

# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org



Consent  
May 13, 2008

**Honorable Mayor and  
Members of the City Council**

**Title: Cancel North 10<sup>th</sup> Street Reconstruction Project and Establish North 7<sup>th</sup> Street Reconstruction Project**

**Location/Council District:** North 10<sup>th</sup> Street and North 7<sup>th</sup> Street from Richards Boulevard to the American River. Location maps – Exhibits A and B of Resolution (District 1).

**Recommendation:** Adopt a **Resolution:** 1) cancelling the North 10<sup>th</sup> Street Reconstruction Project (PN: TR26, T15048800), 2) establishing a Capital Improvement Project (CIP) for the North 7<sup>th</sup> Street Reconstruction Project (PN: TI81, T15088800), 3) transferring \$2,311,733 from the North 10<sup>th</sup> Street Reconstruction Project to the North 7<sup>th</sup> Street Reconstruction Project, and 4) approving a Reimbursement Agreement with Capitol Station 65 LLC to reconstruct North 7<sup>th</sup> Street from Richards Boulevard to the American River.

**Contact:** Cecilyn Foote, Associate Engineer, (916) 808-6843; Tim Mar, Supervising Engineer, (916) 808-7531

**Presenters:** None

**Department:** Transportation

**Division:** Engineering Services

**Organization No:** 3435 / 15001141

### **Description/Analysis**

**Issue:** North 10<sup>th</sup> Street Reconstruction. The North 10<sup>th</sup> Street Reconstruction Project is ranked No. 2 on the City's Transportation Programming Guide (TPG) Street Reconstruction list. The City had established this project to construct improvements that supported the proposed Indian Heritage Museum and a new private development project at North 10<sup>th</sup> Street and Vine Street. However, neither project is going forward. Without these two projects, reconstruction of the roadway would result in a marginal economic benefit.



North 7<sup>th</sup> Street Reconstruction. North 7<sup>th</sup> Street from Richards Boulevard to the American River is in need of reconstruction and is currently ranked No. 5 on the City's TPG Street Reconstruction list. Replacing the 10<sup>th</sup> Street Reconstruction project with the 7<sup>th</sup> Street Reconstruction project will allow the City to leverage construction of the full improvements with the Capitol Station 65 LLC Township 9 project via a Reimbursement Agreement.

**Policy Considerations:** The North 7<sup>th</sup> Street Reconstruction Project is consistent with and supports the City's Strategic Plan, to promote economic development, to improve and expand public safety and to achieve sustainability and livability.

**Environmental Considerations:** Cancelling a CIP, establishing a CIP, appropriating funds, and approving a reimbursement agreement are not subject to the provision of the California Environmental Quality Act (CEQA). Under CEQA general rule 15061-B-3, CEQA applies only to projects which have the potential for causing a significant effect on the environment. This action will have no effect on the environment, thus it is not subject to CEQA.

The Township 9 project has environmentally cleared the reconstruction of North 7<sup>th</sup> Street.

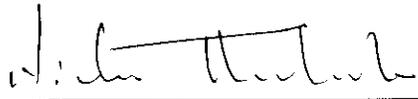
**Rationale for Recommendation:** The reconstruction of North 10<sup>th</sup> Street, which ranks No. 2 on the TPG Street Reconstruction list, was initiated by new development proposed along North 10<sup>th</sup> Street. Without the new development, the proposed improvements are not as critical and would adversely affect existing businesses with the loss of parking.

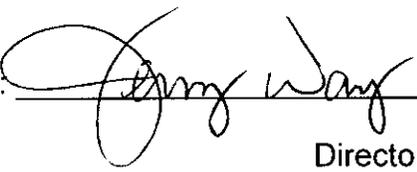
North 7<sup>th</sup> Street, similar to North 10<sup>th</sup> Street, is in need of street reconstruction. It is currently ranked No. 5 on the TPG Street Reconstruction list. The Capitol Station 65 LLC (Township 9) project gives the City an opportunity to have North 7<sup>th</sup> Street reconstructed in conjunction with the development project. Approval of the reimbursement agreement for an amount not to exceed \$2,200,000 will allow the City to reimburse the Capitol Station 65 LLC for the reconstruction work. Capitol Station 65 LLC is to follow competitive bidding procedures as outlined by City Code for all work proposed to be reimbursed.

Establishing a new CIP will enable construction of North 7<sup>th</sup> Street from Richards Boulevard to the American River.

**Financial Considerations:** As of March 17, 2008, the North 10<sup>th</sup> Street Reconstruction Project (PN: TR26, T15048800) has an unobligated balance of \$2,311,733, which is sufficient to cover the reimbursement agreement and cover the remaining staff costs. Transferring this amount to the North 7<sup>th</sup> Street Reconstruction Project (PN: T181, T15088800) will allow this project to proceed.

**Emerging Small Business Development (ESBD):** As part of the Reimbursement Agreement with Capitol Station 65 LLC, they will be required to follow a competitive low bid process which includes achieving the City's ESBD goal.

Respectfully Submitted by:   
Nicholas Theocharides  
Engineering Services Manager

Approved by:   
Jerry Way  
Director of Transportation

Recommendation Approved:

  
RAY KERRIDGE  
for City Manager

**Table of Contents:**

Report	Pg 1
<b>Attachments</b>	
1 Background	Pg 4
2 Resolution	Pg 6
Exhibit A – North 7 <sup>th</sup> Street Reconstruction Location Map	Pg 8
Exhibit B – North 10 <sup>th</sup> Street Reconstruction Location Map	Pg 9
Exhibit C – Reimbursement Agreement	Pg 10

**Attachment 1****Background**North 10<sup>th</sup> Street Reconstruction

In 2005, two new developments were proposed along North 10<sup>th</sup> Street between Richards Boulevard and the American River. One new development was an Indian Heritage Museum. The other was a residential development at North 10<sup>th</sup> Street and Vine Street. This segment of North 10<sup>th</sup> Street ranked No. 2 on the City's Transportation Programming Guide (TPG) Street Reconstruction list. The City established a project to construct improvements that complimented and supported the two proposed developments. These improvements included reconstruction of the pavement, construction of curb, gutter, sidewalk and landscaped planters, installation of street lighting, and traffic signal modifications. However, both proposed developments have stalled and neither is going forward.

Due to this situation, the North 10<sup>th</sup> Street Reconstruction Project has been reevaluated. City staff has determined that, without the new developments, the proposed improvements are not as critical and would adversely affect existing businesses with the loss of parking.

North 7<sup>th</sup> Street Reconstruction

Similar to North 10<sup>th</sup> Street, North 7<sup>th</sup> Street from Richards Boulevard to the American River is in need of reconstruction and curb, gutter, and sidewalk are non-existent on the west side of the street and a portion of the east side. This segment of North 7<sup>th</sup> Street is currently ranked No. 5 on the City's Transportation Programming Guide (TPG) Street Reconstruction list.

The Capitol Station 65 LLC is proceeding with a new mixed use development in the area, which will serve as a gateway to Township 9. The City would like to collaborate with the Capitol Station 65 LLC to have North 7<sup>th</sup> Street reconstructed along with their project via a Reimbursement Agreement. Approval of the reimbursement agreement for an amount not to exceed \$2,200,000 will allow the City to reimburse the Capitol Station 65 LLC for the reconstruction work. As part of the agreement, Capitol Station 65 LLC will follow competitive bidding procedures as outlined for City bid contracts for all work proposed to be reimbursed.

Establishing a new CIP will enable the City to have North 7<sup>th</sup> Street reconstructed from Richards Boulevard to the American River in conjunction with the development project.

Following is a status of the high-ranked TPG Street Reconstruction projects:

Rank No. 1: Bannon Street – Bercut Drive to North B Street. The Department of Transportation has performed base repair along with an overlay to raise the street to a state of good repair and no further action is required.

Rank No. 3: R Street – 10<sup>th</sup> Street to 19<sup>th</sup> Street. R Street from 10<sup>th</sup> to 13<sup>th</sup> Streets is currently in final design and recently received full construction funding. R Street from 16<sup>th</sup> to 18<sup>th</sup> Streets is currently undergoing preliminary design.

Rank No. 4: North 10<sup>th</sup> Street – North B Street to Richards Boulevard. The road surface remains satisfactory. No immediate road treatment is required due to low traffic volumes. Redevelopment of the area will provide for reconstruction.

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**CANCELING THE NORTH 10<sup>TH</sup> STREET RECONSTRUCTION PROJECT (RICHARDS BOULEVARD TO THE AMERICAN RIVER), ESTABLISHING A CIP FOR THE NORTH 7<sup>TH</sup> STREET RECONSTRUCTION PROJECT, APPROVING THE TRANSFER OF FUNDS BETWEEN PROJECTS, AND APPROVING A REIMBURSEMENT AGREEMENT WITH CAPITOL STATION 65 LLC**

**BACKGROUND**

- A. The North 10<sup>th</sup> Street Reconstruction Project (Richards Boulevard to the American River) was established to construct street and frontage improvements concurrently with new development projects on North 10<sup>th</sup> Street. North 10<sup>th</sup> Street between Richards Boulevard and the American River ranks No. 2 on the City's Transportation Programming Guide (TPG) Street Reconstruction list.
- B. The two proposed development projects on North 10<sup>th</sup> Street stalled and were put on hold indefinitely. Without the development projects, City staff determined that the North 10<sup>th</sup> Reconstruction Project is no longer a high priority.
- C. The Capitol Station 65 LLC is proceeding with Township 9, a new mixed use development in the area of North 7<sup>th</sup> Street. North 7<sup>th</sup> Street between Richards Boulevard and the American River is in need of repair and ranks No. 5 on the City's TPG Street Reconstruction list.
- D. The City would like to have improvements to North 7<sup>th</sup> Street constructed along with the Capitol Station 65 LLC project via a Reimbursement Agreement.
- E. The Reimbursement Agreement for an amount not to exceed \$2.2 million will allow the City to reimburse the Capitol Station 65 LLC for the reconstruction work on North 7<sup>th</sup> Street. As part of the agreement, the Capitol Station 65 LLC will follow competitive bidding procedures as outlined for City bid contracts for all work proposed to be reimbursed.

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

- Section 1. The North 10<sup>th</sup> Street Reconstruction Project (Richards Boulevard to the American River) (PN: TR26, T15048800) is cancelled.

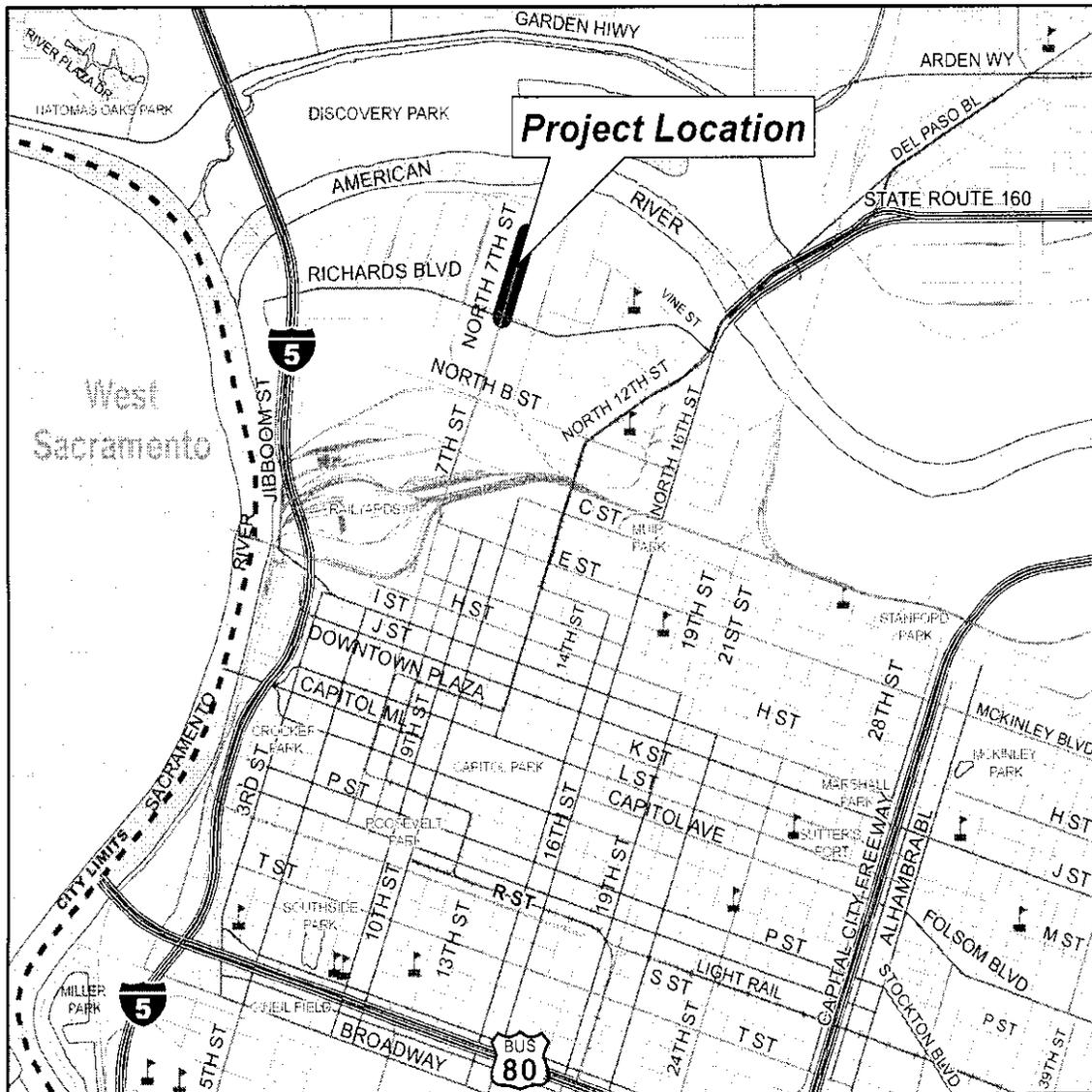
- Section 2. The North 7<sup>th</sup> Street Reconstruction Project (PN: T181, T15088800) is established as a new Capital Improvement Project.
- Section 3. The FY07/08 Capital Improvement Project is amended by transferring \$2,311,733 from the North 10<sup>th</sup> Street Reconstruction Project (PN: TR26, T15048800) (Fund 201-2001) to the North 7<sup>th</sup> Street Reconstruction Project (PN: T181, T15088800).
- Section 4. The City Manager is authorized to execute a Reimbursement Agreement for an amount not to exceed \$2,200,000 with Capitol Station 65 LLC for the North 7<sup>th</sup> Street Reconstruction Project (PN: T181, T15088800).

**Table of Contents:**

- Exhibit A: Map of North 7<sup>th</sup> Street Reconstruction Project
- Exhibit B: Map of North 10<sup>th</sup> Street Reconstruction Project
- Exhibit C: Reimbursement Agreement with Capitol Station 65 LLC

EXHIBIT A

Location Map for  
North 7th Street  
Reconstruction Project  
(PN:TI81/T15088800)



Department of  
**TRANSPORTATION**  
City of Sacramento

Map Contact: S. Tobin  
Map Date: March, 2008

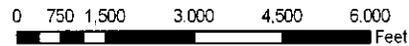
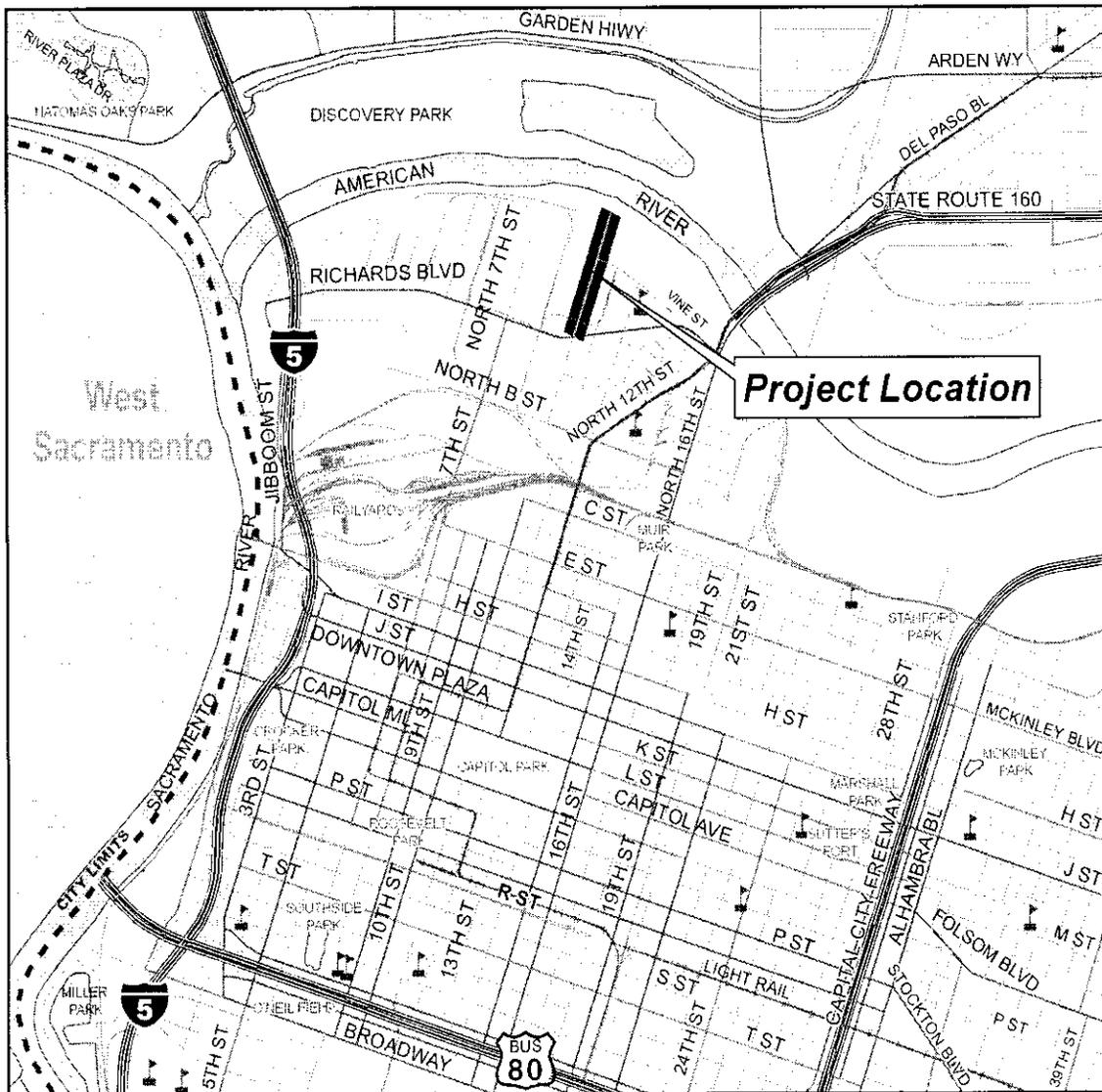


EXHIBIT B

Location Map for  
North 10th Street  
Reconstruction Project  
(PN:TR26/T15048800)



Department of  
**TRANSPORTATION**  
City of Sacramento

Map Contact: S. Tobin  
Map Date: March, 2008

