



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

CONSENT
August 28, 2007

**Honorable Mayor and
Members of the City Council**

Continued to September 4, 2007

**Title: Agreement: Sale of Easements to the Freeport Regional Water Authority
Intake Facility**

Location/Council District: Between the Sacramento River and I-5, near the southern City limits, just north of the Town of Freeport; Council Districts 7 and 8

Recommendation: Adopt a **Resolution:** 1) finding that it is in the best interests of the City pursuant to City Code 3.88.090 to convey easements in real property to Freeport Regional Water Authority (FRWA); 2) authorizing the City Manager to execute the "Sales and Purchase Agreement" (Agreement) between the City of Sacramento and FRWA for the sale of such easements in the amount of \$353,500; 3) authorizing the City Manager to execute such additional documents and to take such additional actions as necessary to implement the Agreement; 4) accepting the payment of \$353,500 from FRWA as Sewer Fund (Fund 414) revenue.

Contacts: Marianne Wetzel, Supervisor, Real Estate Services, 808-6270; Jim Peifer, Senior Engineer, 808-1416

Presenters: Not Applicable

Departments: General Services and Utilities

Divisions: Facilities and Real Property Management, and Engineering Services

Organization No: 3285 and 3332

Description/Analysis:

Issue: The FRWA requires four permanent easements (totaling approximately 2.3 acres) and five temporary construction easements (totaling approximately 10 acres) from the City to facilitate the construction of the Freeport Regional Water Project (FRWP). The fair market value of all of the easement rights to be conveyed totals \$353,500, as determined by an independent fee appraiser.

Policy Considerations: The recommendations in this report are consistent with Sacramento City Code Section 3.88.090 which allows for the sale of real property rights without first calling for bids when City Council, by resolution, finds that such action is in the best interest of the City. This is in the City's best interests because it is consistent with agreements already approved by the City, the City will receive fair market value for the easements, and the easements are necessary for implementation of the FRWP.

Committee/Commission Action: Not Applicable

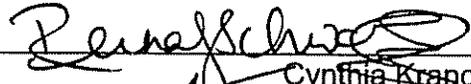
Environmental Considerations: FRWA is the lead agency, under the California Environmental Quality Act (CEQA), for the FRWP that includes use of the proposed easements to construct and operate portions of the FRWP. The FRWA Board of Directors certified the Final Environmental Impact Report (FEIR) and adopted its Findings of Fact and Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program for this Project on April 15, 2004.

The City, acting as a responsible agency under CEQA with respect to the FRWP, considered the FEIR certified by the FRWA Board of Directors, and considered the environmental effects of the FRWP as shown in the FEIR, when the City Council adopted Resolution No. 2004-374 on May 18, 2004. At that time, the City Council also adopted the Findings of Fact and Statement of Overriding Considerations required of a responsible agency under applicable provisions of the CEQA Guidelines.

Rationale for Recommendation: The easements are necessary to support the FRWP. The City will be compensated for the easement rights granted to FRWA, and the conveyance of the easement rights will not impact City activities on the remaining fee-owned City property.

Financial Considerations: This report recommends accepting a payment of \$353,500 from FRWA as Sewer Fund (Fund 414) revenue pursuant to the Agreement, as the full purchase price for the easement rights being conveyed by the City. The City will not incur any costs in this transaction other than the administrative costs to process the sale.

Emerging Small Business Development (ESBD): No goods or services are being purchased as a result of this report.

Respectfully Submitted by: 
Cynthia Kranc
Facilities Manager

Approved by: 
Reina J. Schwartz
Director, Department of General Services

Approved by: 
Gary A. Reents
Director, Department of Utilities

Recommendation Approved:

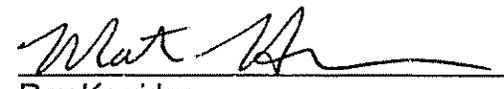
for 
Ray Kerridge
City Manager

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ATTACHMENT 1**BACKGROUND INFORMATION:**

- Freeport Regional Water Authority (FRWA) is a joint powers authority between East Bay Municipal Utilities District (EBMUD) and Sacramento County that has been established to develop and implement the Freeport Regional Water Project (FRWP), involving construction of a new water diversion facility (intake facility) on the Sacramento River and pipeline alignments that traverse the City's jurisdiction between the Sacramento River and the Folsom South Canal (see Attachment 2 for Location Map). The purpose of the intake facility and related pipeline is to divert water from the Sacramento River and provide a surface water supply to the County of Sacramento and drought relief to the EBMUD.
- On October 11, 2005, the City, FRWA, and others, entered into that certain "Option Agreement for Acquisition of City Property for Freeport Regional Water Authority Intake Facility and County Property for City Water Supply Project" (City Agreement No. 2005-0147 and Resolution 2005-726), and that certain "Sales and Purchase Agreement Between the Freeport Regional Water Authority, the City of Sacramento, the East Bay Municipal Utility District, and the Sacramento County Water Agency (City Agreement No. 2005-0147A) dated for the purposes of identification October 11, 2005, hereinafter collectively referred to as the "Option and Sales Agreements."
- A Right of Entry was entered into on November 21, 2005 (City Agreement No. 2005-1089), as amended by the First Amendment to Right of Entry entered in to on February 22, 2006 (City Agreement No. 2005-1089-1), wherein the City granted FRWA certain rights on the lands surrounding the City Site in order to perform activities related to the proposed water diversion facility. The term of the Right of Entry, as amended, expired December 31, 2006.
- Pursuant to certain terms and conditions of the Option and Sales Agreements, on May 10, 2006 (Book 20060510, Page 1165), the City transferred to FRWA title to an approximate seven-acre site located approximately one mile north of the Town of Freeport lying between Freeport Boulevard and Interstate 5 ("City Site"), to be used for the intake facility. The FRWA made payment for the property for a total of \$725,535. This money received from the sale was deposited in the Sewer Fund operating budget (414). FRWA also paid the City \$775,000 for the relocation of the City's property and subsequent improvements at another facility and that was used to fund XI66 – Facility Relocation Meadowview Project.
- A Right of Entry was entered into on November 17, 2006 (City Agreement No. 2006-1193), for the purposes of granting FRWA certain rights over the lands surrounding the City site to enable FRWA to proceed with the FRWP on

schedule. This Right of Entry expires August 31, 2007, but will be extended through the close of escrow scheduled to take place in early fall 2007.

- FRWA desires to exercise its remaining option under the Option and Sales Agreements, and acquire a number of permanent and temporary easements (identified in Attachment 3) to be used in conjunction with the new intake facility.

ATTACHMENT 3

PROPERTY/ EXHIBIT IDENTIFICATION	LOCATION	APN	EASEMENT TYPE GRANTED BY CITY	SIZE (SF &/or ACREAGE)	PROPOSED UTILITIES	PURPOSE/USE	COMPENSATION TO CITY for PE's & TCE's
EXHIBIT A-1	El Conin Sports Complex 7601 Freport Blvd	Portion of: 052-0010-060; 061; & 062	Permanent	76,362 SF 1.7659 ± acres	84-inch raw water line to be owned by FRWA after construction	Construction and perpetual maintenance of buried utility pipeline.	\$160,000.00
EXHIBIT A-2	El Conin Sports Complex 7601 Freport Blvd	Portion of: 052-0010-090; 091 & 092	Temporary Construction	149,672 SF 3.4426 ± acres	None	Open trench pipeline construction including staging, equipment & material storage. Term: 40 Months from date of execution.	\$125,000.00
EXHIBIT A-3	Portion of Freport Blvd	Lying near: 031-1270-301 and 052-0010-301	Permanent	5,900 SF 0.1331 ± acres	84-inch raw water line to be owned by FRWA after construction	Construction and perpetual maintenance of buried utility pipeline.	\$16,000.00
EXHIBIT A-4	Portion of Freport Blvd	Lying near: 031-1270-301 and 052-0010-301	Temporary Construction	9,210 SF 0.166 ± acres	None	Open trench pipeline construction. Term: 40 Months from date of execution	\$7,500.00
EXHIBIT A-5	Sump 28 West Access Road	Parcel 1 - Portion of: 011-0220-010	Temporary Construction	26,719 SF 0.6134 ± acres	2-inch, 8-inch & 12-inch portable water lines, to be owned by City after construction	Access to construction site, modification of existing City utilities (2-inch 8-inch & 12-inch water lines); access on City-owned property for construction permanent ornamental security fence on FRWA-owned property; pavement reconstruction of the Sump 28 West Access Road. Term 40 Months from date of execution.	\$2,500.00
EXHIBIT A-6	Sump 28 West Access Road	Parcel 2 - Portion of: 011-1270-001	Permanent	1,312 SF 0.0303 ± acres	84-inch raw water line, 12-inch blow-off line, and 2-inch basin overflow line, to be owned by FRWA after construction	Construction and perpetual maintenance of buried utility pipeline, basin, overflow, and pipe line blow-off	\$2,500.00
EXHIBIT A-7	Sump 28 West Access Road	Parcel 2 - Portion of: 011-1270-001	Permanent	16,800 SF 0.3857 ± acres	None	Permanent ingress & egress to site (access lying over Sump 28 West Access Road)	\$0.00
EXHIBIT A-8	Sump 28 West Access Road	Parcel 2 - Portion of: 011-1270-001	Temporary Construction	16,800 SF 0.3857 ± acres	2-inch, 8-inch, & 12-inch portable water lines; 8-inch sanitary sewer line, to be owned by City after construction	Access to construction site, modification of existing City utilities (2-inch, 8-inch & 12-inch water lines & 8-inch sanitary sewer line); access on City-owned property for construction permanent ornamental security fence on FRWA-owned property; pavement reconstruction of the Sump 28 West Access Road. Term 40 Months from date of execution	\$0.00
EXHIBIT A-9	Buffer Property	Portion of: 031-0330-018; 039; 040; & 041	Temporary Construction	5.32 ± acres	34-inch, through 3-inch diameter plastic pipe for irrigation system, to be owned by City after construction	Installing, maintaining and repairing landscape improvements and associated irrigation facilities as provided under Section 3.6 of the Sales Agreement in addition to construction staging needs. Term to be consistent with Sections 1.10 & 3.63 of the Sales Agreement.	\$0.00

RESOLUTION NO. 2007-XXXX

Adopted by the Sacramento City Council

August 28, 2007

**CONVEYANCE OF PERMANENT AND TEMPORARY EASEMENTS TO
THE FREEPORT REGIONAL WATER AUTHORITY**

BACKGROUND

- A. Freeport Regional Water Authority (FRWA) is a joint powers authority that has been established to develop and implement the Freeport Regional Water Project (FRWP), involving construction of a new water diversion facility (intake facility) on the Sacramento River and pipeline alignments that traverse the City's jurisdiction between the Sacramento River and the Folsom South Canal.
- B. On October 11, 2005, the City, FRWA, and others, entered into that certain "Option Agreement for Acquisition of City Property for Freeport Regional Water Authority Intake Facility and County Property for City Water Supply Project" (City Agreement No. 2005-0147 and Resolution 2005-726), and that certain "Sales and Purchase Agreement Between the Freeport Regional Water Authority, the City of Sacramento, the East Bay Municipal Utility District, and the Sacramento County Water Agency (City Agreement No. 2005-0147A) dated for the purposes of identification October 11, 2005, hereinafter collectively referred to as the "Option and Sales Agreements."
- C. Pursuant to certain terms and conditions of the Option and Sales Agreements, on May 10, 2006 (Book 20060510, Page 1165), the City transferred to FRWA title to an approximate seven-acre site located approximately one mile north of the Town of Freeport lying between Freeport Boulevard and Interstate 5 ("City Site"), to be used for the intake facility.
- D. FRWA desires to exercise its remaining option under the Option and Sales Agreements, and acquire a number of permanent and temporary easements to be used in conjunction with the new intake facility.
- E. Conveyance of these easements is consistent with the Option and Sales Agreements already approved by the City, the City will receive fair market value for the easements, and the easements are necessary for implementation of the FRWP.

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

- Section 1. It is in the best interests of the City to enter into an agreement with the Freeport Regional Water Authority to convey easements necessary for the Freeport Regional Water Project without first calling for bids, and the sales price reflects the fair market value of the real property rights to be conveyed.
- Section 2. The City Manager is authorized and directed to execute the Sales and Purchase Agreement between the City of Sacramento and the Freeport Regional Water Authority in the form presently on file with the Office of the City Clerk for the amount of \$353,500.
- Section 3. The City Manager is authorized to execute such additional documents and to take such additional actions as necessary to implement the Agreement.
- Section 4. The City Manager is authorized to accept the payment of \$353,500 from the Freeport Regional Water Authority as Sewer Fund (Fund 414) revenue.