

RESOLUTION NO. 2021-042

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE FINDING THE ACQUISITION OF 9260 ELK GROVE BOULEVARD EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND CONSISTENT WITH THE GENERAL PLAN; DECLARING ITS INTENTION TO REIMBURSE BUILDING ACQUISITION EXPENDITURES FOR THE LIBRARY PROJECT FROM THE PROCEEDS OF FUTURE BOND ISSUANCES; DIRECTING STAFF TO RECORD ALL NECESSARY BUDGET ADJUSTMENTS ; RATIFYING THE AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS FOR 9260 ELK GROVE BOULEVARD; AUTHORIZING THE CLOSE OF ESCROW OF THE PROPERTY AT 9260 ELK GROVE BOULEVARD; AND AUTHORIZING AN AMENDMENT TO THE FISCAL YEAR 2020-21 BUDGET ADDING \$6,000 IN LIBRARY OWNERSHIP FUND (FUND 280) FOR UTILITIES AND LANDSCAPE MAINTENANCE AND \$50,000 IN THE GENERAL FUND TO THE CITY MANAGER BUDGET

WHEREAS, the City of Elk Grove (“City”) prepared a Library and Cultural Arts Center Study (the “Study”) in 2018 that recommended relocation of the Elk Grove Library; and

WHEREAS, the property at 9260 Elk Grove Boulevard, more particularly described as Assessor Parcel Number 134-0050-001 (the “Property”) has been listed for sale by Thomas A. Gaebe, Trustee of the Joyce Traynor Revocable Trust of August 21, 2015 (the “Seller”); and

WHEREAS, staff, in consultation with the Sacramento Public Library Authority, identified that the Property meets the objectives of the Study; and

WHEREAS, in June of 2020, the City Council authorized staff to negotiate the purchase of the Property and provided authority to enter into a purchase and sale agreement with the Seller; and

WHEREAS, the City proposes to undertake the Library project referenced below, and to issue, or cause the issuance of debt for such project and to use a portion of the proceeds of such debt to reimburse expenditures made for the project prior to the issuance of the debt; and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declare an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public’s benefit that the City declare its official intent to reimburse the expenditures referenced herein.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Elk Grove finds that the acquisition of the Property is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15061(b)(3) and 15301 (Existing Facilities) based upon the following finding:

Finding: The acquisition of 9260 Elk Grove Boulevard is exempt from CEQA pursuant to State CEQA Guidelines Sections 15061(b)(3) and 15301.

Evidence: Section 15601(b)(3) provides a general rule that CEQA only applies where a project has the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The proposed acquisition would not construct any new building square footage, nor complete any other known site improvements that would change drainage courses, roadway operations, create a hazardous condition, or otherwise cause a site disturbance. The acquisition would only affect a change in title to the land from the seller to the City. Future interior improvements are likely to be similar to the existing conditions and use of the building as a retail operation.

Section 15301 provides an exemption from projects that consists of the operation, maintenance, and minor alteration of existing structures or facilities. The acquisition of the site would does not include any modifications to the existing structure or site that would increase the building square footage beyond that already existing. Future interior improvements would be completed to allow the use of the building as a public library, the extent of which is unknown at this time.

Therefore, the purchase is exempt from CEQA and no further review is required.

AND, BE IT FURTHER RESOLVED, that the City Council finds the acquisition of the Property consistent with the City's General Plan as required by Elk Grove Municipal Code Section 23.10.030 and Government Code Section 65402(a) based upon the following finding:

Finding: The acquisition of 9260 Elk Grove Boulevard is consistent with the General Plan.

Evidence: The acquisition of the Property is consistent with the General Plan as it would further the Vision and Supporting Principles for coordinated services for all residents and Goal CS-1 of "a library system that empowers public learning for residents" because it increases the available library square footage per capita and allows for Sacramento Public Library Authority to improve its available services for all residents. Specific to Policy CS-1-1, the City has coordinated this acquisition with Sacramento Public Library Authority.

AND, BE IT FURTHER RESOLVED by the City Council of the City of Elk Grove as follows:

Section 1. Bond Obligations. The City intends to issue, or cause the issuance of, obligations (the “Obligations”) for the purpose of financing the costs of acquiring a building for the library project and incidental expenses related thereto (the “Project”).

Section 2. Expenditure Reimbursements. The City hereby declares that it reasonably expects (i) to pay certain costs of the Project prior to the date of issuance of the Obligations, (ii) to advance necessary funds from the City’s Capital Reserve, Fund 106, for expenditures of the Project, and (iii) to use a portion of the proceeds of the Obligations for reimbursement of expenditures for the Project that are paid before the date of issuance of the Obligations and reimbursement of the advance funds, and that it hereby declares its intention to do so.

Section 3. Purpose. The Obligations are primarily to be issued to finance the acquisition and improvement of a facility for use as a library, and to a lesser extent, may also include other capital projects under consideration at the present time.

Section 4. Principal. The maximum principal amount of the Obligations is expected not to exceed \$6,000,000.

AND, BE IT FURTHER RESOLVED, that staff is directed to record all necessary budget adjustments for acquisition, closing costs and due diligence costs, increasing budget of \$184,505 from the Capital Facilities Fee Library Fund (315) and up to \$2,900,000 to the Capital Reserve General Fund (106) from fund balance.

AND, BE IT FURTHER RESOLVED, that the City Council of the City of Elk Grove hereby ratifies the Agreement for Purchase and Sale and Joint Escrow Instructions with Thomas A. Gaebe, Trustee of the Joyce Traynor Revocable Trust of August 21, 2015 (“Seller”) for the property located at 9260 Elk Grove Boulevard [Assessor Parcel Number 134-0050-001].

AND, BE IT FURTHER RESOLVED, that the City Council of the City of Elk Grove authorizes the close of escrow of the Property.

AND, BE IT FURTHER RESOLVED, that the City Council of the City of Elk Grove authorizes an amendment to the Fiscal Year 2020-21 Budget adding \$6,000 in Library Ownership Fund (Fund 280) for utilities and landscape maintenance.

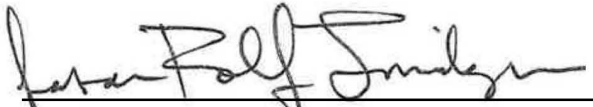
AND, BE IT FURTHER RESOLVED, that the City Council of the City of Elk Grove authorizes an amendment to the Fiscal Year 2020-21 Budget by adding \$50,000 to the General Fund expenditure budget in the City Manager’s Office Division for the escrow deposit associated with the building acquisition.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 27th day of January 2021




BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:


JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:


JONATHAN P. HOBBS,
CITY ATTORNEY

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2021-042

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

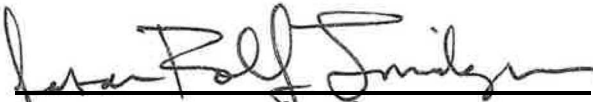
I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on January 27, 2021 by the following vote:

AYES: **COUNCILMEMBERS:** *Singh-Allen, Nguyen, Hume, Spease, Suen*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN: **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



Jason Lindgren, City Clerk
City of Elk Grove, California