



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO COUNCIL AND
REDEVELOPMENT AGENCY**

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Consent
April 22, 2008

**Honorable Mayor and Members of the City Council
Chair and Members of the Redevelopment Agency**

**Title: Del Paso Boulevard Streetscape Improvement Project – El Camino Avenue
to Arden Way**

Location/Council District: North Sacramento Redevelopment Area, Del Paso
Boulevard, District 2

Recommendation: 1) Adopt a **City Council Resolution** a) approving findings of insufficient alternative funds, and b) authorizing the City Manager or his designee to amend the City's FY 07/08 operating budget to appropriate \$250,000 for the Del Paso Blvd. Streetscape Improvement Project; and 2) adopt a **Redevelopment Agency Resolution** a) authorizing the Interim Executive Director or her designee to increase the Project budget by \$300,000, and b) make related findings.

Contact: Lisa Bates, Deputy Executive Director, 440-1316, Chris Pahule, Assistant Director, 440-1350

Presenters: Not applicable.

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The \$4.7 million Del Paso Boulevard Streetscape Improvement Project (Project) between Arden Way and El Camino Avenue has exceeded its original budget due to unanticipated expenses including underground utility conflicts and increased aggregate base needed for extra concrete work.

Del Paso Boulevard Streetscape Improvement Project

The Project was principally funded with a loan from the California Infrastructure and Economic Development Bank (CIEDB), which will be paid back with tax increment funds from the North Sacramento Redevelopment Area.

Project construction required relocating water lines, electrical conduit and drainage pipes, as well as additional concrete for new sidewalks, curb and gutter, driveways, utility boxes and building drains. The majority of the budget shortfall is a direct result of the additional concrete needed for the supplemental work. While the additional work required change orders, the City's policy is to award work that is related to the original Project to the same contractor. In addition, since most of the cost overruns were associated with the sidewalk removal and this had an immediate adverse impact on local businesses, City staff determined it was necessary to complete the work immediately rather than extend the time frame and re-bid the extra work. The City's staff report also titled Del Paso Boulevard Streetscape Improvement Project – El Camino Avenue to Arden Way can be referenced for further information regarding these change orders and the additional necessary improvements.

In addition to these cost overruns, project expenses such as public outreach as required by the California Environmental Quality Act (CEQA) and City staff overhead were not eligible for reimbursement under the terms of the CIEDB loan.

Policy Considerations: The proposed Project is consistent with the planning goals and objectives of the North Sacramento Five-Year Implementation Plan to eliminate blight and barriers to redevelopment. In addition, the Del Paso Boulevard Streetscape Improvement Project is identified as a proposed project in the Plan for 2005-2009.

Environmental Considerations: The proposed Project is exempt from the provisions of the California Environmental Quality Act (CEQA) under State Class 1 and 2 and Sections 15301(c) and 15311(a). Projects exempted under Class 1, Section 15301(c) consist of the operation, repair, maintenance, and minor alteration of existing highways, streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities involving negligible or no expansion of use. The National Environmental Policy Act (NEPA) does not apply.

Del Paso Boulevard Streetscape Improvement Project

Committee/Commission Action: At its meeting of March 20, 2008, the North Sacramento Redevelopment Advisory Committee (RAC) considered the staff recommendation for this item. The votes were as follows:

AYES: Adams, Armstrong, Charland, Clark, Curry, Harlan, Hubbs, Mack, Mulligan, Scott, Veden

NOES: None

ABSENT: Lukehart

Sacramento Housing and Redevelopment Commission: At its meeting of April 2, 2008, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Coriano, Fowler, Gore, Otto, Shah, Stivers

NOES: Morgan

ABSTAIN: None

ABSENT: None

Rationale for Recommendation: The Project incurred additional expenses that could not be anticipated and exceeded the Project's contingency budget. The added work was necessary to complete the Project. In addition, it was not possible to determine the expenses that were ineligible under the terms of the CIEDB loan until invoices were submitted and the Project was underway. There is no other source of funding to pay for these Project cost overruns.

Financial Considerations: Staff recommends a budget amendment to allocate \$300,000 of North Sacramento Redevelopment Area Tax Exempt bond funds to fund the Project's cost overruns. Of that, \$250,000 will be used to amend the Redevelopment Agency's IPA with the City of Sacramento for the additional Project work. The remaining \$50,000 will be used to pay for previously unforeseen Project expenses that the CIEDB loan cannot be used for, such as CEQA outreach and administrative overhead.

Del Paso Boulevard Streetscape Improvement Project

Concurrently, the Agency will try to increase the amount of its CIEDB loan for this Project in order to compensate for the additional \$250,000 expense so that the redevelopment area's tax increment dollars are not used up front to pay for these costs, and the Agency benefits from the CIEDB's low interest rate and overhead. If the Agency is able to amend the CIEDB Loan and use the funds to pay for these newly incurred Project expenses, the Agency will continue to use future Tax Increment flow to repay the annual debt payments.

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by: 
LA SHELLE DOZIER
Interim Executive Director

Recommendation Approved:


RAY KERRIDGE
City Manager

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Background

Del Paso Boulevard Streetscape Improvement Project – Budget Augmentation

In October 2002, the City Council adopted the Del Paso Boulevard Streetscape Improvement and Beautification Master Plan. The Plan contained immediate and long range design concepts to revitalize and beautify Del Paso Boulevard and to capitalize on its unique identity as a historically significant commercial corridor.

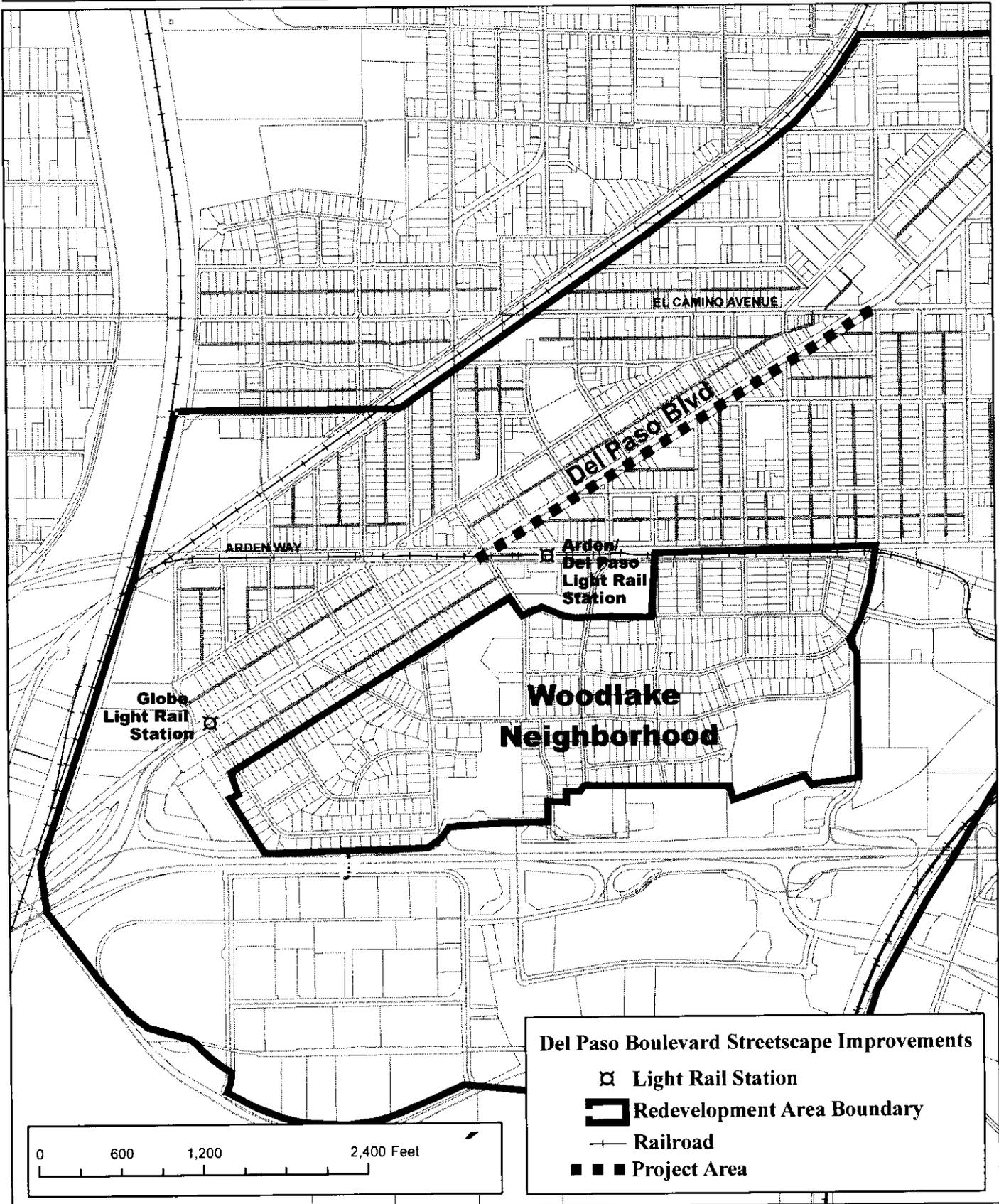
As a result of the Plan, the Agency and City entered into an Individual Project Agreement (IPA) in September 2004 to fund and construct streetscape improvements on Del Paso Boulevard between Highway 160 and El Camino Avenue. The improvements included installing angled parking, pedestrian crosswalks, pedestrian scale lighting, new median landscaping and public art in the medians, a decorative wall at Highway 160, and gateway signage at El Camino Avenue and Highway 160.

The construction of the Streetscape Improvement Project exceeded its budget due to additional needed work including resolving utility line conflicts and replacing more sidewalks, curb and gutters, and utility boxes than was in the original scope of services.

For example, when the designated sidewalk areas were removed due to deterioration and non-compliance with the American's with Disabilities Act (ADA), the dramatic and substandard variation in sidewalk thickness of 3" to 24" was revealed. Therefore, aggregate concrete was used to bring the inferior sidewalks up to the City standard of 3.5." In addition, as these sidewalks, curb and gutters were being replaced, many of the adjacent sidewalks cracked and were destroyed requiring further replacements in order to comply with the ADA.

As a result, the bulk of the Project cost overruns were due to the increased quantity of aggregate concrete required to shore up the substandard sidewalks and replace adjacent sidewalks, curb and gutters.

**Del Paso Boulevard Streetscape Improvement Project - Highway 160 to El Camino Avenue
North Sacramento Redevelopment Area**



RESOLUTION NO. 2008 - _____

Adopted by the Sacramento City Council

on date of

APPROVAL OF THE DEL PASO BOULEVARD STREETScape IMPROVEMENT PROJECT – EL CAMINO AVENUE TO ARDEN WAY BUDGET AMENDMENT; INDIVIDUAL PROJECT AGREEMENT; AND RELATED FINDINGS

BACKGROUND

- A. In October 2002, the City Council adopted the Del Paso Boulevard Streetscape Improvement and Beautification Master Plan.
- B. As a result of the Plan, the Agency and City entered into an Individual Project Agreement (IPA) in September 2004 to fund and construct streetscape improvements on Del Paso Boulevard between Arden Way and El Camino Avenue.
- C. The improvements included installing angled parking, pedestrian crosswalks, pedestrian scale lighting, new median landscaping and public art in the medians, a decorative wall at Arden Way, and gateway signage at El Camino Avenue and Arden Way.
- D. The construction of the Streetscape Improvements exceeded the budget due to additional needed work including resolving utility line conflicts and replacing more sidewalks, curb and gutters, and utility boxes than was in the original scope of services.
- E. There is no other reasonable source of funds available to the community to fund these cost overruns.
- F. The Project is exempt from environmental review under CEQA Guidelines Section 15301(c), which exempts improvements to existing streets and highways, such as curbs, gutters, sidewalks, and bicycle and pedestrian improvements when there is no expansion of existing capacity.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The foregoing recitals are true and correct, and hereby adopted.

Section 2. In accordance with the California Community Redevelopment Law Section 33445, the Redevelopment Agency of the City of Sacramento finds and determines that:

- (a)** The proposed action, allocating \$250,000 of Tax Exempt bond funds to amend an Individual Project Agreement (IPA) with the City of Sacramento to pay for the completion of the Del Paso Boulevard Streetscape Improvement Project – El Camino Avenue to Arden Way, benefits the North Sacramento Redevelopment Area.
- (b)** There are no other reasonable financial resources available to the community to finance the cost overruns for completing construction of the Del Paso Boulevard Streetscape Improvement Project – El Camino Avenue to Arden Way.
- (c)** The proposed action furthers the goals of the North Sacramento Redevelopment Area and its Five-Year Implementation Plan adopted by the Sacramento City Council, by assisting elimination of the blighting influences of inadequate, under capacity, and dilapidated infrastructure inside the Project Area.

Section 3. The City Manager, or his designee, is authorized to amend the FY 07/08 operating budget of the City's Department of Transportation Department by appropriating \$250,000 to the Del Paso Boulevard Streetscape Improvement Project – El Camino Avenue to Arden Way.

RESOLUTION NO. 2008 - _____

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

APPROVAL OF THE DEL PASO BOULEVARD STREETScape IMPROVEMENT PROJECT – EL CAMINO AVENUE TO ARDEN WAY BUDGET AMENDMENT; INDIVIDUAL PROJECT AGREEMENT; AND RELATED FINDINGS

BACKGROUND

- A. In October 2002, the City Council adopted the Del Paso Boulevard Streetscape Improvement and Beautification Master Plan.
- B. As a result of the Plan, the Agency and City entered into an Individual Project Agreement (IPA) in September 2004 to fund and construct streetscape improvements on Del Paso Boulevard between Arden Way and El Camino Avenue.
- C. The improvements included installing angled parking, pedestrian crosswalks, pedestrian scale lighting, new median landscaping and public art in the medians, a decorative wall at Arden Way, and gateway signage at El Camino Avenue and Arden Way.
- D. The construction of the Streetscape Improvements exceeded the budget due to additional needed work including resolving utility line conflicts and replacing more sidewalks, curb and gutters, and utility boxes than was in the original scope of services.
- E. There is no other reasonable source of funds available to the community to fund these cost overruns.
- F. The Project is exempt from environmental review under CEQA Guidelines Section 15301(c), which exempts improvements to existing streets and highways, such as curbs, gutters, sidewalks, and bicycle and pedestrian improvements when there is no expansion of existing capacity.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. All of the evidence presented having been duly considered, the foregoing findings are approved.

Section 2. In accordance with the California Community Redevelopment Law Section 33445, the Redevelopment Agency of the City of Sacramento finds and determines that:

- (a) The proposed action, allocating \$250,000 of Tax Exempt bond funds to amend an Individual Project Agreement (IPA) with the City of Sacramento to pay for the completion of the Del Paso Boulevard Streetscape Improvement Project – El Camino Avenue to Arden Way, benefits the North Sacramento Redevelopment Area.
- (b) There are no other reasonable financial resources available to the community to finance the cost overruns for completing construction of the Del Paso Boulevard Streetscape Improvement Project – El Camino Avenue to Arden Way.
- (c) The proposed action furthers the goals of the North Sacramento Redevelopment Area and its Five-Year Implementation Plan adopted by the Sacramento City Council, by assisting elimination of the blighting influences of inadequate, under capacity, and dilapidated infrastructure inside the Project Area.

Section 3. The Interim Executive Director is authorized to amend the Agency's budget to allocate \$300,000 of Tax Exempt bond funds to the Del Paso Boulevard Streetscape Improvement Project – El Camino Avenue to Arden Way.