



REPORT TO COUNCIL

City of Sacramento

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

Staff Report
May 5, 2009

Honorable Mayor and
Members of the City Council

Title: Memorandum of Understanding: Downtown/Riverfront Streetcar Project

Location/Council District: All Districts

Recommendation: Adopt a **Resolution** approving the renewal of the Memorandum of Understanding (MOU) for continued work on the Downtown/Riverfront Streetcar Project with the City of West Sacramento, Regional Transit and Yolo County Transportation District.

Contact: Azadeh Doherty, Principal Planner, 808-3137

Presenters: Jerry Way, Director of Transportation

Department: Transportation

Division: Office of Director

Organization No: 15001041

Description/Analysis

Issue: In May 2006, the City of Sacramento entered into a Memorandum of Understanding (MOU) 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 that would connect Downtown West Sacramento with Downtown Sacramento. The City participated in the feasibility study and the subsequent environmental and engineering analysis for this particular alignment. The original MOU expired in June 2008. In order to continue to work with the parties, staff recommends renewing the MOU.

Policy Considerations: Over the last eighteen months, several policy issues arose regarding the route alignment and project financing. In order to resolve these issues and provide direction to staff, the Streetcar Policy Steering Committee suggested renewal of the MOU. The Committee also suggested increasing the number of representatives and including private sector (development and business community) members on the Policy Steering Committee.

Environmental Considerations:

California Environmental Quality Act (CEQA): Approving renewal of the MOU does not involve an activity that may cause a direct or indirect change in the environment and does not require compliance with the California Environmental Quality Act (CEQA) (Public Resources Code Section 21065). The West Sacramento-Downtown Streetcar project is currently undergoing review under CEQA.

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: In order to build general consensus regarding the Downtown/Riverfront Streetcar project, the City needs to renew the existing MOU and invest additional time to work with the other parties and stakeholders on continued planning and outreach.

Financial Considerations: None as result of this action.

Emerging Small Business Development (ESBD): None as result of this action.

Respectfully Submitted by: Francesca Lee Halbakken
Francesca Lee Halbakken
Operations Manager

Approved by: Jerry Way
Jerry Way
Director of Transportation

Recommendation Approved:

Mat
Ray Kerridge
City Manager

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Table of Contents:

| | | |
|--------------------|------------|-------|
| | Report | Pg. 1 |
| Attachments | | |
| 1 | Background | Pg. 4 |
| | Resolution | Pg. 6 |
| | Exhibit A | Pg. 8 |

Attachment 1**Background**

In May 2006, the City of Sacramento entered into a Memorandum of Understanding (MOU) to work in partnership with the City of West Sacramento, Regional Transit and the Yolo County Transportation District to study the feasibility of a streetcar project to connect Downtown West Sacramento with Downtown Sacramento. The feasibility study was the first Phase (Phase I) of this project. In May 2007, with the financial help of a \$500,000 grant from the Sacramento Area Council of Governments (SACOG), a feasibility study was completed. The study concluded that development of a streetcar line to connect the two cities was feasible. The Sacramento City Council approved the proposed Downtown/Riverfront Streetcar alignment and authorized staff to continue to work with the parties through completion of the environmental review and preliminary design phase of the streetcar project.

With the financial assistance (\$2.5 million) of a State Transportation Improvement Program (STIP) allocation awarded to the YCTD originally programmed for use in planning the light rail extension from Downtown Sacramento to West Sacramento, the four parties hired a team of consultants to work on the engineering and environmental analysis of the Downtown/Riverfront Streetcar Project. The Preliminary Engineering and Environmental Review was the second Phase (Phase II) of this project.

The original MOU established among the four parties in 2006 expired in 2008. Over the last eighteen months, policy questions arose regarding alignment and project financing. The question concerning alignment is related to the proposed operation of the streetcar on the median of Capitol Mall and the potential negative impact this may have on the Capitol view corridor. Additionally, Sacramento development and business groups are concerned that the proposed route does not provide a connection to key development sites in Sacramento.

The question regarding capital financing is related to the project cost share. The capital cost of the Downtown/Riverfront Streetcar project is projected to be approximately \$69 million. The draft finance plan developed for the Downtown/Riverfront Streetcar project recommends that the City of Sacramento pay approximately 43%, or \$30 million (\$23 million in parking fees and \$7 million in future transportation impact fees) of the project's capital costs. The City of West Sacramento's share of capital costs is 16.6% or \$11.5 million. The remainder of the capital costs are private sector property fees (\$19.6 million, of which Sacramento property owners would be responsible for \$17.4 million), State of California property fees (\$6 million), and advertising (\$2 million).

The draft finance plan developed for the Downtown/Riverfront Streetcar project recommends that the West Sacramento sales tax, approved by the voters in November 2008, would cover 46% of operating costs for the streetcar line. Parking revenues from Sacramento would contribute 18% of operating costs, with the balance to be derived from farebox revenues, advertising, and sponsorships. The present value of the

operating contributions over the 20 year span of the finance plan is \$31.9 million, with West Sacramento contributing \$14.8 million and Sacramento contributing \$5.8 million.

Implementation of the Downtown/Riverfront streetcar line requires a major capital and operating investment by the City of Sacramento. Therefore, the City needs to invest additional time to work with the other parties and stakeholders to build general consensus on the future of this project. The MOU update intends to provide an opportunity for the new Policy Steering Committee to work and resolve these issues.

Resolution No.

Adopted by the Sacramento City Council

**MEMORANDUM OF UNDERSTANDING FOR PLANNING THE
DOWNTOWN/RIVERFRONT STREETCAR PROJECT**

BACKGROUND

- A. In 2004, the Sacramento Area Council of Governments (SACOG) adopted the Blueprint, a bold vision for growth that promotes compact, mixed-use development and more transit choices as an alternative to low density development; and
- B. The cities of Sacramento and West Sacramento desire to accelerate the development of quality transit choices and other alternatives to single occupancy vehicle travel that minimize vehicle miles traveled associated with said developments; and
- C. In May 2006, the City of Sacramento entered into a Memorandum of Understanding (MOU) to work in partnership with the City of West Sacramento, Regional Transit and the Yolo County Transportation District to study the feasibility of a streetcar project to connect Downtown West Sacramento with Downtown Sacramento.
- D. The original MOU that was established among the four parties in 2006 expired in 2008.
- E. The Local Agencies have completed a feasibility study, conceptual engineering and environmental analysis for a rail transit project from downtown Sacramento to the City of West Sacramento and desire to continue planning for the project, in order to modify the route alignment in Sacramento and update the finance plan.
- F. The purpose of the new MOU is to extend the term of the partnership and to outline the roles and responsibilities of each Local Agency for additional planning required for the Project.

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

- Section 1. The Memorandum of Understanding (MOU) for continued work on the Downtown/Riverfront Streetcar Project with the City of West Sacramento, Regional Transit and Yolo County Transportation District as set forth in Exhibit A is hereby approved.

Section 2. The City Manager is hereby authorized to sign the MOU.

Section 3. The Mayor will identify two representatives and one alternate from the City Council and up to three representatives from the local Sacramento business/development community to serve on the Policy Steering Committee for the Sacramento-West Sacramento Rail Transit Project.

Table of Contents:

Exhibit A: Memorandum of Understanding - Downtown/Riverfront Streetcar Project

May 5, 2009

**MEMORANDUM OF UNDERSTANDING
FOR PLANNING THE DOWNTOWN/RIVERFRONT STREETCAR PROJECT**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is entered into as of the last date of execution and is between the **City of Sacramento, City of West Sacramento, Sacramento Regional Transit District (RT), and the Yolo County Transportation District (YCTD)**, each Party is also referred to individually as "Local Agency" and collectively as "Local Agencies".

RECITALS

WHEREAS, in 2004, the Sacramento Area Council of Governments (SACOG) adopted the Blueprint, a bold vision for growth that promotes compact, mixed-use development and more transit choices as an alternative to low density development; and

WHEREAS, the Cities of West Sacramento and Sacramento are considering numerous development plans within two miles of downtown Sacramento that support SACOG's Blueprint principles, including at least 4,050,000 square feet of new office uses, 857,500 square feet of new retail space, and 5,950 new residential units; and

WHEREAS, both cities desire to accelerate the development of quality transit choices and other alternatives to single occupancy vehicle travel that minimize vehicle miles traveled associated with said developments; and

WHEREAS, the Local Agencies have completed a feasibility study, conceptual engineering and environmental analysis for a rail transit project from downtown Sacramento to the City of West Sacramento (hereinafter the "Project"); and

WHEREAS, the Local Agencies desire to continue planning for the project, in order to further study the alignment in Sacramento and to update the finance plan; and

WHEREAS, the 2002 STIP has programmed \$2.5 million to perform certain work associated with a rail extension between Sacramento and West Sacramento and this work has been substantially completed; and

WHEREAS, the Metropolitan Transportation Plan (MTP) has identified a West Sacramento Light Rail Transit Extension; and

WHEREAS, the West Sacramento City Council has declared that a streetcar system is a top city priority; and

WHEREAS, the purpose of this MOU is to outline the roles and responsibilities of each Local Agency for additional planning required for the Project.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. PROJECT OVERSIGHT

1.1 Policy Steering Committee:

The City of Sacramento and the City of West Sacramento will each appoint two (2) representatives and one (1) alternate representative from their respective city councils and up to three (3) representatives from the local community or business and development interests to serve on the Downtown/Riverfront Streetcar Study Policy Steering Committee (Policy Steering Committee). YCTD and RT will each appoint one (1) representative and one (1) alternate representative from their respective boards of directors to serve on the Policy Steering Committee. Each Local Agency reserves the right to appoint additional alternates. Each representative and alternate will serve at the pleasure of the appointing Local Agency. An alternate may serve as a voting member of the Policy Steering Committee in the absence of the representative that represents the same Local Agency, in the same capacity, as the alternate.

The Policy Steering Committee shall:

- 1) Develop and approve goals, objectives, scope of work, milestones, and a schedule for the Project; and
- 2) Establish protocols for conducting Policy Steering Committee and Technical Advisory Committee meetings; and
- 3) Determine the roles and responsibilities of each Local Agency, including,
 - a. Selection of a Managing Agency(ies), responsible for overseeing the successful completion of the Project, including day-to-day oversight of consultant services, organizing, coordinating and conducting meetings, and staffing the Policy Steering Committee and Technical Advisory Committee.
 - b. Level of technical assistance each Local Agency shall provide in supporting the Project.
 - c. Levels and timing of financial participation, which decisions shall require unanimous approval from the full Policy Steering Committee. Decisions affecting Local Agency budgets shall be subject to the affected Local Agencies' approval.

- 4) Develop recommendations for an Interagency Agreement between the Local Agencies for the final design, construction, funding, governance, management, and administration of the Project.
- 5) Provide policy direction regarding the additional planning work, route refinement, environmental analysis, financial analysis, procurement strategy, governing structure, and design and engineering required for the Project (collectively hereinafter the "Study").

A majority of the members, including at least one elected official from each city and at least two representatives from each of the cities, must be present to create a quorum of the Policy Steering Committee. All Policy Steering Committee decisions shall require approval of a majority of the members. The Policy Steering Committee may not act unless a quorum is present when the action is taken. All meetings of the Policy Steering Committee will be posted and conducted in accordance with the Brown Act (Government Code Section 54950 et seq.) and must be open to the public.

All Local Agencies agree that all financial commitments, the selection of rail alignments, designs, and station locations shall be subject to affirmation by the affected Local Agencies.

1.2 Technical Advisory Committee (TAC):

Each Local Agency shall identify at least one (1) senior staff member from each Local Agency to meet regularly to assist the Managing Agency(ies) in the successful advancement of the Project. Additionally, at least one (1) staff member from SACOG and Caltrans will be invited to participate as ex-officio members. The Technical Advisory Committee works with the Managing Agency(ies), but reports to the Policy Steering Committee.

1.3 Managing Agency(ies):

Subject to the direction of the Policy Steering Committee, the Managing Agency(ies) shall have responsibility for successful completion of the Project. "Successful completion" shall be defined and determined by the Policy Steering Committee. The Managing Agency shall solicit the input and participation of the other participating Local Agencies to achieve consensus on this Project.

2. AUDIT AND INSPECTION

All Local Agencies financially participating in the Project will retain accounting records and other documents pertaining to all costs for three (3) years from the termination of

this Agreement. These records and documents must be made available for inspection and audit by any representative of any Local Agency to this Agreement upon ten (10) days advance written notice and during normal business hours.

3. INDEMNITY

Pursuant to Section 895.4 of the California Government Code: (1) each Party, as indemnitor, must hold harmless and indemnify every other Party, as indemnitee, against any claim, loss, damage, expense or liability caused by the negligent or wrongful act of omission of the indemnitor occurring in the performance of this Agreement, and (2) if a Party is held liable upon any judgment for damage caused by a negligent or wrongful act or omission occurring in the performance of this Agreement and that Party pays in excess of its share based upon principles of comparative fault, that Party is entitled to contribution from each of the other Parties to the extent of the other Party's comparative fault.

4. WITHDRAWAL AND TERMINATION

Any Local Agency may withdraw from this MOU at any time upon providing thirty (30) days advance written notice to the other Local Agencies. However, by withdrawing, a Local Agency thereby releases any right it may have to claim STIP funds allocated for the Study, its local match contribution, and any other funding committed to the project, unless the remaining Local Agencies agree to amend this MOU accordingly. This Agreement will terminate upon the completion of the additional planning and environmental analysis related to the project, update of the finance plan, and acceptance by the governing bodies of each of the Local Agencies, unless this Agreement is extended or terminated earlier by mutual agreement of the Local Agencies.

5. NOTICES

Any notices required by this Agreement must be in writing and either given in person or by first class mail with postage prepaid and addressed as shown below. Any Local Agency may change its name or address for notices at any time by providing notice to all of the other Local Agencies.

City of Sacramento:
Ray Kerridge
City Manager
City of Sacramento
915 I Street
Sacramento, CA 95814
Phone: (916) 808-5704

RT:
Michael R. Wiley
General Manager/CEO
Sacramento Regional Transit District
PO Box 2110 (1400 29th Street))
Sacramento CA 95812-2110
Phone: (916) 321- 2989

Fax: (916) 808-7618
e-mail: rkerridge@CityofSacramento.org

Fax: (916) 444-2156
e-mail: mwiley@sacrt.com

City of West Sacramento:
Toby Ross
City Manager
City of West Sacramento
1110 West Capitol Avenue
West Sacramento, CA 95691
Phone: (916) 617-4500
Fax: (916) 372-8765
e-mail: tobyrc@cityofwestsacramento.org

YCTD:
Terry Bassett
Executive Director
Yolo County Transportation District
350 Industrial Way
Woodland CA 95776
Phone: (530) 661-0816
Fax: (530) 661-1732
e-mail: tbassett@yctd.org

6. INITIATION OF SERVICE

This MOU does not commit or authorize any Local Agency to provide transit service within the respective jurisdiction of any other Local Agency, unless this Agreement is amended and revised by agreement of the Parties.

7. AUTHORITY

Each of the signatories to this Agreement represents that he/she is authorized to sign the Agreement on behalf of such Local Agency, that all approvals, resolutions and consents which must be obtained to bind such Local Agency have been obtained, and that no further approvals, acts or consents are required to bind such Local Agency to this Agreement.

8. TERM

This Agreement shall be effective on _____ and shall terminate on June 30, 2014 unless otherwise extended or terminated earlier by mutual agreement.

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the day and year set out in the last date set out below.

City of Sacramento

By: _____
Name:
Title:

Date: _____

City of West Sacramento

Downtown/Riverfront Streetcar Project MOU

May 5, 2009

By: _____
Name:
Title:

Date: _____

Sacramento Regional Transit District

By: _____
Name:
Title:

Date: _____

Yolo County Transportation District

By: _____
Title:

Date: _____ Name: