



ECONOMIC DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA

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Press Release

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CITY OF SACRAMENTO AND DAVID S. TAYLOR/CIM GROUP CLOSE ESCROW ON SHERATON GRAND SACRAMENTO HOTEL

Proceeds from the \$130 Million Sale Provides Capital to Further Spark Downtown Development

Sacramento, Calif. – Following City Council approval on March 25 to move forward with the sale of the Sheraton Grand Sacramento Hotel and associated garage on 13th and J streets, the City of Sacramento announced today that the \$130 million sale has been completed. The approximate \$50 million in net proceeds generated from the sale will help to further spark reinvestment in downtown development projects, and nearly \$12.5 million will be placed in the City's economic reserve fund.

"The sale of the Sheraton provides the City with a major reinvestment opportunity, adding to the growing investment and building activity in the heart of downtown," said Mayor Heather Fargo. "Aside from the net proceeds, the sale of the Sheraton boosts annual property tax revenue. We have an opportunity to make a significant reinvestment in downtown and support redevelopment efforts on K Street."

The availability of the monies used for reinvestment in Sacramento's downtown will activate key projects in the JKL corridor. As part of the sale agreement, future downtown development projects utilizing the reserved proceeds will require Redevelopment Agency approval.

"It is estimated that projects funded by the proceeds will have the potential to stimulate a projected \$100 million in additional investment in the downtown," Fargo added.

The sale of the hotel and garage will not affect the current hotel use. Consistent with the city's economic development strategy of strengthening the city's business climate by maximizing downtown redevelopment, the Sheraton's hotel, restaurant, lounge and meeting spaces will continue to activate 13th and J streets, complimenting the entertainment district's other destinations, including the IMAX Theater, the Community Center Theater, the Pyramid Brewery and other restaurants, the Crest Theater, and the upcoming Cosmopolitan Cabaret.

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Mayor Heather Fargo
District 1: Raymond L. Tretheway III
District 2: Sandy Sheedy
District 3: Steve Cohn
District 4: Robert King Fong
District 5: Lauren Hammond
District 6: Kevin McCarty
District 7: Robbie Waters
District 8: Bonnie Pannell