



REPORT TO COUNCIL

City of Sacramento

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

17

Consent
December 7, 2010

Honorable Mayor and
Members of the City Council

**Title: Establish CIP and Agreements: 6th Street Overcrossing Roadway Project
(T15116200)**

Location/Council District: Downtown Railyards, Central City, District 1.

Recommendation: Adopt a **Resolution:** 1) amending the FY2010/2011 Capital Improvement Program by establishing the 6th Street Overcrossing Roadway Project (T15116200); 2) authorizing the City Manager or designee to execute a Baseline Agreement, Funding Agreement and other required agreements with the California Transportation Commission (CTC) and California Department of Transportation (Caltrans) for the Project in the amount of \$7.865 million; (3) authorizing the City Manager or designee to execute an Escrow Agreement with IA Sacramento Development, L.L.C. (Inland) to fund \$7.865 million of the Project construction costs and to prepare the design plans; and (4) appropriating Highway-Railroad Crossing Safety Account (HRCSA) funding and Inland funding into the Project when the authorization by the CTC to proceed with construction is received.

Contact: Hinda Chandler, Senior Architect, (916) 808-8422,

Presenters: None

Department: Transportation

Division: Office of the Director

Organization No: 15001041

Description/Analysis

Issue: The California Transportation Commission awarded the City a \$7.865 million grant from the Highway-Railroad Crossing Safety Account funds (HRCSA) toward the costs to construct the roadway segments of 6th Street Extension from H Street into the Railyards to the future Stevens Street. The grant requires matching funds and a commitment to build the project. Execution of programming and funding agreements are necessary to secure state and developer funds. Previously, the bridge portion of 6th Street Extension has been funded by the HRCSA program and is under construction.

Policy Considerations: The action requested is consistent with the City of Sacramento Strategic Plan goal of enhancing livability.

Environmental Considerations:

California Environmental Quality Act (CEQA): The 6th Street Extension project was subject to environmental review as part of the Railyards Specific Plan Environmental Impact Report (RSPEIR), which was certified on December 11, 2007. No new information or changed conditions requires any supplemental environmental review for the proposed actions.

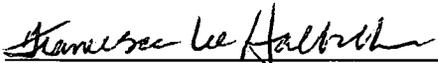
Sustainability Considerations: The 6th Street Extension project will provide access to smart growth, infill, brownfield, transit-oriented development in the Railyards and is related to relocation of the mainline rail tracks, which will contribute to the development of the Sacramento Intermodal Transportation Facility and improve opportunities for public transit and passenger rail operations.

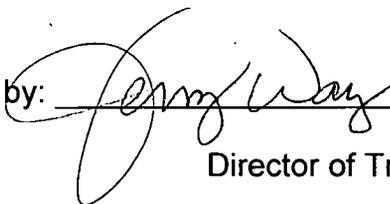
Commission/Committee Action: None.

Rationale for Recommendation: Establishment of the CIP and execution of these agreements are necessary to continue work on the 6th Street Extension and to coordinate with the Track Relocation project.

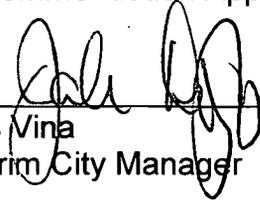
Financial Considerations: The City has been recommended to receive \$7.865 million in HRCSA funds as part of the State's Proposition 1B FY2010 program for construction of the roadway portion of the 6th Street Extension. This is approximately half of the total funding needed for the project. The match for the HRCSA funds will be provided by Inland, the new Railyards developer, in the same amount of \$7.865 million to fund the remaining construction and construction management costs. Inland will also prepare the design plans. When the subsequent authorization for release of the State funds is received, revenue and expenditure budgets for the State funds (Fund 3704) in the 6th Street Overcrossing Roadway Project (T15116200) will be established.

Emerging Small Business Development (ESBD): Not applicable at this time.

Respectfully Submitted by: 
Francesca L. Halbakken
Operations Manager

Approved by: 
Jerry Way
Director of Transportation

Recommendation Approved:



Gus Vina
Interim City Manager

APPROVED AS TO FORM:



CITY ATTORNEY

Table of Contents:

Report	pg. 1
Attachments	
1 Background	pg. 4
2 Resolution	pg. 6
Exhibit A – Location Map	
Exhibit B – Baseline Agreement	
Exhibit C – Escrow Agreement	



Attachment 1

Background Information:

The extension of 6th Street north from H Street in downtown Sacramento into the Railyards to the future alignment of Stevens Street is a major infrastructure improvement that will provide a means to access the new development and to link communities. In December 2007, the City Council certified the RSPEIR and approved the Railyards Specific Plan and development project, which included 6th Street extension.

The overall project includes a bridge overcrossing of the relocated UPRR rail right-of-way, a bridge over the future light rail transit track alignment along the future extension of F Street, and roadway segments to connect these bridges north and south of the rail corridor. The project is eligible for State Proposition 1B HRCSA funding because it avoids a new at-grade crossing of a mainline railroad. Due to the need to complete construction of the bridges before the new UPRR tracks are placed into service and the timing of funding, the 6th Street Extension project was divided into two parts. The bridges component proceeded first and is currently under construction.

The roadway component shifted to the second round of HRCSA funding and, on September 22, 2010, the project was awarded \$7.865 million in construction funding. The roadway component is being designed by Inland and this project will be ready for construction by mid-2012, if not earlier.

At this time, staff is requesting Council establish the 6th Street Roadway as a separate CIP project; to approve an escrow agreement with Inland to provide funds to match the HRCSA grant and pay other construction-related project costs, including non-participating expenses; to approve the execution of the Baseline Agreement, which is an agreement among CTC, Caltrans and the City that programs the HRCSA funding; to approve the subsequent Funding Agreement among the same parties for the construction funding when approved by the CTC; and to appropriate the funding into the project.

The last two actions will occur when there is Proposition 1B funding available for the program, which is dependent upon future state bond sales, enabling CTC to authorize construction funding. Authorizing the execution of the Funding Agreement at this time will expedite the project's construction. The required 1:1 match of the HRCSA funding will be provided by Inland, since the project benefits the Railyards and is part of the development's road network.

Total project construction costs are estimated at approximately \$16 million with HRCSA and Inland splitting the costs equally. Inland will establish an escrow account to deposit its \$7.865 million commitment that the City will draw from as needed during construction. In accordance with Proposition 1B requirements, the Baseline Agreement provides that the City is certifying that the funding sources listed for the project are

committed and available; the estimated costs represent full project funding; and the scope and description of benefits is the best estimate possible. Also, the City must agree to provide for any additional project costs that may arise. The Escrow Agreement with Inland includes the commitment to pay any additional amount above the HRCSA grant funds.



RESOLUTION NO.

Adopted by the Sacramento City Council

ESTABLISH THE 6TH STREET OVERCROSSING ROADWAY CIP AND AUTHORIZE EXECUTION OF AGREEMENTS FOR STATE HIGHWAY-RAILROAD CROSSING SAFETY ACCOUNT FUNDS AND ESCROW AGREEMENT WITH IA SACRAMENTO DEVELOPMENT, L.L.C.

BACKGROUND

- A. The City was awarded \$7.865 million in State Highway-Railroad Crossing Safety Account Funds (HRCSA) towards the 6th Street Overcrossing Roadway project (the "Project") and the construction cost is estimated at approximately \$15.73 million. The location of the Project is provided in the map attached as Exhibit A.
- B. The Baseline Agreement with the California Transportation Commission (CTC) and California Department of Transportation (Caltrans) for programming the funding for the Project needs to be executed to accept the grant award. Once the Project is ready to commence construction, the CTC and Caltrans would need to approve the Funding Agreement to release the grant funds.
- C. The new Railyards developer, IA Sacramento Development, L.L.C. ("Inland") has agreed to provide the required funding to match the HRCSA grant and to complete the Project design.
- D. The City is required pursuant to Proposition 1B requirements as part of the Baseline Agreement to certify that the funding sources listed for the Project are committed and available; the estimated costs represent full Project funding; the scope and description of the Project benefits is the best estimate possible; and funding for any additional costs would be secured by the City. The Escrow Agreement with Inland requires the parties to meet and confer to address reducing the Project scope or Inland paying the additional costs if the Project construction exceeds the total amount of the HRCSA grant and matching funds.

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

- Section 1. The 6th Street Overcrossing Roadway Project (T15116200) is established as a new Capital Improvement Project.
- Section 2. The City Manager or designee is authorized to execute the Baseline Agreement as provided in Exhibit B, and the Funding Agreement when received, with the California Transportation Commission and California Department of Transportation allocating to the City \$7.865 million in

HRCSA funds (Fund 3704) for the 6th Street Overcrossing Roadway Project (T15116200).

Section 3. The City Manager or designee is authorized to execute the Escrow Agreement with IA Sacramento Development, L.L.C. as provided in Exhibit C, which provides \$7.865 million in funding for the HRCSA grant match.

Section 4. The City hereby certifies that the Project funding sources listed in the HRCSA grant application are committed, expected to be available and provide for full funding for the Project construction; that the benefits listed in the grant application are anticipated to be achieved; and that funding for any additional costs in excess of the HRCSA grant and matching funds would be obtained by the City.

Section 5. The Inland funding will be appropriated into the 6th Street Overcrossing Roadway Project (T15116200) and, upon approval of the Funding Agreement by the CTC, Caltrans and the City, the HRCSA funding (Fund 3704) will be similarly appropriated.

Section 6. Exhibits A, B and C are incorporated into and made a part of this resolution.

Table of Contents:

Exhibit A – Location Map

Exhibit B – Baseline Agreement

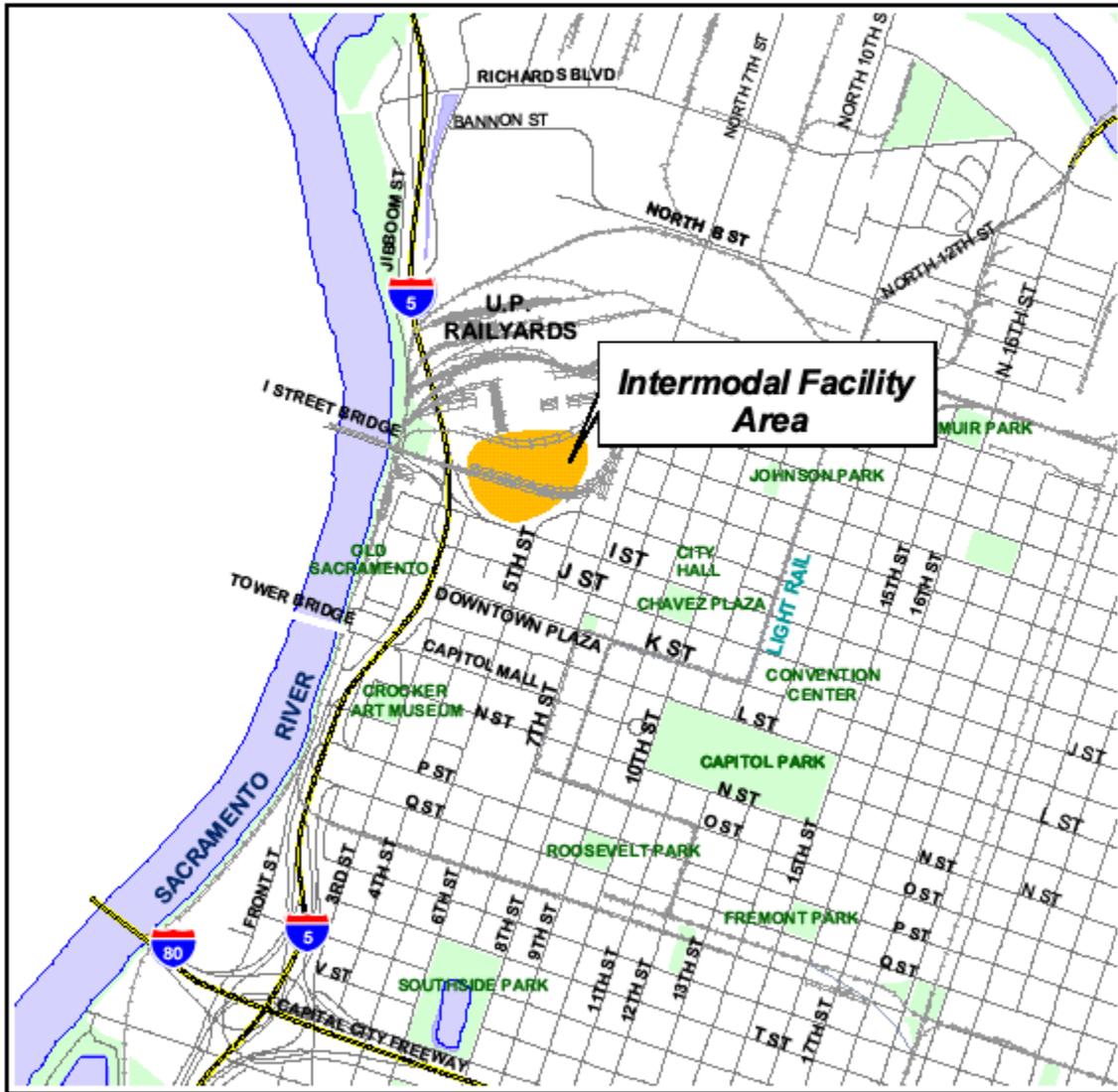
Exhibit C – Escrow Agreement

Exhibit A



Attachment A

Location Map for
**SACRAMENTO INTERMODAL
TRANSPORTATION FACILITY (SITF)
(PN:CF41)**



Map Contact: S. Tobin
Date: June, 2004

1000 0 1000 2000 Feet



Unexecuted Contract/Agreements

- The Unexecuted Contract/Agreement is signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.
- The Unexecuted Contract/Agreement is NOT signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.
- The Unexecuted Contract is NOT included as an exhibit to the Resolution because the Agreement(s) is with other another governmental agency and it is not feasible to obtain the other agency's signature prior to Council action (be they denominated Agreements, MOUs, MOAs, etc.); however, the City Attorney approves the forwarding of the report to Council even though the signed agreement is not in hand yet.
- The Unexecuted Contract is NOT included as an exhibit to the resolution because, due to special circumstances, and the City Attorney confirms in writing that it is okay to proceed with Council action even though the signed agreement is not in hand yet.

HIGHWAY RAILROAD CROSSING SAFETY ACCOUNT PROJECT BASELINE AGREEMENT

1. PARTIES AND DATE

- 1.1** This Project Baseline Agreement (Agreement) for the 6th Street Overcrossing Roadway, effective on _____, is made by and between the California Transportation Commission (Commission), the California Department of Transportation (Caltrans), and the City of Sacramento (Project Sponsor), sometimes collectively referred to as the “Parties”.

2. RECITAL

- 2.1** Whereas THE California Transportation Commission (Commission) approved the 2010 Highway Railroad Crossing Safety Account (HRCSA) program of projects at its September 22, 2010 meeting and included the 6th Street Overcrossing Roadway, the parties are entering into this at Project Baseline Agreement to document the project cost, schedule, scope and benefits, as detailed on the Project Programming Request Form attached as Exhibit A, the Project Study Report/Project Study Report Equivalent attached hereto as Exhibit B, and the project Benefits Form attached hereto as Exhibit C, as the baseline for project monitoring by the California Transportation Commission. The undersigned Project Sponsor certifies that the funding sources cited are committed and expected to be available; the estimated costs represent full project funding; and the scope and description of benefits is the best estimate possible.

3. GENERAL PROVISIONS

The Project Sponsor and Caltrans agree to abide by the following provisions:

- 3.1** To meet the requirements of Government Code Section 8879.23(j)(1), as added by Proposition 1B, and to Government Code Section 8879.50, as enacted through implementing legislation in 2007 (Senate Bill 88 and Assembly Bill 193).
- 3.2** To adhere to the provisions of the California Transportation Commission Resolution HRCSA-P-1011-01, “Adoption of the Highway Railroad Crossing Safety Account 2010 Program,” dated September 22, 2010.
- 3.3** To adhere to the California Transportation Commission’s Highway Railroad Crossing Safety Account Guidelines. Corridor Mobility Account Guidelines.
- 3.4** To adhere to the California Transportation Commission’s Accountability Implementation Plan and policies, and program and baseline amendment processes.
- 3.5** The Sponsoring Agency agrees to secure funds for any additional costs of the project. Any change to the funding commitments outlined in this agreement requires an amendment.

- 3.6 To report to the California Transportation Commission on a quarterly basis on the progress made toward the implementation of the project, including scope, cost, and schedule.
- 3.7 To maintain and make available to the California Transportation Commission and/or its designated representative, all work related documents, including engineering and financial data, during the course of the project and retain those records for four years from the date of the final closeout of the project. Financial records will be maintained in accordance with Generally Accepted Accounting Principles.
- 3.8 The California Transportation Commission and/or its designated representative, has the right to audit the project records, including technical and financial data, of the Department of Transportation, the Sponsoring Agency, and any subconsultants at any time during the course of the project and for four years from the date of the final closeout of the project. Audits will be conducted in accordance with Generally Accepted Government Auditing Standards.

4. SPECIFIC PROVISIONS AND CONDITIONS

- 4.1 **Exhibit A - Project Programming Request Form.**
- 4.2 **Exhibit B - Project Study Report/Project Study Report Equivalent.**
- 4.3 **Exhibit C- Project Benefits Form**

**SIGNATURE PAGES
TO
HIGHWAY RAILROAD CROSSING SAFETY ACCOUNT
PROJECT BASELINE AGREEMENT**

Name	Date
Title	
Sponsoring Agency	

Approved As to Form	
Name	Date
Title	

Cindy McKim	Date
Chief Deputy Director	
California Department of Transportation	

Bimla G. Rhinehart
Executive Director
California Transportation Commission

Name
Title
Regional Agency

Date

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

General Instructions

<input checked="" type="checkbox"/> New Project		<input type="checkbox"/> Amendment (Existing Project)		Date:	11/15/10
Caltrans District	EA	PPNO	MPO ID	TCRP No.	
03					
County	Route/Corridor	Project Sponsor/Lead Agency		MPO	Element
SAC		City of Sacramento		SACOG	LA
Project Title					
6th Street Rail Overcrossing Project - Roadway Only					
PM Bk	PM Ahd	Project Mgr/Contact	Phone	E-mail Address	
		Hinda Chandler	916-808-8422	hchandler@cityof sacramento.org	
Location, Project Limits, Description, Scope of Work, Legislative Description					
Location/Limits: City of Sacramento, Sacramento County, Sixth Street from H Street to Railyards.					
Description/Scope: Construction of Sixth Street roadway portion of the project. Project approved under CEQA on 12/11/2007.					
Component	Implementing Agency		AB 3090	Letter of No Prejudice	
PA&ED	City of Sacramento		<input type="checkbox"/>	<input type="checkbox"/>	
PS&E	City of Sacramento		<input type="checkbox"/>	<input type="checkbox"/>	
Right of Way	City of Sacramento		<input type="checkbox"/>	<input type="checkbox"/>	
Construction	City of Sacramento		<input type="checkbox"/>	<input type="checkbox"/>	
Legislative Districts					
Assembly: 9		Senate: 6			
Congressional: 5					
Purpose and Need					
The Sixth Street Rail Overcrossing Project (Project) would eliminate the potential for a dangerous on-grade vehicular and pedestrian crossings at a major freight and passenger rail corridor. It would also eliminate the alternative of additional vehicles on congested nearby streets and the immediate freeway (I-5), hence reducing trip distances and time, reducing toxic air contaminants, and minimizing the potential for accidents resulting in injuries and deaths. In conjunction with the Track Relocation project, this project will serve as a significant enhancement to the safety and efficiency of the new rail corridor while simultaneously enhancing access and functionality between downtown Sacramento and the Railyards. (Note: Separate bridge and roadway allocations are requested due to need to complete bridgework with Track Relocation)					
Project Benefits					
Anticipated benefits: Support/facilitate the increased velocity of freight trains which will result in a significant increase in freight capacity and removal of trucks from highways; reduce vehicular travel time and associated emissions of ROG, NOX and PM2.5; improve freight service reliability; separate vehicular and pedestrian traffic from the mainline; more efficient and safer connectivity of the Sacramento downtown area and around a major intermodal facility; direct cross-corridor connections for vehicles, pedestrians and bicycles; and support for the Railyards, a major transit-oriented development that supports the ITF.					
Project Milestone					Date
Project Study Report Approved					
Begin Environmental (PA&ED) Phase					03/10/06
Circulate Draft Environmental Document			Document Type	EIR	08/20/07
Draft Project Report					11/01/07
End Environmental Phase (PA&ED Milestone)					12/11/07
Begin Design (PS&E) Phase					03/11/08
End Design Phase (Ready to List for Advertisement Milestone)					
Begin Right of Way Phase					05/01/09
End Right of Way Phase (Right of Way Certification Milestone)					04/30/10
Begin Construction Phase (Contract Award Milestone)					
End Construction Phase (Construction Contract Acceptance Milestone)					
Begin Closeout Phase					
End Closeout Phase (Closeout Report)					

ADA Notice

For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Date: 11/15/10

County	CT District	PPNO	TCRP Project No.	EA
SAC	03			
Project Title: 6th Street Rail Overcrossing Project - Roadway Only				

Existing Total Project Cost									Implementing Agency
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Proposed Total Project Cost									Implementing Agency
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	
E&P (PA&ED)									
PS&E				1,375				1,375	
R/W SUP (CT)									
CON SUP (CT)					1,872			1,872	
R/W									
CON					12,483			12,483	
TOTAL				1,375	14,355			15,730	

Fund No. 1:									Program Code
Existing Funding									Funding Agency
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	
E&P (PA&ED)									HRCSA
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON					7,865			7,865	
TOTAL					7,865			7,865	

Fund No. 2:									Program Code
Existing Funding									Funding Agency
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	
E&P (PA&ED)									Developer
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	
E&P (PA&ED)									
PS&E				1,375				1,375	
R/W SUP (CT)									
CON SUP (CT)					1,872			1,872	
R/W									
CON					4,618			4,618	
TOTAL				1,375	6,490			7,865	

Use 7.1.10 con est:\$12.483m - HRCSA cntrb:\$7.685m=\$4.618m Remndr:\$3.247/2=\$1623.5 ea for PSE&D (13%ea) OR assume CM @ 15%=\$1.872 & D @ 11%=\$1.375 (shown)

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Date: 11/15/10

County	CT District	PPNO	TCRP Project No.	EA
SAC	03			
Project Title: 6th Street Rail Overcrossing Project - Roadway Only				

Fund No. 3:									Program Code
Existing Funding									
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 4:									Program Code
Existing Funding									
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 5:									Program Code
Existing Funding									
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Date: 11/15/10

County	CT District	PPNO	TCRP Project No.	EA
SAC	03			
Project Title: 6th Street Rail Overcrossing Project - Roadway Only				

Fund No. 6:									Program Code
Existing Funding									
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 7:									Program Code
Existing Funding									
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 8:									Program Code
Existing Funding									
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 9:									Program Code
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PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Date: 11/15/10

County	CT District	PPNO	TCRP Project No.	EA
SAC	03			
Project Title: 6th Street Rail Overcrossing Project - Roadway Only				

Existing Funding									Funding Agency
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									
Proposed Funding									Notes
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 10:										Program Code
Existing Funding									Funding Agency	
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total		
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										
Proposed Funding									Notes	
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										

Fund No. 11:										Program Code
Existing Funding									Funding Agency	
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total		
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										
Proposed Funding									Notes	
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										

Fund No. 12:										Program Code
Existing Funding										

PROJECT PROGRAMMING REQUEST

DTP-0001 (REV. 3/08)

Date: 11/15/10

County	CT District	PPNO	TCRP Project No.	EA
SAC	03			
Project Title: 6th Street Rail Overcrossing Project - Roadway Only				

Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Proposed Funding									Notes
E&P (PA&ED)									
PS&E									
R/W SUP (CT)									
CON SUP (CT)									
R/W									
CON									
TOTAL									

Fund No. 13:										Program Code
Existing Funding										
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency	
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										
Proposed Funding										Notes
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										

Fund No. 14:										Program Code
Existing Funding										
Component	Prior	08/09	09/10	10/11	11/12	12/13	13/14+	Total	Funding Agency	
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										
Proposed Funding										Notes
E&P (PA&ED)										
PS&E										
R/W SUP (CT)										
CON SUP (CT)										
R/W										
CON										
TOTAL										

**PROJECT STUDY REPORT
6TH STREET OVERCROSSING
SACRAMENTO, CALIFORNIA**



CITY OF SACRAMENTO
DEPARTMENT OF TRANSPORTATION

November 2010

Approved: _____ Date _____
Jerry Way
Director of Transportation

Note: This Project Study Report (PSR) address the complete 6th Street Overcrossing project as approved in 2008 for HRCSA funding. In 2009, due to construction and funding constraints, the project was divided into 2 phases: Bridges and Roadway. The Bridges component began construction in 2010. This 2010 PSR revision, which will be attached to the Roadway's Baseline Agreement, continues to address the entire project because both parts together will produce the overall benefits envisioned.

Project Location

The project is located in the State of California, County of Sacramento, and the Central City area of the City of Sacramento. The property is within the Railyards development area, a 240-acre site considered to be the largest urban infill site in the country. The project area is immediately north of existing downtown and mostly east of Interstate 5.

Project Description

The 6th Street Overcrossing project will provide a new two-lane roadway with bike lanes and sidewalks, connecting from existing H Street to the new Railyards Boulevard. The project will include an overcrossing structure where the road crosses above the new mainline freight and passenger railroad tracks.

Scope of Work

Elements of the 6th Street Overcrossing project are as follows:

Bridges Component

- Bridge foundation at north and south of rail corridor
- Bridge span over rail corridor and associated amenities

Roadway Component

- Roadway from H St. to rail corridor and associated amenities
- Roadway from rail corridor to Railyards Blvd. and associated amenities

In Both Components

- Storm drain from H St. to Railyards Blvd.
- Water from H St. to Railyards Blvd.
- Sanitary sewer from H St. to Railyards Blvd.
- Dry utilities from H St. to Railyards Blvd.

Project Need

The UPRR mainline tracks which run through the historic railyards in downtown Sacramento ("The Railyards") serve as a critical link for goods movement between the Port of Oakland and the rest of the nation with freight service while also providing a transportation alternative to thousands of daily commuters and

long distance travelers via Capitol Corridor and San Joaquins Intercity Rail Services and Amtrak national passenger trains. The relocation of the mainline tracks was recently awarded funding from the State under the Trade Corridor Improvement Fund (TCIF).

With the relocation of the railroad tracks, grade crossings will be needed to improve transportation service and minimize safety issues. These crossings complement the track relocation project and are essential to avoid major transportation and safety issues. The 6th Street Rail Overcrossing will be a vehicular and pedestrian crossing extending Sixth Street from H Street north over the relocated rail tracks to Railyards Boulevard.

With the expansion of the Sacramento Intermodal Transportation Facility (ITF) and the approximately 25,000 new residents and 20,000 employees at The Railyards, the likelihood of accidents and major transportation delays will increase tremendously unless these crossings are put in place. The Project would eliminate the potential for a dangerous on-grade vehicular and pedestrian crossings at this major freight and passenger rail corridor. It would reduce congestion on nearby city streets and on Interstate 5, hence reducing travel time and toxic air contaminants, and minimize the potential for accidents resulting in injuries and deaths. In conjunction with the Track Relocation project, these crossings will serve as a significant enhancement to the safety and efficiency of the new rail corridor while simultaneously enhancing access and functionality between downtown Sacramento and The Railyards and the areas to the north.

The current tracks and roadway configurations at the CBD produce a significant rail bottleneck and roadway circulation termination at the rail Central Corridor. In fact, the existing rail corridor effectively bisects the downtown area of the City of Sacramento along an east-west axis, forcing traffic to be funneled through selective and few north-south roadways, significantly hampering connectivity and circulation, which in turn contributes to the deterioration of air quality as a result of congestion, longer trips, and vehicular idling.

The planned 6th Street overcrossing will provide a grade separation for an essential north-south thoroughfare of vehicular and pedestrian traffic over mixed freight and passenger rail operations.

Given the anticipated area development and substantial growth, the absence of this crossing would:

1. Considerably reduce the functionality of the Track Relocation project by reducing accessibility to vehicles and pedestrians;
2. Exacerbate vehicular circulation congestion;

3. Increase the likelihood of accidents, injuries and potential death due to vehicular, train and pedestrian on-grade conflicts;
4. Maintain the forced bifurcation of the City's downtown area, impacting economic growth and viability;
5. Adversely impact air pollution by increasing vehicular travel distance and idling time, hence increasing emissions of air toxins and particulates; and
6. Deny the primary access to a major transit-oriented development

Therefore, securing appropriate safe and efficient vehicular and passenger connectivity is not only an unavoidable necessity but a significant benefit. The proposed Project introduces the appropriate efficient solution through the use of a grade separation by means of a vehicular overcrossing at 6th Street.

General Benefits

The 6th Street Rail Crossing will be a vehicular and pedestrian crossing extending 6th Street from H Street north over the relocated rail tracks to Railyards Boulevard. The Project meets all screening criteria and guidelines established by the California Transportation Commission. The Track Relocation has been ranked as Tier 1 priority project by the Metropolitan Transportation Commission, the regional transportation planning agency for the Bay area. Due to the regional importance of this project, the City of Sacramento and the Sacramento Area Council of Governments (SACOG) have made the ITF (including the track relocation) their highest priority regional transportation project.

The Project is also consistent with the City of Sacramento General Plan, the Railyards Specific Plan and the local transportation plan. The Project was approved by the City of Sacramento pursuant to the adoption of the Specific Plan for the Railyards and other entitlements that were approved on December 11, 2007 together with a certified Environmental Impact Report and is ready to move forward.

With railroad tracks relocation, above and below grade crossings will be needed to:

- Improve existing transportation service and proposed circulation conditions
- Minimize existing and future safety concerns
- Improve air quality by reducing toxic emissions into the atmosphere
- Complement the current track relocation project
- Relieve the congestion and poor circulation of the increasingly expanding Central Business District.

Transportation Benefits

The project will result in significant operational and capacity benefits by avoiding increased traffic on neighboring streets and Interstate 5 and potential for delay in freight and passenger service.

Public Benefits for Vehicular Circulation Improvement

Currently traffic is a major concern along the travel corridors coming to and from the City's downtown area, which is aggravated further by the limitations imposed by the mainline rail corridor. Cars navigate a maze of one way streets and are denied access across a significant stretch of an east-west axis due to mainline rail tracks.

Currently, cars cannot cross the tracks at 6th St. north of H Street. The maze of turns as roadways dead end at the tracks will be that much harder to navigate as growth in the area reaches critical mass in the near term. As identified in the

Railyards Specific Plan EIR, this rapidly evolving urban growth requires grade crossings to open up the north-south connectivity, which will be a major benefit to the region's circulation.

Mitigation under the Railyards Specific Plan Environmental Impact Report require a reduction along H St. to two lanes to accommodate light rail tracks, which may further restrict access to 6th Street. Given this, an overcrossing at 6th Street will make the various intersections along I and J Street safer and more accessible and efficient.

In the absence of these crossings, gridlock will likely occur, creating havoc in the area's circulation and air quality. Between the options of at-grade crossing and grade separation (over/under crossings), the latter far outweighs the former due to public safety alone. Hence the introduction of the Project will inject a needed solution to a rapidly evolving circulation and public health problem.

Public Benefits for Bicycle and Pedestrian Circulation Improvement

Full bikeways are to be included in this project, as the EIR states that the Railyards full project without these mitigations would interfere with the Bicycle Master Plan. These pedestrian / bicycle corridors do not currently exist between the CBD and the American River, except on a limited basis along 7th Street and areas to the north of the Railyards. This project would add linkages to the Sacramento River Water Front immediately and for CBD residents to access the American River across Richards Blvd.

Benefits Reduction of Emission of Diesel Particulates/Air Pollutants

The Project will avoid increased vehicle time and travel and avoid idling locomotives, thereby reducing air toxins and particulates. As part of the Air Quality Management Plan, the project adds to the multiple and direct street routing, and encourages pedestrian and bicycle travel. Although CO concentrations were less than significant in the EIR, they are higher at intersections where congestion and traffic is slow. This project would allow the free flow of traffic along 6th Street.

Public Safety Benefits

The Project will significantly reduce the potential for injuries and deaths by avoiding an at-grade crossing. Per the US Department of Transportation Crossing Inventory Information Database, there are numerous incident reports in the City of Sacramento, where Regional Transit Light Rail Trains, Amtrak and UPRR trains have injured cars and pedestrians. Per the City of Sacramento, Department of Transportation, "the California Public Utilities Commission (CPUC) is responsible for regulating at-grade crossings. The PUC no longer allows new at-grade crossings (pedestrians and cars crossing rail tracks), unless there are extraordinary circumstances." Hence, while an at-grade crossing at 6th Street would be a cheaper solution for the Railyards project, the safety and

transportation benefits far outweigh any potential extraordinary circumstance created by the Railyards project.

Public Benefits for Rail Operations and Safety

- As the capacity is increased for goods and passenger movement on the Central Corridor leading to and from the Port of Oakland, the planned overcrossings will secure vehicular and pedestrian separation that would prevent hindrance of the increased operations.
- The grade separation of major thoroughfares at the Central Business District and the Railyards will assist in the expansion of services at the Port of Oakland by removing a potential safety and operational constraint of what would be necessary on-grade crossings on the Central Corridor.
- Will enhance support for the national priorities to maintain flow of commerce and goods movement.

Project Schedule

The following presents the various schedule milestones anticipated for this project and associated elements.

Task	HRCSA Project	Milestone
Public Outreach	Completed	--
Environmental Documentation (Entitlements)	Completed	CEQA approved On 12/11/07
Begin Surveys and Base Maps	Ongoing	3/11/08
Begin Permitting	Ongoing	3/11/08
Begin 30% Design	Ongoing	3/11/08
End Final Design		8/30/09
Bid and Award		10/30/09
Construction Start		11/30/09
Construction completion		12/31/11
Construction Closeout		6/30/12

Project Management

Design will be completed by the Railyards developer. Construction will be managed by the City of Sacramento. When completed, the 6th Street project will become a public street which will be operated and maintained by the City of Sacramento.

Project Cost Estimate

Total cost for this project is estimated at approximately \$27.6 million in 2010. The Bridges and Roadway components are estimated at \$11.3 million and \$15.7 million respectively.

Project Funding

The project funding is projected to include:

Bridges: \$1,000,000 from City of Sacramento Railyards Impact Fee; \$432,000 from Measure A Transportation Sales Tax; \$3,987,000 from developer, and \$5,987,000 from HRCSA.

Roadway: \$7.865 million from developer and \$7.865 million from HRCSA

Environmental Clearance

Elements of this project were evaluated at the project level in the Railyards Specific Plan Environmental Impact Report (EIR), which was completed in full compliance with the requirements of the California Environmental Quality Act (CEQA) as detailed below:

Sacramento City Council certification
Notice of Determination

December 11, 2007
December 12, 2007

The approved entitlement package for the Railyards Specific Plan, which includes the 6th Street overcrossing project, also included approvals for all related development features, including the relocation of the mainline rail corridor and associated elements. The process of entitlement and final certification of the Specific Plan included the technical evaluation of:

1. Air quality
2. Biological resources
3. Cultural resources
4. Seismicity, soils and geology
5. Hazards and hazardous substances
6. Hydrology and water quality
7. Land use
8. Noise and vibration
9. Parks and Open Space
10. Public services
11. Public utilities
12. Transportation and circulation
13. Urban design and visual resources
14. Energy

Given that there are no other environmental clearances required to complete this work, the level of environmental risk is therefore insignificant.

**HIGHWAY-RAILROAD CROSSING SAFETY ACCOUNT (HRCSA)
Project Benefits Form**

Project Title: 6th Street Overcrossing

Project Category: Railroad Crossing Safety Project

Project Type: New Structure

Outputs: (See Traffic Information)

Outcomes:

Safety	New grade separation will eliminate conflicts and improve safety.
Velocity	N/A
Throughput	N/A
Reliability	100% improvement in reliability, eliminates rail-auto interface
Congestion Reduction	Saves 428 hrs per day of traffic delay
Emissions Reduction	Track Relocation project incl. 6th St crossing reduces 386 tons ROG, 5343 tons NOx & 202 tons PM2.5 annually

TRADE CORRIDOR IMPROVEMENT FUND PROGRAM
Performance Measure Outputs

Project Category	Project Classification	Project Type	Data Required
	Interchanges	New Interchanges	Number of New Interchanges Constructed
		Modified or Improved Interchanges	Number of Modified Interchanges
	Bridges	New Bridges	Number of New Bridges
		Modified Bridges	Number of Modified Bridges
		Ramp/Connectors	Number of Ramps Modified
	Grade Sep	Grade Separations	Rail - Highway At-Grade Crossing Eliminated
		Tracks Realigned	Miles of Track Realigned
		New Structures	Number of Structures Constructed
		Modified Structures	Number of Structures Modified
		Rail - Rail At-Grade Crossing Eliminated	Number of At-Grade Crossings Eliminated
		Tunnels	Number of Tunnels Modified
		Signaling Systems	Miles of Line Modified
	Port Infrastructure	Port Improvements	Number of Facilities Modified

TRADE CORRIDOR IMPROVEMENT FUND PROGRAM
Performance Outcomes

Outcomes	Performance Measure (Suggested Indices)	Possible Options/Comment
Throughput	Change in highway volume/Level of Service (LOS)	Number of five-axle trucks, trailers, containers, tonnage
	Change in rail volume/Level of Service (LOS)	Number of trains, tonnage, containers
	Change in port volume	Number of container, tonnage, value
Velocity	Change in average weekday speed (by mode)	Average roadway speed, average train speed
Reliability	Reduction in variability in travel time, typical origin/destination pairs	If this information is unavailable, reduction of highway or rail miles from LOS E or F would be acceptable
Safety	Reduction in truck-involved incidents	This approach would be more comprehensive and would be easier to track and evaluate than number of deaths and injuries
	Reduction in train-involved incidents	This approach would be more comprehensive and would be easier to track and evaluate than number of deaths and injuries
Congestion Reduction	Reduction in Daily Vehicles Hours of Delay (on primary or parallel facilities)	
	Reduction in Daily Train Hours of Delay	
	Reduction in Annual Truck Trips (due to mode shift)	
	Reduction in Annual Truck VMT (due to mode shift)	
Emission Reduction	Reduction in Volatile Organic Compounds (VOC)	
	Reduction in Nitrogen Oxides (NOx)	
	Reduction in Particulate Matter (PM10, PM2.5)	
	Reduction in Carbon Dioxide (CO2)	

Unexecuted Contract/Agreements

- The Unexecuted Contract/Agreement is signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.
- The Unexecuted Contract/Agreement (Public Project) is NOT signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.
- The Unexecuted Contract is NOT included as an exhibit to the Resolution because the Agreement(s) is with other another governmental agency and it is not feasible to obtain the other agency's signature prior to Council action (be they denominated Agreements, MOUs, MOAs, etc.); however, the City Attorney approves the forwarding of the report to Council even though the signed agreement is not in hand yet.
- The Unexecuted Contract is NOT included as an exhibit to the resolution because, due to special circumstances, and the City Attorney confirms in writing that it is okay to proceed with Council action even though the signed agreement is not in hand yet.

All unexecuted contracts/agreements which are signed by the other parties are in the Office of the City Clerk before agenda publication.

6TH STREET ROADWAY PROJECT ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "**Escrow Agreement**") is made this ____ day of December, 2010, by and among IA SACRAMENTO DEVELOPMENT, L.L.C., a Delaware limited liability company (the "**Owner**"), the City of Sacramento, a municipal corporation (the "**City**"), and STEWART TITLE OF CALIFORNIA (the "**Escrowee**").

RECITALS:

A. Owner is the fee owner of that certain real property located in the City and County of Sacramento, commonly referred to as the Sacramento Railyards (the "**Property**"). Owner became fee owner of the Property on October 22, 2010 through its foreclosure on a loan to the prior owner S. Thomas Enterprises of Sacramento, LLC, for which the Property was the security interest. It is necessary for the Owner at this time to ensure the completion of certain infrastructure work on the Property that was planned and funded in part prior to the foreclosure to protect the value of the security interest. To accomplish that, Owner is entering into this Escrow Agreement.

B. On September 22, 2010, the City was awarded a Highway Railroad Crossing Safety Account Program Grant (the "**Grant**") in the amount of Seven Million Eight Hundred Sixty Five Thousand Dollars (\$7,865,000) (the "**Grant Funds**") from the California Transportation Commission (the "**CTC**") for the purpose of completing construction of the 6th Street roadway on a portion of the Property, more particularly extending the roadway from H Street north to the future Stevens Street (referred to herein as the "**6th Street Roadway Project**"). The City previously commenced construction of two bridges required for the 6th Street Roadway Project and the remaining work needed to complete the 6th Street Roadway Project is to construct the connecting street extensions between these bridges and H Street on the south and the future alignment of Stevens Street on the north.

C. In connection with the disbursement of the Grant, the City will enter into a Highway Railroad Crossing Safety Account Project Baseline Agreement (the "**Baseline Agreement**") with the CTC and the California Department of Transportation ("**Caltrans**"), which commits the City to complete the 6th Street Roadway Project. Thereafter, the CTC will approve release of the Grant Funds under the terms of the Funding Agreement (the "**Funding Agreement**"), and the contract for construction of the 6th Street Roadway Project must be awarded six months from the date the CTC approves the construction authorization.

D. The Baseline Agreement requires the City to secure additional funding for the completion of construction of the 6th Street Roadway Project in an amount not less than the Grant Funds. In furtherance of the foregoing, Owner has agreed to contribute an amount equal to the Grant Funds (the "**Match Funds**") to pay half of the estimated costs necessary to complete the 6th Street Roadway Project. If the 6th Street Roadway Project costs exceed the Grant Funds and Match Funds, Owner nevertheless must cover the additional costs in accordance with its obligation to construct this street as part of the Sacramento Railyards project entitlements. However, Owner's commitment to deposit additional funds into escrow for the 6th Street Roadway Project will require an amendment to this Escrow Agreement.

E. Owner shall deposit with Escrowee the Match Funds in the amount of Seven Million Eight Hundred Sixty Five Thousand Dollars (\$7,865,000) (the "**Escrow Funds**"), which amount shall be used by the City to pay costs incurred in connection with the completion of construction of the 6th Street Roadway Project on the terms and conditions hereinafter set forth. In addition, Owner shall set-aside the amount of _____ Dollars (\$_____) (the "**Retained Funds**") to be used by Owner to pay Kimley-Horn and Associates, Inc., and other consultants and contractors performing work in connection with the completion of the design of the 6th Street Roadway Project.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, Owner, City and Escrowee agree as follows:

AGREEMENT:

1. **Escrow Account.** Simultaneously with the execution hereof, Owner shall deposit with Escrowee the Escrow Funds. The Escrow Funds shall, as hereinafter provided, be invested by the Escrowee at the direction of Owner in a money market account or other interest bearing account, government securities or other investment designated by Owner and all investment income and appreciation shall accrue to the benefit of Owner.

2. **Design Plans and Plan Review.** Owner shall provide City with final plans and specifications for the construction of the completion of the 6th Street Roadway Project by no later than January 30, 2011. Said plans and specifications shall conform to City's Street Standards, Design and Procedures Manual, and the Railyards Specific Plan, Design Guidelines and Tentative Map conditions. The Retained Funds and Owner's payment of City plan review fees shall be credited to Owner against its share of the 6th Street Roadway Project costs to the extent such expenses are approved by Caltrans as soft match for the Grant Funds.

3. **Use of Escrow Funds.** The Escrow Funds are being deposited to pay a portion of the construction costs, as well as for construction management costs, City plan review and inspection fees, City Project administration staff costs, and any mitigation measures and fees owed to other agencies, all as approved by Caltrans (the "**Eligible Costs**") necessary to complete the 6th Street Roadway Project up to the amount of the Grant Funds and Escrow Funds. The Escrow Funds shall be used to pay (a) construction costs incurred pursuant to that certain construction contract (the "**Construction Contract**"), by and between the City and the lowest responsible and responsive bidder for the 6th Street Roadway Project to be identified by City to Owner and Escrowee (the "**Contractor**"), for the construction of the Work (as described in the Construction Contract) necessary to complete the 6th Street Roadway Project, and the other Eligible Costs listed above, and (b) other costs incurred by the City in connection with the completion of the 6th Street Roadway Project which are not Eligible Costs as approved by Caltrans if such costs are nonetheless approved by Owner. The term "**Eligible Payee**" used herein shall individually or collectively refer to the City, Contractor and any other party entitled to payment in connection with completion of the 6th Street Roadway Project as approved by City and Owner.

4. **Payment of Eligible Costs.** Following satisfaction of the Conditions Precedent (as defined in Paragraph 5 below), Escrowee shall make distributions to pay the Eligible Costs (each, a "**Disbursement**") in compliance with the provisions set forth in this Paragraph 4.

(a) **Disbursement Requests.** The City may, from time to time, deliver to Escrowee written instructions requesting a Disbursement in the form attached hereto as Exhibit A (each, a "**Disbursement Request**"). With each Disbursement Request, the City shall submit: (i) all invoices, statements and other documentation (collectively, the "**Payment Documentation**") evidencing the amount of the Disbursement and the payment of such Disbursement amount, and (ii) a written confirmation or certificate from the Eligible Payee with respect to the work performed to date that such work has been properly done (the "**Compliance Certificate**"). For the final Disbursement Request, City shall also submit all applicable conditional and final lien waivers and releases (collectively, the "**Lien Waivers**") executed by the Eligible Payee's contractors and subcontractors with respect to the Work performed to date in a form as required by applicable law. The Payment Documentation, the Compliance Certificate and the Lien Waivers submitted with each Disbursement Request shall collectively be referred to as the "**Supporting Documentation.**" Concurrently with delivering the Disbursement Request and the Supporting Documentation to Escrowee, the City shall deliver a copy of the same to the Owner for review and approval. Within three (3) business days after receipt of the Disbursement Request and Supporting Documentation, the Owner shall provide the City and Escrowee with written notice (the "**Owner's Notice**") stating either that the Owner agrees with the amount of the Disbursement requested in the Disbursement Request, and in such event the amount of the Disbursement requested in the Disbursement Request shall be immediately released to the City, or, if the Owner disputes any portion of the Disbursement requested in the Disbursement Request, or is not otherwise satisfied with the Supporting Documentation, the Owner's Notice shall set forth the same in detail, and in such event only the non-disputed amount of the Disbursement shall be released to, or at the order of, the City and Escrowee shall retain the disputed amount until it has received notice of resolution of such dispute from the Owner. Owner's approval of a Disbursement Request shall not be unreasonably withheld, conditioned or denied, and Owner may not disapprove any Eligible Costs as long as such costs are properly documented. Absent receipt of an Owner's Notice by Escrowee within ten (10) business days after Escrowee's receipt of the Disbursement Request and Supporting Documentation from City, the Owner shall be deemed to have approved the entire amount of the Disbursement requested in the Disbursement Request.

(b) The amount of each Disbursement Request submitted by City shall be not more than one-half of the total amount of the Eligible Costs, so that both the Grant Funds and the Match Funds are contributed equally in making progress payments for the completion of the 6th Street Roadway Project, subject to Owner's obligation to make additional deposits into escrow as set out in paragraph 5.3, and subject to credit Owner may be entitled to for the Retained Funds as set out in paragraph 2.

(c) **Remaining Escrow Funds.** Upon completion of the 6th Street Roadway Project and payment of the final Disbursement Request, upon issuance by City of written notice to Escrowee that the Work has been satisfactory completed and all invoices for the

6th Street Roadway Project have been paid, which notice shall be issued no later than sixty (60) days after the recording of the notice of completion, any remaining Escrow Funds shall be released to Owner. Notwithstanding release of the remaining Escrow Funds, Owner shall nonetheless be obligated to pay for any Project costs which Caltrans determines to be an ineligible cost after completion of the its audit of the Project expenses,

5. **Conditions Precedent to Disbursements.** Escrowee's obligation to make Disbursements in accordance with Paragraph 4 above shall be conditioned upon the satisfaction of each of the conditions precedent (collectively, the "**Conditions Precedent**") set forth in this Paragraph 5. If the Conditions Precedent are not satisfied (or waived by Owner), then Owner shall have the right to terminate this Escrow Agreement and recover the Escrow Funds.

5.1 The Conditions Precedent for the initial Disbursement is as follows:

(a) On or prior to June 30, 2012 (the "**Outside Date**"), the CTC shall have approved the construction authorization for the Project, and thereafter the City and Caltrans have executed the Funding Agreement, copies of which shall be provided to Owner and Escrowee;

(b) On or prior to the date of award of the Construction Contract by City, Owner has reviewed and approved the form and content of the (i) Construction Contract to be entered into by and between the City and the Contractor, (ii) the construction management contract to be entered into between City and its selected consultant, and (iii) the Project budget which sets forth all Eligible Costs. Owner shall provide written approval to the City and Escrowee, and such approval by Owner shall not be unreasonably withheld, conditioned or delayed; and

(c) On or prior to the date of notice to proceed for the Construction Contract, the City and/or the Contractor has delivered to Owner, for Owner's approval, a schedule of values for construction of the 6th Street Roadway Project which sets out the anticipated schedule for payment of the costs, expenses, payments, fees and charges necessary to complete the Work, and such approval by Owner shall not be unreasonably withheld, conditioned or delayed.

5.2 The Conditions Precedent for a Disbursement which, in combination with the amount of the prior Disbursements, would exceed one half of the amount of the Construction Contract, are as follows:

(a) If the amount of the Construction Contract is less than Fifteen Million Seven Hundred Thirty Thousand Dollars (\$15,730.000), any Disbursements required for costs resulting from change orders or extra work orders issued after award of the Construction Contract by City must be approved by the City and Owner, and such approval by Owner shall not be unreasonably withheld, conditioned or delayed; and

5.3 If the amount of the Construction Contract, including change orders or extra work orders approved by Owner, in combination with the other Eligible Costs is more than Fifteen Million Seven Hundred Thirty Thousand Dollars (\$15,730.000), which would

exceed the amount of the Grant Funds plus the Escrow Funds , then City and Owner shall meet to determine if the scope of the Work can be changed to reduce the total costs subject to compliance with the Baseline Agreement and the Funding Agreement, and/or if the amount of the Escrow Funds deposited by Owner should be increased. If the amount of the Escrow Funds is to be increased, the Parties will amend this Escrow Agreement and Owner shall deposit the additional funds into the Escrow Account.

5.4 Upon written approval of both Owner and City, Escrowee may release Escrow Funds to City prior to satisfaction of the Conditions Precedent in paragraph 5.1 to pay for pre-construction costs for the 6th Street Roadway Project.

6. **Escrowee.** Escrowee agrees to hold the Escrow Funds in accordance with the terms hereof and shall not release any portion thereof except as provided herein, and the following provisions shall control with respect to the right, duties and liabilities of Escrowee:

6.1 Escrowee acts hereunder as a depository only and is not responsible or liable in any manner whatsoever for the (i) sufficiency, correctness, genuineness or validity of any written instrument, notice or evidence of a party's receipt of any instruction or notice which is received by the Escrowee, or (ii) identity or authority of any person executing such instruction notice or evidence.

6.2 Escrowee shall have no responsibility hereunder except for the performance by it in good faith of the acts to be performed by it hereunder, and Escrowee shall have no liability except for its own willful misconduct or negligence.

6.3 Escrowee shall be reimbursed on an equal basis by the City and Owner for any reasonable expenses incurred by Escrowee arising from a dispute with respect to the Escrow Funds, including, the cost of any legal expenses and court costs incurred by Escrowee, should Escrowee deem it necessary to retain an attorney with respect to the disposition of any Escrow Funds.

6.4 By its execution and delivery of this Escrow Agreement, the Escrowee acknowledges receipt from the Owner of the Escrow Funds. Except for Escrowee's cost set out in paragraph 6.3, Owner shall be solely responsible to pay Escrowee's expenses to hold and administer the Escrow Funds.

7. **Notices.** All notices, requests, demands or other communications to the respective parties hereto shall be deemed to have been duly given or made if addressed as follows:

If intended for Owner:

c/o The Inland Real Estate Group
2901 Butterfield Road
Oak Brook, Illinois 60523
Attention: Dean Stermer
Facsimile: (630) 954-5655
dean.stermer@inland-investments.com

With a copy to: c/o The Inland Real Estate Group
2901 Butterfield Road
Oak Brook, Illinois 60523
Attention: Michael Podboy
Facsimile: (630) 954-5655
Podboy@inlandgroup.com

With a copy to: c/o The Inland Real Estate Group
2901 Butterfield Road
Oak Brook, Illinois 60523
Attention: Lori Foust
Facsimile: (630) 954-5655
foust@inland-investments.com

With a copy to: c/o The Inland Real Estate Group
2901 Butterfield Road
Oak Brook, Illinois 60523
Attention: Scott W. Wilton
Facsimile: (630) 954-5655
swilton@inlandgroup.com

With a copy to: DLA Piper LLP (US)
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601
Attention: James L. Beard
Facsimile: (312) 630-7379
james.beard@dlapiper.com

With a copy to: DLA Piper LLP (US)
2000 University Avenue
East Palo Alto, California 94303
Attention: Angela L. Castro
Facsimile: (650) 687-1110
angela.castro@dlapiper.com

If intended for City: City of Sacramento
Office of the City Manager
City Hall
915 I Street, 5th Floor
Sacramento, CA 95814-2604
Attention: John Dangberg
Facsimile: (916) 808-7618
jdangberg@cityofsacramento.org

with a copy to:

City of Sacramento
Office of the City Attorney
City Hall
915 I Street, 4th Floor
Sacramento, CA 95814-2604
Attention: Sheryl N. Patterson
Facsimile: (916) 808-7455
spatterson@cityofsacramento.org

If intended for Escrowee:

Stewart Title of California, Inc.
525 N. Brand Bl.
Glendale, CA 91203
Attention: Larry McGuire
Facsimile: (818) 241-9173
lmcguire@stewart.com

or to such other address or such other person as either party may from time to time hereafter specify to the other in writing delivered in the manner provided herein. Any notice, request, demand or other communication to be given or made hereunder shall (except to the extent otherwise required by law) be given or made by registered or certified U.S. mail, return receipt requested with postage prepaid, or by personal service (including service by a reputable overnight courier service, such as Federal Express, UPS or other comparable courier). Unless otherwise expressly stipulated in this Agreement, notices shall be deemed to have been given or made upon delivery, or if delivery is refused, upon such refusal.

8. **Interpleader.** The parties hereto expressly agree that Escrowee, as escrow holder, has the absolute right at its election to file an action in interpleader requiring the parties to answer and litigate their several claims and rights among themselves and Escrowee is authorized to deposit with the clerk of the court all documents and funds held in this escrow, in the event such action is filed. The parties jointly and severally agree to pay Escrowee's cancellation charges and costs, expenses and reasonable attorneys' fees, which it is required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, Escrowee will thereupon be fully released and discharged from all obligations to further perform any duties or obligations imposed by the terms of this Escrow Agreement.

9. **Governing Law.** This Escrow Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

10. **Counterparts.** This Escrow Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

11. **Modification.** This Escrow Agreement may be modified only by written instrument signed by each of the parties hereto.

12. **Attorneys' Fees.** In the event of a dispute relating to the interpretation or enforcement of this Escrow Agreement, the non-prevailing party in such proceeding shall pay all fees, costs, and expenses (including court costs and reasonable attorneys' fees) of the prevailing party.

13. **Agreements.** This Escrow Agreement is not intended to supersede or modify the Construction Contract or any other agreement between City and Owner, but solely to implement same.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first above written.

Owner: IA Sacramento Development, L.L.C., a Delaware limited liability company

By: IA Sacramento Development VP, L.L.C.,
a Delaware limited liability company, its sole member

By: Inland American Real Estate Trust, Inc.,
a Maryland corporation, its sole member

By: _____
Its: _____

City: City of Sacramento, a municipal corporation

By: _____
Name: John Dangberg
Title: Assistant City Manager

ESCROWEE: Stewart Title of California, Inc.

By: _____
Name: Larry McGuire
Title: Senior Title Officer

EXHIBIT A
DISBURSEMENT REQUEST FORM

Date: _____
Instruction No.: _____

INSTRUCTIONS FOR DISBURSEMENT OF ESCROW FUNDS

In accordance with that certain ESCROW AGREEMENT (the "**Agreement**"), dated as of December __, 2010, by and among IA SACRAMENTO DEVELOPMENT, L.L.C., a Delaware limited liability company (the "**Owner**"), the City of Sacramento, a municipal corporation (the "**City**"), and STEWART TITLE OF CALIFORNIA (the "**Escrowee**"), the undersigned hereby instructs Escrowee as follows ("**Instruction**"):

(1) Attached is the Payment Documentation as required pursuant to Paragraph 4(a) of the Agreement.

(2) Attached is the Compliance Certificate as required pursuant to Paragraph 4(a) of the Agreement.

(3) Attached are the Lien Waivers as required pursuant to Paragraph 4(a) of the Agreement, for the final Disbursement Request.

(4) Pay the attached invoice or invoices set forth in the Payment Documentation in accordance with the terms therein no later than ten (10) business days after receipt, unless the Owner gives written notice of a dispute.

(5) In the event that Owner gives notice of a dispute, then pay the amount not in dispute and reserve the remainder in accordance with the provisions of Paragraph 4(a) of the Escrow Agreement.

REQUESTING PARTY:

City of Sacramento, a municipal corporation

By: _____
Name: Jerry Way
Title: Transportation Director