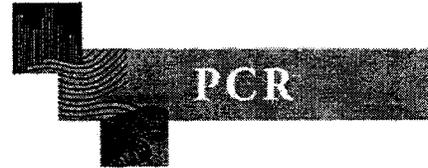


Exhibit D



October 3, 2007

Mr. Patrick Soluri
SOLURI & EMRICK
1822 21st Street
Suite 202
Sacramento, California 95814

**Re: COMMENTS CONCERNING THE DRAFT ENVIRONMENTAL IMPACT REPORT
FOR THE RAIL YARDS SPECIFIC PLAN**

Dear Mr. Soluri:

At your request, we have completed our review of the Railyards Specific Plan Draft Environmental Impact Report (Draft EIR) with regard to Air Quality, Archeological Resources and Urban Design and Visual Resources. Our comments focus on issues within these topics that relate directly to the adequacy of the Draft EIR's inquiry and conclusions. Our comments are presented as follows:

AIR QUALITY

Impacts from Toxic Air Contaminants

The Draft EIR errs in its determination that risks from placing new sensitive receptors near to the existing sources of toxic air contaminants (TACs) were found to be less than significant. The errors include:

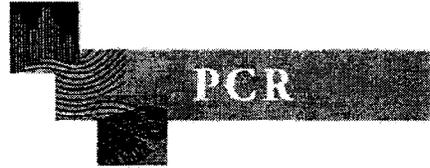
1. Significance Criteria

The Draft EIR sets a significance criterion for proposed residential receptors to be sited near a major source of mobile TACs at a lifetime increased cancer risk of 446 in one million. The Draft EIR erroneously attributes this significance criterion as being established for that purpose by the Sacramento Metropolitan Air Quality Management District (SMAQMD). The SMAQMD issued the *Draft Recommended Protocol for Evaluating the Location of Sensitive Land Uses Adjacent to Major Roadways* (Protocol) in January 2007. The stated purpose of the Protocol is as follows (page 2):

One is to assist local land use jurisdictions in assessing the potential cancer risk of siting sensitive land uses adjacent to major roadways. The second purpose is to provide a disclosure mechanism for those risks. The third is to show the relationship between potential cancer risk from diesel particulate matter exposure and distance from the major roadway.

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The SMAQMD goes on to say (page 2):

This document does not provide an acceptable cancer risk level or a regulatory threshold; therefore it does not establish which projects are acceptable and which are not. Local land use jurisdictions retain all authority and decide after considering all relevant factors whether the project is appropriate.

The Protocol emphatically states (page 10):

Note that the evaluation criterion does not represent a “safe” risk level or a regulatory threshold; it is simply the point at which a site specific health risk assessment is recommended.

In addition, the California Air Resources Board (CARB) has issued guidance recommending that sensitive land uses be sited no closer than 500 feet from a freeway or other high traffic roadway. Due to the advisory nature of this guidance, SMAQMD recommends that a site specific health risk assessment (HRA) be performed for proposed development within this 500 foot distance. In its Guide to Air Quality Assessment in Sacramento County (July 2004), the SMAQMD states (see Section 2.6.4 Toxic Air Contaminants Significance Thresholds):

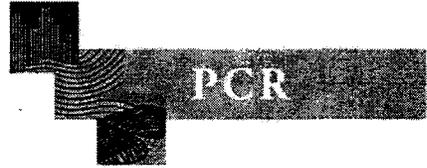
26-39
(con't.)

The HRA procedure involves the use of an air quality model and a protocol approved by the Air District. Currently no adequate acceptable methodology is available to assess TACs from mobile sources, or to cumulatively assess mobile and stationary sources of air toxics, therefore the environmental document may conservatively consider impacts from TACs significant and unavoidable. The recommended significance thresholds for TACs include:

- Lifetime probability of contracting cancer is greater than 10 in one million;
- Ground-level concentration of non-carcinogenic toxic air pollutants would result in a Hazard Index (HI) of greater than 1.

On page 6.1-29 of the Draft EIR, it states “...the cancer risks from the freeway diesel particulate matter (DPM) are considered less than the threshold in the SMAQMD guidance (446 per million).” This approach is inconsistent with both SMAQMD guidance documents discussed above. Specifically, the Protocol establishes 446 per million as a threshold under which a refined project-specific HRA (e.g. dispersion modeling) is not required and not as a threshold for determining whether the specific impacts of a project are significant under CEQA.

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2. Contradictory Results

The Draft EIR also errs in stating that the unmitigated risk from construction, evaluated in the second technical study, *Health Risk Assessment of Diesel Particulate Matter (DPM) and Soil Fugitives from Construction Activities* (August 2007), is less than significant, which is in contradiction to the supporting quantitative technical study that includes specific data that shows the cancer risk is greater than the significance criterion that should be utilized.

26-40

3. Assumptions Used in the Analyses

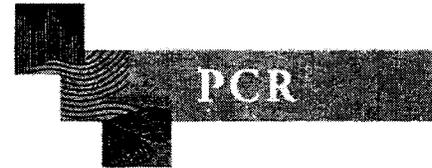
Details regarding assumptions used in the analyses, germane to the evaluation and ultimate determination of significance, have been omitted from the Draft EIR. For example, the screening HRA (Appendix O of the Draft EIR) only discusses residential land uses to the east of the I-5 freeway and north of the rail lines. However, the Draft EIR draws conclusions regarding potential residences to the west of the freeway. The Land Use Plan identifies potential Residential Mixed-Use (RMU) to the west of I-5 and directly north of the rail lines, and Residential/Commercial Mixed-Use (RCMU) apparently straddling both east and west of a stretch of the freeway. The reader is unable to easily and clearly ascertain what distances from the major sources of TACs residences are contemplated under the Specific Plan. The Draft EIR uses 50 feet west (upwind of the freeway) and 200 feet east (downwind) of the freeway as design features for evaluation. With respect to the risks from the rail operations, the screening HRA concludes that "...no matter where the new residence is placed, the cancer risks from the locomotive DPM are considered less than the evaluation criterion..."

26-41

Upon review of the screening HRA, the reader is lead to conclude that the study and Draft EIR are establishing a minimum set back distance, beyond which the maximum risks fall below the SMAQMD's evaluation criterion. The risks may not fully account for the potential worst-case scenario with respect to proximity.

The evaluation criterion is the distance at which, given the freeway volume and simplified physical geometry, the risks can be estimated using the provided look-up tables, rather than performing a detailed, site-specific HRA. Therefore if the proposed project allows (or does not specifically disallow) residences within close proximity to the freeway (200 feet and less to the east or 50 feet and less to the west), a detailed, site-specific HRA is required. This was not performed. The SMAQMD Protocol states if the building envelopes are not known at the time of the evaluation, "...the receptor should be placed at the edge of the property boundary." If the distances used in the evaluation are the closest potential distance possible, it should be stated explicitly in the Specific Plan or accompanying zoning regulations, or be otherwise established in the engineering and design studies.

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4. Underestimated Risk

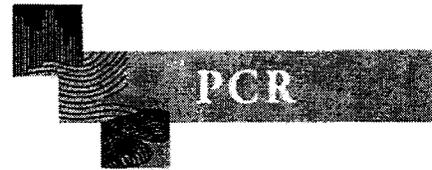
The SMAQMD Protocol states that the methodology was developed for simplified roadway scenarios, and is not appropriate (without future refinements) for multiple roadways or other non-roadway TAC sources. The screening HRA applies the protocol to the DPM emissions from the rail operations, and states that the SMAQMD concurred with this approach. Of bigger issue is the lack of consideration in the Draft EIR of the potential effect to sensitive populations arising from exposure to both sources of DPM. The Land Use Plan (see Figure 3-5 of the Draft EIR) identifies some land, designated RMU, which is within 500 feet of both the I-5 freeway and the rail lines. Had a site-specific detailed HRA been performed, which allocates emissions both spatially and temporally to more accurately represent local conditions, the compounding effect would have been calculated for all receptors.

Additionally, the second technical study performed detailed dispersion modeling and health effects screening for construction activities. However, the risk from exposure to TACs released from the soil was assessed separately from the risk from exposure to exhaust DPM from off-road construction equipment. These risks are in fact directly additive as they occur concurrently; the off-road diesel equipment is the mechanism by which the soil is disturbed and TACs released. The risks may be underestimated because they do not consider the changing location of sensitive populations. The existing project boundary was used to establish the location of nearest receptors. Because the specific plan is slated to take 20 years to build out, the exposure of future on-site residential receptors to construction generated TACs in nearby parcels should be evaluated.

This focused HRA correctly identifies cancer risk of 10 in one million and HI of 1.0 as the applicable significance criteria (see Item No. 1 above), and risks predicted separately from soil and mobile TAC exposure are found to exceed these criteria (page 5-10 of the *Health Risk Assessment of Diesel Particulate Matter (DPM) and Soil Fugitives from Construction Activities*). These numeric values are not presented in Section 6.1 of the Draft EIR; rather the text directs the reader to Section 6.5, Hazards and Hazardous Substances, for additional discussion. The numeric results of the HRA are not presented in Section 6.5 either. Impact 6.5-3 concludes qualitatively that soil remediation activities, occurring concurrently with the development of the proposed Specific Plan could expose occupants to adverse health effects, and poses a potentially significant impact (page 6.5-30). The Draft EIR is internally inconsistent and contradicts the project-specific technical studies, resulting in an under representation of the potential risks.

Given the complex spatial and temporal nature of TAC emissions from the freeway, rail operations, and on-going site construction in the Specific Plan Area, it is suggested that a detailed refined HRA be performed to better quantify the compounding risks.

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5. Recommendations

Due to the numerous compounding errors stated above in Items No. 1 through 4, the Draft EIR should be re-drafted and recirculated. The DEIR concludes that "...the project would generate a less-than-significant impact related to cancer risks generated from vehicle emission (specifically, diesel emissions) under buildout conditions." (page 6.1-26). However, this conclusion is reached by inappropriately applying the SMAQMD's screening methodology. The evaluation criterion of 446 in one million increased cancer risk, is the value over which the SMAQMD recommends that a site-specific HRA be performed. The Protocol clearly states the "evaluation criterion does not represent a "safe" risk level or a regulatory threshold". The Protocol further instructs evaluators to report the value from the screening tables in their environmental documentation, which the Draft EIR also fails to do. In recent conversation with the SMAQMD, the recommended significance criteria for mobile source TACs are the same as stationary source standards: 10 in one million increased cancer risk, and HIs of 1 for acute and chronic non-cancer risks. For these reasons, the DEIR fails to fully disclose potential serious health impacts.

26-43

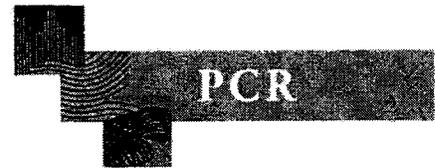
Impacts to Global Climate Change

The Draft EIR errs in its assertion that Global Climate Change (GCC) should not be address in the Impacts Analysis. The Draft EIR states "...it is not appropriate to address the issue within the confines of typical CEQA analysis of cumulative impacts..." (page 6.1-16). Although there remains much uncertainty surrounding the issue of green house gases (GHG) and GCC, Lead Agencies throughout California are performing analyses, and making significance determinations under CEQA. Public Resource Code § 21002.1(b) establishes that the lead agency has the fundamental responsibility to determine whether an impact is significant, triggering the obligation to analyze and require feasible mitigation. Furthermore CEQA Guidelines Section 15064(b) note that "[a]n ironclad definition of significant effect is not always possible ...".

26-44

The approach in this DEIR, to omit quantifying the Project's GHG contribution and to avoid making a conclusion as to the significance of global warming because it lacks the necessary facts, analysis, adopted methodology or thresholds, does not satisfy CEQA. The DEIR should be updated to include a discussion on the regulatory and existing environmental setting, significance criteria, quantitative and qualitative analyses, determination of significance, and mitigation measures if warranted. CEQA expects no less. These additional analyses would require the recirculation of the DEIR for review and comment.

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CULTURAL RESOURCES

Archeology

Based upon review of the archaeological portion of the cultural resources section of the Railroads Specific Plan Draft EIR and the cultural resources technical report (Appendix G), we have several concerns with the information, analysis, and mitigation measures as presented therein:

1. Discrepancy Between the Area Addressed by the Technical Report and the Area Addressed by the Specific Plan Draft EIR.

The cultural resources section indicates that the technical report addresses an area referred to as the Initial Phase Area. In turn, the term Specific Plan Area is defined as the entire geographic area addressed on a programmatic level by the analysis in the Draft EIR. The cultural resources section specifically states that the Initial Phase Area or Project Area refers to an area that is smaller than the Specific Plan area and that is addressed in greater detail by the technical report. Maps of the area studied in the technical report identify a smaller area than the area addressed by the Draft EIR; the area not addressed by the Draft EIR is the northeastern part of the railyard. Maps of the Initial Phase Area in the cultural resources section of the Draft EIR, however, have the same boundary as the Specific Plan Area outlined in maps in the project description portion of the Draft EIR. Therefore, it appears that the Draft EIR extends recommendations from the technical report over an area not addressed by the technical report. Further, there is no description in the Draft EIR cultural section of any additional studies or consideration of the portions of the Specific Plan Area not addressed by the technical report.

26-45

2. Lack of Detail from Record Searches with Respect to Prehistoric Resources.

Both the technical report and cultural resources section of the Draft EIR report that assessment of the archaeological sensitivity of the Initial Phase Area included record search information. Description of the record search results, however, is given in summary fashion, indicating that only one prehistoric site has been previously identified in the Initial Phase Area, and does not adequately describe the distribution of previous studies. This information should be balanced against the number and types of archaeological investigations conducted in the Initial Phase Area, the depth at which the prehistoric site was identified, and an assessment of the overall depths and nature of deep ground disturbance in this historically developed area.

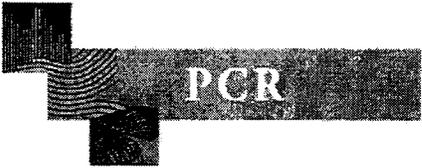
26-46

3. Definition of Archaeologically Sensitive Areas not Well Supported by Data and Analysis, Particularly for Prehistoric Resources.

Archaeologically Sensitive Areas (ASAs) were defined for the Initial Phase Area in the technical report. Definition of ASAs for prehistoric resources are described as having been based on

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ethnographic and topographic information. The ethnographic information is described as indicating that cultural resources are most likely to be found on high ground, but is not otherwise detailed. It is noted in the technical report that early 19th century topography of the area is no longer visible as it has been filled in (see page G-5). The technical report indicates that historic maps were used to identify now-hidden topography, but details of past topography of the area are not provided. Human occupation of the project vicinity began at least 4,000 to 5,000 years ago; the emphasis on ethnographic data and historic topography do not adequately address settlement patterns and their possible relationships to the distribution of river channels and marshland in the Initial Phase Area prior to ethnographic times. Moreover, archaeological sensitivity of areas outside of ASAs is not addressed in either the Draft EIR or the technical report. The mitigation measure recommended to implement a testing plan and mitigation plans do not provide sufficient detail to guarantee landscape-level study of these sensitive areas.

26-47
(con't.)

4. Mitigation Measures are Described in Terms of Archaeologically Sensitive Areas

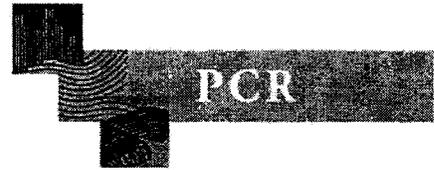
Testing and monitoring are required only in Archaeologically Sensitive Areas. Given the apparent discrepancy between the area covered by the technical report - which is the only area in which Archaeologically Sensitive Areas have been defined - and the Specific Plan Area, to which the mitigation measures apply, there is potential for an archaeologically sensitive area to not have been appropriately studied, defined, or mitigated. Thus, significant archaeological resources within the Specific Plan Area may remain unidentified and undisclosed. This omission should be cured by expanding the scope of Archeological investigation to include the entire Specific Plan Area, re-drafting and re-circulating the Draft EIR

URBAN DESIGN AND VISUAL RESOURCES

The conclusions drawn in the assessment appear arbitrary and unresponsive to the legitimately wide range of opinion that invariably regards visual resources. Impact hypotheses 6.13-1 is posed at page 6.1-23 as follows: " East of I-5, the potential development of large-floor plate and high-rise buildings across the project site could alter public views." The conclusion reached in the Draft EIR at page 6.13-25 in response to the foregoing hypothesis is "Although views of and from the project site would be modified from the existing conditions, the proposed project would not degrade the existing visual character or quality of the site and its surrounding. Rather, development consistent with the proposed Specific Plan would contribute to the visual character and interest of downtown Sacramento, and would improve the visual quality of the downtown area. As such, development under the proposed project would not degrade the existing visual quality of the area or obstruct key existing views and/or vistas in the vicinity. This impact is considered less than significant."

26-48

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Impact hypothesis 6.13-2 is stated as follows: "The potential development of high-rise buildings adjacent to the riverfront could represent an introduction of building height and mass that conflicts with the character of the riverfront between Old Sacramento and the Jibboom Street Bridge." At page 6.13-31 of the Draft EIR, the conclusion reached regarding the second hypothesis is "The Guidelines establish specific bulk requirements that would ensure the creation of slender towers with sufficient separation that through-views to the River from I-5 would remain. Notwithstanding the subjective nature of visual effects, the implementation of these Design Guidelines would guide development so that it would be consistent with the intent of the relevant policies of the Sacramento River Parkway Plan and would eliminate the potential for a significant visual conflict or blockage of views such that the impact would be less than significant."

In both cases, a conclusion of less than significant impact is reached, yet there is no real analysis to demonstrate that such impacts would indeed be less than significant. For example, the generalized height diagram in the EIR indicates that buildings with heights up to 450 feet would be located between the I-5 and the river. Yet there are no visual renderings, sections or elevations that demonstrate that views of the river from I-5 would not be obstructed. Such graphics are typically included within EIRs, particularly when high-rise buildings are proposed adjacent to known visual resources. The need for this analysis is underscored by the project's conversion of some 240 acres of largely open land directly adjoining the urban core of the Sacramento Metropolitan Area wherein most of the land will be subject to "unrestricted" building heights. Rather than providing the analysis necessary to demonstrate that aesthetic and view impacts would be less than significant, the conclusions tread on the presumption of new development in compliance with municipal goals and policies.

It is also interesting to note that with regard to impact hypotheses 6.13-3 and 6.13-4 regarding program potential to create new sources of nighttime light and glare, respectively, it is concluded that the same development program with the same mass, height and distribution will have potentially significant impacts prior to mitigation. How could such a development program causing such complete visual transition in a large downtown environment have significant impact at night or in reflection, but not in plain sight during daylight?

Sincerely,
PCR SERVICES CORPORATION

A handwritten signature in cursive script, appearing to read "Gregory J. Broughton".

Gregory J. Broughton
President

26-48
(con't.)

Exhibit E



September 21, 2007

Patrick M. Soluri
SOLURI & EMRICK
1822 21st St, Suite 202
Sacramento, CA 95814

Re: Peer Review of Railyards Development Project Draft Environmental Impact Report (DEIR) Transportation and Circulation Section 6.12

Dear Mr. Soluri:

Per your request, VRPA Technologies, Inc. has conducted a peer review of the Railyards Development Project DEIR Transportation and Circulation Section 6.12, as documented in an April 2007 report prepared by PBS&J/EIP.

26-49

Based upon our peer review of that document and the identification of other transportation issues, VRPA Technologies, Inc. has prepared the following detailed comments:

- ◆ **Study Area/Street and Road Network:** The analysis for the Transportation and Circulation report does not appear to be extensive enough. Trips will be attracted from the developed area surrounding the proposed project; however, a significant number of trips will be attracted to the project from the surrounding "region", which means that additional interchanges and other major intersections and street and highway segments may be impacted by the proposed project. While a traffic assessment meeting was conducted between the City and the traffic consultant to determine the intersections and interchanges that should be studied, the consultant should have applied results of a select zone analysis using the regional traffic forecasting model to identify the number and percentage of project trips assigned to the street and road network within the region. This test should be conducted by the traffic consultant to ensure that all potential impacts that may result from the project are addressed. As an example, review of just one intersection identified as #48 in Figure 6.12-1, indicates that at least 100 peak hour project trips would impact the intersection directly to the west. That intersection was not analyzed. Typically, traffic studies are required to analyze all intersections that may attract 100 or more peak hour trips because the level of service at an intersection can change by one grade level of service with the addition of such trips.

26-50

Referencing the City of Sacramento Development Services' website, <http://www.cityofsacramento.org/dsd/development-engineering/TrafficImpactStudy.cfm>, "A traffic study is required if a project has a potential to create a significant transportation-related environmental impact or a detriment to public safety. The following guidelines have been established to determine if a traffic study is required:

- The project will generate more than 100 new trips during the peak traffic hours of the adjacent roadways (AM, PM, or MIDDAY).
- The project will generate more than 50 new peak hour trips, and if a transportation facility (roadway and/or intersection) located on a main access route to the site is currently operating at an unacceptable Level of Service."

26-51

As a result of the above referenced requirement, the traffic consultant should expand the traffic impact study to include all intersections that will attract 100 or more peak hour trips based upon the select zone analysis using the regional traffic model.

- ◆ **Traffic Counts:** As stated in the DEIR traffic counts were taken under the direction of the consultant and the times and dates were documented in DEIR. Approximately 39 existing intersections were analyzed, however only 34 of the 39 count sheets were available in the Appendix of the documents referenced. Typical engineering practice requires that traffic counts should be conducted on Tuesdays, Wednesdays and Thursdays because traffic is lighter on Mondays (employees call in sick) and on Fridays (employees leave early for the weekend). Reviewing the traffic count data sheets, it should be noted that the intersection of 12th Street and Dos Rios was counted on a Monday and may not be representative of average weekday traffic conditions. At a minimum, the intersection should be recounted and the level of service analysis should be revised.

26-52

Referencing the reports, the following intersections were analyzed by the consultant:

- Existing conditions – 39 intersections (Table 6.12-1)
- Baseline conditions – 39 intersections (Table 6.12-4)
- Baseline with Initial Phase conditions – 53 intersections (Table 6.12-5)
- Future (2013) No Project conditions – 39 intersections (Table 6.12-6)
- Future (2013) with Initial Phase conditions – 53 intersections (Table 6.12-7)
- Future (2030) No Project conditions – 57 intersections (Table 6.12-8)
- Future (2030) with Initial Phase conditions – 60 intersections (Table 6.12-9)
- Future (2030) Full Build conditions – 64 intersections (Table 6.12-10)

In addition, the following segments were analyzed:

- Existing Conditions – 8 segments (Pages 6.12-12/13)
- Baseline Conditions – 8 segments (Pages 6.12-12/13)
- Baseline with Initial Phase conditions – 21 segments (Pages 6.12-12/13)
- Future (2013) No Project conditions – 8 segments (Pages 6.12-12/13)
- Future (2013) with Initial Phase conditions – 21 segments (Pages 6.12-12/13)
- Future (2030) No Project conditions – 8 segments (Pages 6.12-12/13)
- Future (2030) with Initial Phase conditions – 21 segments (Pages 6.12-12/13)
- Future (2030) Full Build conditions – 32 segments (Pages 6.12-12/13)

26-52
(cont.)

Standard engineering practice requires that street and road segments that connect to intersections studied in the traffic study should be analyzed. According to the DEIR, only a fraction of the study area segments were analyzed under existing, baseline and future year conditions. To address this deficiency, the consultant should study all connecting segments to each intersection studied. Without such an analysis, it is not possible to determine the need for additional travel lanes between intersections in the study area.

- ◆ **Trip Generation:** Trip Generation was estimated for each of the uses proposed by the project (reference Table 1). Results of the trip generation analysis indicate that the Project will generate 6,185 weekday AM Peak Hour and 11,301 weekday PM Peak Hour trips for the baseline and near-term conditions under the Maximum Office scenario. The Project will generate 3,860 weekday AM Peak Hour and 8,829 weekday PM Peak Hour trips for the baseline and near-term conditions under the Maximum Residential scenario. Trip Generation for the Maximum Office was analyzed for the report as a worst-case scenario.

Table 1

26-53

TRIP GENERATION SUMMARY FOR MAXIMUM OFFICE AND RESIDENTIAL SCENARIOS

Land Use	Weekday	AM PEAK HOUR			PM PEAK HOUR		
		IN	OUT	Total	IN	OUT	Total
Railyards Initial Phase (Baseline & 2013)							
Initial Phase w Max Office	107,150	4,385	1,800	6,185	4,476	6,822	11,301
Initial Phase w Max Res	94,792	1,916	1,945	3,860	4,296	4,532	8,829
Railyards Initial Phase (2030)							
Initial Phase w Max Office	105,060	4,215	1,765	5,979	4,415	6,639	11,057
Initial Phase w Max Res	93,781	1,888	1,922	3,810	4,261	4,484	8,747
Railyards Full Project							
Initial Phase w Max Office	149,461	6,185	4,039	10,222	6,473	8,972	15,447
Initial Phase w Max Res	140,931	3,173	4,290	7,462	6,591	6,478	13,070

Transit, Walk, Bike, and Other Non-Auto travel adjustments were made to the Maximum Office scenario (reference Table 2) and were generally based on information contained in the *Pre-Census Travel Behavior Report, Analysis of the 2000 SACOG Household Travel Survey* (DKS, 2001).

Table 2

TRIP GENERATION ADJUSTMENTS FOR MAXIMUM OFFICE SCENARIO

Land Use	Amount	Unit	Weekday	AM PEAK HOUR			PM PEAK HOUR		
				IN	OUT	Total	IN	OUT	Total
				Office (General Office Building 710)	2993	KSF	31,175	3,972	542
Retail (Shopping Center)	1566	KSF	116,989	1,937	1,376	3,312	5,273	5,510	10,783
Single-Family Residential (210)	11300	Units	50,780	1,072	2,947	4,018	2,639	1,730	4,369
Other			4,819	516	130	645	167	703	869
Total Program Trips			203,762	7,497	4,995	12,489	8,852	11,705	20,556
Transit Adjustments (-3.9%)			-6,895	-504	542	4,514	-245	-555	-799
Walk, Bike & Other Non-Auto Travel Adjustments (-8.9%)			-19,454	-435	1,376	3,312	-866	-911	-1,775
Internal Trips Within Project Area Blocks (-5.6%)			-12,635	-193	2,947	4,018	-596	-596	-1,193
Trips To-From Other Blocks within the Project Area (-6.7)			-15,317	-180	130	645	-671	-671	-1,342
New External Trips (%75) of Total Program Trips			149,461	6,185	4,039	10,222	6,473	8,972	15,447

26-53
(con't.)

The report indicates that approximately 25% of the mode share in the Downtown Sacramento area is attributable to transit, walk, bike and other modes including light rail. While this may be the case for the Downtown area as it relates to employment and other governmental services, the project includes a significant amount of retail development, which is not typically accessed using these modes, especially for services such as sporting equipment, etc. Because there are no guarantees that the retail will attract a 25% transit, walk, bike and other mode share or trip reduction, it is recommended that the reduction for these modes associated with retail trips be eliminated or reduced significantly. If such adjustments are not made, then the City must monitor the development to ensure that the trip reductions are achieved over time.

- ◆ **Trip Distribution/Assignment:** The consultant used the regional travel demand model developed by SACOG and added project trips to determine trip distribution in the study area. According to the DEIR, adjustments to the model assignment of trips were not made by the traffic consultant to provide a more precise distribution of trips. It is highly unusual for a traffic consultant to use model-assigned trips along a roadway without manually adjusting the assignments considering localized conditions; especially along streets and roads immediately adjacent to the project site. The consultant should have reviewed the assignments and should have made appropriate adjustments to the assignments.

26-54

It is not possible to make an informed decision about project mitigation unless more detail is provided. Financial calculations for each of the mitigated intersections and segments should be included in the DEIR to depict the "fair share" portion in dollar amounts to address impacts that the project is responsible for mitigating.

Further, mitigation measures are not included in the Baseline With Initial Phase condition for the intersection of 12th St/16th St/Richards Blvd. during the PM Peak Hour (reference Table 6.12-15 page 6.12-70). The intersection has a "F" Level of Service (LOS) and the estimated delay is 183.3 seconds.

In addition, statements listed on pages 6.12-65, 6.12-84, 6.12-100, and 6.12-119 mention that "One or more of the intersections analyzed as part of this system would continue to operate at unacceptable levels after mitigation. Therefore the impact on the transportation system is considered significant and unavoidable." These statements are unclear and fail to document a resolution. Even though the grade LOS may be deficient, there may be other feasible mitigation measures to improve traffic flow through the intersections and along the affected segments; especially in downtown areas where capacity issues are prevalent. Such an analysis was not developed by the traffic consultant.

Furthermore, mitigation analysis applied to several scenarios was assumed to be significant and unavoidable because the mitigation required is inconsistent with the City of Sacramento goals and objectives to create pedestrian-friendly street environments and to implement Smart Growth policies. While it is good to promote these policies, mitigation measures must be identified within the report to achieve these objectives. The consultant needs to identify strategies and incentives to ensure that the trip reductions associated with the transit, pedestrian/bicycling development will actually occur over time through the use of enforceable mitigation measures and monitoring. The consultant also needs to identify feasible mitigation measures that will improve traffic flow even along deficient facilities to the extent that those facilities can be improved. Bus bays, Transportation Systems Management (TSM) strategies (such as intersection widening, signal coordination, priority signals for buses, etc.) need to be considered. Without such improvements, even the buses they are relying on to move people through and around the study area cannot travel efficiently given the delays along the system that the buses will also experience. A statement that the project will pay a fee for signal timing improvements is not sufficient mitigation.

Finally, the consultant has not identified the impact that the project may have on other transportation systems; especially those systems that the project will rely on to achieve the vehicle trip reductions specified in the

26-56
(cont.)

reports. Given the significant number of trips that are anticipated to use transit, and bicycle and pedestrian facilities, it is imperative that the consultant include an analysis of project impacts on those systems, identify applicable mitigation measures and develop a "pro rata share" of costs to implement the measures. Without such an analysis, impacts will not be known and appropriate mitigation strategies or measures cannot be identified.

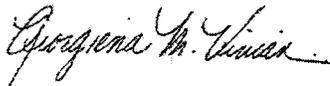
26-56
(con't.)

Bottomline: If the consultant desires to take credit for a reduction in trip generation due to transit and other modes, then the consultant needs to identify how that reduction in vehicle trips will be achieved. The consultant also needs to identify how the trip reductions will impact these other modes. The California Environmental Quality Act (CEQA) requires analysis of all transportation-related impacts, not just the street and road system in this case.

- **Left-Turn Pocket Analysis:** The consultant provided an assessment of left-turn pockets adjacent to the project site. The methodology appears to be consistent with standard engineering practice.

Should you have any further questions or need further information, please contact me at 559 271-1200 (office) or 559 259-9257 (cellular).

Sincerely,



Georgiena M. Vivian, Vice President
VRPA TECHNOLOGIES

GV/ldb

Exhibit 1



CITY OF SACRAMENTO

DEVELOPMENT SERVICES
DEPARTMENT

CALIFORNIA

North Permit Center
2101 Arena Blvd., 2nd Floor
SACRAMENTO, CA 95834

Tele 916-808-5381
FAX 916-808-5328

DATE: March 10, 2006

TO: Interested Persons

FROM: LE Buford, Principal Planner
Development Services Department

RE: **NOTICE OF PREPARATION OF A DRAFT ENVIRONMENTAL IMPACT REPORT AND SCOPING MEETING FOR THE RAILYARDS SPECIFIC PLAN, SACRAMENTO INTERMODAL TRANSPORTATION FACILITY AND PROJECT LEVEL AREA DEVELOPMENT**

INTRODUCTION

The City of Sacramento ("City") is the lead agency for preparation of an Environmental Impact Report (EIR) for the "Railyards Specific Plan", Sacramento Intermodal Transportation Facility (SITF) and "Project Level Area" proposing mixed-use development of approximately 240 acres located in the Central City/Downtown area of the City of Sacramento. The EIR is an environmental review document being prepared in compliance with the California Environmental Quality Act (CEQA). Under CEQA, upon deciding to prepare an EIR, the lead agency must issue a Notice of Preparation (NOP) to inform all responsible agencies of that decision. The purpose of the NOP is to provide information describing the project and its potential environmental effects to enable comments regarding the scope and content of the information to be included in the EIR. Agencies should comment on such information as it relates to their statutory responsibilities in connection with the project.

Pursuant to CEQA Guidelines section 15168, the EIR is being prepared as a program level EIR for the "Railyards Specific Plan" and Sacramento Intermodal Facility. A program EIR may be prepared on a series of related actions that can be characterized as one large project. It is also intended that the EIR will provide Project Level review of development in the Project Level Area of The "Railyards Specific Plan". Subsequent development activities in The "Railyards Specific Plan" area will be examined in light of the program/project EIR to determine whether any further environmental review is required. Additionally, the EIR will analyze potential impacts that may be associated with possible revisions to the approved Remediation Action Plans for contamination on the site and the related Tri-Party Memorandum of Understanding between the City, Department of Toxic Substance Control (DTSC) and UP Railyards.

The project description, location, and environmental issue areas that may be affected by the project are set forth below. The EIR will evaluate the potentially significant environmental impacts of the proposed project, on both direct and cumulative basis, and will identify mitigation measures that may be feasible to lessen or avoid such impacts. The EIR will provide a programmatic evaluation of potential environmental impacts associated with The RSP, SITF and related entitlements pursuant to section 15168 of the CEQA Guidelines. The EIR will provide a project-specific evaluation of development in the Project Level Area of the "Railyards Specific Plan" pursuant to CEQA Guidelines section 15161.

SUBMITTING COMMENTS

Comments and suggestions as to the appropriate scope of analysis in the EIR are invited from all interested parties. Written comments or questions concerning the EIR for the proposed project should be directed to the environmental project manager at the following address by 5:00 p.m. on April 10, 2006 (Please include the contact person's full name and address in order for staff to respond appropriately):

Scott Johnson, Associate Planner,
City of Sacramento Development Services Department,
2101 Arena Boulevard, Suite 200, Sacramento, CA 95834.
Tele (916) 808-5842 fax (916) 566-3968.
E-mail: srjohnson@cityofsacramento.org

SCOPING MEETING

A public scoping meeting will be held on March 29, 2006, from 6:30 p.m. to 8:00 p.m. at the following location:

**Historic City Hall Hearing Room
915 I Street, Second Floor
Sacramento, CA 95814**

Responsible agencies and members of the public are invited to attend and provide input on the scope of the EIR.

PROJECT LOCATION/SETTING

The "Railyards Specific Plan" area is approximately 240 acres located in the Central City/Downtown area of the City of Sacramento. Figure 1 (Regional Location Map) shows the location of The "Railyards Specific Plan" area within the Sacramento region. The project area is east of Interstate 5 and south of the American River. The project site is comprised of Assessor's Parcel Numbers (APN) 002-0010-035, -037, -039, -041, -043; 001-0210-013,-016, 006-0023-006.

The site contains the rail depot which is listed on the National Register of Historic Places (NRHP) and the California Register of Historical Resources (CRHR) as the Southern Pacific Railroad Company's Sacramento Depot. Built in 1925, the Depot and associated REA building were formally listed on the National Register in 1975. Historically, the Depot has served as Sacramento's main rail station for the past 75 years. Amtrak has two passenger platforms and tracks through the station area. In addition, the site contains Union Pacific mainlines for freight and passenger trains. The Central Shops, previously used for activities of the Southern Pacific Locomotive Works, have been vacant for years.

BACKGROUND

The City Council certified the current Railyards Specific Plan (RSP) and Richards Boulevard Area Plan (RBAP) Environmental Impact Report (EIR) in December, 1993. At that time the City Council approved amendments to the City's General Plan and Central City Community Plan that provided for the land uses proposed in the two plans. The Railyards Specific Plan was approved by the City Council on December 13, 1994. A Supplemental EIR (SEIR) for the RSP and RBAP was certified in late 1994. The SEIR addressed several aspects of the RSP and RBAP that had been further refined including levels of development and timing of infrastructure improvements. Additionally the SEIR evaluated the effects of soil remediation alternatives described in the draft Feasibility Study prepared by Southern Pacific Transportation Company. Development in the RSP area has not occurred with the exception of the restoration and re-use of the REA Building and the extension of Seventh Street. Remediation of contaminated soils on the site is ongoing.

PROJECT DESCRIPTION

The EIR will provide a programmatic evaluation of the "Railyards Specific Plan" and related entitlements pursuant to section 15168 of the CEQA Guidelines and the proposed Sacramento Intermodal Facility. The EIR will provide a

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project-specific evaluation of development in the Project Level Area of The "Railyards Specific Plan" pursuant to CEQA Guidelines section 15161.

THE RAILYARDS SPECIFIC PLAN

The project proposes adoption and implementation of the "Railyards Specific Plan" in accordance with section 65451 of the Government Code and approval of related entitlements, including a development agreement, development standards and design guidelines, that would allow mixed-use development, including high-density housing, parks, a canal, open space, cultural, office, hospitality, entertainment, sports, and retail uses, and supporting infrastructure, on approximately 240 acres in the Central City/Downtown Area.

The "Railyards Specific Plan" proposes up to 11,085 mixed-use high density residential units, including town homes, apartments, condominiums, and affordable housing. These units are proposed to be incorporated throughout The "Railyards Specific Plan" area with a focus on the northeast portion of The Railyards site. The "Railyards Specific Plan" also would allow up to 2,986,500 square feet of office uses, up to 1,370,000 square feet of retail, up to 1,000 hotel rooms, up to 421,700 square feet of cultural and entertainment uses, and would include approximately 43 acres of open space.

The project applicant (Thomas Enterprises of Sacramento, LLC) would enter into a development agreement with the City of Sacramento setting forth the needed infrastructure improvements, the timing and method for financing improvements, and other specific performance obligations of the project applicant and the City of Sacramento as they relate to development pursuant to the "Railyards Specific Plan".

The "Railyards Specific Plan" proposes to integrate The Railyards site into the existing downtown area by raising Fifth and Sixth Streets gradually over the Union Pacific Railroad tracks, and by the extension of light rail to the site. On a regional and statewide level, the "Railyards Specific Plan" incorporates existing transportation linkages and the City's plans for the Sacramento Intermodal Transportation Facility ("SITF"), consisting of a variety of transportation services that would integrate cross-country passenger rail, regional rail, light rail and buses, taxis, and other automobiles, bicycles and pedestrians. Transit providers and services are anticipated to include, but are not limited to, Amtrak Capitol Corridor and long-haul trains, Regional Transit buses and trains, Greyhound buses, charter buses, taxis, and possibly high-speed rail.

The "Railyards Specific Plan" also proposes a performing arts facility, the adaptive reuse of the historic central shop buildings (the "Central Shops"), which includes the proposed California Railroad Technology Museum, and a public marketplace. In addition, the "Railyards Specific Plan" proposal includes a series of public parks, including a meandering canal, that would span the development with pedestrian and bicycle trails linking residents to the regional open space system and the Sacramento River.

As described above, the "Railyards Specific Plan" proposes mixed-use development of approximately 240 acres in downtown Sacramento. The "Railyards Specific Plan" identifies proposed uses on the land use plan (Figure 2) with several designations. These land use designations are set forth below:

	Office (sq./ft.)	Residential (units)	Retail (sq./ft.)	Hotel (rooms)	Cultural and Entertainment (sq./ft.)	Open Space (acres)
Max.	2,986,500	11,085	1,370,000	1,000	421,700	43.04
Min.	---	7,534	---	---	---	---

The "Railyards Specific Plan" is divided into the following neighborhood districts that contain varying mixtures of land uses. These districts have no hard boundaries and are intended to represent general concentration areas that highlight and emphasize different amenities and uses throughout plan area.

THE DEPOT DISTRICT

The Depot District would encompass the general area south of the Central Shops from the Sacramento River to Seventh Street. It would include a mix of uses between the areas of Fifth Street and Seventh Street. The "Railyards Specific Plan" would be designed to reflect and support relocation of the rail tracks to an alignment north of the existing tracks, and anticipates that the Depot District would include the City's preferred plan for the SITF,

including inter-city passenger train, light rail, bus, and freight services. The Depot District also would provide an opportunity for connections to the potential future statewide high-speed rail service.

Fifth Street would be extended north and aligned along the eastern edge of the City's anticipated SITF. Fifth Street is proposed as a meandering two-lane street with wide sidewalks and a mix of office, residential, and retail uses. Sidewalks along Fifth Street thus would serve as the primary pedestrian links between downtown and the SITF, integrating The Railyards into downtown Sacramento. Fifth Street would connect the southern portion of the plan area to the north by bridging the 200+ foot wide inter-city rail corridor and would be intended to minimize the visual and physical barriers between downtown and the City's northern neighborhoods.

Sixth Street would be a four-lane north/south arterial street that would traverse the center of the "Railyards Specific Plan" area, providing connection between the Richards Boulevard area to the north and the existing downtown area to the south. Development on either side of Sixth Street is proposed to include residential, commercial, office, and retail uses. Sixth Street connects the Depot District to the Alkali Flat neighborhood, and the scale and design of buildings in this area would reflect this relationship. In addition, Sixth Street serves as a connection for Alkali Flat residents to the various project amenities of the Depot District, the Riverfront District, and the overall plan area.

CENTRAL STATION

Central Station represents the historic core of The Railyards and consists of the area north of the Depot District, bordered on the west by Interstate-5 and on the east and north by Fifth Street. Fifth Street would gradually transition from the Depot District to Fifth Street Emporium and would open up to Central Station on the west, adjacent to the historic Central Shops. The Central Shops would form the heart of Central Station. These are historic brick structures, some dating from as early as 1868, that would be preserved and renovated to provide a mixture of cultural and entertainment uses. One of the historic buildings would hold a public marketplace intended to include specialty food shops and fine dining restaurants. An outdoor plaza is proposed to provide open space sufficient to provide community uses such as a farmer's market, outdoor seating, live entertainment, and other functions intended to make it a community and regional gathering place.

The "Railyards Specific Plan" anticipates that two of the historic buildings would be renovated to create the new Museum of Railroad Technology, expanding the offerings of the existing State Railroad Museum in Old Sacramento. The remaining Central Shops are proposed for cultural and entertainment uses. To the north of the Central Shops, the "Railyards Specific Plan" proposes a state-of-the-art performing arts facility, with access to nearby art galleries, jazz clubs, and restaurants.

FIFTH STREET EMPORIUM

Fifth Street Emporium runs along the eastern and northern boundaries of Central Station. Interstate 5 borders the Fifth Street Emporium to the west. The "Railyards Specific Plan" proposal for this area is to create a 24-hour pedestrian-oriented neighborhood featuring one and two stories of retail and entertainment facilities with loft-style housing and office space uses above. Also proposed are connecting plazas providing access to shops, a boutique hotel, and retail uses. Fifth Street Emporium also is planned to serve as a connector to Central Station, the Riverfront District, the Canal District, and the Sports and Entertainment District.

SPORTS AND ENTERTAINMENT DISTRICT

The Sports and Entertainment District includes the area north of Fifth Street Emporium, from Sixth Street to the east across to Interstate 5 to the west. This District is proposed to include themed restaurants, entertainment, nightclubs, parking structures, a sports arena, office space, a hotel, retail, and residential uses. These uses are proposed within a network of urban open space, including the western edge of the canal feature, an outdoor amphitheater, and large plazas that are intended to function as community gathering spaces.

CANAL DISTRICT

The Canal District occupies the northeast quadrant of the plan area, east of Sixth Street. This District proposes a meandering canal. Open space, pedestrian and bicycle paths, restaurants, neighborhood-supporting retail, and residential units border the canal. A mixed-use transit village surrounding the Regional Transit light-rail station at the intersection of Seventh Street and Big Four Boulevard also is proposed in this District. The station is proposed

in a central location to deliver transit riders to adjacent residential areas as well as to the commercial/office district on Sixth Street. Grocery and other neighborhood-serving retail uses are proposed to surround the station at street level, with office and residential uses above. The housing types proposed in this area, similar to the rest of the "Railyards Specific Plan", include for-sale units, rental units, and affordable housing.

RIVERFRONT DISTRICT

The Railyards would connect to the Sacramento River, with a marina, restaurants featuring views of the area, a hotel, housing, parks and open space and the removal of the elevated portion of Jibboom Street. This redirection of traffic is intended to provide the City, surrounding local jurisdictions, and the region with better pedestrian access to the river.

SACRAMENTO INTERMODAL TRANSPORTATION FACILITY

The Sacramento Intermodal Transportation Facility (SITF) is envisioned as a regional transportation hub that maximizes transit service, connectivity and patronage. The facility would offer service and transferring among multiple modes, including long distance passenger rail, commuter rail, light rail transit, local bus service, intercity bus, bicyclists, pedestrians, taxis, shuttles, automobiles and future high speed rail, regional rail and trolleys.

Situated at the edge of the current downtown and adjacent to the relocated rail corridor the facility would serve the needs of the commuter and long-distance traveler, and is planned as a regional destination and gateway. With its concentration of transportation services, it would enable users from local communities to connect to regional, national and international destinations via direct transfers. The facility would incorporate and continue transportation uses in the Historic Depot with expanded, refurbished and new components providing for retail, commercial, office and entertainment development and user parking.

The facility would encompass approximately 30 acres located between 2nd Street, the Central Shops, 7th Street and I Street. Its design features transportation elements that include passenger waiting areas and amenities, concourse connections to passenger rail platforms, light rail station, local bus transit area, regional bus berths, passenger pick-up and drop-off areas, shuttle and taxi bays, bicycle station, service areas and parking. Surrounding and integrated with these facilities would be plazas, walkways, public open space and landscaped areas. Accessibility and sustainable design would be incorporated into the facility.

The axial alignment of Fourth Street with the Depot would be reestablished along with a pedestrian connection at the intersection of Fourth and I Streets. Similarly on its west side, access improvements are planned that include a Third Street extension into the SITF. Additional on-site circulation improvements, connections with local streets and trails and grade-separated crossings of the rail corridor are anticipated. The SITF would be developed in phases over several years and would require further environmental review pursuant to CEQA and NEPA as appropriate.

THE PROJECT LEVEL AREA OF THE "RAILYARDS SPECIFIC PLAN"

The Project Level Area of the "Railyards Specific Plan" is depicted in Figure 3. The applicant (Thomas Enterprises of Sacramento, LLC) proposes to begin construction within the Project Level Area, and the EIR will analyze development of this subarea of the "Railyards Specific Plan" at a project level.

The Project Level Area of the "Railyards Specific Plan" consists of approximately 86 acres that include part of the Depot District, Central Station, Fifth Street Emporium, and the Sports and Entertainment District. The Project Level Area of The "Railyards Specific Plan" is to be redeveloped with a mixture of residential, cultural, retail, entertainment, public, and office uses. Below is a table summary of proposed land uses in the Project Level Area:

	Office (sq./ft.)	Residential (units)	Retail (sq./ft.)	Hotel (rooms)	Cultural and Entertainment (sq./ft.)	Open Space (acres)
Max.	1,076,500	2,235	1,250,000 and a 20,000 seat sports/event facility	650	421,700	30.96
Min.	---	1,384	---	---	---	---

PROJECT APPROVALS AND/OR ENTITLEMENTS

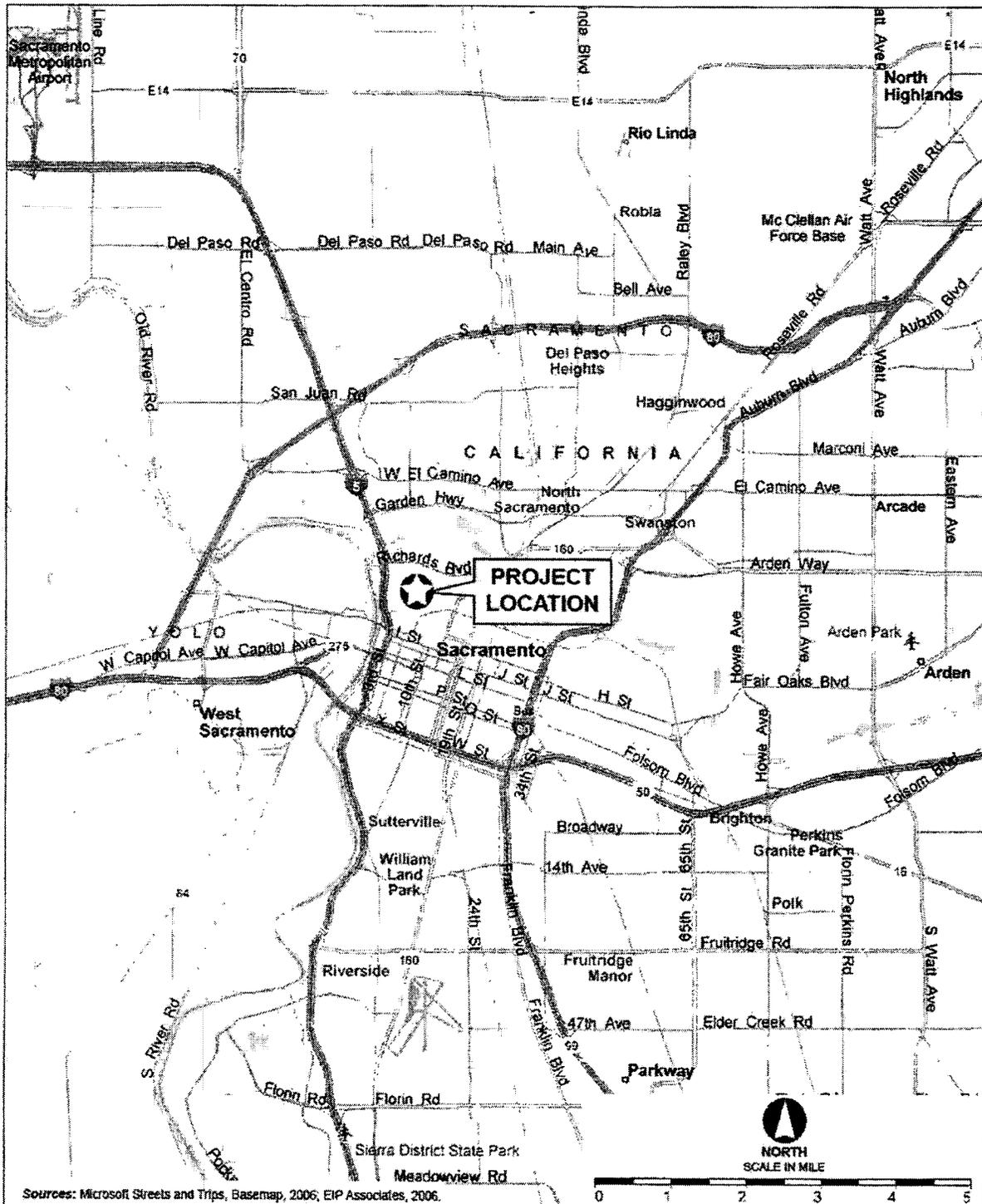
The City approvals/actions anticipated to be considered for the proposed project include, but are not limited to, certification of an EIR and adoption of a Mitigation Monitoring and Reporting Program (MMRP), rescission of the existing Railyards Specific Plan and adoption of the "Railyards Specific Plan", adoption of project-specific development standards and design guidelines, adoption of a development agreement, General Plan amendment, Zoning Code amendment, City Code amendments to sections 18.36 et seq. and 18.48 et seq. The City will further rely on the EIR in conjunction with its consideration of entitlements for subsequent project development, including but not limited to entitlements for the Project Level Area of the "Railyards Specific Plan", as deemed appropriate and consistent with the requirements of CEQA by the City as lead agency and possible. The EIR will also consider possible revisions to the approved Remediation Action Plans for contamination on the site and the related Tri-Party Memorandum of Understanding between the City, Department of Toxic Substance Control (DTSC) and UP Railyards.

In addition to the approvals required from the City of Sacramento, development of the proposed project would require entitlements, approvals, and permits from other local, state, and federal agencies. Such other project approvals may include, but are not limited to, a Section 404 permit from the U.S. Army Corps of Engineers (Corps); a Section 401 certification from the Regional Water Quality Control Board (RWQCB); a construction activity stormwater permit from the RWQCB; a Section 1602 Streambed Alteration Agreement from the California Department of Fish and Game (DFG); a Biological Opinion from the U.S. Fish and Wildlife Service (USFWS); a National Pollutant Discharge Elimination System (NPDES) permit from the RWQCB; and Department of Toxic Substances Control (DTSC) clearances.

ENVIRONMENTAL EFFECTS AND SCOPE OF THE EIR

The EIR will analyze plan-related potentially significant impacts to resources in the plan area. Pursuant to section 15063, subdivision (a), of the CEQA Guidelines, no "Initial Study" has been prepared for the proposed project. Rather, it is anticipated that the EIR will evaluate the full range of environmental issues contemplated for consideration under CEQA and the CEQA Guidelines, including:

- Aesthetics
- Air Quality
- Biological Resources
- Cultural Resources
- Geology and Soils
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Noise
- Population and Housing
- Public Services
- Recreation
- Transportation/Traffic
- Utilities



EIP

Regional Location Map



Environmental Planning Services
City of Sacramento
2101 Arena Blvd., Suite 200
Sacramento, CA 95834

Scott Johnson/
Railyards NOP

PUBLIC NOTICE

Exhibit 2



Department of Toxic Substances Control



Linda S. Adams
Secretary for
Environmental Protection

Maureen F. Gorsen, Director
8800 Cal Center Drive
Sacramento, California 95826-3200

Arnold Schwarzenegger
Governor

EXPLANATION OF SIGNIFICANT DIFFERENCES Cap Expansion and Foundation Material Modifications Lagoon Study Area Northwest Corner Union Pacific Railroad Company - Sacramento Railyard Site

INTRODUCTION

The Union Pacific Railroad Company (UPRR) Sacramento Railyard (Sacramento Railyard) is located at 401 I Street in Sacramento, California. The Sacramento Railyard lies immediately north of downtown Sacramento, near the confluence of the Sacramento and American Rivers, and encompass approximately 240 acres. The Sacramento Railyard, owned for many years by SPTCo and currently owned by UPRR, successor-in-interest to SPTCo., was used for over one hundred (100) years as a locomotive construction, repair and maintenance facility.

The Department of Toxic Substances Control (DTSC) and UPRR entered into an Enforceable Agreement, dated June 2, 1988, as amended, for the investigation and appropriate remediation of the UPRR Sacramento Railyard. The site has been divided into seven study areas including Northern Shops/ Drum Storage, Central Shops, Car Shop Nine, Central Corridor, Sacramento Station, Pond and Ditches, and Lagoon. This Explanation of Significant Differences (ESD) focuses on the Northwest (NW) Corner of the Lagoon Study Area (LSA), which consists of approximately 10.3 acres in the northwestern portion of the LSA and adjoining 3.5 additional acres consisting of the Former Oil Storage Area (FOSA, see Attachment A). A more detailed description of these areas is provided in the "Site History, Contamination and Selected Remedy" section, herein.

For the LSA, DTSC approved the LSA Remedial Action Plan (RAP) (2000) and NW Corner RAP Amendments (2003), as referenced in the "List of Documents and Correspondence" section of this document. DTSC continues to provide regulatory oversight as lead agency for cleanup of hazardous substances at the UPRR site. The Central Valley Regional Water Quality Control Board (CVRWQCB), the City of Sacramento (City), and the Sacramento Air Quality Management District (SAQMD) provide oversight as support agencies.

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This ESD addresses modifications to the approved NW Corner RAP Amendments, as listed in the "List of Documents and Correspondence" section of this document. This ESD has been prepared to modify the approved 2003 NW Corner RAP Amendments for the following three modifications:

- Using inert onsite soils as a foundation layer at the NW Corner (including the FOSA), with a maximum volume of soil (determined by the area footprint and slope factors) as 230,000 cubic yards;
- Modifying the top deck material from asphalt to a High Density Poly Ethylene (HPDE) geosynthetic barrier material overlain by two feet of clean soil (vegetative layer), with appropriate protective measures and controls.
- Expanding the area to be covered to include the additional 3.5 acres of the FOSA.

REGULATORY BASIS OF THIS DOCUMENT

If the lead agency (DTSC) determines that a significant change to the remedy selected in a RAP is necessary after the RAP is approved, the law requires the lead agency to address post-RAP significant changes.

This action is taken pursuant to Section 1178 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended by the Superfund Amendments and Reauthorization Act of 1986 (CERCLA) and 40 Code of Federal Regulations (CFR) Section 300.435(c)(2)(1) (National Oil and Hazardous Substances Pollution Contingency Plan (NCP)). The NCP requires that an ESD be prepared where significant differences in the scope, performance, or cost of a remedy adopted by the RAP occur, but do not fundamentally alter the remedy selected, as described in this ESD.

SITE HISTORY, CONTAMINATION, AND SELECTED REMEDY

The Sacramento Railyard was used as a locomotive maintenance yard from 1863 until the 1990's. It currently encompasses about 240 acres located adjacent to downtown Sacramento, near the confluence of the Sacramento and American Rivers. Heavy industrial maintenance and locomotive rebuilding work conducted at the site included foundry and machine work, blacksmithing, painting, and machine cleaning. The site is now inactive, with industrial activities and principal functions moved elsewhere, and many buildings and structures removed. For remediation, the Railyard has been divided into seven study areas based on historical land use and industrial practices, contaminant profiles and matrix type (i.e., soil or groundwater).

The LSA occupies approximately 51 acres within the northern and eastern portions of the Sacramento Railyard and has been further subdivided into the Lagoon Proper and Lagoon NW Corner areas. The LSA NW Corner occupies approximately 10.3 acres in the northwestern portion of the LSA. The boundaries of the LSA NW Corner are defined by the 3.5 acre FOSA to the west, the Sacramento Railyard Property Line to the north, and the former Lagoon Proper and the flood control levee to the east and south

LETTER 26

(Attachment A). Heavy industrial operations did not occur in the LSA NW Corner. These areas are all vacant and have been inactive for several years. Two small areas (2,000 cubic yards) of bunker fuel-impacted soil were removed in the FOSA in 1993.

The following general conditions are noted for the LSA NW Corner:

1. The distribution of contaminants in soil is sporadic, and is indicative of the use of the area for disposal of solid waste, mostly construction debris;
2. Significant quantities of large concrete debris are present;
3. The materials pose minimal risks to groundwater, and no sources of groundwater impact are present;
4. Debris with asbestos containing materials (ACM) is present.

The primary Constituents of Concern (COCs) identified at the NW Corner and the FOSA include benzo(a)pyrene, lead, antimony, nickel, extractable hydrocarbons and ACM debris. The contaminants have been determined by DTSC and the RWQCB to not exceed the concentrations which pose a threat to groundwater. There are no current sources of groundwater contamination at the NW Corner or FOSA, although underlying groundwater has been impacted by other Railyard sources.

Soil remediation methods approved under the 2000 LSA RAP include excavation of impacted soil, treating and stabilizing certain soils prior to reuse or disposal, and offsite disposal of soil impacted above Remedial Action Goals (RAGs). The approved 2003 NW Corner RAP Amendments expanded the remedial alternative to include grading and capping approximately 10.3 acres in the LSA NW Corner beneath an engineered protective cover designed with the intent of meeting California Code of Regulations (CCR) Title 27 requirements to the extent feasible.

BASIS FOR THE ESD DOCUMENT

The decision that the proposed modifications do not represent a fundamental departure from the design approved in the 2003 Amendments to LSA RAP for NW Corner Soil is based on the following:

1. The onsite soil proposed for placement in the NW Corner as foundation materials beneath the proposed cap area shall consist of inert material, as defined for this site in a letter submitted by Environmental Resources Management (ERM) to the CVRWQCB dated March 29, 2005 and approved by the CVRWQCB on April 14, 2005, with the clarification that the water quality goal used for calculating the Soluble Designated Level for lead be 2.0 mg/l.
2. The geosynthetic cap material and two foot vegetative layer are equally or more protective than the approved asphalt cover, because the geosynthetic material has a lower permeability and higher durability. The vegetative layer will prevent wind and water erosion, minimize percolation of surface water into the waste layer and maximize evapotranspiration. Drainage features will also be constructed to route

excess runoff to a percolation pond constructed adjacent to the capped area. These drainage features will enhance runoff and minimize infiltration of excess water through the cap.

3. The FOSA incorporation into the proposed NW Corner remedy does not alter the NW Corner remedy effectiveness, and will provide an equal or enhanced remedial alternative for the FOSA. During clearing and grubbing activities in the FOSA in Spring 2003, appreciable amounts of construction debris and ACM were identified in the FOSA. Removal of this debris in accordance with approved LSA RAP was found to be impractical, and led to the proposals to incorporate the FOSA into the NW Corner cap remedy. The additional 3.5-acre FOSA expands the approved LSA NW Corner cap from 10.3 to 13.8 acres. The FOSA lies in an area of limited access and is continuous to the LSA NW Corner, hence the grading and drainage plan will not change significantly from that presented in the 2003 Amendments to LSA RAP for NW Corner Soil.
4. The draft 2006 revised development plans for the Sacramento Railyard anticipate the proposed land use of the NW Corner to be a 13-acre "open space", more specifically defined as a public park. A Health Risk Assessment Addendum (HRAA, May 2005) was performed to evaluate the more focused open space scenarios of potential adult and child park users. The HRAA also includes evaluation of the data collected within the FOSA, which was not previously included in the LSA NW Corner HRA/FFS. The HRAA concluded that the use of the LSA NW Corner as a park (with a geosynthetic cap overlain by two feet of clean soil) does not pose unacceptable risks to potential adult and child park users and park maintenance workers. DTSC's Human and Ecological Risk Division (HERD) has reviewed the HRAA, and has concurred with these conclusions.
5. Under the terms of the 1994 Memorandum of Understanding (MOU), the Department has coordinated with the City of Sacramento on the proposed NW Corner modifications outlined in this document. The City has agreed the modified cap design will be adequately protective as an alternative to the Land Use Specific Remediation Approach (LUSRU) approved under the 1994 MOU. The City has also concurred with revisions which provide accommodations for the anticipated roadways in the NW Corner area, such as the extension of Sixth Street, and that the modifications will not conflict with the anticipated land use. The City has also acknowledged the long term maintenance requirements and restrictions associated with the cap remedy which will ensure the long term protection and effectiveness of the cap system.

All protective measures considered in the RAP, Amendments to the RAPs, EIRs, correspondence, design documents and design implementation plans will apply to the cap construction activities, including the following: dust control, air monitoring, runoff control, transportation route monitoring, noise controls, limited hours of operation for onsite work and transportation of soils.

Exhibit 3



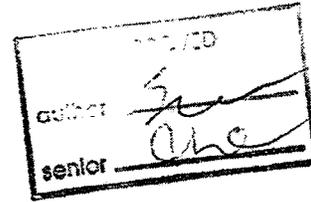
Liada S. Adams
Secretary for
Environmental
Protection

Sacramento Main Office
11020 Sun Center Drive #200, Rancho Cordova, California 95670-6114
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<http://www.waterboards.ca.gov/centralvalley>

FILE COPY

8 June 2007

Mr. Paul Carpenter
Project Manager
Northern California Central Cleanup Operations Branch
Site Mitigation Program
Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, CA 95826



FINAL IMPLEMENTATION PLAN – NORTHWEST CORNER SOIL PLACEMENT, THE FORMER SACRAMENTO RAILYARD, UNION PACIFIC RAILROAD COMPANY AND THOMAS ENTERPRISES, INC., SACRAMENTO COUNTY

The California Regional Water Quality Control Board, Central Valley Region (Regional Water Board) staff has reviewed the *Final Implementation Plan, Northwest Corner Soil Placement* (FIP) dated 8 March 2007. The FIP was prepared and submitted by ERM-West, Inc. (ERM) on behalf of Thomas Enterprises of Sacramento, LLC (Thomas Enterprises). The FIP summarizes the hierarchy of soil placement within the Northwest Corner of the Lagoon Study Area (LSA NW Corner) of the former Sacramento Railyard facility. Based on our review of the FIP, the Regional Water Board staff generally concurs with the proposed final implementation plan with the following conditions:

1. In the introductory paragraph, the FIP states: "...the inert soil will be capped with a cover system (cap) that includes a compacted soil foundation layer, a low-permeability geomembrane, a geocomposite drainage layer, and a layer of vegetative soil." The FIP later includes a statement on page 5 in the last paragraph: "Currently, there are approximately 100,000 cubic yards of cap-eligible soil (i.e. meets one of the categories described above) stockpiled on-site (Table 1)." If the term "cap", as indicated, includes the vegetative cover soils, then the statement regarding the 100,000 cubic yards of cap-eligible soils is incorrect. To date, none of the proposed soils on-site meet the criteria to be used as vegetative cover material based on Title 27 requirements. To clarify the use of the term "cap," we suggest that the term "cap" refer to the engineered cover, and that all soils beneath the "cap" be referred to as the "contaminated" soils. In accordance with Title 27, only soils that have not been impacted by human activities may be used in the vegetative layer.
2. The Regional Water Board staff concurs with placement of the existing 100,000 cubic yards of stockpiled soil according to the established hierarchy. However, following the placement of the existing 100,000 cubic yards of soil, the FIP indicates that the placement of the remaining soil (up to 130,000 cubic yards) as per approved soil hierarchy may not be practical due to timing or because of the types of soil generated.

As an example, Category 4 soils may be generated prior to Category 1 soils, making the soil placement according to the hierarchy extremely difficult. Due to these issues, it is understandable that there will be limitations on how closely the soil placement hierarchy can be followed after the initial placement of approved soil. However, given the remaining amount of soil that may be placed in the containment unit, Thomas Enterprises needs to develop a more detailed Soils Management Plan describing how they propose to sample, profile and stage newly excavated material based on information available from the remedial investigation conducted previously on-site. The Soils Management Plan must detail the following:

- a. A method for placing the existing categorized soils (100,000 cubic yards) in the containment unit (capped area) so that future soils can be placed according to the soil placement hierarchy.
 - b. Locations, amount and sampling analysis for soil samples collected from soil stockpiles and/or insitu areas to be excavated to ensure adequate soil characterization. The current soil sample collection protocol that allows one sample per 250 cubic yards does not appear adequate for proper waste characterization in all cases. The FIP cited the Department of Toxic Substances Control's (DTSC) *October 2001 Information Advisory, Clean Import Fill Material* guidance fact sheet as appropriate for the sampling protocol at the former railyard. This document appears to apply to only sites or properties without any prior industrial and/or commercial activities. Given that extensive industrial and commercial activities occurred at the railyard for over 100 years, we request that a more rigorous sample collection protocol be proposed in the soil management plan (i.e. one sample per 50 cubic yards).
 - c. How soil stockpiles and excavated soils will be sampled (i.e. vapor collection) to verify that volatile compounds are not placed in the containment unit.
 - d. A handling and disposal method for soils with waste constituents (including lead, copper, zinc and asbestos) that exceed their corresponding TTLCs. We request that these soils be consolidated to a specific location within the containment unit to the greatest extent possible.
3. Table 2 provides a summary of remedial goals for the former railyard and contains the lead (Pb) remedial goal for groundwater protection at 1,723 milligrams per kilogram (mg/Kg). Category 3 and 4 soil placement criteria allow soils that exceed 1,723 mg/Kg of Pb to be placed in the containment unit as long as the deionized water waste extraction test (DI-WET) method results show an extract Pb concentration that is less than the approved solubility standard (20 ug/L). Given that the total threshold limit concentration (TTLC) for Pb is 1,000 mg/Kg, category 3 and 4 criteria allow waste soils with Pb concentrations that exceed the TTLC to be placed in the containment unit. This does not apply to soils that may contain other constituents that exceed their corresponding TTLCs (i.e. antimony, arsenic, chromium, mercury, etc.), which must be managed as a hazardous waste according to the approved RAP. Although the soils to be placed in the containment unit have been called "inert" in several documents, the

soils are "inert" only with respect to threat to water quality. Since the levels of some constituents (i.e. Pb) will exceed their corresponding TTLCs, these soils should no longer be referred to as "inert", but as "contaminated" soils only.

4. The Regional Water Board requests that Thomas Enterprises submit a ~~Storm Water~~ Pollution Prevent Plan (SWPPP) for review. The SWPPP should provide for adequate monitoring and maintenance plans prior to any soil placement activities within the NW Corner containment unit.
5. The Regional Water Board staff concurs with the surveying of the cap limits to ensure the construction will be completed in accordance with the design criteria. This will also allow accurate as-builts to be prepared at the completion of the project.
6. On page 7, under *Well Abandonment Plan*, the FIP refers to the ERM 's February 2007 *Draft Remedial Design Implementation Plan (RDIP)* for the procedures to abandoned monitoring wells within the NW Corner containment unit footprint. Based on our discussions with DTSC and never having received this draft report, it appears that a February 2007 Draft RDIP was never formally submitted. As a result, we believe that the reference to this Draft RDIP in the FIP is incorrect. ERM's March 2007 *Final Soil Remediation Activities -2007* report indicates that the latest version of well abandonment procedures is presented in the 2004 RDIP. Therefore, we believe that that the correct reference for well abandonment procedures should have been the 2004 RDIP. If this is incorrect, please have Thomas Enterprises inform us of the correct reference document. All wells must be abandoned under permit by the Sacramento County Environmental Health Department.

The Regional Water Board staff request that Thomas Enterprise copy us on all future design documents regarding the NW Corner containment unit to assure compliance with Title 27 requirements. We understand a new development plan has been completed which appears to have an impact on the design of the footprint and possibly on other features of the containment unit. We further request that Thomas Enterprise respond to our comments and submit a Soils Management Plan as requested by **30 July 2007**.

If you have any questions regarding this correspondence, please contact me by telephone at (916) 464-4678 or by email at smeeks@waterboards.ca.gov.



Steven W. Meeks, P.E.
Water Resource Control Engineer

CC: Mr. Fernando A. Amador, DTSC, 8800 Cal Center Drive, Sacramento, Ca 95826



LETTER 26 California Regional Water Quality Control Board
Central Valley Region

Karl E. Longley, ScD, P.E., Chair



Linda S. Adams
Secretary for
Environmental
Protection

Sacramento Main Office
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Arnold
Schwarzenegger
Governor

8 May 2007

FILE COPY

APPROVED	
author	<i>[Signature]</i>
senior	<i>[Signature]</i>

Elias A. Rashmawi
Thomas Enterprises
431 I Street, Suite 202
Sacramento, California 95814

OVERSIGHT COST REIMBURSEMENT PROGRAM, THE RAILYARDS (FORMERLY UNION PACIFIC SACRAMENTO RAILYARD FACILITY), THOMAS ENTERPRISES, INC., SACRAMENTO COUNTY

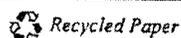
Based on your application for Site Designation (AB 2061), the Department of Toxic Substances and Control (DTSC) was recently appointed as the designated agency for the former Sacramento railyard facility. As required by Cal/EPA Site Designation Committee Resolution No. 07-03, Thomas Enterprises agreed to reimburse the Central Valley Regional Water Quality Control Board (Regional Water Board) for its expenses associated with reviewing documents related to water quality and for reviewing documents at the request of DTSC. Due to the extensive groundwater impacts that remain on and off site, the Regional Water Board will remain involved with the project as a consultative agency to DTSC. Section 13304 of the Porter Cologne Water Quality Control Act allows the Regional Water Board to recover reasonable expenses from responsible parties to oversee cleanup and abatement of discharges, which have adversely affected waters of the state. Based on these facts, a cost recovery account must be established for your facility, so the Regional Water Board time charges can be billed to you.

On 21 March 2007, Ms. Cori Condon of my staff discussed with you by telephone the reimbursement provisions of the California Water Code and Site Designation Resolution for this site. Accordingly, please sign and return the enclosed *Acknowledgement of Receipt of Oversight Cost Reimbursement Account Letter* by **15 June 2007**.

California Water Code Section 13365 requires that the Regional Water Board provide you with the following information when initiating a cost recovery account:

1. A detailed estimate of the work to be performed or services to be provided, including a statement of the expected outcome of that work, based upon data available to the agency at the time.
2. The billing rates for all the individuals and classes of employees expected to engage in the work or service.
3. An estimate of all the expected charges to be billed to the responsible party by the agency.

California Environmental Protection Agency



The following paragraphs provide the required information.

Normally, the Regional Water Board would estimate the amount of regulatory oversight work required for the site for the entire fiscal year that runs from 1 July 2006 through 30 June 2007. However, given that the property was transferred to Thomas Enterprises on 29 December 2006, the Regional Water Board staff is submitting only a partial year estimate for our oversight costs that cover the time period from 29 December 2006 until the end of our fiscal year 30 June 2007. The Regional Water Board regulatory oversight work, which includes past, present and future work with the expected outcomes for the partial fiscal year 2006-07, is as follows:

1. Reviewed the "Revised Health Risk Assessment Addendum, Lagoon Study Area, Northwest Corner, Sacramento Rail Yard" dated October 2006.
2. Reviewed Application for Site Designation Request from Thomas Enterprises and prepare response. Included inter-office and agency (DTSC) meetings and correspondence.
3. Review *Final Draft Feasibility Study* for Central Shops Study Area and Soil and South Plume Study Area.
4. Review *Draft and Final Remedial Action Plan (RAP)* for Central Shops Study Area and Soil and South Plume Study Area.
5. Participate in CEQA Review Process for *RAP* for Central Shops Study Area and Soil and South Plume Study Area.
6. Review *Draft Feasibility Study* for Lagoon Study Area.
7. Review *Draft Remedial Investigation (RI)* report from drilling activities in MGP Area.
8. Review *Draft Remedial Design Implementation Plan (RDIP)* for proposed Landfill Surface Cap Area.
9. Address/Discuss concerns for proposed Landfill Surface Cap Area - Northwest Corner.
10. Review *Remedial Summary* reports for Central Corridor and Car Shop Nine Area.
11. Review *Quarterly and Annual Groundwater Monitoring Reports*.
12. Review *Monthly Wastewater Discharge Reports* to County for system operations at the site.
13. Review *Semi-Annual Status Reports* for System Operation and Maintenance.

14. Conduct site inspections, phone calls and attend meetings with DTSC to keep informed on the progress of the investigation, remedial implementations and current system operations.
15. Prepare written correspondence, including monitoring programs, review/approval memos and Board orders (if needed) to clearly communicate the Board's requirements to DTSC.

Regional Water Board staff expects to charge approximately 250 hours in the conduct of cleanup oversight for this project during the partial fiscal year 2006-07. The number of hours given is merely an estimate, and you will be billed only for the actual hours spent. The State-billing rate is approximately \$110 per hour, but the rate will vary depending on the salary of the individual(s) responsible for the oversight. Based on the average rate, the estimated billing charge for this site is approximately \$ 27,500 for the partial fiscal year 2006-07. Attachment 1 lists the billing rates for the classes of employees that may be working on this site, including an example of how the hourly billing rate is calculated. Attachment 2 describes the billing process in detail.

Should you have any questions regarding the information in this letter, please call Ms. Cori Condon at (916) 464-4619. For questions regarding the technical aspects of this project, you may call Steven Meeks, the Board's project manager, at (916) 464-4678 or email him at smeeks@waterboards.ca.gov.

PAMELA C. CREEDON
Executive Officer

Attachments (3)

cc: Mr. David Ceccarelli, State Water Resources Control Board, Sacramento
Mr. Paul Carpenter, DTSC.

Exhibit 4

*City of Sacramento
Planning and Development Department
Environmental Services Division*

***DRAFT
ENVIRONMENTAL IMPACT REPORT
EXECUTIVE SUMMARY
(VOLUME 1)***

RAILYARDS SPECIFIC PLAN

***RICHARDS BOULEVARD
AREA PLAN***

Prepared by:

*EIP Associates
Sacramento, California*

June 10, 1992

parts of the downtown roadway system. Alternatives 1, 4 and 5 would have significant impacts at the fewest intersections. Alternatives 4 and 5 would have no significant impacts that would be unavoidable. Alternative 6 would have the greatest number of significant impacts at local intersections (16 intersections in the AM and PM peak hours) and most of these impacts would be unavoidable (14 intersections).

Like traffic impacts, increased **air emissions** from the Planning Area and cumulative development in the region would result in violations of state and federal standards for air pollutants. These impacts would be present with any of the Alternatives due to the amount of pollution generated by traffic associated with cumulative development in the region.

Noise sensitive residential uses in the Planning Area have been located in the Alternatives, generally, outside of the noisiest areas in the vicinity. The most significant noise impacts would be those associated with cumulative increases in heavy rail traffic on the Southern Pacific mainline which could adversely effect adjacent uses in the Planning Area, such as the social services campus, and in areas adjacent to the Planning Area, such as the Alkali Flat and Washington School neighborhoods.

The known and suspected presence of **hazardous materials** in the Railyards and Richards Areas presents the potential for exposure of future workers or residents to toxic contaminants. Information exists to confirm the presence of contamination within the Railyards Area; much less is known about the Richards Area but numerous localized contaminants are suspected. Although these impacts are considered significant for all of the Alternatives, the Alternatives that contain substantial residential development, particularly in the Railyards Area, could be considered to present the greatest potential for long-term exposure effects. A program for mitigation of these impacts is presented that involves careful investigation and testing of soils and groundwater, intricate ties between the remediation and development approval processes, and long-term oversight and monitoring of land use activities in the Planning Area.

Impacts to **historic buildings** in the Planning Area would occur to some degree under all of the Alternatives. However, Alternatives 2 and 3 which would involve demolition of all or most of the buildings in the historic Central Shops complex would likely have the greatest level of impact on such structures. Similarly, Alternative 1 could result in the long-term loss of all of the historic structures by providing no economically feasible adaptive reuse for the buildings.

Impacts to the local school systems would be greatest under Alternatives 2 and 3 which would result in substantially higher numbers of school children than any of the other Alternatives. Similarly, those two Alternatives would generate the largest demand for new community and neighborhood **parks** which may not be able to be accommodated within the Planning Area.

The construction of a new rail bridge across the Sacramento River, and the development of an amphitheater on the east bank of the river in the Railyards Area, would generate potential impacts to **biological habitats** in and adjacent to the river under all of the Alternatives except Alternatives 1 and 5.

Exhibit 5

City of Sacramento
Planning and Development Department
Environmental Services Division

Draft
Supplemental Environmental Impact Report

RAILYARDS SPECIFIC PLAN

**RICHARDS BOULEVARD
AREA PLAN**

SCH# 91042057

Prepared by:

EIP Associates
Sacramento, California

June 10, 1994

1. INTRODUCTION

INTRODUCTION

An Environmental Impact Report for the Draft Railyards Specific Plan and Draft Richards Boulevard Area Plan was certified by the City Council (City) and Redevelopment Agency of the City of Sacramento (RACS) in December, 1993 (the Certified EIR). The Certified EIR evaluated the environmental effects of land uses presented in the Draft Railyards Specific Plan (RSP), Draft Richards Boulevard Area Plan (RBAP), and the Draft Facility Element, which sets forth the combined infrastructure improvements needed to serve the two planning areas. The Certified EIR also considered six land use alternatives. The RSP and RBAP propose residential, office, retail and public uses for the 240-acre Southern Pacific Railyards Area (Railyards Area) and the 1070-acre Richards Boulevard Area (Richards Area), bounded by the Sacramento and American rivers, North B Street and Highway 160. At the same time that the EIR was certified, the City approved amendments to the City's General Plan and the Central City Community Plan that would allow the land uses proposed in the RSP and RBAP. The Preliminary Agreement was also approved at that time. The final RSP and final RBAP, along with the Facility Element, zoning ordinance amendments, tentative map and related documents, are anticipated to be considered by the City and RACS in September, 1994.

This Draft Supplemental Environmental Impact Report (DSEIR) addresses several aspects of the RSP and RBAP that have been refined during the ongoing planning process. They include variations from earlier assumptions regarding the levels of development and the timing of infrastructure improvements during Phase 1 of the development; the alignment of the new 7th Street to avoid the historic Sentry House; the configuration of minor streets in the Railyards Area; the criteria for siting of fire protection facilities in the Railyards Area; and the criteria for siting school facilities in the Railyards Area. In addition, the DSEIR evaluates the environmental effects of the lead soil remediation alternatives described in the draft Feasibility Study prepared by Southern Pacific Transportation Company (SPTCo).

This DSEIR is being prepared in compliance with the California Environmental Quality Act (CEQA) and the environmental guidelines of the City of Sacramento. A Notice of Preparation was prepared and circulated on March 29, 1994, for a 30-day public review period, which closed on April 28, 1994. The DSEIR is being publicly circulated for 45 days, and written comments will be accepted until 5pm, Monday, July 25, 1994. Written comments may be sent to:

Wendy Saunders
Environmental Services Division
City of Sacramento
1231 I Street, Suite 301
Sacramento, CA 95814

Exhibit 6

**City of Sacramento
Planning and Development Department
Environmental Services Division**

**Draft
Supplemental Environmental Impact Report**

RAILYARDS SPECIFIC PLAN

**RICHARDS BOULEVARD
AREA PLAN**

SCH# 91042057

Prepared by:

**EIP Associates
Sacramento, California**

June 10, 1994

5.1 INTRODUCTION

Background

Approximately 500,000 cubic yards of lead-contaminated soil at the Railyards must be remediated (see Figure 5-1). The Certified EIR discusses various technologies that could be employed to remediate the lead soil, including disposing of it at a hazardous waste facility, "fixing" it through a chemical process to reduce lead solubility, or reusing it in a manner that eliminates the potential for human exposure and protects the environment. SPTCo has recently submitted a Feasibility Study for Lead Soil Remediation¹ to the State Department of Toxic Substances Control (DTSC), which is overseeing cleanup of the Railyards. The Feasibility Study evaluates a number of Alternative Approaches to addressing the lead soil², and recommends an approach that was not evaluated in the Certified EIR. The recommended approach includes encapsulating most of the lead soil within the new railroad berm that is planned to be constructed on the northern perimeter of the Railyards.

As discussed in the Certified EIR (pp. 4.13-17-18), the site cleanup process overseen by DTSC involves data gathering in order to characterize the extent of contamination, evaluation of the cleanup options, assessment of human health and environmental risks, approval of a final cleanup approach, implementation of the approach, and documentation of its effectiveness. The Feasibility Study is one of the initial steps taken in the site cleanup planning process. DTSC will review the Alternative Approaches and recommended approach proposed by the Feasibility Study and determine the final cleanup strategy, known as a Remedial Action Plan ("RAP), based on information provided in the Feasibility Study. DTSC's approval of the final cleanup strategy is anticipated in 1996.

Although the City does not have authority to approve or reject a lead remediation approach, it must examine the new information included in the Feasibility Study in connection with the land use approvals it expects to consider for the Railyards. This DSEIR evaluates potential environmental impacts arising from the remediation approach recommended by SPTCo in the Feasibility Study as well as some of the Alternative Approaches included in that document. While the City will not select a remediation approach, it must consider whether any of the potential approaches would affect its land use decisions. The City may choose to condition its land use approvals upon the selection by DTSC of a cleanup approach that is compatible with the anticipated redevelopment of the Railyards.

Process for Determining the Remediation Approach

SPTCo and DTSC entered into an Enforceable Agreement in 1988 regarding the investigation and remediation of hazardous substances at the Railyards³. The purpose of the Enforceable Agreement is to ensure that releases or threatened releases of hazardous substances from the

Exhibit 7



REPORT TO COUNCIL **22**

City of Sacramento

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

Staff Report
December 5, 2006

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

Title: Railyards: Intermodal Site Acquisition and Track Relocation Agreements

Location/Council District: Railyards/District 1

Recommendation: 1) Adopt a resolution approving the Purchase and Sale Agreement for the acquisition of the Intermodal Transportation Facility site; 2) Adopt a resolution approving the Track Relocation Financing Agreement subject to environmental review and future Council action 3) Direct staff to proceed with negotiating a Development Agreement for Council approval for development of the Railyards project, if the developer closes escrow on the Railyards Property.

Contact: Marty Hanneman, Assistant City Manager 808-7508; Dave Harzoff, Special Projects Manager/Economic Development 808-5385

Presenters: Marty Hanneman, Assistant City Manager

Department: City Manager

Division:

Organization No: 0310

Description/Analysis

Issue: The Purchase and Sale Agreement and the Track Relocation Financing Agreement represent the first phase of the formal partnership between the City and S. Thomas Enterprises of Sacramento, LLC (Thomas) for development of the Downtown Sacramento Railyards. These agreements were requested by Thomas prior to their closing escrow and taking ownership of the Railyards property. The major deal points of the two agreements are listed in Attachment 1 and the full agreements are on file with the City Clerk. The terms of these two agreements are contingent upon Thomas closing escrow with Union Pacific Railroad (UPRR). Thomas has also agreed to negotiate shared infrastructure funding and phased construction over the life of the project consistent with the City's Memorandum of Understanding with Millennia Associates (Agreement 2003-176 -1), now known as S. Thomas Enterprises of Sacramento, LLC.

Policy Considerations: The development of the Railyards supports the City of Sacramento's strategic goals of implementing a smart growth development strategy,

Railyards Intermodal Site and Track Relocation Agreements

December 5, 2006

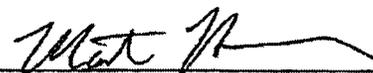
improving and diversifying the transportation system, and expanding economic development throughout the City.

Environmental Considerations: In connection with the Purchase and Sale Agreement, as indicated in the Background Section, the City's acquisition of Parcel A is intended to preserve, operate, repair and rehabilitate the Historic Depot and related parking and rail facilities without increasing or intensifying the use of such improvements. As such, the acquisition of Parcel A is exempt from environmental review pursuant to CEQA Guideline Sections 15300 and 15301. The completion of the acquisition of Parcel B is subject to environmental review, including the review conducted as part of the preparation of the EIR. Likewise, the implementation of the Track Relocation Financing Agreement is subject to environmental review. Both agreements are structured so certain obligations are subject to further action after completion of the environmental review process. Consequently, certain obligations contained in the agreements cannot be legally binding until the environmental review process is completed. The City Council retains full discretion to terminate or modify those obligations based on environmental concerns.

Rationale for Recommendation: Approving these agreements creates the first phase of the public-private partnership necessary to develop the Railyards and the Intermodal facility. The terms of these two agreements are contingent upon Thomas closing escrow with UPRR. Thomas has requested this first phase commitment of City resources concurrent with their close of escrow on the Railyards property.

Financial Considerations: Both land acquisition and track relocation will ultimately be paid for from Measure A funds committed over the next four years to the Intermodal project. A one-year short term borrowing from transportation contingency funds will be necessary to raise \$30 million immediately but will be repaid from next year's Measure A installment. Funding for these agreements is in the Sacramento Intermodal Transportation capital improvement project (CF41).

Emerging Small Business Development (ESBD): No goods or services are being acquired with this action.

Respectfully Submitted by: 
Marty Hanneman
Assistant City Manager

Recommendation Approved:

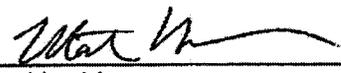

for Ray Kerridge
City Manager

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3	Pg	7	Map showing location of two Intermodal parcels
4	Pg	8	Resolution - Intermodal Site Purchase and Sale Agreement
5	Pg	10	Resolution - Track Relocation Financing Agreement

ATTACHMENT 1**BACKGROUND**

The approximately 240-acre Union Pacific Railyards property is under contract to be purchased by a subsidiary of S. Thomas Enterprises of Sacramento, LLC (Thomas) from Atlanta, Georgia. The property includes the site for the planned Intermodal Transportation Facility (ITF) which is approximately 15.3 acres and includes the existing Sacramento Valley Station. An additional 17.5 acres contains a portion of the existing rail line and the new proposed relocated track alignment. Thomas submitted an entitlement application for development of the full Railyards property in the spring of 2006. An environmental impact report (EIR) is being prepared to evaluate the environmental impacts of the development, including the ITF. The EIR is estimated to be completed by the summer of 2007.

The purchase and sales transaction between Thomas and Union Pacific Railroad (UPRR) requires Thomas to close escrow by December 31, 2006. Thomas wants the City to commit to purchasing the ITF site and financing the relocation of the rail tracks prior to their moving forward and acquiring the property. This requires that the two agreements which are the subject of this report be approved by the City Council before the end of the year and are contingent upon Thomas closing escrow with UPRR. Staff believes there is very little probability that Thomas could postpone acquiring the Railyards beyond the end of the year. Portions of these agreements will require further Council action after the EIR for the Railyards is completed.

The subject two agreements include a purchase and sale agreement relating to two parcels (Parcel A and Parcel B – see Attachment 3) that are located within the Depot district of Thomas' development plans for the Railyards. While development of the ITF is subject to numerous approvals by the City and applicable stakeholders to that project, the City seeks to obtain the Historic Railroad Depot and related parking in order to preserve, improve and operate the historic structure and to improve parking operations, all in support of current rail transportation services. The acquisition of Parcel A supports these purposes and the City does not anticipate, nor does it intend that its acquisition will increase or intensify the use of acquired assets. The acquisition of Parcel B will require additional City Council approval to take place in conjunction with, among other things, certification of the EIR. Likewise, the Track Relocation Funding Agreement, the second agreement proposed for approval would require further environmental review before its terms are implemented.

ATTACHMENT 2

**Sacramento Railyards
Summary of the Major Business Terms for the Intermodal Site Purchase and Sale
Agreement and Track Relocation Financing Agreements**

The following Terms and Conditions are contingent on S. Thomas Enterprises of Sacramento, LLC and Union Pacific Railroad closing escrow and expires at midnight 12/29/06 (unless extended per item 14. below).

Intermodal Site Purchase and Sale Agreement

1. City acquires Intermodal site in 2 phases (Parcel A: existing station – 8.82 ac; and Parcel B: expansion area north of existing station and relocated rail corridor – 23.99 ac; for a total of **32.81 acres**)
2. Final property value and purchase price to be determined by appraisal/mediation/arbitration process
3. City to pay Thomas \$30 million cash down payment; provide a promissory note for \$25 million at closing; and gets title to Parcel A
4. Parcel B to be transferred to City after environmental review is completed and additional action taken; City provides note if adequate funds not available
5. Thomas provides financial security for up to \$55 million for repayment if City overpaid for Parcel A. Any City overpayment will be returned with interest at the prime rate and may be applied to the purchase price of Parcel B and/or the track relocation and interim passenger facility improvements
6. Thomas provides environmental indemnity and toxics insurance coverage to City
7. City takes over all parking operations at close of Thomas and UPRR escrow

Track Relocation Financing Agreement

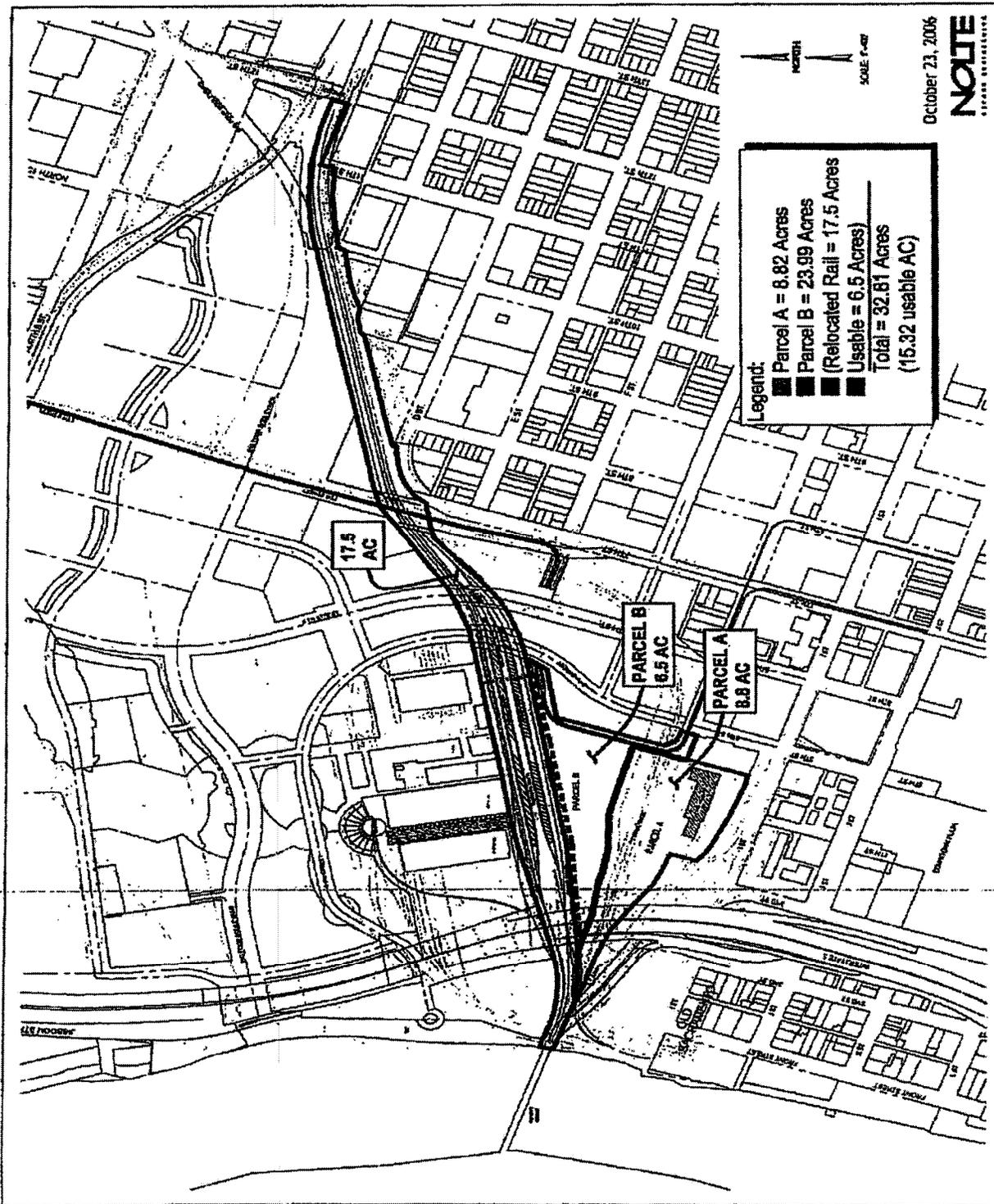
8. Implementation of the terms of this agreement is subject to completion of environmental review and final Council action required to be legally binding
9. City pays up to \$40 million for track relocation and to build interim passenger facilities; any cost overruns to be shared equally; Thomas to carry note on financing if necessary (24 mo's @ prime rate)
10. Track relocation to be completed based on a mutually agreed upon schedule

11. Thomas to construct and City provides note if adequate funds not on hand when needed

Additional Terms

12. Thomas agrees to prepay all outstanding entitlement application costs in advance
13. The parties agree to negotiate shared funding for infrastructure and phased construction over the life of the development project (per MOU with Millennia; Agreement 2003-176-1)
14. The City Manager is authorized to extend these terms and conditions by 30 days

Map Showing Two Intermodal Site Acquisition Parcels



Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION APPROVING A PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS FOR ACQUISITION OF THE INTERMODAL TRANSPORTATION FACILITY SITE

BACKGROUND

- A. S. Thomas Enterprises of Sacramento, LLC is in escrow to buy the Sacramento Railyards property from the Union Pacific Railroad.
- B. The City of Sacramento has identified the Sacramento Valley Station-Intermodal Transportation Facility as its number one priority capital improvement project.
- C. S. Thomas Enterprises of Sacramento, LLC wants a financial commitment from the City to purchase the Intermodal site and to relocate the existing rail line prior to closing escrow on their purchase of the Railyards property.
- D. S. Thomas Enterprises of Sacramento, LLC has agreed to negotiate shared funding for infrastructure and phased construction over the life of the development project consistent with the Memorandum of Understanding with Millennia Associates (Agreement 2003-176-1).
- E. The acquisition of Parcel A, the existing train station operation, will result in no new environmental impacts.
- F. Environmental review law requires that a full environmental analysis be completed prior to the completion of the acquisition of Parcel B for the expansion of the Intermodal Facility.

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

- Section 1. The City Manager is hereby authorized to execute the Purchase and Sale Agreement and Joint Escrow Instructions Agreement with S. Thomas Enterprises of Sacramento, LLC for acquisition of the Intermodal Transportation Facility site with such contingencies, conditions and other provisions as described therein.
- Section 2. The City Manager is authorized to make a \$30 million cash advance payment from CIP CF41 for this purpose.

- Section 3. The City Manager is authorized to execute a \$25 million note payable in Fiscal Year 2009 for this purpose.
- Section 4. The City Manager is further authorized to extend the terms and conditions of this agreement by thirty days beyond the December 29, 2006 termination date.
- Section 5. Staff is directed to return to the City Council for its further consideration of the acquisition of Parcel B in conjunction with appropriate environmental review and after consultation with State and Federal agencies relative to the status of federal funding for the future intermodal transportation project.
- Section 6. Staff is directed to negotiate shared funding for infrastructure and phased construction over the life of the development project as called for in the Memorandum of Understanding with Millennia Associates (Agreement 2003-176-1).

ATTACHMENT 5

RESOLUTION NO.

Adopted by the Sacramento City Council

RESOLUTION APPROVING A TRACK RELOCATION AND FINANCING AGREEMENT FOR RELOCATION OF THE MAIN LINE AND PASSENGER STATION RAIL TRACKS IN THE VICINITY OF THE INTERMODAL STATION

BACKGROUND

- A. S. Thomas Enterprises of Sacramento, LLC is in escrow to buy the Sacramento Railyards property from the Union Pacific Railroad.
- B. The City of Sacramento has identified the Sacramento Valley Station-Intermodal Transportation Facility as its number one priority capital improvement project.
- C. The City of Sacramento has identified the relocation of the rail lines as important for the development of the expanded Intermodal Facility and the first phase of the Sacramento Railyards development project.
- D. S. Thomas Enterprises of Sacramento, LLC wants a financial commitment from the City to relocate the existing rail lines and to purchase the expanded Intermodal site prior to closing escrow on their purchase of the Railyards property.
- E. Environmental review law requires that a full environmental analysis be completed and a subsequent discretionary action be taken by the City Council prior to the implementation of the Track Relocation and Financing Agreement.

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

- Section 1. The Track Relocation and Financing Agreement with S. Thomas Enterprises of Sacramento, LLC is approved and implementation of various provisions of the agreement is subject to completion of the full environmental analysis and subsequent City Council discretionary action.
- Section 2. The City Manager is hereby authorized to execute the agreement with the contingencies, conditions and other provisions as stated therein.
- Section 3. The City Manager is authorized to execute a note for the City's share of track relocation costs. This note will be payable two years after its authorization.
- Section 4. The City Manager is further authorized to extend the terms and conditions

of this agreement by thirty days beyond the December 29, 2006 termination date.

Section 5. Staff is directed to return to the City Council for its further consideration of the implementation of the Track Relocation and Financing Agreement in conjunction with appropriate environmental review and after consultation with State and Federal agencies relative to the status of federal funding for the future intermodal transportation project.

Exhibit 8

*City of Sacramento
Planning and Development Department
Environmental Services Division*

***DRAFT
ENVIRONMENTAL IMPACT REPORT
EXECUTIVE SUMMARY
(VOLUME 1)***

RAILYARDS SPECIFIC PLAN

***RICHARDS BOULEVARD
AREA PLAN***

Prepared by:

*EIP Associates
Sacramento, California*

June 10, 1992

the conclusion is reached that the general effect of implementation of the Alternatives would be the further concentration of the regional office market in downtown Sacramento. This redistributive effect is considered to be beneficial due to its positive relationship to anticipated public investment in the regional transit system, as well as potential positive effects of such economic concentration on traffic, air quality, and other environmental issues.

Parks and Open Space

The parks and open space chapter of the EIR addresses potential demand created by growth in the Planning Area for parks and open space services and facilities. In addition, the EIR discusses the relationship of the Alternatives to goals and policies of local parks and open space planning documents.

The analysis in the EIR assesses the impacts of the Alternatives based on the City's standard of the provision of 5 acres of neighborhood or community parks for every 1,000 residents. Since the Alternatives for the Railyards Area designate adequate land to meet City standards for parks and open space, the EIR concludes that, other than Alternative 1, all of the Alternatives would have a less-than-significant or beneficial impact on the availability of parks and open space land. In the Richards Area, parkland is not designated in many of the Alternatives. Due to the nature of the RBAP, existing uses are anticipated to "transition" from one use to another, and it is not possible at the outset to predict the way in which this transition will occur. Therefore, for the Alternatives in which the parkland requirement is not met in the Richards Area, as mitigation, the EIR requires that the RBAP include policies to meet the required residential parkland and dedication.

In examining the potential impacts of the Alternatives on bicycle and pedestrian linkages in and through the Planning Area, the EIR concludes that all of the Alternatives, with the exception of Alternative 1, would have a beneficial impact by providing new and continuous bicycle and pedestrian linkages through the Planning Area. In examining the relationship of the Alternatives to the wide range of planning documents that address parks and open space, including the American River Parkway Plan and the Sacramento Parkway Plan, as well as the City of Sacramento Master Plan for Parks Facilities and Recreation Services, the EIR concludes that the impacts of all of the Alternatives would be less than significant.

Urban Design and Visual Quality

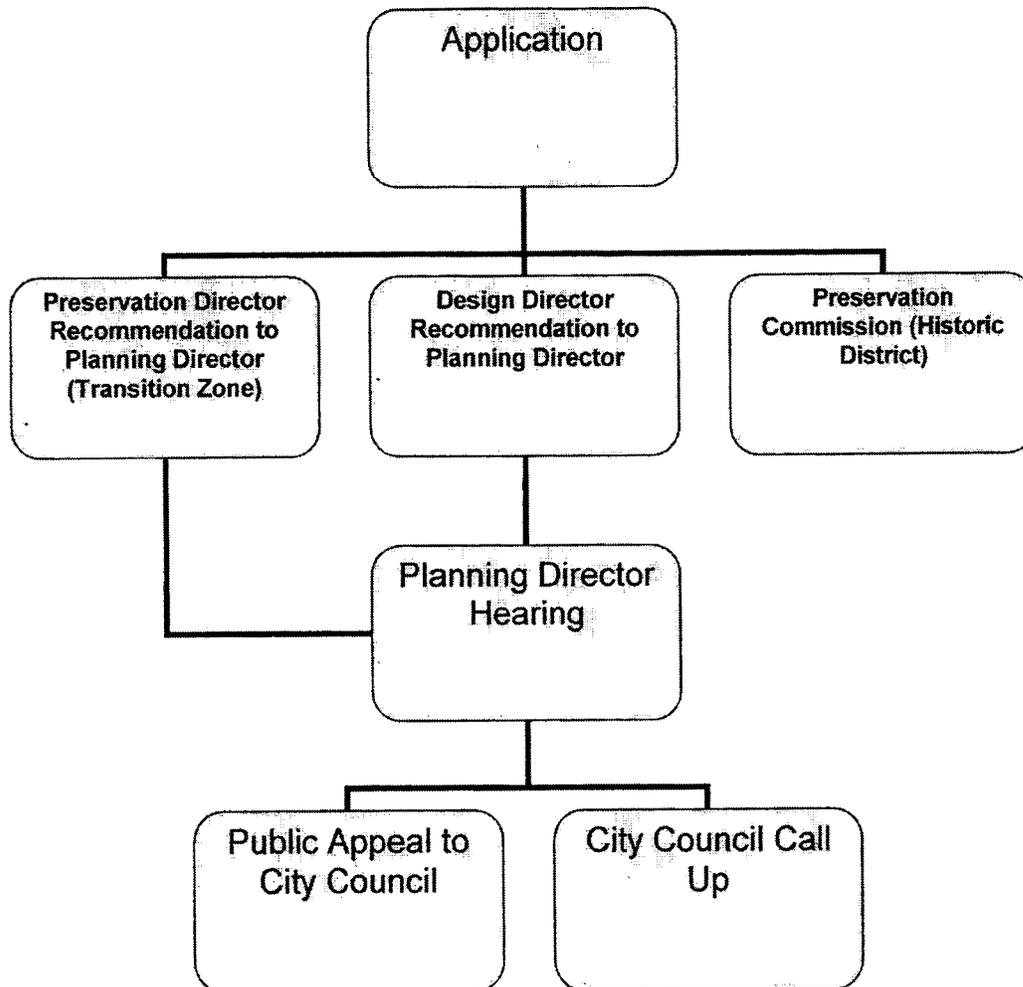
The urban design and visual quality chapter of the EIR examines the potential impacts of the Alternatives on the visual character of the Planning Area, including changes to the City's skyline, impacts on critical view corridors, the potential impacts of new shadows generated by high-rise development, and the relationship of the Alternatives to local urban design policies and plans.

The EIR describes a range of significant, unavoidable impacts due to the development of substantial new high-rise buildings throughout the Planning Area. The focus of the concern expressed by the EIR involves the relationship of new high-rise development to adjacent sensitive users, particularly residents of the neighboring Alkali Flat neighborhood. Mitigation measures are provided that guide the design of buildings, and address the relationship of buildings to each

Exhibit 9

Subject: Sacramento Railyards Specific Plan (P05-097)

10/02/2007



The benefits of this process are several: (1) It achieves the City Council adopted goal to promote infill development by creating an efficient, certain, and streamlined process; (2) It maintains a role for the public through early noticing and an appeal process; (3) it implements the policy goals and standards of the commissions established in the guiding planning documents (The Railyards Specific Plan, the Design Guidelines, and the SPD); (4) it preserves a role for the public in the hearing process; (5) it combines what typically is a cumbersome multi-hearing process into one streamlined hearing; and (6) it provides certainty for the City, developers, and developer lenders thereby making infill development feasible and ensuring ultimately a better development project.

In addition, to establishing process, it also establishes allowed uses, development standards, and other site specific requirements (such as demonstrating evidence of



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December 18, 2007

To: Council,
City of Sacramento

From: Kari Bryski
Commercial and Investment Realtor,
McMartin Realty and
Sustainable Development Consultant,
Qworkz Consulting

Dear Honorable Mayor and Members of the City Council,

My name is Kari Bryski. I am a Commercial and Investment Realtor with McMartin Realty as well as a Sustainable Development Consultant with Qworkz Consulting. I'm writing this letter to commend you and the City for taking an aggressive stance on approving the Final Sustainability Master Plan, joining in creating *Green Cities California*, and supporting the creation of a Green Building Program.

It is my belief that efforts to move Sacramento forward as the "Greenest City in the Nation" will encourage property owners and developers to bring their buildings up to their highest, best, most sustainable uses. And in turn, will make their property more valuable and certainly more marketable, as evidenced by the successful new home sales in the Fallen Leaf subdivision in Natomas, which just sold out last month. Sustainability sells.

I also applaud the work of Jamie Cutlip and Bob Chase, and encourage you to keep Jamie's Coordinator position in tact. This City is in direct competition with others such as San Jose, who has two full-time Coordinator positions who are actively guiding that City towards sustainability. As the State Capitol, we are the strategically positioned to be leaders in the State and should do everything we can to be in forefront. We need the person-power to do the job effectively and efficiently.

It is as economically sound as it is prestigious to be the most sustainable City in California and hopefully, in the nation.

Thank you for having the vision and insight to move us in that direction.

Sincerely,

Kari Bryski
McMartin Realty
Qworkz Consulting
916-606-3828 cell