		1,100,000
Net Change \$		-

Section 3. The City Manager or the City Manager’s designee is authorized to enter into a Loan Agreement with 4401 Broadway Investors, LLC, an affiliate of SKK Development, for \$1.1 million for the renovation of the building at 4401 Broadway to accommodate a new Rancho San Miguel Market.

Section 4. The City Manager or the City Manager’s designee is authorized to implement any necessary financial transactions for the administration of the City revolving loan fund programs authorized by the City Council beginning in FY2020/21.

Adopted by the City of Sacramento City Council on April 6, 2021 by the following vote:

Ayes: Members Ashby, Guerra, Harris, Jennings, Loloee, Schenirer, Valenzuela, Vang,
and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy
Date: 2021.04.27 08:12:19
-07'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council