

**Meeting Date:** 2/25/2014

**Report Type:** Staff/Discussion

**Report ID:** 2014-00108

**Title:** Status Report on Implementation of American and Sacramento River Parkway Plans

**Location:** Citywide

**Recommendation:** Receive and file.

**Contact:** Mary de Beauvieres, Principal Planner, (916) 808-8722, Park Planning and Development Services, Department of Parks and Recreation

**Presenter:** Mary de Beauvieres, Principal Planner, (916) 808-8722, Park Planning and Development Services, Department of Parks and Recreation

**Department:** Parks & Recreation Department

**Division:** Park Development Services

**Dept ID:** 19001121

**Attachments:**

1-Description/Analysis

2-Background

3-Map of American and Sacramento River Parkways

4-SLC Letter

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**City Attorney Review**

Approved as to Form

Sheryl Patterson

2/14/2014 8:39:17 AM

**Approvals/Acknowledgements**

Department Director or Designee: Jim Combs - 2/5/2014 12:48:06 PM

## Description/Analysis

**Issue Detail:** City Council's unanimous adoption of Resolution 2012-390 on November 13, 2012 approved the *American and Sacramento River Parkway Plans 2012 Implementation Program*, created a new Capital Improvement Program (CIP) for River Parkway Plans Implementation, and transferred \$100,000 to the CIP to cover preliminary real estate title research on riverfront parcels to assist in determining a project budget. Resolution 2012-390 also gave City staff authority to negotiate with public agencies and private parties to acquire the public access trail easements needed to implement the plans. This report is intended to provide the City Council with an update on the project to date; including, real estate research findings, funding opportunities, a preliminary project budget and an outline of next steps. This report provides an update to the City Council on activities occurring since adoption of the Implementation Program.

### American River Parkway (Two Rivers Trail)

Two capital grants received during 2013 will extend the Two Rivers Trail from the Sacramento Northern Trail crossing of the American River near 20<sup>th</sup> Street / C Street to the H Street Bridge near the California State University, Sacramento campus. The first grant, a Proposition 84 California River Parkways Grant Program grant to the Department of Parks and Recreation for \$1,479,502, will fund the design and construction of 0.75 mile trail segment in Sutter's Landing Park; along with restoration of approximately 3 acres of native understory vegetation and interpretive signage installation. The second, a \$1,726,900 grant from the Sacramento Area Council of Governments (SACOG) to the Department of Public Works will fund the design and construction of the remainder of the trail. In 2010, a \$500,000 SACOG grant funded the design and environmental analysis of the same trail segment. Once all grant funded improvements are completed, only the Two Rivers Trail segment extending from 10<sup>th</sup> Street in the River District to the Sacramento Northern Trail crossing will remain to be built.

### Sacramento River Parkway

Staff efforts to implement the Sacramento River Parkway focused on real estate research for the Little Pocket and Greenhaven/Middle Pocket Areas of the City. Staff determined that trail easements would be required from 110 private properties; of the 110 private properties, 38 are in the Little Pocket Area and 72 are in the Greenhaven/Middle Pocket Area.

Next, a qualified Appraiser prepared *A Restricted Use Appraisal Report* to establish a methodology for valuation of the easements. The study considered that the needed trail easements would be over fully encumbered flood control levee easements and

that a diminution in the value of the remaining property would be affected by the characteristics of the property (for example, size of the parcel, improvements, whether the lot extended into the Sacramento River, was a 'riverfront' property or ended at the landside toe of the levee, a 'levee front' property). These factors impacted the diminution of value based on a percentage of the property value.

Next steps include identifying a list of willing sellers. Once compiled, staff will seek grant funding to acquire trail easements. Grant funding sources typically require willing sellers.

**Policy Considerations:** The activities discussed in this report were identified in the 2012 Implementation Program. The Implementation Program was determined to be consistent with and plans and policies previously approved or accepted by the City Council, including:

- 1997 Sacramento River Parkway Plan
- 2008 American River Parkway Plan
- 2011 Sacramento City/County Bikeway Master Plan
- 2011 Regional Bicycle, Pedestrian and Trails Master Plan
- 2005-2010 Parks & Recreation Master Plan
- 2030 General Plan

**Economic Impacts:** Completion of a continuous off-street multi-use trail along both rivers will contribute significant direct and indirect economic benefits to the City and the region. The American River Parkway with its existing trails and nature opportunities already makes such a contribution. In 2006, the estimated annual direct spending for all Parkway related goods and services in the greater Sacramento area was approximately \$376 million, which includes annual Parkway visitor spending for recreational related activities. Construction of the remaining trail segments will also generate construction related jobs.

### **Environmental Considerations:**

**California Environmental Quality Act (CEQA):** Program level CEQA review has been completed with approval by the City of all the previous Plans referred to in the Implementation Plan. Project level CEQA review will be completed as trail construction projects are proposed.

**Commission/Committee Action:** On February 6, 2014, the Parks and Recreation Commission considered a status report for progress on the Implementation Program. The Commission voted unanimously to urge City Council to support the Program and to secure the funding necessary to implement the Parkway Plans.

**Rationale for Recommendation:** This is a status report and requires no action.

**Financial Considerations:** The *Restricted Use Appraisal Report* established a methodology to determine easement values for the affected 110 private properties, and also assigned an estimated value to each property (for budgeting purposes only). Individual property appraisals would be required prior to the City acquiring trail rights. The cost shown below includes the easement values and diminution of value:

1. Little Pocket Area: 38 properties affected  
Easement / diminution of value total costs: \$2,944,000
2. Greenhaven/Middle Pocket Area: 72 properties affected  
Easement / diminution of value total costs: \$4,006,000

Total Easement / Diminution of Value Costs: \$6,950,000

These costs assume willing sellers, and do not include the preparation of individual appraisals, staff costs, real estate closing costs, or environmental studies or assessments.

Construction costs for the missing segments in the Little Pocket and Greenhaven/Middle Pocket Areas are estimated at \$7,500,000.

**Local Business Enterprise (LBE):** Not Applicable.

## Background

### **American River Parkway** (*Two Rivers Trail*)

The American River Parkway is an existing open space corridor that extends upstream from the confluence of the American and Sacramento Rivers to the Folsom Dam. The Parkway is developed with the Jedediah Smith Memorial Trail which extends the full length of the Parkway, a distance of 29 miles. In the City of Sacramento, the Jedediah Smith Trail is located on north side of the American River.

On the south side of the American River, the City's Two Rivers Trail extends from Tiscornia Park at the confluence of the American and Sacramento Rivers to 10<sup>th</sup> Street in the River District. Planned segments will eventually link the 10<sup>th</sup> Street trail terminus to an existing trail at the H Street Bridge near California State University, Sacramento.

The City has three grant-funded capital projects underway to design and construct segments of the Two Rivers Trail, as follows:

- a. In 2010, the City Department of Public Works (DPW) received \$500,000 in Federal Transportation funds, administered through the Sacramento Area Council of Governments (SACOG), to fund the design and environmental analysis of a levee top multi-use trail that would extend from the Sacramento Northern Trail crossing of the American River (near 20<sup>th</sup> Street / C Street) to the Sutter's Landing Park and from the Union Pacific Undercrossing to the H Street Bridge (near California State University, Sacramento). Currently, the project is in the preliminary stages of the design and environmental analysis.
- b. In December 2013 the City DPW received a \$1,726,900 SACOG grant to fund right-of-way acquisition and construction of the same segment.
- c. In June 2013, the City Department of Parks and Recreation received a \$1,479,502 Proposition 84 – California River Parkways Grant Program grant to design and construct a 0.75 mile multi-use trail segment in Sutter's Landing Regional Park. The levee top trail would begin at the end of 28<sup>th</sup> Street in the park and follow the south side of the American River upstream to the Union Pacific Railroad bridge crossing of the American River (near the Interstate 80 crossing of the American River). The project is currently in the preliminary design stage; construction is anticipated to be complete by August 2015. The project also includes the restoration of approximately three acres of native understory vegetation on the banks of the American River, along with interpretive signage.

## **Sacramento River Parkway**

The Sacramento River Parkway extends from Interstate 80 in South Natomas to the southern tip of the City on the east side of the Sacramento River. Segments of a continuous paved off-street trail exist, but there are six gaps in various locations. This report focuses on active segments; including the segments extending south from The Westin Sacramento to the southern tip of the City, as discussed in further detail below. Staff first identified existing public recreation or trail rights on the Sacramento River levee in the Little Pocket and Greenhaven/Middle Pocket Areas by reviewing preliminary title reports for all riverfront properties.

- a. Little Pocket Area (The Westin Sacramento to 35<sup>th</sup> Street Access): Of the 47 properties researched in the Little Pocket Area, seven were determined to be publicly owned and two (private parcels) were found to have public access and use rights. Therefore, land rights to allow trail construction and public use would be needed from 38 private property owners in the Little Pocket Area.
- b. Greenhaven/Middle Pocket Area (35<sup>th</sup> Street Access to Freeport Boulevard): In the Greenhaven/Middle Pocket Area, 120 properties were researched. Of the 120 properties, 11 private properties were found to have public access or trail rights and 35 are publicly owned. Public access would be needed from 72 privately owned property owners.

City staff next hired a qualified Appraiser to determine the value of a trail easement over the various affected private properties. A *Restricted Use Appraisal Report* was prepared for project planning and budgeting purposes only. Individual (or group) property appraisals would be necessary prior to the City acquiring trail rights.

For valuation purposes, the study considered the following factors: 1) that the needed trail easements in the Little Pocket and Greenhaven/Middle Pocket Areas would be over fully encumbered flood control levee easements; 2) a diminution in the value of the remaining property would be affected by the characteristics of the property (for example, size of the parcel, improvements, whether the lot extended into the Sacramento River making it a 'riverfront property,' or ended at the landside toe of the levee making it a 'levee front property'). These factors impacted the diminution of value based on a percentage of the property value. However, while existing property lines may extend into the river, under state law the State Lands Commission owns the submerged land as set out in their letter which is attached to the staff report. Therefore, the diminution value for some of the 'riverfront properties' may be less than what the Appraiser estimated.

The Appraiser's findings were based on recent market data, as of July 31, 2013. Because the characteristics of residential development in the Little Pocket Area differ from the characteristics of the Greenhaven/Middle Pocket Area, the areas were separated for the purposes of valuation. The costs shown below include the easement values and diminution of value.

- Little Pocket Area: 38 properties affected  
Easement / diminution of value total costs: \$2,944,000
- Greenhaven/Middle Pocket Area: 72 properties affected  
Easement / diminution of value total costs: \$4,006,000

Total Easement/Diminution of Value Costs: \$6,950,000

These costs assume willing sellers, and do not include the preparation of individual appraisals, staff costs, real estate closing costs, or environmental studies or assessments.

- c. Connection to Freeport Boulevard: The Freeport Shores Bike and Pedestrian Trail project is 80% complete. Starting at the Bill Conlin Youth Sports Complex the paved path follows along the east side of Freeport Boulevard to a point just south of the I-5 overcrossing. The trail crosses Freeport Boulevard at this point with the use of a new traffic signal. Continuing on towards the Sacramento River, the path climbs up an embankment and crosses the Sacramento Southern Railroad. At this point the path is combined with a utility access road which takes travelers southward along a drainage canal. The project currently ends here. Construction of the remaining segment of the path to the terminus of the Sacramento River levee path will start when Central Valley Flood Protection Board issues an encroachment permit to the City. It is anticipated that the permit will be issued in February/March 2014.

### **Construction Costs**

Construction costs, including design and environmental analysis, preparation of construction documents, contracting and construction of a twelve-foot wide asphalt surfaced trail with two two-foot shoulders of decomposed granite, will cost approximately \$275 per lineal foot, or \$1.4 million per mile. For the missing segments in the Little Pocket and Greenhaven/Middle Pocket Areas, the construction cost is estimated at \$1.5 million and \$6 million, respectively; for a total of \$7.5 million in design and construction costs. This brings the total cost of easement acquisition and construction to \$4,444,000 for the Little Pocket Area and \$10,006,000 for the Greenhaven/Middle Pocket Area; or a total of \$14,450,000 for the two areas.

## **Funding Options**

Staff researched and identified several sources for the acquisition of trail right-of-way. The most promising are the Kapiloff Land Bank Fund, administered by the California State Lands Commission (SLC) and the Environmental Enhancement and Mitigation (EEM) Program, administered by Caltrans. The State Lands Commission's Kapiloff Land Bank Fund was established in 1982. The fund is used to purchase outstanding interests in tidal and submerged lands, lands which have been or may be converted to wetlands, or adjoining or nearby lands where the public use and ownership of the land is necessary or extremely beneficial for furtherance of public trust purposes. The SLC holds and administers the acquired lands as sovereign public trust lands. Acquisition must be from a willing seller. Locally, the Cosumnes River wetlands (County) and Chicory Bend Park have benefited from this program.

The EEM program is a competitive grant program with a maximum award of \$350,000 per grant. This program could be used to acquire easements, but would also be limited to willing sellers.

Other grant programs, administered by the California Department of Parks and Recreation include the Land and Water Conservation Fund and the Habitat Conservation Fund. The Land and Water Conservation Fund is a federally funded program that is administered by the State. It receives a federal allocation which may vary from year to year. Grantors typically require that grant funds be used to acquire properties from willing sellers.

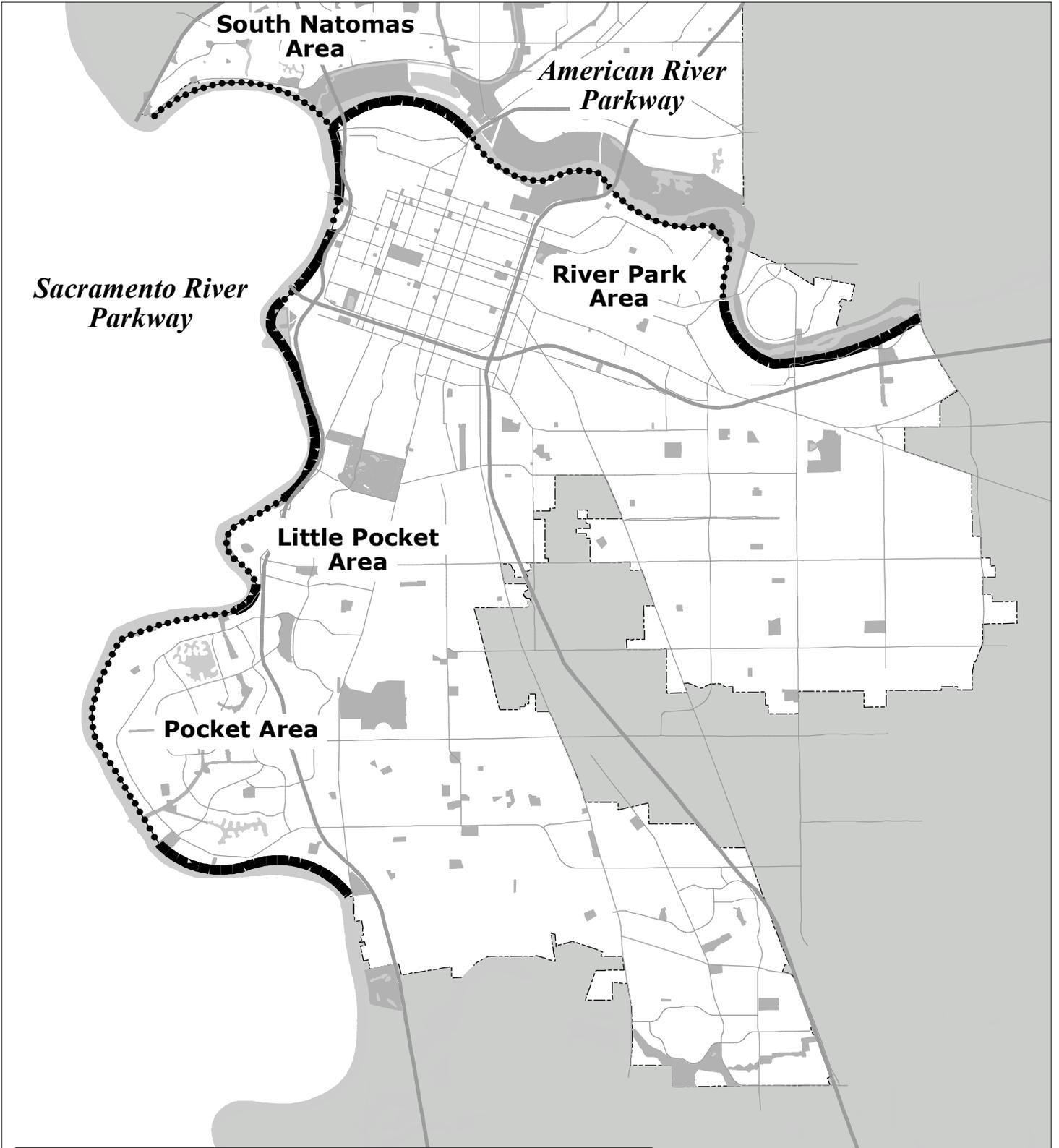
Of the \$100,000 originally budgeted for real estate research, \$44,000 was spent. The savings of \$56,000 was primarily due to economies of scale during the property title research phase of the project. Therefore, \$56,000 remains in the CIP for future parkway activities.

## **Next Steps**

City staff will contact the property owners to inform them of the City's Parkway Plan and to identify a list of willing sellers in the Little Pocket and Greenhaven/Middle Pocket Areas. Since City funds to acquire easements are limited, staff will try to maximize available City funds by augmenting them with grant funding in order to purchase easements from willing sellers. Staff will also meet with staff from the State Lands Commission to further discussions about the Kapiloff Land Bank Fund.

Staff will also continue coordination with the Central Valley Flood Control Board and the Sacramento Area Flood Control Agency (SAFCA), which oversee removal of unpermitted levee encroachments which impact flood control access and levee integrity. Some of the existing encroachments

would impede construction of the trail and would need to be removed and perhaps relocated as part of the trail project.



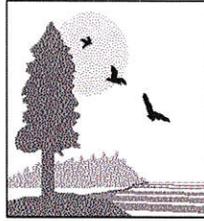
**Legend**

 City Limits	<b>Trail Type</b>
 Park	 EXISTING OFF-STREET MULTI-USE TRAIL
 Sacramento County	 PLANNED OFF-STREET MULTI-USE TRAIL

  
 0 1 2 Miles

**CALIFORNIA STATE LANDS COMMISSION**

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February 13, 2014

File Ref: W30065

City of Sacramento  
The Honorable Mayor and Sacramento City Council  
915 I Street, New City Hall  
Sacramento, CA 95814

Honorable Mayor and Councilmembers:

The California State Lands Commission (CSLC or Commission) staff was recently contacted regarding an agenda item which went before the City of Sacramento Parks and Recreation Commission on February 6, 2014. This was Agenda Item 5 regarding an update on the American and Sacramento River Parkway Plans 2012 Implementation Program. We understand this item is scheduled to come before the City Council at its meeting on February 25<sup>th</sup>.

The California State Lands Commission (CSLC) has jurisdiction and management authority over the beds of the Sacramento and American Rivers, adjacent to the river Parkways (Public Resources Code Section 6301). These waterways and the underlying lands are subject to the protections of the Common Law Public Trust. The State holds these lands for the benefit of all people of the State for statewide Public Trust purposes. Since 1879 the California Constitution has promoted public access to the state's waterways and directed the Legislature to enact laws in pursuit of that goal (Article X, section 4).

The Commission has been an ardent supporter of the plans to protect resources and enhance public access along both rivers for more than 20 years. The Commission initiated efforts in 1990 to develop the Sacramento River Greenway Plan and worked together with the City of Sacramento, City of West Sacramento, Sacramento County and Yolo County in preparing the plan.<sup>1</sup> In 1997 the State Lands Commission participated with the City in acquiring approximately 12 acres of land along the Sacramento River at Chicory Bend. The Commission currently leases this land to the City.

On tidal waterways, the State's sovereign fee ownership extends landward to the ordinary high water mark; this is generally located at the mean high tide line, except for

<sup>1</sup> [http://archives.slc.ca.gov/Meeting\\_Summaries/1991\\_Documents/01-03-91/Items/010391R03.pdf](http://archives.slc.ca.gov/Meeting_Summaries/1991_Documents/01-03-91/Items/010391R03.pdf).

areas of fill or artificial accretion or where the boundary has been fixed by agreement or a court. Such boundaries may not be readily apparent from present day site inspections. Generally speaking, the Sacramento River at this location is considered navigable and tidal, and therefore the State's ownership extends landward to the ordinary high water mark. Staff understands that this may cause some confusion where, in some circumstances, the individual upland owners' deed may describe a different waterward boundary or the county assessor depicts the parcel differently.

The CSLC staff continues to support the completion of a continuous off-street multi-use trail adjacent to or on top of levees for the purpose of providing viable access to the public. The levees in this area already provide a public safety benefit, and to leverage that benefit to include public access would be a great additional use of levees already publicly funded. This levee access, while it may not in all instances create direct access to the water's edge, will clearly enhance the public's enjoyment of the State's Public Trust Lands under the jurisdiction of the CSLC.

I would be happy to provide additional information if needed. If you have any questions, please contact me at (916) 574-1850 or [Eric.Milstein@slc.ca.gov](mailto:Eric.Milstein@slc.ca.gov).

Sincerely,



Eric Milstein  
Senior Staff Counsel