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**CITY OF SACRAMENTO** APPROVED BY THE CITY COUNCIL

DEPARTMENT OF FINANCE

OCT 28 1986

OFFICE OF THE CITY CLERK  
AG 86086

BUDGET DIVISION

CITY MANAGER'S OFFICE  
**RECEIVED**  
OCT 22 1986

October 21, 1986  
BA:86062:BM:KMF

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Structured Payment of Exaction Fees on the KVIE Facility

SUMMARY

This report recommends that the Natomas Corporate Center Associates on behalf of KVIE - Channel 6 be exempted from the payment of the exaction fees attributable to the I-5 landscaping (\$0.555/square foot). Also recommended is a structured payment schedule for remittance of the remaining exaction fees (\$127,000) on the 64,500 square foot KVIE facility. The payment of \$127,000 would be made over a 3-year period with interest of 5.5% per annum due on unpaid balances.

BACKGROUND

On June 17, 1986 KVIE requested of City Council a waiver of the exaction fees required on their proposed facility in the Natomas Corporate Center. An outright waiver was not approved, however, the Council directed the Budget and Finance Committee to hear the item in an effort to identify alternative assistance that could be given to KVIE.

On August 19, 1986 the Joint Committees of Transportation and Community Development and Budget and Finance heard this item and approved staff's recommendation to not waive the exaction fees. Alternatively the Committee did approve the concept of a structured payment for the exaction fees. Staff was then directed to prepare the necessary agreements and forward it to Council.

It is in response to this request that staff has prepared the attached amendment to the Natomas Corporate Center Development Agreement. The two significant features of the amendment are: (1) the I-5 landscaping portion of the

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exaction fees are waived and (2) payment of the remaining required exaction amount is allowed to be paid over a three-year period.

The I-5 landscaping exaction is currently set at \$0.555/square foot and would total \$35,798 for the 64,500 square foot building proposed by KVIE. The cost of the required landscaping has been fully funded based on the proposed square footage which is already subject to this exaction. Therefore, additional funding is not required from this particular project. Waiving this particular exaction for new square footage is consistent with Council action taken on the Creekside and Gateway developments.

Payment of exaction fees is normally required at the time the building permit is issued. In light of the cash flow limitations KVIE has and the direction that staff received from the Budget and Finance, and Transportation and Community Development Committees, a structured payment of the fees has been worked out with KVIE. As reflected in the attached amendment, 10% of the fees would be paid when the building permit is issued. The remaining fees would be paid, with interest, over the next three years. The interest rate has been set at 5.5% which is reflective of the current tax-exempt borrowing rate.

FINANCIAL

Table 1 below identifies the fees which are applicable to the KVIE facility. Table 2 shows the payment schedule for these fees as proposed in the attached amendment.

TABLE 1

KVIE FACILITY  
Proposed Exaction Fees

	<u>Sq. Foot Charge</u>	<u>Total Fee</u>
I-5 landscaping	\$0.555	--
Citation Home landscaping	0.219	\$ 14,125
SNCIF - Community Amenities	0.583	37,604
SNCIF - Traffic Mitigation	1.167	75,271
	-----	-----
	\$2.524	\$127,000
	=====	=====

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TABLE 2

Payment Schedule for KVIE Exactions

<u>Due Date</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
Date Bld. Permit Issued	\$ 12,700	\$ -0-	\$ 12,700
One Year from Bld. Permit	38,100	6,286	44,386
Two Years from Bld. Permit	38,100	4,191	42,291
Three Years from Bld. Permit	38,100	2,096	40,196
	-----	-----	-----
TOTAL	\$127,000 =====	\$12,573 =====	\$139,573 =====

The amendment also states that this payment schedule is only valid if KVIE occupies the space on which the fees have been paid. If another tenant occupies the space then any outstanding exaction fees become immediately due and payable.

RECOMMENDATION

It is recommended that the Council adopt the attached Ordinance authorizing an amendment to the development agreement with the Natomas Corporate Center Associates in order to waive the exaction fee for I-5 landscaping and to lessen the cash flow impact the remaining required fees may have on KVIE.

Respectfully submitted,

*Betty Masuoka*

BETTY MASUOKA  
Budget Officer

Attachments

RECOMMENDATION APPROVED:

*Walter J. Slive*

WALTER J. SLIVE  
City Manager

October 28, 1986  
District 1

1900

1900

**ORDINANCE NO. 86-097**

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

**APPROVED**  
BY THE CITY COUNCIL

**OCT 28 1986**

OFFICE OF THE  
CITY CLERK

APPROVING AN AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR  
NATOMAS CORPORATE CENTER

Be it enacted by the City Council of the City of Sacramento:

**SECTION 1**

That certain amendment to the development agreement for the Natomas Corporate Center (City Agreement No. 83034) be approved.

**SECTION 2**

The above amendment is consistent with the 1974 General Plan and the 1986 South Natomas Community Plan because funds will still be available for traffic mitigation and other public facilities under the amendment.

PASSED FOR PUBLICATION:  
ENACTED:  
EFFECTIVE:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

11 (39)



# CITY OF SACRAMENTO

DEPARTMENT OF FINANCE

BUDGET DIVISION

CITY MANAGER'S OFFICE  
**RECEIVED**  
OCT 20 1986

October 20, 1986  
BA:86088:BM:KMF

PASSED FOR  
PUBLICATION  
& CONTINUED  
TO 10-28-86

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Amendment of the Natomas Corporate Development Agreement

### SUMMARY

This item is presented at this time for approval of publication of title pursuant to City Charter, Section 32.

### BACKGROUND

Prior to the publication of an item in a local paper to meet legal advertising requirements, the City Council must first pass the item for publication. The City Clerk then transmits the title of the item to the paper for publication and for advertising the meeting date.

### RECOMMENDATION

It is recommended that the item be passed for publication of title and continued to October 28, 1986.

Respectfully submitted,

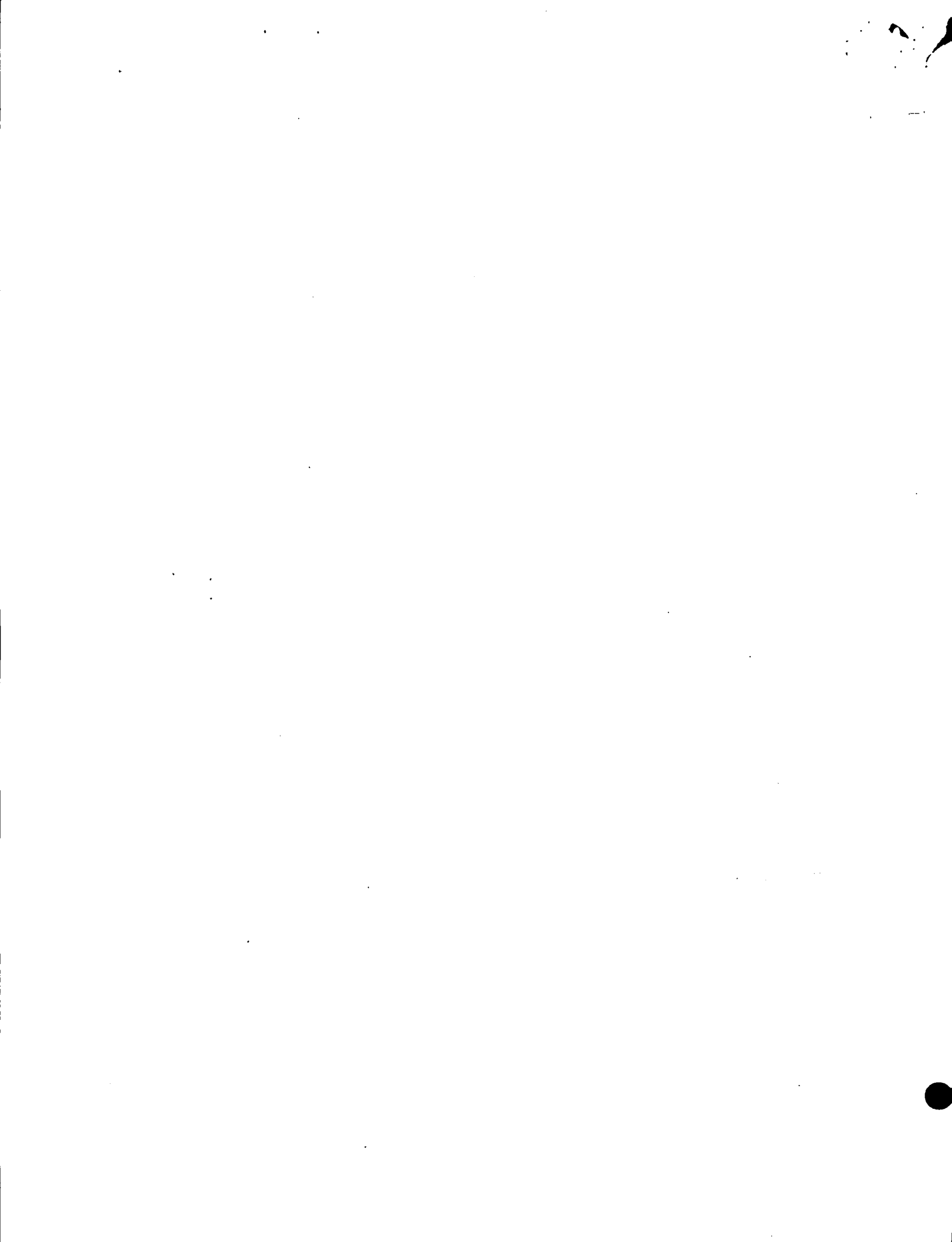
*Betty Masuoka*

BETTY MASUOKA  
Budget Officer

RECOMMENDATION APPROVED:

*Walter J. Slips*  
WALTER J. SLIPS  
City Manager

October 21, 1986  
District 1



# ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

ORDINANCE NO.

APPROVING AN AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR  
NATOMAS CORPORATE CENTER

Be it enacted by the City Council of the City of Sacramento:

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PASSED FOR PUBLICATION:  
ENACTED:  
EFFECTIVE:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK



December 2, 1986

7919 Mr. Bill Krum  
1719 KCS Development  
Folsom Blvd.  
Sacramento, CA 95816

381-1225

Dear Mr. Krumb:

On October 28, 1986, the Sacramento City Council adopted Ordinance No. 86-097, approving an Amendment to the Development Agreement for Natomas Corporate Center. This Agreement has been assigned No. 86086.

Enclosed are four (4) copies of said agreement executed by the City as authorized by the attached certified resolution.

Upon final execution, please return three (3) copies of said agreement to the Office of the City Clerk, 915 I Street, Room 203, Sacramento, CA 95814 for the City's distribution.

Sincerely,  
LORRAINE MAGANA, CITY CLERK

Janice Beaman, Deputy City Clerk

JB/imc/11  
Enclosures

cc: Finance