

Meeting Date: 6/23/2015

Report Type: Consent

Report ID: 2015-00576

Title: Entertainment and Sports Center (P13-065) - Agreement for the Construction of Off-Site Improvements

Location: District 4

Recommendation: Pass a Motion authorizing the City Manager or his designee to execute the Agreement for Funding of Improvements to Traffic Signals for the Sacramento Entertainment and Sports Center with Sacramento Downtown Arena LLC for City Public Works to construct transportation-related off-site improvements as required by the environmental impact report (EIR) for the Entertainment and Sports Center Project.

Contact: Desmond Parrington, ESC Project Manager, (916) 808-5044, Office of the City Manager; Hector Barron, Traffic Engineering Manager, (916) 808-2669, Department of Public Works

Presenter: None

Department: City Manager

Division: Executive Office

Dept ID: 02001011

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Agreement

City Attorney Review

Approved as to Form
Gerald Hicks
6/12/2015 9:25:48 AM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 6/3/2015 11:24:59 AM

Description/Analysis

Issue Detail: Staff is seeking Council approval of the Agreement for Funding of Improvements to Traffic Signals for the Sacramento Entertainment and Sports Center. Under the terms of the agreement, Sacramento Downtown Arena LLC (ArenaCo) will pay the City's Public Works Department to install certain transportation-related off-site improvements in and around the Entertainment and Sports Center (ESC) site that are required under the terms of the EIR and Mitigation Monitoring Program (MMP) for the ESC. The off-site improvement work includes installation of new traffic signals and related equipment, crosswalk widening, and additional improvements.

Public Works has performed off-site improvement work for other private projects in the past including work on North 7th Street for the Township 9 development. Since Public Works is already performing similar work in other parts of the Central City, the Kings requested the City perform the transportation-related off-site improvement work required for their project. ArenaCo will pay for the cost associated with all of the required off-site improvement work. The list of specific improvements is included in Exhibit A in the attached agreement.

Policy Considerations: These off-site improvements are set forth in the EIR and MMP for the ESC project which was approved by Council on May 20, 2015. These improvements need to be completed prior to issuance of a certificate of occupancy for the new arena. Furthermore, the action requested is consistent with Title 3 of the Sacramento City Code and existing policy regarding approval of agreements.

Economic Impact: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed agreement is part of the Entertainment and Sports Center (P13-065) project, for which the City Council has certified an environmental impact report and adopted a mitigation-monitoring program and findings of fact and a statement of overriding conditions. Copies of the final EIR and the draft EIR are available at the ESC website: www.cityofsacramento.org/arena as well as on the Community Development Department's webpage at: <http://portal.cityofsacramento.org/Community-Development/Planning/Environmental/Impact-Reports>.

Sustainability Considerations: This project is consistent with the City's Sustainability Master Plan goal to promote infill development.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: ArenaCo is required to complete certain off-site improvements prior to the City issuing a certificate of occupancy for the new arena. City Public Works staff is already engaged in similar improvements in other areas of the Central City and can efficiently perform the off-site improvement worked needed by ArenaCo.

Financial Considerations: As a private development project, revenue and expenses will be tracked in the Private Development Fund (Fund 2018). All costs incurred by the City under this agreement will be covered by ArenaCo. The total cost is estimated at \$342,400.

Local Business Enterprise (LBE): Not applicable.

Background

On May 20, 2014, City Council certified the Environmental Impact Report (EIR) for the ESC project. The EIR includes a Mitigation Monitoring Program (MMP) which identified specific mitigation measures designed to address traffic associated with the ESC. The Council also approved conditions of approval, specifically condition G4 that requires the ESC project to comply with the MMP. Section 4.10 of the MMP identifies specific mitigation measures designed to address the need for off-site traffic improvements on streets around and in the corridors serving the ESC. These include:

- Traffic signal work and new traffic signal controllers and cabinets
- New countdown pedestrian indications
- Widened crosswalks
- Traffic signal retiming, communication and closed circuit television (CCTV) monitoring
- Traffic signal coordination

Public Works has performed required off-site improvement work in the past on behalf of and at the sole cost to private parties. Examples include North 7th Street for the Township 9 project, bus stop relocation for 630 K Street, and improvements on Stockton Boulevard for the Sommerset Place project.

**AGREEMENT FOR FUNDING OF IMPROVEMENTS TO TRAFFIC SIGNALS
FOR THE SACRAMENTO ENTERTAINMENT AND SPORTS CENTER
(PN: 15529200)**

This Agreement, for purposes of identification dated _____ 2015, is made and entered into by and between the City of Sacramento, a charter city, ("CITY") and Sacramento Downtown Arena LLC ("ARENACO").

BACKGROUND

- A. ARENACO is constructing the Sacramento Entertainment and Sports Center (the "Project") generally between 5th and 7th Streets, and J and L Streets, in Sacramento; and
- B. The Project is subject to a condition or conditions of approval that require ARENACO to construct certain necessary improvements, including certain traffic signal and crosswalk improvements ("the Improvements") on streets adjacent to or near the Project; and
- C. This Agreement is intended to facilitate the construction of the Improvements by the CITY at ARENACO's expense, and does not, by virtue of its execution by ARENACO or CITY, constitute the satisfaction of any condition of approval attached to any Project; and
- D. CITY is willing to undertake the construction of the Improvements pursuant to the terms of this Agreement; and

NOW, THEREFORE, in consideration of the above recitals and for other valuable consideration CITY and ARENACO agree as follows:

AGREEMENT

1. The above background is true and correct and incorporated by this reference.
2. The Improvements to be constructed are set forth on Exhibit A.
3. ARENACO shall pay to the City the costs for construction of the Improvements. ARENACO shall pay a deposit of \$342,000.00, which is the current estimated cost of constructing the Improvements. CITY shall not commence construction of the Improvements until the deposit is paid. If the City's cost to construct the Improvements exceeds the amount of ARENACO's deposit, ARENACO shall pay City the amount of the cost differential within thirty (30) days after receipt of an invoice from the City. If the City's cost to construct the Improvements is less than the amount of ARENACO's deposit, City shall refund the cost differential to ARENACO.
4. ARENACO shall pay to the City the deposit by August 1, 2015.
5. If ARENACO pays the deposit as provided herein, subject to the terms of this Agreement, CITY shall design and construct the Improvements in accordance with current CITY standards.
6. Any notice or communication pertaining to or required hereunder shall be given by placing the notice in the United States mail, postage prepaid, and addressed in accordance with the provisions of this Section. Notice shall, unless the text of this Agreement otherwise provides, be deemed to have been given on the date **5 of 8**

that the notice was placed in the mail in accordance herewith. Notices shall be sent to the addresses set forth below.

For CITY:

City of Sacramento
Transportation Division
ATTN: Hector Barron
HBarron@cityofsacramento.org
915 I Street, 2nd Floor
Sacramento, CA 95814

For ARENACO:

Sacramento Downtown Arena LLC
ATTN: John Rinehart, Executive Vice President
rinehart@kings.com
Sleep Train Arena, One Sports Parkway
Sacramento, CA 95834

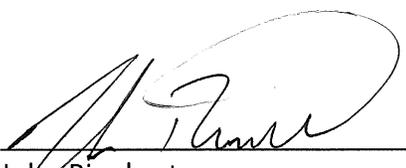
7. The parties may modify the terms and conditions of this agreement only by a writing signed by all parties.
8. ARENACO shall defend, indemnify and hold harmless the CITY, its officers, agents, and employees from any liability, claim or cost including attorney's fees, and other litigation expenses arising out of or resulting from acts or omissions by ARENACO'S officers, employees, or representatives in carrying out ARENACO'S obligations under this agreement.
9. This Agreement represents the entire agreement of the parties relating to the subjects covered by this Agreement. No oral or written statement, representation, or agreement not included within this Agreement shall be of any force or effect whatsoever, and shall be deemed to have been superseded by the terms hereof.

Executed as of the day and year first above stated.

City of Sacramento

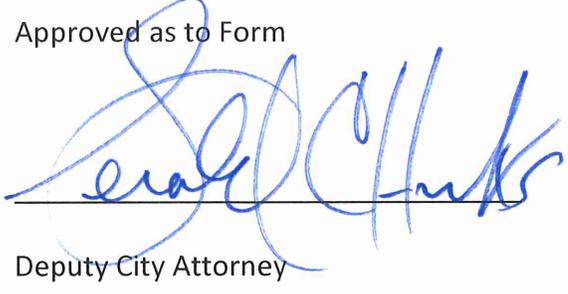
Sacramento Downtown Arena LLC

John F. Shirey
City Manager



John Rinehart
Executive Vice President

Approved as to Form


Deputy City Attorney

Approved as to Form


Jeffrey Dorso
Attorney for Sacramento Downtown Arena LLC

ATTEST:

Exhibit A

The Improvements to be constructed are set forth below.

Item	Intersections	Quantity	Est. Cost
Provide and install countdown (CD) pedestrian signals	J/5 th , J/7 th K/7 th L/4 th , L/5 th , L/7 th Capitol/5 th	56	\$22,400
Provide and install new traffic controller, cabinet, and network switch	J/9 th , J/10 th , J/11 th L/4 th , L/5 th , L/9 th , L/10 th , L/11 th , L/12 th	9	\$126,000
Provide and install CCTV camera	J/5 th , J/7 th , L/5 th , L/7 th , Capitol/5 th	5	\$30,000
Install fiber optic cable and splices in existing conduit to establish communication to the City's Traffic Operations Center	5 th St - between L/mid-block Hub 6 th St – between L/Capitol 9 th St – between I/J and K/L (or 12 th between K/L) 10 th St – between K/L 11 th St-between I/J J St – between 9 th /10 th L St – between 4 th /5 th , between 9 th to 12 th	5000 LF	\$45,000
Signal corridor retiming (L St, J St, and Capitol Mall).	28 intersections at \$2000/int (typical).	28	\$56,000
Widen crosswalks (Ladder style)	L/4 th (east), L/5 th (east), L/7 th (west), J/5 th (east), J/7 th (all), Capitol/5 th (east)	9	\$63,000
		TOTAL	\$342,400