



REPORT TO COUNCIL

City of Sacramento

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

Consent
December 2, 2008

Honorable Mayor and
Members of the City Council

Title: Agreement: Park Improvement and Reimbursement Agreement Relating to Design and Construction of Park Improvements in Railyards

Location/Council District: Extends north from area near 2nd and I Streets to west side of the Railyards Central Shops area / Council District 1

Recommendation: Adopt a **Resolution** to (1) approve the Sacramento Railyards Old Sacramento-Central Shops Multi-Use Trail Improvement Agreement with S. Thomas Enterprises of Sacramento, LLC to provide funding for the design of the multi-use trail in an amount not to exceed \$600,000; and (2) establish a new Capital Improvement Program (CIP) for the Old Sacramento-Central Shops Multi-Use Trail under the name Railyards Market Plaza project (L19203000); and (3) appropriate \$600,000 from the Park Development Impact Fees, Fund 3204, for L19203000.

Contact: Mary de Beauvieres, Principal Planner, 808-8722

J.P. Tindell, Park Planning and Development Manager, 808-1955

Presenters: Not applicable

Department: Parks and Recreation

Division: Park Planning & Development Services

Organization No: 19001121

Description/Analysis

Issue: The Development Agreement and the subsequent Funding Agreement for the Sacramento Railyards Project (City Agreements 2007-104 and 2008-0409) between the City and S. Thomas Enterprises of Sacramento, LLC (Thomas Enterprises), includes a City funding commitment of \$600,000 from Park Development Impact fees, Fund 3204, to help fund the cost of the design and construction of Market Plaza. Thomas Enterprises has requested earlier access

to these funds for use in the design of a multi-use pedestrian and bicycle trail, which will include a tunnel under the relocated Union Pacific (UP) freight rail tracks to link the Rail Museum Plaza within the Central Shops area of the Railyards with the Old Sacramento State Historic Park. The tunnel portion of the trail will be constructed in conjunction with the City's Track Relocation project which is anticipated to begin construction during the Summer of 2009. The remaining portion of the multi-use trail will be constructed by Thomas Enterprises. This trail was originally planned for a later phase of development in the Railyards Finance Plan; however, it is necessary to accelerate the tunnel design and construction to coincide with the Track Relocation project implementation. UP is requiring that the construction of all track crossings be completed in conjunction with the work outlined in the Track Relocation project.

The design cost for this grade separated tunnel is estimated at up to \$600,000. Any funds not expended for design of the tunnel portion of the trail will remain available for construction of the Market Plaza, as was originally planned by the City and Thomas Enterprises. No additional park funds will be appropriated for the Market Plaza, and Thomas Enterprises will remain responsible for ensuring the timely completion of Market Plaza as required in the Railyards Development Agreement and the Funding Agreement.

The terms of the Old Sacramento-Central Shops Multi-Use Trail Improvement Agreement requires Thomas Enterprises to construct the entire trail, in consideration for the City's funding of the tunnel design costs, by the time the Rail Technology Museum and the adjacent Museum Park plaza is opened to the public. In addition, the Improvement Agreement requires Thomas Enterprises to fund the costs for construction of this tunnel as part of its funding obligations under the Track Relocation Finance Agreement. City staff is working with Thomas Enterprises to secure state funding for this railroad grade separation project.

Policy Considerations: As stated in City Council Resolution No. 2007-404, Section 10.2, City Council approval is required to establish CIP projects. The Old Sacramento-Central Shops multi-use trail is consistent with the City's Strategic Plan for improving public safety and achieving sustainability and livability.

Utilizing Park Development Impact Fees (PIF), Fund 3204, to augment this budget is consistent with Sacramento City Code Section 16.64.060 as these funds will be used for the "...improvement, and expansion of the public parks, playgrounds and recreational facilities."

Providing parks and recreation facilities is consistent with the City's strategic plan to enhance livability in Sacramento's neighborhoods by expanding park, recreation, and trail facilities throughout the City.

Committee/Commission Action: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): On December 11, 2007, the City Council certified an Environmental Impact Report (EIR) and adopted Findings of Fact and a Statement of Overriding Considerations and a Mitigation Monitoring Plan for the Railyards Specific Plan. The analysis evaluated the impacts of all the project elements at a project specific level. The analysis included the location of multi-use trails within grade separated tunnels. The proposed multi-use trail between the proposed Central Shops area of the Railyards and Old Sacramento State Historic Park and the Sacramento River in conjunction with the Track Relocation project falls within the scope of the analysis within the EIR. Therefore, funding for the proposed project being implemented pursuant to the adopted Specific Plan does not require additional CEQA review.

Sustainability Considerations: This project is consistent with the City's Sustainability Master Plan goals by improving public access to open space along the Sacramento River and improving the health of residents by creating opportunities for exercise and recreation.

Rationale for Recommendation: The Multi-Use Trail project will provide pedestrian and bicycle access between the proposed Central Shops area of the Railyards and Old Sacramento State Historic Park and the Sacramento River in conjunction with the Track Relocation project. The Track Relocation project includes relocation of the existing UP tracks, passenger platforms and tunnel, track overcrossings at 5th and 6th Streets, a pedestrian sidewalk track undercrossing at 7th Street and the Old Sacramento-Central Shops multi-use tunnel. The City of Sacramento and Thomas Enterprises have partnered to obtain \$20 million in state Proposition 1B funding for the design and construction of the Track Relocation project. The City and Thomas Enterprises have also been successful in obtaining Proposition 1C funding for the 5th, 6th & 7th Street improvement projects, but have been unable thus far to secure funding for the Old Sacramento-Central Shops grade separated tunnel project. To keep the Track Relocation project on schedule, it is necessary to begin final design of all crossings of the relocated tracks at the same time.

Financial Considerations: Staff recommends that the City Council appropriate \$600,000 from the Park Development Impact Fee Fund, Fund 3204, to L19203000. There are adequate funds in Fund 3204 to appropriate monies for the Railyards Market Plaza project. The estimated cost of design for the Old Sacramento-Central Shops Multi-Use Tunnel is up to \$600,000. In accordance with the Railyards tentative map conditions approved by City Council on December 11, 2007, Thomas Enterprises is responsible for the costs of design and constructing this trail, including the tunnel costs.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by:



JAMES L. COMBS
Director, Parks and Recreation

Recommendation Approved:

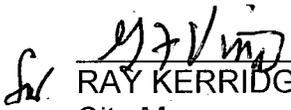
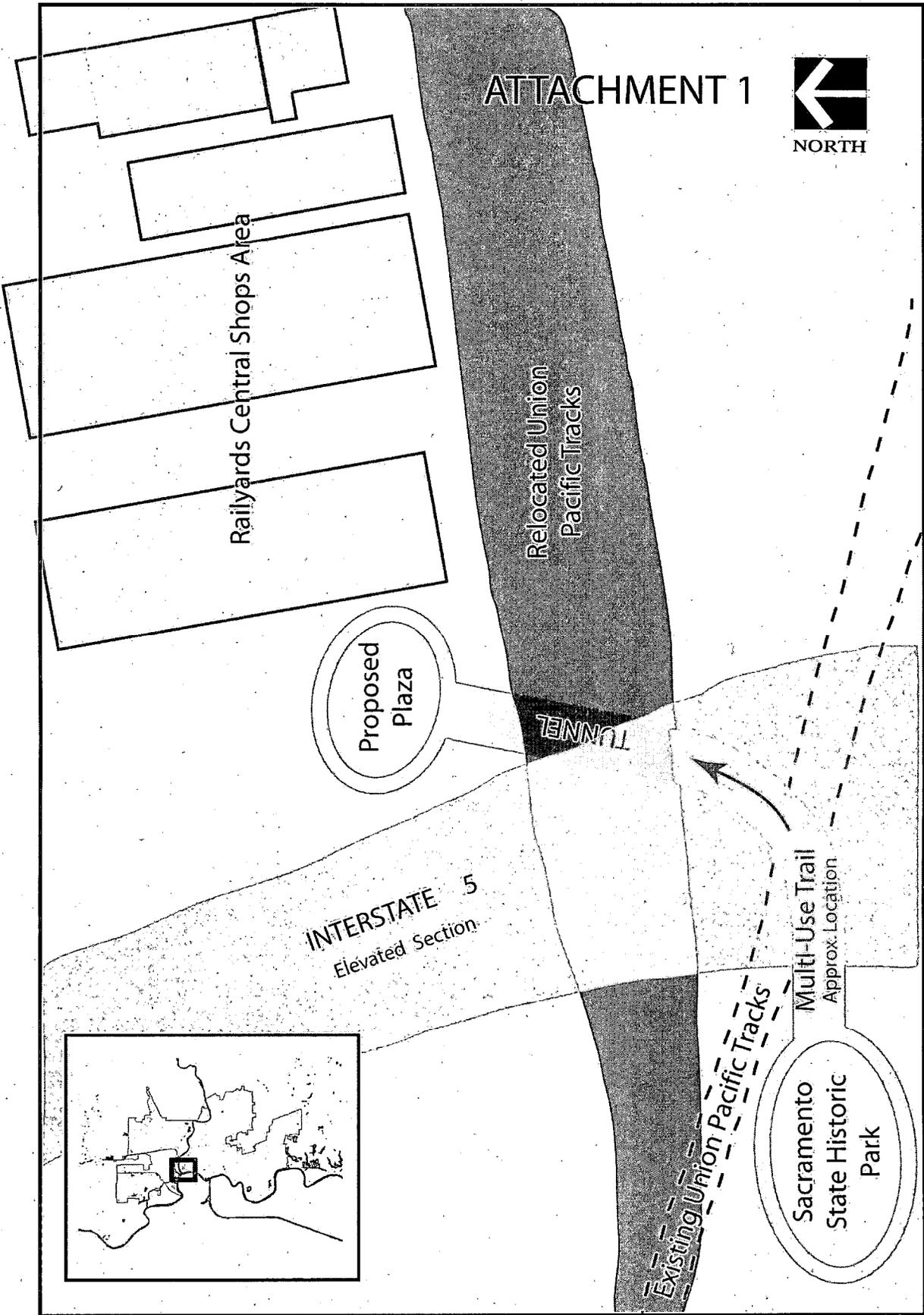

RAY KERRIDGE
City Manager

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RESOLUTION NO. 2008-

Adopted by the Sacramento City Council

November 25, 2008

**APPROVING THE PARK IMPROVEMENT AND REIMBURSEMENT AGREEMENT
RELATING TO DESIGN AND CONSTRUCTION OF PARK IMPROVEMENTS IN
RAILYARDS**

BACKGROUND

- A. On December 11, 2007, the City Council approved Ordinance 2007-104 for a Development Agreement with S. Thomas Enterprises of Sacramento, LLC (Thomas Enterprises) and related entitlements for the Sacramento Railyards Project, a 244-acre mixed use redevelopment project. The Development Agreement included an attachment, the Funding Agreement Business Terms.
- B. On May 13, 2008, the City Council adopted Resolution No. 2008-290, approving a Funding Agreement for the Sacramento Railyards Project, to implement the Funding Agreement Business Terms. The Funding Agreement provided for City funding of specific infrastructure projects that would benefit the City and implement the Railyards Specific Plan.
- C. The Funding Agreement for the Sacramento Railyards Project, City Agreement 2008-0409 between the City and Thomas Enterprises, includes a Department of Parks and Recreation funding commitment of \$600,000 from Park Development Impact fees, Fund 3204, to help fund the cost of design and construction of Market Plaza located within the Central Shops district, so that improvement of this plaza would be completed by the time access between the 5th Street garage and the Intermodal facility was needed.
- D. One of the first infrastructure improvements to be undertaken within the Railyards Specific Plan area will be the relocation of Union Pacific Railroad tracks within the City's Intermodal project site. The City and Thomas Enterprises entered into the Track Relocation and Finance Agreement on December 13, 2006, City Agreement Number 2006-1406, to provide for the design, construction and financing of the Track Relocation project.
- E. Certain public facilities needed for the Sacramento Railyards Project must be constructed at the same time that the Union Pacific Railroad tracks are relocated. The City of Sacramento and Thomas Enterprises have successfully partnered to obtain state funding for the design and construction for the 5th, 6th and 7th Street track crossings, but have thus far been unable to obtain state funding for the

tunnel portion of the Old Sacramento-Central Shops Multi-Use Trail, linking the Old Sacramento State Historic Park to the Central Shops area of the Railyards.

- F. The Old Sacramento-Central Shops Multi-Use Trail was included in the Railyards Specific Plan and Thomas Enterprises was obligated to construct this trail prior to filing of the final map for the Central Shops parcels that comprise the Rail Technology Museum and the Museum Park plaza.
- G. In order to keep the Track Relocation project on schedule, it is necessary to complete the design of all crossings of the relocated tracks at the same time, including the design of the tunnel portion of the Old Sacramento-Central Shops Multi-Use Trail.
- H. Thomas Enterprises remains responsible for completion of the Market Plaza.

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

- Section 1. Approve the Sacramento Railyards Old Sacramento-Central Shops Multi-Use Trail Improvement Agreement with S. Thomas Enterprises of Sacramento, LLC to provide funding for the design of the tunnel portion of the multi-use trail in an amount not to exceed \$600,000.
- Section 2. Establish CIP L19203000, Railyards Market Plaza for the Old Sacramento-Central Shops Multi-Use Trail in the amount of \$600,000.
- Section 3. Allocate \$600,000 from Central City Park Development Impact fees, Fund 3204 to CIP L19203000, Railyards Market Plaza to fund the tunnel design of the Old Sacramento-Central Shops Multi-Use Trail.

Exhibit A

Agreement: Approving the Sacramento Railyards Old Sacramento-Central Shops Multi-Use Trail Improvement Agreement with S. Thomas Enterprises of Sacramento, LLC