



REPORT TO COUNCIL 7

City of Sacramento

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

CONSENT
May 22, 2007

Honorable Mayor and
Members of the City Council

**Title: Agreements/ Supplemental Agreements: Railyards and Intermodal
Transportation Facility Development**

Location/Council District: Downtown Railyards, District 1

Recommendation: Adopt a **Resolution:** 1) authorizing the City Manager to enter into various agreements and supplemental agreements (Attachment 1 - Background) related to the Railyards and Intermodal Transportation Facility Developments totaling \$468,830, 2) authorizing acceptance of \$156,561 from Thomas Enterprise for their additional share of the development project, 3) authorizing the allocation of \$152,883 for Federal grant matching purposes, 4) authorizing the transfer of \$254,703 from Railyards Development (PN: TV96) to Intermodal Transportation Facility (ITF) (PN: CF41) to cover federal matching requirements and Agreements specific to the ITF.

Contact: Mark Griffin, Fiscal Manager, (916) 808-8788, Marty Hanneman, Assistant City Manager, (916) 808-7508

Presenters: Not Applicable

Department: City Manager

Division: Office of the City Manager

Organization No: 0310

Description/Analysis

Issue: The Railyards and Intermodal Transportation Facility (ITF) development have required, and will continue to require, consultants, working on the City's behalf, to augment staff review and analysis. Grant matches are also necessary to secure Federal funds.

In October 2006, Council appropriated \$500,000 in Community Reinvestment Capital Improvement Program (CRCIP) funds for development review costs for the Railyards or the ITF as needed and only after subsequent review and approval by Council. The proposed recommendation will be the first to utilize these funds.

Allocations for Agreements are recommended on the basis of exclusive or mutual benefit for either Thomas Enterprises or the City. The City will need to pay the full cost of some consultants as will Thomas Enterprises. The developer and the City will also share the cost of some consultants on the basis of mutual

benefit defined by negotiated shares. The City will also need to fund grant matches that benefit the ITF. In all cases, City funds used on the Railyards itself will be potentially reimbursable from future Railyards development through development impact fees.

Seven agreements or supplemental agreements are recommended for a variety of consultant purposes. Each agreement has specified shares between Thomas Enterprises and the City. Two grant matches are also recommended.

Further details are provided on Attachment 1.

Policy Considerations: Approval would be consistent with the City's Strategic Plan 3-Year Goal to achieve sustainability and enhance livability, increase opportunities to live in safe and affordable housing, and expand economic development throughout the City.

Environmental Considerations: Under California Environmental Quality Act (CEQA) Guidelines, the recommended actions are administrative and therefore do not constitute a project and are exempt from review.

Committee/Commission Action: None

Rationale for Recommendation: The actions are recommended to proceed in the most expeditious manner possible on the Railyards development proposal and Intermodal Transportation Facility development.

Financial Considerations: The Railyards Development (PN: TV96) has an unobligated balance of CRCIP funding (Fund 713) of \$500,000, which is sufficient to fund the City's \$377,040 share of the recommended total of \$621,713 for all Agreements and the grant matches. Of the \$621,713, \$468,830 is for Agreements and \$152,883 is for grant matching funds. All of the grant matches are specific to the Intermodal Transportation Facility (ITF) and are, therefore, funded entirely by the CRCIP. Agreements totaling \$101,820 also fall into this category.

The balance of \$367,010 is in Agreements that are associated with the Railyards development and that will be of mutual benefit to Thomas Enterprises and the City. These will be shared on a one-third City, two-thirds Thomas basis. The City's share of \$122,337 will be subject to reimbursement from the Railyards Financing Plan, if feasible.

Thomas Enterprises has agreed to pay their share of \$244,673. A portion of this share, totaling \$88,112, was paid at the time of the Depot land acquisition (and was accepted). The balance of \$156,561 is to be provided now. Staff recommends that the amount be accepted.

The total of \$254,703 directed towards the ITF (a \$152,883 match and \$101,820 in Agreements) necessitates a transfer in this amount from the CRCIP funds in the

Railyards Development (PN: TV96) to the Sacramento Intermodal Transportation Facility (PN: CF41).

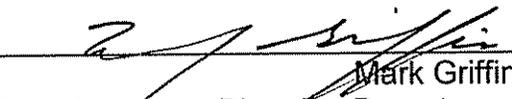
The balance remaining in the undesignated portion of the CRCIP would be \$122,960 after all of these transactions.

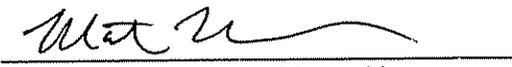
The detailed staff recommendation for the use of these funds is provided on Attachment 1.

Any future use of any CRCIP funds, and all relevant contracts, will be brought before Council for review and approval.

All new contracts are likely to be subject to supplemental agreements. Any change will be brought for Council review and approval.

Emerging Small Business Development (ESBD): Dowling is certified ESBD firm. Ward Associates, Transportation Solutions, Harris and Carter-Burgess are not certified firms. EIP is not a certified firm but does use subcontractors who are. The RFP processes complied with the City's policies regarding emerging and small businesses. The firms were selected based upon their qualifications and proposal to best meet the City's requirements and needs for these projects.

Respectfully Submitted by: 
Mark Griffin
Fiscal Manager, Planning Department

Approved by: 
Marty Hanneman
Assistant City Manager

Recommendation Approved:


ben Ray Kerridge
CITY MANAGER

Table of Contents:

Report	Pg 1-3
Attachments	
1 Background	Pg 4-8
2 Resolution Approving Agreements and Supplemental Professional Services Agreements, Federal Matching Funds, Allocation of CRCIP Funds, Increasing Revenue and Increasing the Budget	Pg 9-12

BACKGROUND

Funding is recommended from the \$500,000 in 2006 CRCIP bond funds appropriated by City Council on October 17, 2006 as "seed" funds in the event change orders or additional contracts are required and need to be funded from City sources. On that same date, Council authorized the specific use of these funds only following the subsequent review and approval by Council.

Review of the development proposal for the Railyards requires consultant expertise in several different disciplines. Consultants for environmental review, traffic analysis, appraisal, financial planning and engineering have been identified as needed to supplement City staff resources and to work on the City's behalf. Products will include the EIR, the Traffic Impact Study, the Financing Plan (for Railyards infrastructure), Peer Review (of the developer's cost estimates and phasing logistics), Infrastructure Evaluation (for site acquisition appraisal), and the Fiscal Impact Study (for General Fund operating revenue and expenditure impacts).

Thomas Enterprises and the City have agreed to share costs on the basis of exclusive or mutual benefit, with each party paying the full cost of some contracts and negotiating shares on others. In June, Council approved one-third, two-thirds shares between the City and Thomas respectively in support of the EIR and Traffic Analysis. In October, Council approved, at Thomas Enterprises' expense, contracts for the Financing Plan, the Fiscal Impact Analysis and civil engineering peer review.

Staff is now recommending specific uses and shares totaling \$377,040 for both the Railyard Development Project (TV96) and the Intermodal Project (CF41) as follows:

Railyard Development Project (TV96)				
Firm	Purpose	City Share	Thomas Share	Total
Dowling	Initial Traffic Analysis	13,428	26,855	40,283
EIP	EIR Decay Analysis	30,628	61,257	91,885
Dowling	On-Call Interim Work	4,381	8,761	13,142
	Additional Traffic Analysis	73,900	147,800	221,700
Totals		122,337	244,673	367,010

Thomas has paid the first Dowling and EIP shares (\$88,112) and is due to pay the additional Dowling work (\$156,561). Staff recommends acceptance of this amount. The City share of \$122,337 for TV96 would be funded from the CRCIP. All contract changes match the figures above with the exception of the first Dowling contract, which carries a credit of \$478. The contract change will be for \$40,761.

The ITF portion of the recommendation would be funded from the \$500,000 CRCIP amount with a transfer from TV96 to the ITF, CIP CF41 with specific uses and shares as follows:

Intermodal Project (CF41)				
Firm/Granting Agency	Purpose	City Share	Thomas Share	Total Amount
Transportation Solutions Harris	Transportation Financial Planning	65,000	0	65,000
	Infrastructure Needs Analysis	22,320	0	22,320
Carter-Burgess	Depot Parking Lot Design	10,500	0	10,500
Ward Associates Federal	Website Design	4,000	0	4,000
Highway Administration Federal	Matching funds for TEA-21 federal funds	130,000	0	130,000
Highway Administration	Matching funds for RSTP federal funds	22,883	0	22,883
Totals		<u>254,703</u>	<u>0</u>	<u>254,703</u>

With approval, the total City obligation will be \$377,040 and the Thomas Enterprise additional obligation would be \$156,561. Total budget increase would be \$621,713, which includes \$88,112 paid by Thomas Enterprises as part of the Depot land acquisition settlement.

Specific detail on each of the matches and agreements for the Railyards is as follows:

Dowling – Initial Traffic Analysis

Work required on the initial traffic analysis by Dowling and Associates exceeded the budgeted amount by \$40,671. Approval will amend the initial agreement by \$40,283 (after a credit) and authorize a one-third share, or \$13,428, be paid from City funds. The balance will be paid by Thomas Enterprises.

EIP – EIR Decay Analysis

The environmental review by EIP Associates requires an additional task to analyze the effect on existing retail of the retail proposed by the developer (Decay Analysis). Approval will amend the initial agreement by \$91,885. The City's one third share of the agreement will be \$30,628. The balance of the agreement will be funded by Thomas Enterprises.

Dowling – On-Call Interim Work

On-call services are required from Dowling and Associates for traffic consulting in the development of the new Railyards proposal. Staff recommends approval of a new contract written as an amendment to the Traffic Engineering Master Services Contract. Approval will amend the initial agreement by \$13,142. The

City's one third share of the agreement will be \$4,381. The balance of the agreement will be funded by Thomas Enterprises.

Dowling – Additional Traffic Analysis

The new proposal from Thomas Enterprises requires additional Traffic Analysis. Approval will authorize a \$221,700 contract with Dowling and Associates under a Master Services Contract. This would be a new contract written as an amendment to the Traffic Engineering Master Services Contract and combined with the \$13,142 amount for on-call work described above. The City's one third share of the agreement will be \$73,900. The balance of the agreement will be funded by Thomas Enterprises.

Thomas Enterprises has paid their share on the initial Dowling and EIP contracts and has agreed to pay the \$156,561 balance for the new Dowling traffic study and on-call work.

Specific detail on each of the matches and agreements for the ITF is as follows:

Transportation Financial Planning

To assist with transportation financial planning for the ITF, a contract with Transportation Solutions is proposed for a cost of \$65,000. Because this work will exclusively benefit the City, a 100% share in City funds is recommended.

Infrastructure Needs Analysis

As part of the City's site acquisition, appraisal, and alternative "highest and best use" development at the Depot and proposed Intermodal location, an infrastructure evaluation is required to determine what infrastructure is needed to implement the Intermodal development. A contract with Harris and Associates is proposed for this purpose in the amount of \$22,320, with a 100% share from City funds.

Depot Parking Lot Design

Design work on the depot parking lot required a design contract with Carter-Burgess at a cost of \$10,500. Carter-Burgess is an engineering firm that had done prior similar design work on the site and could prepare work in a timely manner to coordinate with developer interests. Given the cost of this work, qualifications and the priorities of the project, this work was not competitively bid, and is therefore not eligible for Federal grant reimbursement. Recommended here is an allocation of CRCIP funds for the purpose.

Website Design

Also recommended for funding is website design that has been contracted with Ward Associates at a cost of \$4,000. Ward Associates is the City's special consultant for this type of work. Because of this, and the magnitude of the cost, the contract was not competitively let, and, so, is also not eligible for Federal

reimbursement.

Matching funds for TEA-21 and RSTP Federal Funds

The project requires studies of site conditions, transportation modes and design alternatives for the ITF. Costs are grant funded with a required local match. Per Federal Funding guidelines, a match of \$130,000 is required for Federal TEA-21 funding and a match of \$22,883 for Federal Regional Surface Transportation Program (RSTP) Federal funding, for a total of \$152,883 in required matching funds. Approval will authorize the allocation of these funds from the CRCIP.

This allocation will complete matching requirements that have also been funded from tax increment funds and development impact fees. Total grant funds are \$2,931,525 from TEA-21 and \$1,000,000 from RSTP.

As the development review proceeds, additional consulting services needs are probable. The CRCIP set-aside of \$500,000 for the process will have \$122,960 remaining after this action. Staff will return to Council for review and approval of any use of these funds. Future reimbursement of these costs may occur from future development. Reimbursement in fact will result if it is financially feasible to include these costs in the Financing Plan.

Prior Council Action on CRCIP affecting the Intermodal Transportation Facility and Railyards

- On January 10, 2006, City Council held a financial planning workshop and developed a CRCIP project list. Each project was evaluated and ranked in priority order as either a Tier 1 or Tier 2 project.
- On February 7, 2006, City Council approved the CRCIP project list.
- On March 21, 2006, City Council directed staff on which final projects to include in the Tier I and Tier II lists.
- On April 18, 2006, City Council approved the final Tier I and Tier II project list and bridge financing.
- On May 23, 2006, City Council authorized the issuance of approximately \$150 million in 2006 bonds, authorized funding for the Tier I CRCIP projects and adopted policy directives. The Intermodal Transportation Facility received \$3 million in programming.
- On October 17, 2006 City Council authorized \$500,000 of the \$3 million allocation for use as "seed" funds in the event future change orders or additional contracts were required for either the Intermodal Facility or the Railyards and required funding from City sources.

- On December 28, 2006 City Council authorized the use of \$2.5 million for the Intermodal Transportation Facility land acquisition.

RESOLUTION NO.

Adopted by the Sacramento City Council

AGREEMENTS AND SUPPLEMENTAL AGREEMENTS: RAILYARDS AND INTERMODAL TRANSPORTATION FACILITY DEVELOPMENT

BACKGROUND

- A. The Railyards and Intermodal Transportation Facility (ITF) developments have required, and will continue to require, consultants, working on the City's behalf, to augment staff review and analysis.
- B. The complexity and magnitude of the proposal requires consultants in many different disciplines.
- C. Funds are available from \$500,000 appropriated in the Community Reinvestment Capital Improvement Program for these purposes and from funds provided by Thomas Enterprises.
- D. The City Council is fully advised in this matter.

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

- Section 1.** The above background statements A through D are true and correct.
- Section 2.** The City Manager is authorized to enter into various agreements and supplemental agreements in the total amount of a \$468,830 as detailed on Exhibit A, "Agreements and Supplemental Agreements", which is incorporated herein by reference.
- Section 3.** The City Manager is authorized to accept \$156,561 from Thomas Enterprise for their share of the development project.

- Section 4.** The City Manager is authorized to designate \$22,883 from the CRCIP for TEA-21 Federal matching funds.
- Section 5.** The City Manager is authorized to designate \$130,000 from the CRCIP for Federal Regional Surface Transportation Program (RSTP) matching funds.
- Section 6.** The City Manager is authorized the transfer of \$254,703 from Railyards Development (PN: TV96) to Sacramento Intermodal Transportation Facility (PN: CF41) to cover federal matching requirements and CF41 specific agreements.
- Section 7.** The City Manager is authorized to implement the necessary revenue and expense budgetary transactions to implement actions approved in Section 3 – 6.
- Section 8.** No use of these funds contrary to the above authorizations may be made without the review and approval of the City Council.

Table of Contents:

Exhibit A: Agreements and Supplemental Agreements

EXHIBIT A

Agreements and Supplemental Agreements:

Dowling – Initial Traffic Analysis

Supplemental Agreement Number 2006-0699-1 to City Agreement 2006-0699 with Dowling and Associates in the amount of \$40,761 for work on the initial traffic study that exceeded budget and to allocate a one-third share net of a \$478 credit, or \$13,428, in CRCIP funds. The balance will be paid by Thomas Enterprises.

EIP – EIR Decay Analysis

Supplemental Agreement Number 2006-0698-1 to City Agreement 2006-698 with EIP Associates in the amount of \$91,885, adding an additional task for a Decay Analysis, assessing the effect on existing retail of the proposed retail, and to allocate a one-third share, or \$30,628, in CRCIP funds. The balance of the agreement will be funded by Thomas Enterprises.

Dowling – On-Call Interim Work and Additional Traffic Analysis

Supplemental Agreement Number 2007-0043-1 to City Agreement 2007-0043 with Dowling and Associates in the amount of \$234,842 for on-call services (\$13,142) and new traffic study (\$221,700), and to allocate a one-third share, or \$78,281, in CRCIP funds. The balance of the agreement will be funded by Thomas Enterprises.;

Transportation Financial Planning

To assist with transportation financial planning for the ITF, a contract with Transportation Solutions is proposed for a cost of \$65,000. Because this work will exclusively benefit the City, a 100% share in City funds is recommended.

Infrastructure Needs Analysis

As part of the City's site acquisition, appraisal, and alternative "highest and best use" development at the Depot and proposed Intermodal location, an infrastructure evaluation is required to determine what infrastructure is needed to implement the Intermodal development. A contract with Harris and Associates is proposed for this purpose in the amount of \$22,320, with a 100% share from City funds.

Depot Parking Lot Design

Design work on the depot parking lot required a design contract with Carter-Burgess at a cost of \$10,500. Carter-Burgess is an engineering firm that had done prior similar design work on the site and could prepare work in a timely manner to coordinate with developer interests. Given the cost of this work, qualifications and the priorities of the project, this work was not competitively bid, and is therefore not eligible for Federal grant reimbursement. Recommended here is an allocation of CRCIP funds for the purpose.

Website Design

Funding for website design that has been contracted with Ward Associates at a cost of \$4,000. Ward Associates is the City's special consultant for this type of work. Because of this, and the magnitude of the cost, the contract was not competitively let, and, so, is also not eligible for Federal reimbursement. Recommended here is an allocation of CRCIP funds for the purpose.

