

RESOLUTION NO. 2017-084

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE CITY MANAGER TO EXECUTE AN ECONOMIC
DEVELOPMENT INCENTIVE AGREEMENT WITH THE RIDGE EG EAST, LP
IN AN AMOUNT NOT-TO-EXCEED \$8,000,000 ON A PRESENT VALUE BASIS
(CEQA EXEMPT)**

WHEREAS, economic development efforts are critical for the City of Elk Grove to ensure a vibrant, healthy, and diverse local economy; and

WHEREAS, the successful development of retail projects in the City of Elk Grove is a critical component of the City's economic development efforts; and

WHEREAS, The Ridge EG East, LP, intends to execute a ground lease with Costco Wholesale Corporation, whereby Costco will construct an approximately 150,000 square foot wholesale and retail general merchandise warehouse store in Elk Grove within the boundaries of the Laguna Ridge Town Center Specific Plan; and

WHEREAS, the development of the warehouse store in Elk Grove serves the public interest and purposes because the construction and operation of the project will create jobs within the City, expand the range and diversity of the City's retail sector, broaden the City's property tax and sales tax base, as well as generate other City revenues, and will generally contribute to the maintenance, growth, and expansion of the City's economic base; and

WHEREAS, the proposed Economic Development Incentive Agreement constitutes a contract, obligation and indebtedness within the meaning and scope of Gov. Code § 53511 and the Validation Act (Code of Civil Procedure §§ 860 et seq.) and is the best and most appropriate means available to the City of financing the Economic Development provided therein that will allow the project to proceed so that the City of Elk Grove may realize the public benefits of the project, and it is necessary for the City to promptly settle any questions relating to the validity or enforceability of the Agreement; and

WHEREAS, approval of the proposed Economic Development Incentive Agreement is not subject to the California Environmental Quality Act ("CEQA") because the Agreement is a financial arrangement and does not constitute the approval of a project under CEQA. (Pub. Res. Code § 21065, CEQA Guidelines §§ 15060(c),(2)(3); 15061(b)(3); 15378(a)); and

WHEREAS, the obligations created under the Economic Incentive Agreement do not create an immediate indebtedness to the City of the Maximum Payment Amount of the Economic Development Incentive, but rather create a liability only when a payment becomes due.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby approves the accompanying Economic Incentive Agreement Report and authorizes the City Manager to execute an Economic Development Incentive Agreement with The Ridge EG East, LP, in substantially the form presented, in an amount not-to-exceed \$8,000,000 on a present value basis.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 12th day of April 2017.



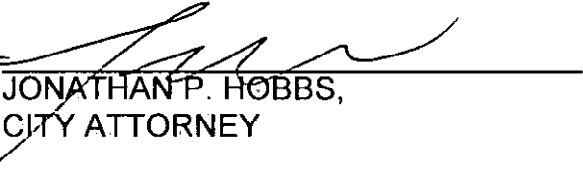
STEVE LY, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,
CITY ATTORNEY

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2017-084

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

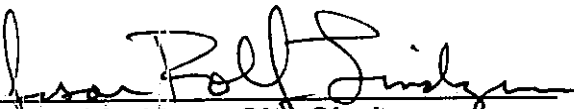
I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on April 12, 2017 by the following vote:

AYES : **COUNCILMEMBERS:** *Ly, Detrick, Hume, Nguyen*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN: **COUNCILMEMBERS:** *Suen (Recused)*

ABSENT: **COUNCILMEMBERS:** *None*



Jason Lindgren, City Clerk
City of Elk Grove, California