

Transformation of the Railyards

Frequently Asked Questions

1. What are the projects?

The Railyards is a 244-acre site in the heart of Sacramento's central city. Key projects include the development of public infrastructure (roadways, open space, water, and sewer), the construction of a Soccer Stadium (east of 7th Street), rehabilitation of the Central Shops district and the City's acquisition of two parcels that will be utilized for the buildout of the Sacramento Valley Station (SVS) area.

2. What was the 2024 Term Sheet?

In November of 2024, the City Council unanimously approved the Sacramento Republic FC Preliminary Term Sheet (Term Sheet) providing a framework for the funding and development of the Railyards projects. The documents being brought for Council consideration on June 10th are consistent with the Term Sheet which included the expansion of the Enhanced Infrastructure Financing District (EIFD) to include all of the Railyards. This is the funding mechanism that will be used to support the construction of public infrastructure essential for project buildout.

3. Who are the parties?

- Indomitable (a limited liability company formed by Sacramento Republic FC and Wilton Rancheria)
- Downtown Railyard Venture (DRV) developers of the Railyards
- The Railyards EIFD Public Finance Authority which oversees the allocation of funds via the EIFD and is comprised of three Sacramento City Council Members and two public members
- The City of Sacramento

4. Why do we need an EIFD?

- The City does not currently have, and will not have in the foreseeable future, the resources to build the public infrastructure required for private sector construction of a state-of-the-art Soccer Stadium and redevelopment of the Central Shops.
- The City has been working to develop the Railyards for decades. The absence of any real progress speaks to the need for a more aggressive tool to assist with the financing of the public infrastructure necessary for development.
- An EIFD allows the City to use the incremental future property taxes from the site to backfill upfront costs the developers will fund for construction of required public

infrastructure. The developer incurs all construction and financial risk if projected new taxes fall short or are delayed.

- Without the EIFD to assist with the financing and the delivery of public infrastructure, these projects and subsequent development are unlikely to happen in the near future, if at all. As a result, the City will not see the projected incremental tax benefit and the development of the Railyards will continue to be a largely unrealized opportunity.

5. Why now?

Union Pacific ceased operation of the Railyards in the 90s, and since then, the City and various development interests have been working on options for the site's redevelopment. Since the adoption of an updated plan in 2016, housing developments have opened, a new hospital is underway, the Tani Cantil-Sakauye Sacramento County Courthouse is set to open in 2026, and the soccer stadium has seen several starts and stops. Still, the renovation of the landmark historic Central Shops and identification of a major user for the entire area east of 7th has remained elusive. The plan presented for Council consideration will bring those areas and vision alive with a new entertainment venue and stadium both scheduled for completion by 2027. Investments by the Wilton Rancheria and DRV have changed the trajectory from vision to reality and present an opportunity the City has long been waiting for – bringing the 2016 plan to fruition.

6. How does the City benefit from these developments?

- The City will attract an estimated \$325 million in upfront private investment for the construction of the Soccer Stadium and the Central Shops renovations, benefitting from the completion of needed public infrastructure in the Railyards.
- The projects are anticipated to create 13,539 direct on-site jobs, \$2.11 billion in annual wages, and \$4.4 billion in economic output.
- An expanded EIFD (from existing EIFD of 31 acres to 220 acres) is anticipated to generate \$518M in tax increment from property tax growth as a result of the development over the life of the EIFD (45 years). Once the obligations in the Term Sheet are satisfied, these funds can be used for eligible projects in the Railyards, including affordable housing. The City will also continue to grow its tax base.
- The projects will transform this historic Sacramento area into a dynamic mixed-use neighborhood linking it to the rest of the downtown core. This will reinforce downtown as the cultural, commercial and community hub for the Sacramento region and establish a permanent home for the Sacramento Republic FC.

7. What funding sources are being utilized for the projects?

All of the funding for the development projects will initially be financed by the respective development teams.

East of 7th Street – Soccer Stadium Area

- The soccer stadium will be privately funded by Indomitable (est. \$175M).
- Related infrastructure will be privately financed and constructed by Indomitable (est. \$45M) with potential reimbursement via the expanded EIFD.

West of 7th Street

- Rehabilitation of the Historic Central Shops will be privately funded by DRV (phase 1 est. \$75M).
- Related infrastructure will be privately financed and constructed by DRV (est. \$50M) with potential reimbursement via the expanded EIFD.
- The City's acquisition of two parcels (approximately 3.5 acres) that will be utilized to build out the SVS (Lots 40 - north of H Street / west of 5th Street, and Lot 44 - north of G Street / between 5th and 6th Streets) will utilize \$14 million in funds dedicated to projects Downtown from the 2015 sale of the Sheraton and the City will be repaid through the EIFD.

8. Where is the stadium site?

Indomitable has reached an agreement with DRV to acquire 31 acres east of 7th Street in the Railyards, including the stadium site (14 acres) and adjacent development sites (17 acres). Indomitable will pay for and own the stadium and be responsible for all aspects of the stadium design, finance, construction, operation, maintenance, capital repairs, and improvements. Approval of the Definitive Documents will allow for the agreement between Indomitable and DRV to be finalized and the 31 acres to convey to Indomitable for construction of the Soccer Stadium beginning in July of 2025.

9. What are Indomitable's contributions?

- Private financing and construction of the United Soccer League stadium (est. \$175M)
- Private financing and construction of related infrastructure (est. \$45M)
- Private financing and construction of ancillary development
- Total – Over \$220M

10. What are DRV's contributions?

- Private financing of rehabilitation of historic central shops (est. \$75M)
- Private financing and construction of related infrastructure (est. \$50M)
- 31 acres of land for the stadium and ancillary development
- Total – Over \$125M

11. What are the City's contributions?

Railyards-wide:

- EIFD funding will reimburse Indomitable and DRV for their private investment in infrastructure (est. \$45M and est. \$50M, respectively)
- \$14M in funding for the acquisition of two parcels adjacent to SVS.

Stadium:

City would waive reimbursement for municipal services for off-site police, fire, emergency medical services, traffic control, and code enforcement for stadium events for up to a maximum of \$300,000 per year for a ten-year period (adjusted for inflation).

12. Affordable housing

The development of the Railyards has led with the development of housing, particularly affordable housing. To date, the percentage of affordable housing on the site is over 44% of total housing units with a total of 495 units built, 219 of which are affordable. Under the project's Mixed Income Housing Strategy (adopted in 2016) the developers of the Railyards area would be required to build a percentage of affordable housing based on the total buildout of the project.

The Railyards EIFD commits 20% of the EIFD revenues for affordable housing once the public infrastructure for the Soccer Stadium and Central Shops area have been reimbursed and the City has been reimbursed for its land purchase. The EIFD is anticipated to generate \$133M for affordable housing construction.