



REPORT TO THE REDEVELOPMENT AGENCY AND TO CITY COUNCIL City of Sacramento

Consent
March 8, 2011

Honorable Mayor and Members of the City Council
Honorable Chair and Members of the Board

Title: Agreement: Powerhouse Science Center Design Funding

Location/Council District: 400 Jibboom Street/District 1

Recommendation: 1) For City Council: Adopt a **Resolution** a) approving the Powerhouse Science Center Design Individual Project Agreement with the Redevelopment Agency of the City of Sacramento for the transfer of \$881,605 in River District Redevelopment Tax Increment funds into the Richards Boulevard Capitol Improvement Project (B18216500); and b) approving an increase in the revenue and expenditure budget by \$881,605 in the Richards Boulevard Capitol Improvement Project (B18216500) for preconstruction design development activities associated with the Powerhouse Science Center.

2) For the Redevelopment Agency: Adopt a **Redevelopment Agency Resolution** approving the transfer of River District Redevelopment Tax Increment Funds in the amount of \$881,605 to the Richards Boulevard Capitol Improvement Project (B18216500).

Contact: Jennifer Witz, Project Coordinator, 916-808-2796, Economic Development Department; Rachel Hazlewood, Senior Project Manager, 916-808-8645

Presenters: N/A

Department: Economic Development

Division: River District

Organization No: 18001031

Description/Analysis

Issue: This item approves \$881,605 in River District Tax Increment funding to be used to complete the design of the Powerhouse Science Center (PHSC), a necessary step prior to the development of construction drawings for the project. The City has been working with the PHSC, formerly known as the Sacramento Museum of History, Science and Technology, to rehabilitate the former PG&E Power Station as a premier science center devoted to science, space and

technology since 2007 when City Council approved an Exclusive Right to Negotiate with the nonprofit center. Since that time, the PHSC has completed its required environmental review for both CEQA and NEPA, received approval for a Parks Master Plan Amendment, been approved as a National Historic Landmark, successfully petitioned to PG&E to remove two idle towers from the site, begun to implement its required environmental mitigation plan, and submitted an application to the City for planning entitlements. Once the project design contemplated in this report is completed, the PHSC will be able to commence development of construction drawings.

Policy Considerations: The proposed Project is consistent with the River District Specific Plan, the River District Redevelopment Plan and Implementation Plan to eliminate blight and deterioration and stimulate economic growth, the Sacramento Riverfront Master Plan, and the City's 2030 General Plan.

Environmental Considerations:

California Environmental Quality Act (CEQA): On June 1, 2010, City Council adopted the Mitigated Negative Declaration and Mitigation Monitoring Plan for the Robert T. Matsui Waterfront Park Master Plan Amendment, which included the development of the Powerhouse Science Center Project (Resolution 2010-296). The actions recommended herein do not constitute a new project or substantive changes or modifications to the previously approved Powerhouse Science Center Project. The MND was reviewed and the environmental effects were considered pursuant to CEQA Guidelines Section 15096(f). Because there is neither any new information of substantial importance nor any substantial changes with respect to the circumstances under which the project will be undertaken that would require the preparation of supplemental environmental documentation, the recommended actions do not require further environmental review pursuant to CEQA Guidelines Section 15162 or 15163.

Sustainability Considerations: PHSC proposes to design the Project to achieve Silver or higher rating from the U.S. Green Building Council, Leadership in Energy and Environmental Design (LEED) Rating System. The Project will demonstrate leadership in sustainable design and alternative and experimental energy in its exhibits, and in practical applications and building operations. The Project is consistent with Sustainability Master Plan goals to reduce the use of fossil fuels, improve energy efficiency, and help meet air quality standards.

Other: An Environmental Assessment has been prepared for the Powerhouse Science Center Project in accordance with the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.40. Based on steps set forth in paragraphs (a) through (f) or 24 CFR 58.40, a Finding of No Significant Impact (FONSI) was made, which was published, circulated, and re-evaluated, in accordance with 24 CFR 58 Subpart E. A Notice of Intent to Request Release of Funds was published along with the FONSI and was submitted to the U.S. Department of Housing and Urban Development (HUD) for approval. Approval to Release Grant Funds was executed in August 23, 2010 by HUD. On November 9, 2010, City Council received and filed the Environmental Assessment and approved the

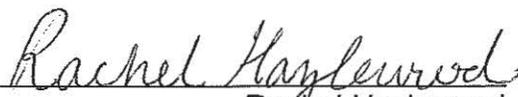
Cultural Resources Treatment and Monitoring Agreement with the Shingle Springs Band of Miwok Indians (Resolution 2010-634)

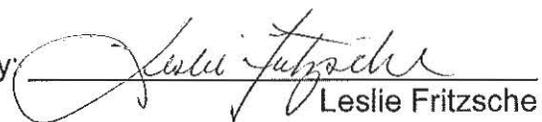
Commission/Committee Action: N/A

Rationale for Recommendation: The Project is a catalyst project in the River District Redevelopment Area and will assist in its revitalization, as well as bring visitors to the City of Sacramento as a regional destination. The former PG&E Power Station Site is currently shuttered and in deteriorating condition since it was last used for a heavy industrial operation in the early 1960s. Providing \$881,605 in River District Redevelopment Tax Increment funds for PHSC preconstruction design development activities supports the River District Redevelopment Area Implementation Plan goal to eliminate blight and deterioration in the River District by rehabilitating the former PG&E Power Station structure into the future PHSC and creating a regional destination that will provide an environment that supports economic growth.

Financial Considerations: Staff recommends establishing an Individual Project Agreement ("IPA") between the Agency and City to transfer \$881,605 from the River District Redevelopment Tax Increment funds to the Richards Boulevard Capitol Improvement Project (B18216500). These funds will be used for the Powerhouse Science Center preconstruction activities associated with the Powerhouse Science Center project.

Emerging Small Business Development (ESBD): None at this time.

Respectfully Submitted by: 
Rachel Hazlewood
Senior Project Manager

Approved by: 
Leslie Fritzsche
Redevelopment Division Manager

Recommendation Approved:

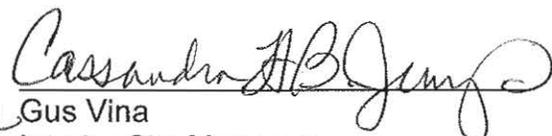

for Gus Vina
Interim City Manager

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**Attachment 1****Background**

The former PG&E Power Station site (Site) is located on Jibboom Street, approximately one-quarter mile north of the Old Sacramento Historic District. The Site, which is immediately adjacent to the City's water intake structure on the Sacramento River, includes the historic Pacific, Gas & Electric (PG&E) building and the designated parking areas to the north and east of the building. The Site consists of four acres and is located immediately north of the newly completed six and one-half acre Robert T. Matsui Waterfront Park. In 2002, the City took title to the Jibboom Street PG&E Power Station (Power Station) from the State of California. Other than a brief time in the early 1960's when the site was used as a metal salvage yard, the building has been shuttered since the PG&E Power Station ceased operation in 1954.

The Powerhouse Science Center is working to develop the "Powerhouse Science Center Project" on the Site, which will include a science, space and technology museum in the rehabilitated Power Station building, with a restaurant, educational center, and planetarium in a new building, and create an inviting open space park area with amphitheater.

The Powerhouse Science Center is a nonprofit corporation that was created in 1994 when the Sacramento Science and Space Center, founded in 1951, and the Sacramento History Museum, founded in 1984, were consolidated. The Science and Space Center has operated in a small City-owned facility on Auburn Avenue for over 50 years. The facility only offers 11,000 square feet of space, yet it successfully operates Sacramento's only public planetarium and one of the nation's most successful Challenger Learning Centers. Despite its inconvenient location and small size, the Science and Space Center served more than 95,000 people in the year 2008.

The new location will provide room for the Science Center to expand its exhibits, classroom and laboratory space. Due to the increase in size, expanded exhibits, additional programs and improved location, the new Powerhouse Science Center Project is projected to attract 250,000 annual visitors, a substantial portion of which would be K-12th grade students.

The unique location of the proposed Powerhouse Science Center Project will take advantage of the nearby new Water Intake Plant on the Sacramento River, which will provide learning opportunities for students, and the Jibboom Street Park, which will be enhanced with interpretive tours to further environmental study. Additionally, the proximity of the building to the Robert T. Matsui Waterfront Park, Railroad Museum, Old Sacramento, and the future Railroad Technology Museum in the Railyards will place the Powerhouse Science Center Project centrally amidst other tourist attractions.

The Powerhouse Science Center Project will include a planetarium and dome theater seating for 150, an outdoor amphitheater, an outdoor café, a gift shop, a bi-level parking structure, and an adjacent restaurant and education center. The café, gift

shop, and restaurant would all generate revenue that would support the Center's operation on an ongoing basis.

On June 12, 2007, City Council approved an Exclusive Right to Negotiate for the project. This was extended by Council on August 18, 2008 and July 28, 2009. The current ERN expires on July 27, 2011. During the ERN and its extension terms, the Powerhouse Science Center has completed the following actions:

- Refined site plans including revised design of museum and detailed concepts for the parking and public components of the Project;
- Refined estimated construction costs, including all applicable fees and contingencies;
- Submitted its application for planning entitlements on March 9, 2010.
- Received approval of amendment to the Robert T. Matsui Waterfront Park Master Plan and planned park improvement plans on June 1, 2010;
- Refined development and operating pro-formas;
- Completed environmental review:
 - On June 1, 2010, City Council adopted the Mitigated Negative Declaration and Mitigation Monitoring Plan for the Robert T. Matsui Waterfront Park Master Plan Amendment, which included an analysis of the impacts of the Powerhouse Science Center Project (Resolution 2010-296), and
 - On November 9, 2010, City Council received and filed the Environmental Assessment and approved the Cultural Resources Treatment and Monitoring Agreement with the Shingle Springs Band of Miwok Indians (Resolution 2010-634).
- Received approval on July 24, 2010 of the nomination for National Register of Historic Places for the former PG&E Power Station.
- Petitioned, successfully, to have PG&E remove two idle transmission towers from the site, which were removed in September 2010.

The Powerhouse Science Center Project has been more than four years in development. The project funding comes from foundation grants, government grants, private donations and historic tax credits.

The Powerhouse Science Center Project development plans will use historic preservation methods, green building technology, and the newest exhibit techniques to develop inquiry-based educational programs and a compelling visitor experience that will become a model for 21st-century informal science education. The Powerhouse site, once an industrial brownfield, will become a valued visitor and student attraction for Sacramento.



RESOLUTION NO. 2011-

Adopted by the
City of Sacramento

APPROVE THE POWERHOUSE SCIENCE CENTER DESIGN INDIVIDUAL PROJECT AGREEMENT (IPA) WITH THE REDEVELOPMENT AGENCY AND INCREASING THE REVENUE AND EXPENDITURE BUDGET IN THE RICHARDS BOULEVARD CAPITOL IMPROVEMENT PROJECT (B18216500) BY \$881,605 FOR PRECONSTRUCTION DESIGN ACTIVITIES ASSOCIATED WITH THE POWERHOUSE SCIENCE CENTER

BACKGROUND

- A. The City owns certain real property located in the City of Sacramento, being all or a portion of the properties west of Jibboom Street identified as parcels 001-0190-004, -006, -009, -011, -015, and -016 ("Property") located within the River District Redevelopment Project Area ("Project Area").
- B. The Property contains the historic landmark structure, the PG&E Power Station ("Power Station"), a former superfund site which has been shuttered and in deteriorating condition since it was last used for a heavy industrial operation in the early 1960s.
- C. Powerhouse Science Center ("PHSC"), formerly known as Sacramento Museum of History, Science and Technology, desires to rehabilitate the building and redevelop the Property into a science and space center with adjacent restaurant/education center and parking structure serving the site.
- D. The PHSC proposal meets the objectives of the Sacramento Riverfront Master Plan, the River District Specific Plan and the River District Redevelopment Plan.
- E. Providing River District Redevelopment Tax Increment funds for design activities will benefit the River District Redevelopment Area and at this time there is no other reasonable means of financing for these studies and activities.
- F. On June 1, 2010, City Council adopted the Mitigated Negative Declaration and Mitigation Monitoring Plan for the Robert T. Matsui Waterfront Park Master Plan Amendment, which included the development of the Powerhouse Science Center Project (Resolution 2010-296). The MND was reviewed and the environmental effects were considered pursuant to CEQA Guidelines Section 15096(f). Because there is neither any new information of substantial

importance nor any substantial changes with respect to the circumstances under which the project will be undertaken that would require the preparation of supplemental environmental documentation, the recommended actions do not require further environmental review pursuant to CEQA Guidelines Section 15162 or 15163.

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

- Section 1. After due consideration of the facts presented, the findings, including the foregoing recitals regarding this action, are approved and adopted.
- Section 2. The City Manager or his designee is authorized to enter into the Powerhouse Science Center Individual Project Agreement with the Redevelopment Agency of the City of Sacramento to accept \$881,806 for preconstruction design activities associated with the Powerhouse Science Center project.
- Section 3. The City Manager or his designee is authorized to increase the revenue and expenditure budget of the Richards Boulevard Capitol Improvement Project (B18216500) with \$881,806 of River District Redevelopment Tax Increment funds.



RESOLUTION NO. 2011-

Adopted by the Redevelopment Agency
of the City of Sacramento

**APPROVING THE POWERHOUSE SCIENCE CENTER DESIGN
INDIVIDUAL PROJECT AGREEMENT BY TRANSFERING \$881,605 FROM
RIVER DISTRICT REDEVELOPMENT TAX INCREMENT FUNDS TO THE
RICHARDS BOULEVARD CAPTIOL IMPROVEMENT PROJECT (B18216500)**

BACKGROUND

- A. The City owns certain real property located in the City of Sacramento, being all or a portion of the properties west of Jibboom Street identified as parcels 001-0190-004, -006, -009, -011, -015, and -016 ("Property") located within the River District Redevelopment Project Area ("Project Area").
- B. The Property contains the historic landmark structure, the PG&E Power Station ("Power Station"), a former superfund site which has been shuttered and in deteriorating condition since it was last used for a heavy industrial operation in the early 1960s.
- C. The Property had been identified by the Redevelopment Agency as important to the furtherance of the River District Redevelopment Plan ("Redevelopment Plan") and the elimination of blighting conditions in the Project Area. The Redevelopment Plan identifies the reuse of parcels that are stagnant or improperly utilized and the rehabilitation of the Project Area as a strategy to eliminate blight.
- D. The Powerhouse Science Center ("PHSC"), formerly known as Sacramento Museum of History, Science and Technology, desires to rehabilitate the building and redevelop the Property into a science and space center with adjacent restaurant/education center and parking structure serving the site.
- E. Agency finds that PHSC's proposal meets the objectives of the Sacramento Riverfront Master Plan, the River District Specific Plan and the River District Redevelopment Implementation Plan.
- F. Providing River District Redevelopment Tax Increment funds for design development activities will benefit the River District Redevelopment Area and at this time there is no other reasonable means of financing for these studies and activities.

G. On June 1, 2010, City Council adopted the Mitigated Negative Declaration and Mitigation Monitoring Plan for the Robert T. Matsui Waterfront Park Master Plan Amendment, which included the development of the Powerhouse Science Center Project (Resolution 2010-296). The MND was reviewed and the environmental effects were considered pursuant to CEQA Guidelines Section 15096(f). Because there is neither any new information of substantial importance nor any substantial changes with respect to the circumstances under which the project will be undertaken that would require the preparation of supplemental environmental documentation, the recommended actions do not require further environmental review pursuant to CEQA Guidelines Section 15162 or 15163.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

- Section 1. After due consideration of the facts presented, the findings, including the foregoing recitals regarding this action, are approved and adopted.
- Section 2. The Executive Director or her designee is authorized to enter into the Powerhouse Science Center Design Individual Project Agreement between the City and Agency.
- Section 3. The Executive Director or her designee is authorized to amend the agency budget and allocate \$881,605 in River District Redevelopment Tax Increment funds to the Richards Boulevard Capitol Improvement Project (B18216500) for preconstruction design development activities associated with the Powerhouse Science Center.