REPORT TO COUNCIL
City of Sacramento

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Staff Report
July 29, 2008

Honorable Mayor and
Members of the City Council

Title: Downtown/Riverfront Streetcar Study Update

Location/Council District: 1

Recommendation: Receive and file

Contact: Azadeh Doherty, Principal Planner, 808-3137

Presenters: Azadeh Doherty, Principal Planner; Charlie Hales, HDR

Department: Transportation

Division: Planning and Policy

Organization No: 3416

Description/Analysis

Issue: Since June 2007, the City of Sacramento, the City of West Sacramento, Regional Transit and Yolo County Transit District have worked on Phase 2 of the Downtown/Riverfront Streetcar Study. Work included the preliminary engineering/environmental analysis of a streetcar line that would connect Downtown West Sacramento with Downtown Sacramento and recommendation for the construction, operation, funding and governance of this new system. Phase 3 work will involve the development of policies that will advance the project into construction and operation.

Policy Considerations: Prior to any formal funding agreement and commitment to the remainder of this project, the City of Sacramento will require that the City of West Sacramento change its current practice of free on-street parking and implement parking policies that are consistent with the City of Sacramento's on-street and off-street parking regulations. This will ensure that the City of Sacramento will not lose future parking revenues due to the operation of the streetcar. This is a very important issue for the City of Sacramento, since the

capital and operation cost of the streetcar system depends heavily on the parking revenues that will be generated by the City of Sacramento. Furthermore, the City of Sacramento's parking pricing policy in downtown area is designed as a Transportation Demand Management (TDM) strategy; i.e. to decrease the dependence on single-occupant use of motor vehicles and promote alternative modes of transportation. Due to the close proximity of West Sacramento to Downtown Sacramento, availability of free and abundant parking in West Sacramento will not encourage transit ridership and defeats the purpose of a new streetcar system.

Environmental Considerations: None as result of this presentation. However, the environmental document for the Streetcar project is nearly completed and will be available for public review in September 2008.

California Environmental Quality Act (CEQA): The presentation and work related to Phase 3 of the Streetcar Study do not involve an activity that may cause a direct or indirect change in the environment and, therefore, do not require compliance with the California Environmental Quality Act (CEQA) (Public Resources Code Section 21065).

Sustainability Considerations: All work related to the development and operation of a streetcar system supports the City's Sustainability policies.

Other: None.

Commission/Committee Action: None.

Rationale for Recommendation: The City of Sacramento is a model government agency that promotes resource efficient and environmentally sound policies. The City's draft General Plan mobility element supports the development of a first-class, well-balanced, efficient, multi-modal transportation network that will minimize impacts to the environment and to neighborhoods. Implementation of a streetcar system in Sacramento is consistent with these goals. Furthermore, a new streetcar system will increase transit ridership and will advance the City's efforts to become more sustainable and energy efficient.

Financial Considerations: None at this time. The estimated cost of the Phase 3 work is estimated at $900,000 to $1,200,000 which will be divided in a fair and equitable manner among the interested parties. Once the City's contribution amount and source of funding is identified, staff will request Council approval to allocate the funds.

Emerging Small Business Development (ESBD): The actions considered in this report are not subject to the City's ESBD requirements.

Respectfully Submitted by: _____
Francesca L. Halbakken
Operations Manager

Approved by: _____
Jerry Way
Director of Transportation

Recommendation Approved:

_____
Ray Kerridge
City Manager

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Attachment 1

Background

In May 2006, the City of Sacramento entered into an agreement to work in partnership with the City of West Sacramento, Regional Transit (RT) and the Yolo county Transportation District (YCTD) to study the feasibility of a streetcar project to connect Downtown West Sacramento with Downtown Sacramento. Over the past two years, guided by a Policy Steering Committee (PSC) and a Technical Advisory Committee (TAC), the initial phase of streetcar planning was conducted.

The Phase 1 report concluded that the project was feasible and described an alignment generally from West Sacramento City Hall past Raley Field over the Tower Bridge on Capitol to 7th and 8th joining the existing RT alignment up to K Street to 13th Street with a loop around the Convention center to 15th Street.

There are eight streetcar stops in the City of Sacramento as follows:

- Three new stops on Capitol Mall:
  1. Old Sacramento (on the bridge over I-5)
  2. 4th street
  3. 7th street
- Three new stops on the loop around the Convention Center
  1. 13th north of K (Eastbound)
  2. 15th & K
  3. 13th south of K (Westbound)
- Two existing stops on K street
  1. St. Rose of Lima
  2. Cathedral Square

In June of 2007, the Technical teams began to work on the Phase 2 report which included the Environmental Impact Analysis and the Preliminary Engineering. The work was divided into three focused areas: Financial and Institutional, Environmental, and Engineering. The consultant team completed the Financing Plan and the Institutional report. The environmental documents are nearly complete and will be available for public review in September 2008.

Phase 3 work will cost approximately $900,000 - $1,200,000 and will include:

- Finance Plan Implementation including crafting agreements with developers - $400,000
- Determination construction approach, develop project procurement documents- $60,000
- Determination and initiation of the implementation of a Vehicle Procurement Option – $100,000 – 200,000 (depending on the purchase of options)

- Securing all environmental permits, PUC waivers – $50,000
- Preliminary design and finance plans for first extensions
- Continue Public involvement effort - $100,000
- Project Management/Admin/JPA initiation - $70,000

In Sacramento, improvements include the installation of new track and power, several streetcar stops and power substations.

Summary of Streetcar Proposed Financing Plan

The following is a summary of the Streetcar proposed Financing Plan prepared in Phase 2 by HDR Consultants and was reviewed and accepted by the Policy Steering Committee:

Capital Cost

- Total project cost is $69.1 million.
- $26 million is for vehicles (8 streetcars at $3 million each) and modifications to the existing light rail maintenance facility.
- The balance of $43.1 million is for underground utility work, track, power, and stations.
- Modification of the Tower Bridge and installation of new track and power along the Bridge (cost: $1.5 million).

Capital Funding

- A property assessment district contributes a total of $25.5 million ($2 million from West Sacramento, $17.5 million from Sacramento where land value is higher, and $6 million from the State of California as a property owner).
- Approximately $23.2 million is financed by parking revenues from Sacramento.
- Each side is expected to contribute $7 million from redevelopment or other locally controlled capital funding sources.
- The preliminary finance plan also shows $4.5 million from the City of West Sacramento's Measure K.
- The final $2.0 million would come from sponsorships (i.e., vehicle and station naming rights).

Operating Cost and Funding

Annual operating costs are estimated at $3.55 million. Revenues from passenger fares are estimated at $1 million for a farebox recovery ratio of 28% (that's slightly above average in the transit industry). West Sacramento's Measure K sales tax revenue is $1.19 million annually or 33% of the total. Parking revenues from the City of Sacramento, a hotel assessment, advertising, and the redirection of existing bus service that will be replaced by streetcar service provide the balance of operating funds.