

## **RESOLUTION NO. 2009-429**

Adopted by the Sacramento City Council

June 23, 2009

### **AUTHORIZING ACCEPTANCE OF THE TRANSIT ORIENTED DEVELOPMENT GRANTS FOR THE RAILYARDS PROJECT AND APPROVING AND ASSIGNING THE 5<sup>TH</sup> AND 6<sup>TH</sup> STREET OVERPASS AGREEMENTS WITH THE UNION PACIFIC RAILROAD COMPANY TO S. THOMAS ENTERPRISES OF SACRAMENTO, LLC**

#### **BACKGROUND**

- A. The Railyards project is a catalyst transit-oriented development project which provides for thousands of units of housing, including affordable housing, and millions of square feet of office, retail and mixed use development adjacent to the existing Sacramento Valley Station and the planned Sacramento Intermodal Transportation Facility, as well as a second light rail station on 7<sup>th</sup> Street along the Downtown-Natomas-Airport light rail line. The City Council approved the entitlements for the Railyards project for the property owner, S. Thomas Enterprises of Sacramento, LLC (Thomas) on December 11, 2007.
- B. On February 12, 2008, the City Council approved submittal of an application to the State Department of Housing and Community Development (HCD) for Transit Oriented Development (TOD) Housing Program funding on behalf of the Railyards project because only public agencies are permitted to submit TOD grants.
- C. HCD awarded the City \$17 million in TOD funding for the Railyards project in June of 2008. The funding was proposed to cover a portion of the costs for the extension of 5<sup>th</sup> Street over the relocated Union Pacific Railroads (UPRR) tracks to improve access to the Sacramento Valley Station in consideration for the development of the first phase Railyards affordable and market-rate housing within a certain time period after completion of the improvements. HCD has indicated that it now has the funding to execute the grant agreements for these funds.
- D. On March 18, 2009, the City Council approved submittal of a second TOD grant application for the Railyards project to fund the extension of 6<sup>th</sup> Street and improvement of Market Plaza, which will provide a pedestrian connection to the new Sacramento Valley Station rail platforms via the passenger tunnel from the north. Round two of the HCD TOD grant awards are set to be announced within the next few weeks and grant agreements may be ready for execution soon thereafter.
- E. The Union Pacific Railroad Company (UPRR) has approved the preliminary plans for extensions of 5<sup>th</sup> and 6<sup>th</sup> Streets over the relocated rail tracks. The City is undertaking construction of the relocated UPRR tracks and Thomas is undertaking construction of the extensions of 5<sup>th</sup> and 6<sup>th</sup> Street over the new track alignment. Thomas will need to build the new street bridge supports before the City can relocate the existing UPRR

tracks. UPRR has provided the City with its form Public Overpass Agreement for 5<sup>th</sup> and 6<sup>th</sup> Streets to address the City's obligations for construction and maintenance of these new bridge structures.

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

- Section 1. The City of Sacramento, as the grant recipient and on behalf of Thomas as the grant sub-recipient, hereby agrees to use and oversee the use of the TOD Housing Grant Program funds for eligible activities in the manner presented in the grant application as approved by HCD and in accordance with the HCD Program Guidelines under which the grant was submitted.
- Section 2. The City Council authorizes the City Manager to execute in the name of the City of Sacramento (City) the Standard Agreement and all other documents required by HCD for the award(s) of the TOD Housing Grant Program funds for the Railyards project, and any supplements or amendments thereto (the "Railyards TOD Grant Agreement"); conditioned on the City being indemnified for any defaults of the Railyards TOD Grant Agreement, which would require repayment of all or a portion of the grant funds, by Thomas as either the named grant sub-recipient or under the terms of a form assignment and assumption agreement.
- Section 3. The City Council hereby authorizes the City Manager to execute in the name of the City of Sacramento the Public Highway Overpass Agreements with the Union Pacific Railroad Company (UPRR) for the 5<sup>th</sup> Street and the 6<sup>th</sup> Street bridge structures (the "UPRR Bridge Agreements"). The City Council also hereby authorizes the City Manager to assign the City's rights and obligations under the UPRR Bridge Agreements to Thomas under the terms of a form assignment and assumption agreement to allow for Thomas to undertake construction of these street extensions with the Railyards TOD Grants Agreement funds on the City's behalf.

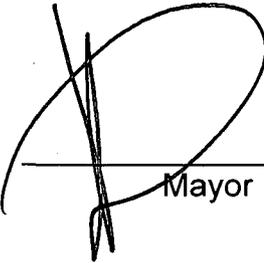
Adopted by the City of Sacramento City Council on June 23, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



\_\_\_\_\_  
Mayor Kevin Johnson

Attest:



\_\_\_\_\_  
Shirley Concolino, City Clerk