



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

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

Staff Report
November 6, 2007

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

Title: The Docks Area Specific Plan and Master Environmental Impact Report Contract Amendments

Location/Council District: The Docks Area is located along the eastern bank of the Sacramento River, north of the Marina/Miller Park, west of Interstate 5 and south of Capitol Mall (Council Districts 1 and 4)

Recommendation:

For City Council: Adopt a Resolution:

- 1) Authorizing the City Manager to execute third-party amendments to the following City Agreements: a) second amendment to Agreement no. 2006-1218 with Wallace Roberts and Todd in the amount of \$176,910; b) third amendment to Agreement no. 2005-0066 with DKS Associates in the amount of \$48,560; c) second amendment to Agreement no. 2005-0039 with Gail Ervin Consulting in the amount of \$123,000; d) third amendment to Nichols Consulting Engineers Agreement no. 2004-0161 in the amount of \$56,500; and
- 2) Authorizing the City Manager to enter into an Individual Project Agreement (IPA) with the Redevelopment Agency in the amount of \$329,970 and invoice the Redevelopment Agency in the amount of \$75,000 for developer Exclusive Right to Negotiate deposit, and
- 3) Increasing the revenue and expense budget for the Pioneer Bridge capital improvement project (KD 41) by \$404,970.

For the Redevelopment Agency: Adopt a Redevelopment Agency Resolution:

Authorizing the Executive Director, as the designated authority for the Redevelopment Agency of the City of Sacramento, to: 1) Transfer via paid invoice the developer's ERN deposit of \$75,000 for environmental review from the Redevelopment Agency to KD 41; 2) Enter into an Individual Project Agreement (IPA) in the amount of \$329,970 of Docks Area Acquisition project to the Pioneer Bridge Capital Improvement Project (KD 41) for the preparation of the Docks Area Specific Plan and Master Environmental Impact Report contract amendments.

Contact: Beth Tincher, Senior Project Manager, 808-7730; Leslie Fritzsche, Downtown Development Manager, 808-5450

Presenters: N/A

Department: Economic Development

Division: Downtown Development Group

Organization No: 4451

Description/Analysis

Issue:

Docks Area Plan: On 29.3 acres of Sacramento's riverfront property, the Docks Area development project (location shown in Attachment 2) represents a new phase of Sacramento's continuing evolution into one of the most livable cities in the nation, blending urban life with nature. The Docks Area development project will convert an underutilized industrial area into a vibrant mixed-use waterfront neighborhood with views to the river. The Docks Area is one of Sacramento's limited opportunities to develop a neighborhood along riverfront.

The Docks project has experienced significant milestones this fall including:

- Completion of a series of seven public workshops to receive input from all interested agencies, property owners, and the public
- Refinement of project concepts to develop two preferred land use alternatives (Attachment 3)
- Development of streetscape designs, landscape plans, phasing plans, parking plan, and 3D modeling to evaluate massing with downtown projects
- Completed a series of meeting with SAFCA , Army Corp of Engineers, and the State Reclamation Board receiving verbal support for the project
- Completion of Phase I analysis and review of document by DTSC.
- Development of supplemental Phase II environmental work plan to submit to the Department of Toxic Substances Control (DTSC) and agreed on a project schedule with DTSC
- Completion of real estate analysis and appraisals

A full list of accomplishments under previous contracts and a list of items that are currently in progress is included as Attachment 4. In order to continue the forward momentum, staff is recommending several steps, which will result in:

- Cost savings to the City and the Agency in the future by streamlining future environmental and project review
- Placing the Agency and the developer in a better position to develop the project when market conditions improve

These recommended actions will require amendments to existing contracts as described below.

- 1) Development of Docks Area Specific Plan** –The Specific Plan when adopted through a Planned Unit Development (PUD) will establish building and streetscape design standards for development in the Docks Area. Staff's intent is to provide enough detail in the plan so that when adopted through a Planned Unit Development, the review of future development proposals will only require Planning Director or staff level review, thus streamlining the development process.

Two preferred land-use plans will be included in the Specific Plan: one includes Pioneer Reservoir in its current location, and the other includes a land-use plan that accommodates development on the Pioneer Reservoir site. The development of the Specific Plan will necessitate the modification of three existing contracts. The proposed revised scope of work for Wallace Roberts and Todd includes the preparation of the Specific Plan, additional stakeholder/board meetings, and required coordination with the Promenade Team (Walker Macy) to insure integration of open space elements. Nichols Consulting Engineers will prepare a facilities plan for inclusion in the Specific Plan describing the required infrastructure. DKS will prepare a transportation plan for the Specific Plan. The costs for these proposed contract amendments are included in the Financial Considerations on Page 4.

- 2) Master Environmental Impact Report** – The refinement of land-use plans was completed in September 2007. A master environmental impact report (MEIR) is proposed for the Docks Area Specific Plan. A Notice of Preparation was circulated in June 2005 and environmental studies and analysis were conducted. Since the Notice of Preparation and environmental analysis was conducted over two years ago and the project scope has changed, the California Environmental Quality Act requires that a Notice of Preparation be re-circulated and updated analyses be conducted to allow responsible agencies an opportunity to respond to the revised changes. A Notice of Preparation (NOP) was re-circulated in October, 2007 for the preparation of the MEIR. A traffic analysis must be conducted for the MEIR. While DKS Associates included the preparation of a Transportation Section of the Docks Area Specific Plan and performed traffic analysis to support the development of conceptual plans in its original scope of work, it did not include a scope of work for the traffic analysis required for the MEIR.
- 3) Site Characterization for Health Risk Assessment** – Staff has received agreement from the State Department of Toxic Substances Control (DTSC) on a work plan for a health risk assessment of the Docks Area. DTSC is, however, requesting additional field work to acquire data on PCBs, dioxins and furans; vertical migration of substances; and additional groundwater testing. Nichols Consulting Engineers will conduct the required fieldwork and

prepare necessary reports to the City/Agency. The completion of the health risk assessment is critical to negotiating future property acquisition from the State Department of Parks and Recreation and PG&E and for finalizing specific land uses within the Specific Plan.

Policy Considerations:

City of Sacramento – The recommended actions are consistent with prior City Council direction related to the implementation of the 2003 Sacramento Riverfront Master Plan. In addition, City Council provided direction to staff in May, 2006 to issue a Request for Proposals for the promenade/parkway. Walker Macy was awarded the promenade design contract in August 2006.

The Redevelopment Agency of the City of Sacramento – The recommended actions are consistent with the Amended Merged Downtown Redevelopment Plan, the 2005-2009 Merged Downtown Redevelopment Plan and the 2005 Docks Area Community Planning Process. Redevelopment of the Docks Area will eliminate blight by 1) eliminating environmental deficiencies in the Merged Project Area, including mixed uses, small and irregular lots, obsolete, aged and deteriorated buildings, inadequate public improvements, and uneconomic land uses; and 2) strengthening retail and other commercial functions in the downtown area by the installation of needed site improvements either inside or outside the Merged Project Area to stimulate new commercial expansion, employment and economic growth.

Environmental Considerations: The proposed actions are a continuing part of the Docks Area planning activities and are exempt from environmental review pursuant to the CEQA Guidelines Section 15262. A Notice of Preparation was circulated on September 28, 2007 for the preparation of a Master Environmental Impact Report for the Docks Area Plan and Specific Plan. The public review period on the Notice of Preparation will expire on October 29, 2007.

Rationale for Recommendation: The Agency approved an Exclusive Right to Negotiate (ERN) with KSWM Docks Partners, LLC (Developer) in January 2006 for the development of the Docks project area. In October 2006, business terms were approved for Phase I of the Docks project, with specific terms for entitlements, acquisition and remediation to be outlined in a Disposition and Development Agreement. On June 26, 2007, the Agency extended the ERN and business terms to March 31, 2008. Phase I generally includes all of the properties north of the Pacific Gas and Electric (PG&E) parcel (APN: 009-0012-003) to Q Street, and is approximately eight acres

In the ERN between the Agency and KSWM, the Agency is responsible for securing the predevelopment entitlements and environmental review. Staff is recommending that the aforementioned scope of work and contract amendments be approved not only to meet the ERN obligations and finalize the Docks Area predevelopment efforts, but also to reduce time and costs for future development project proposals. The recommended actions are necessary to satisfy the ERN

and to further the implementation of the 2003 Sacramento Riverfront Master Plan which established redevelopment of the Docks Area as a priority revitalization project.

Financial Considerations:

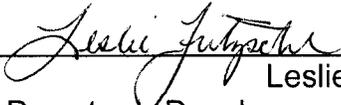
The recommended actions will increase the revenue and expense budget for the Docks Area Project (Pioneer Bridge project, KD 41) by \$404,970 to prepare a specific plan, a Master Environmental Impact Report, a traffic study, additional data collection for DTSC and a Supplemental Phase II report. The increase in the budget of \$404,970 will increase the total budget for KD 41 to \$1,929,129. This amount reflects the transfer of Docks Acquisition Project funding (Fund 206) of \$329,970 and a developer ERN deposit of \$75,000 for the following contract amendments:

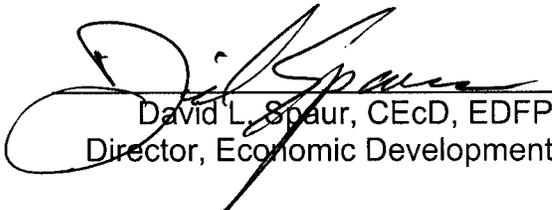
	Work Type	Original Contracts	Request	Increase Total To	Reason
Wallace Roberts/Todd	Land Use Planner	\$342,314	\$176,910 Fund 206	\$519,224	<ul style="list-style-type: none"> • Prepare Specific Plan • Include two land use plans in Specific Plan Analysis
Gail Ervin Consulting	Environmental	\$142,644	\$123,000 Fund 206	\$265,644	<ul style="list-style-type: none"> • Prepare MEIR
DKS Associates	Traffic	\$56,340	\$48,560 Fund 206	\$104,900	<ul style="list-style-type: none"> • Prepare traffic study for MEIR • Prepare Transportation Plan for Specific Plan
Nichols Consulting Engineers	Civil Engineers	\$499,889	\$56,500 Fund 206	\$556,389	<ul style="list-style-type: none"> • Prepare Supplemental Phase II • Conduct Additional Testing • Prepare Facilities Plan for the Specific Plan
Total			\$404,970		

M/WBE Considerations/ Emerging Small Business Development (ESBD):

The selection process for all contracts complied with the City's policies regarding emerging and small businesses. This process included distribution to companies certified with the City as emerging and small businesses (ESB). These companies have

been providing service to the Agency for predevelopment services throughout the last couple of years. These services are an extension of the scope of services already developed to complete the predevelopment planning efforts.

Respectfully Submitted by: 
Leslie Fritzsche
Downtown Development Manager
on behalf of the Redevelopment Agency
of the City of Sacramento


David L. Spaur, CEcD, EDFP
Director, Economic Development

Recommendation Approved:


Ray Kerridge
City Manager

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Attachment 1**Background
Docks Area Redevelopment Project**

In July 2003, the City of Sacramento accepted the Sacramento Riverfront Master Plan (Master Plan) following a community process supported by both the cities of Sacramento and West Sacramento. The Master Plan identified two opportunity sites targeted for redevelopment on the City of Sacramento riverfront. One of those opportunity sites is the Docks Area, located north of the Marina/Miller Park, west of Interstate 5, south of Capitol Mall and east of the Sacramento River. The Master Plan includes a design for a continuous riverfront promenade/parkway along the urbanized areas of the Sacramento River.

In 2005, the community engaged in an extensive planning process to further define the redevelopment concepts for the Docks Area. The Docks Area community planning process resulted in a number of concept plans, all of which included a riverfront parkway/promenade. In addition, a number of guiding principles were established for the redevelopment of the Docks Area, including:

1. Access to the riverfront;
2. Linkages to adjacent neighborhoods;
3. Pedestrian orientation; and
4. An animated riverfront.

In October 2005, the Agency issued a Request for Qualifications (RFQ) to determine developer interest in the Docks Area. Following an extensive review of received submittals and a community workshop and interviews, a development team was selected by the evaluation committee. On January 5, 2006, an Agreement between the Agency and KSWM Docks Partners, LLC for the Exclusive Right to Negotiate was approved for the development of properties north of the Pioneer Bridge in the northern section of the Docks Area.

In April 2006, SACOG awarded the City of Sacramento (City) a \$1.239 million grant for the design and construction of the Docks Area Riverfront Promenade. The City has entered into a Memorandum of Understanding for the grant and provided the required local matching funds from Merged Downtown Redevelopment Project Area funds.

On May 23, 2006, staff received direction from City Council to issue a Request for Proposals for the design of the levee improvements and riverfront promenade/parkway. Following Council direction, a Request for Proposals was issued for the Docks Area levee improvements and riverfront promenade design. An evaluation committee made up of the City's Docks Area technical team, including seven staff members from the City's Economic Development, Parks and Recreation, Transportation, and Planning departments reviewed the initial proposals. One proposal was received for the civil design work. Four proposals were received for the landscape architecture, permitting

and community outreach portion of the project. The civil design team met all the necessary qualifications. The evaluation team recommended selecting Walker Macy as the landscape architect firm.

On May 26, 2006, the City was awarded a \$183,620 grant from the California Department of Transportation for the community outreach process related to the promenade/parkway design. On August 22, 2006, \$45,905 in local matching funds was approved. These funds came from the Merged Downtown Redevelopment Project Area funds.

On May 30, 2006, the Agency approved an Environmental Oversight Agreement between the Agency and the State of California Department of Toxic Substances Control for oversight and guidance on proposed remediation strategies for redeveloping the Docks Area.

In August, 2006, a number of community meetings were held to solicit public input on the final draft land-use plans. In addition, on August 22, the Agency allocated \$7.26 million for land acquisition and related costs within the Docks area.

On October 31, 2006, the Agency approved the Docks project concepts and adopted the following business terms for Phase I of the project:

Business Terms – Developer Responsibilities:

- a. Continue to work with the Agency to ensure the entitlements for the project area reflect a feasible and marketable development;
- b. Participate in efforts to identify remediation options for the project with the Agency's Environmental Oversight Agreement (EOA) with DTSC; and
- c. Develop 300-500 units in Phase I of the project, once remediation and infrastructure issues have been completed.

Business Terms – Agency Responsibilities:

- a. Complete the acquisition of all properties located north of Pioneer Bridge and west of Front Street;
- b. Complete the entitlements for the properties north of Pioneer Bridge and west of Front Street;
- c. Complete the remediation process through the EOA with DTSC for all properties north of Pioneer Bridge and west of Front Street;
- d. Complete all infrastructure improvements for Phase I of the project, subject to funding availability;
- e. Work with the City to determine plan for the repair/replacement of Pioneer Reservoir; and
- f. Work with the City to continue developing the riverfront promenade.

On April 11, 2007 the design team met with the City Technical Advisory Committee, neighborhood groups, outside agencies and organizations to discuss further refinement

of the Docks Area Plan and the development of Promenade concept plans.

On April 18, 2007, the Agency held the Seventh Community Workshop. Wallace Roberts and Todd presented refined land use plans for the Docks Area plan and Walker Macy presented design options for the Promenade. This workshop also served as an additional scoping meeting for the preparation of a Master Environmental Impact Report for the Docks Area Master Plan/Specific Plan. This workshop allowed for continued involvement and input into the development of the plans.

Additional stakeholder and the technical advisory committee meetings were held on June 13, 2007 to allow for additional input as refinements to the promenade design concepts were developed. As a result of these meetings, a preferred alternative was selected for development of design drawings.

On June 13, 2007 artist Ned Kahn presented refined concepts for the promenade art program to the Art in Public Places/Sacramento Metropolitan Arts Commission and received additional input for refinements to the art program for the promenade.

The City of Sacramento Redevelopment Agency adopted an extension of the business terms and the exclusive right to negotiate with KSWM Docks Partners, LLC on June 26, 2007.

As preferred land use alternatives were being finalized, a Docks technical advisory committee meeting was held on July 12, 2007 followed by stakeholder meetings to receive feedback on land use plans.

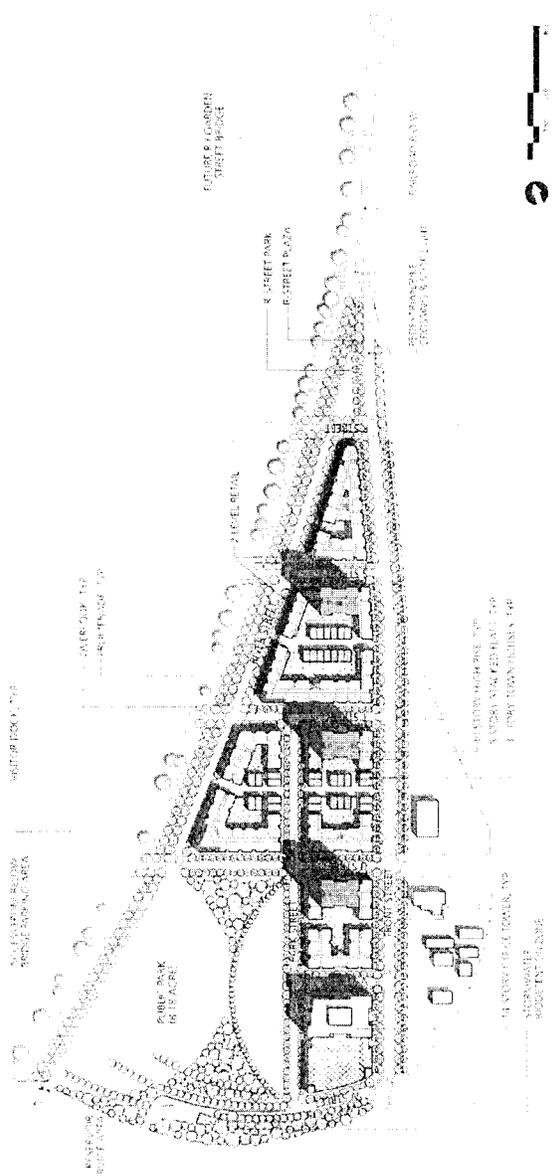
The Waterfront Advisory Committee received a Docks Project and Promenade Progress Report on September 12, 2007.

The Docks Area Plan and Promenade Project was presented to the ADA Commission on October 18th for review and comment.

Attachment 2
Map of the Docks Area and Phase I



Attachment 3
Preferred Land Use Alternatives
ALTERNATIVE B



SITE PLAN

SACRAMENTO DOCKS AREA
ALTERNATIVE B

**Attachment 4
Docks Area Contracts**

	Completed	In Progress	New
WRT	Issues and visioning process		
	Alternatives		
	Concept Plans and Report		
	Set up website, newsletters, community workshops	Additional stakeholder meetings and community workshops	Additional stakeholder meetings
	Land Use Refinements incorporating development, TAC, and stakeholder meeting feedback and environmental concerns, Density plans, Parking Plan, Circulation Plan, Landscape Plan, Street Cross Sections		Minor refinements to the land use plans
	3D Modeling and Phasing Plan		
			Prepare Draft Specific Plan, Refinements to all other plans.
			Prepare Final Specific Plan
Gail Ervin Consulting	Scoping and Project Initiation Issues and visioning process		
	Initial Study and Notice of Preparation		

	Completed	In Progress	New
Gail Ervin Consulting (Continued)	Environmental Studies for Concept Plans (Noise, Air Quality, Traffic, Cultrual, Hydrology, Public Facilities) Since studies were prepared over two years ago, CEQA require recirculation of the Notice of Preparation and updated environmental analyses		
			Prepare Master Environmental Impact Report
DKS Associates	Issues and Visioning Process		
	Alternatives and Concept Plan Support		
	Traffic Analysis for Concept Plan		
			Traffic Study for Master Environmental Impact Report
			Transportation Section of the Specific Plan
Nichols Consulting Engineers	Environmental Assessment		
	Phase II Analysis		
	Data collection and planning support		
	Real Estate Analysis regarding contamination and appraisal support		

	Completed	In Progress	New
Nichols Consulting Engineers (Continued)	Site Reconnaissance		
	Data Review		
	Infrastructure Assessment and Capacity Report		
	Levee Evaluation		
	Seepage Berm Design		
	Facilities Plan and Preliminary Infrastructure Costs		
	Meetings		
		Health Risk Assessment	
			Additional Data testing required by DTSC
			Supplemental Phase II

Attachment 5

RESOLUTION NO. 2007-

Adopted by the Sacramento City Council

**DOCKS AREA CAPITAL IMPROVEMENT PROJECTS (CIPs);
AMENDMENTS TO EXISTING CIPs AND CONTRACT AMENDMENTS****BACKGROUND**

- A. In July 2003, the City Council accepted the Sacramento Riverfront Master Plan (Master Plan). Included in the Master Plan was the identification of the Docks Area as an opportunity site. The original concept for the Docks Area included a mixed-use neighborhood and a riverfront parkway/promenade.
- B. In 2005, the City engaged in an extensive community planning process with Wallace Roberts and Todd to further define the Docks Area. The Docks Area community planning process resulted in a concept design for a high density, mixed-use neighborhood with a riverfront promenade along the Sacramento River.
- C. In June, 2005, Gail Ervin Consulting was retained to prepare environmental studies and documents for the Docks Area project.
- D. In January 2006, the Redevelopment Agency of the City of Sacramento approved an Exclusive Right to Negotiate with KSWM Docks Partners, LLC as the Master Developer for the Docks Area. In June, 2007 this ERN was extended to March 31, 2008.
- E. Nichols Consulting Engineers, Chtd. (Nichols) was awarded a contract to assist with predevelopment analysis in the Docks Area. Predevelopment analysis included a Phase I and II Environmental Site Assessment, an infrastructure assessment and early design of future infrastructure needs. A contract amendment is needed to authorize Nichols to continue to provide technical assistance related Department of Toxic Substances Control regarding remediation options related to redeveloping the Docks Area.
- F. DKS Associates was hired in March 2005 to support the land use planning efforts.
- G. The development team selected for the Docks Area, KSWM Docks Partners, LLC submitted an additional \$75,000 in June 2007.

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

Section 1. The City Manager is authorized to enter into an Individual Project Agreement (IPA) with the Redevelopment Agency in the amount of \$329,970 and invoice the Redevelopment Agency in the amount of \$75,000 for an Exclusive Right to Negotiate developer deposit.

Section 2. Increase the revenue and expense budget for the Pioneer Bridge Capital Improvement project (KD 41) as follows:

Project ID#	Fund	Amount
KD 41	206	\$329,970

Project ID#	Fund	Amount
KD	248	\$75,000

Section 2. The City Manager is authorized to execute a second amendment to City Agreement No. 2006-1218 with Wallace Roberts and Todd increasing the contract amount by \$176,910.

Section 3. The City Manager is authorized to execute the third amendment to City Agreement No. 2005-0066 with DKS Associates increasing the contract amount by \$48,560.

Section 4. The City Manager is authorized to execute a second amendment to City Agreement No. 2005-0039 with Gail Ervin Consulting increasing the contract amount by \$123,000.

Section 5. The City Manager is authorized to execute a fourth amendment to City Agreement No. 2004-0161 with Nichols Consulting Engineers increasing the contract amount by \$56,500.

RESOLUTION NO. 2007-

Adopted by the Redevelopment Agency
of the City of Sacramento

MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT AREA: DOCKS AREA CAPITAL IMPROVEMENT PROJECTS (CIPs) AND FUNDING

BACKGROUND

- A. In July 2003, the City Council of the City of Sacramento accepted the Sacramento Riverfront Master Plan (Master Plan). The Master Plan includes the Docks Area as an opportunity site. The original concept for the Docks Area included a mixed-use neighborhood and a riverfront parkway/promenade.
- B. In 2005, the City of Sacramento (City) engaged in an extensive community planning process to further define the Docks Area. The Docks Area community planning process resulted in an early concept plan for a high-density, mixed-use neighborhood with a riverfront promenade along the Sacramento River.
- C. In June 2005, Gail Ervin Consulting was retained to prepare environmental studies and documents for the Docks Area project.
- D. In January 2006, the Redevelopment Agency of the City of Sacramento approved an Exclusive Right to Negotiate with KSWM Docks Partners, LLC as the Master Developer for the Docks Area. In June 2007 this ERN was extended to March 31, 2008.
- E. Nichols Consulting Engineers, Chtd. (Nichols) was awarded a contract to assist with predevelopment analysis in the Docks Area. Predevelopment analysis included a Phase I and II Environmental Site Assessment, an infrastructure assessment and early design of future infrastructure needs. A contract amendment is needed to authorize Nichols to continue to provide technical assistance related Department of Toxic Substances Control regarding remediation options related to redeveloping the Docks Area.
- F. DKS Associates was hired in March 2005 to support the land use planning efforts.
- G. The development team selected for the Docks Area, KSWM Docks Partners, LLC submitted an additional \$75,000 in June 2007.

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

- Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action as stated in the staff report that accompanies this Resolution, are approved.

- Section 2. Pursuant to Section 33445 of the Health and Safety Code of the State of California, the Agency makes the following findings:
- a) The Docks Area Projects, including the promenade/parkway and levee improvements; the property acquisition and the technical assistance from Wallace Roberts and Todd, Gail Ervin Consulting, DKS Associates, and Nichols Consulting Engineers are of benefit to the Merged Downtown Redevelopment Project Area because of the improvements to public infrastructure, the consolidation of properties for the eventual high-density mixed-use development and the remediation of a Brownfields site;
 - b) There are no other reasonable means of financing the Projects available to the community except for redevelopment area tax increment proceeds.
 - c) The use of redevelopment area tax increment proceeds for the Projects will result in the elimination of blighting influences of inadequate, under-capacity and dilapidated infrastructure inside the Project Area and the Projects are consistent with the implementation plan adopted pursuant to Health and Safety Code of the State of California, Section 33490.
- Section 3. Authorize the Executive Director to transfer \$329,970 of tax increment funds from Docks Acquisition Downtown Tax Increment Funds (Fund 206) to the Pioneer Bridge Capital project (KD 41).
- Section 4. Authorize the Executive Director to transfer via invoice \$75,000 of the KSWM Docks Partners, LLC (developer) deposit from the Agency to the Pioneer Bridge project (KD41).