



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604

www.cityofsacramento.org

STAFF REPORT

September 6, 2005

Honorable Mayor and
Members of the City Council

Subject: Presentation on the alternatives for the State of California West Side Projects by the Department of General Services (DGS)

Location/Council District: District 1 and 3

Recommendation: For Information Only

Contact: Micah Runner, Sr. Project Manager, (916)808-5448

Presenters: Micah Runner, Sr. Project Manager

Department: Economic Development

Division: Citywide

Organization No: 4453

Summary:

The purpose of the presentation is to outline the status of the State of California West Side Projects, which include the West End Office complex and the Central Plant renovation. DGS has developed an updated memo on the status of the projects which is attached as Exhibit A. In preparation of the draft EIR, the Department of General Services has narrowed the options for each of the projects to three alternatives (see Exhibit B and C). The Economic Development staff has worked with Planning, Transportation, Utilities, Historical Preservation and the Capitol Area Development Authority (CADA) in reviewing the three alternatives for each project. For discussion purposes, this inter-department group has selected the most appropriate alternative from the options provided in the draft EIR with some additional comments to DGS.

Committee/Commission Action:

On April 5, 2005 the Law & Legislation Committee voted to support Assembly Bill 1663 relating to the authority of DGS to include housing in the West Side Projects.

Background Information:

The State of California has approved legislation giving DGS the authorization to design and construct 1.4 million gross square feet of new office on DGS Blocks 203 and 204 (bounded by 7th and 8th streets, N and O streets), and a remote parking facility on R Street between 8th and 9th streets.

This project includes the renovation or relocation of the historic Heilbron house located on the northwest corner of 7th and O streets. EDAW was selected as the CEQA consultant and Dreyfus & Blackford was selected as the Master Architect.

DGS has also received authorization to renovate the central cooling and heating plant located at 625 Q Street. This project envisions an expansion and renovation of the existing plant, and will address the Cease and Desist Order issued by the Central Valley Regional Water Quality Control Board to bring the discharges of heated water from the plant into compliance with temperature criteria for the Sacramento River. EDAW was selected as the CEQA consultant and Capital Engineering was selected as the Master Engineer.

Discussions between the DGS and the City regarding the City's involvement in the planning of these two projects have been going on for over a year. The City has emphasized the need for the State of California's sensitivity to our developing downtown and long-term plans. DGS has selected three alternatives for each project as part of the draft EIR process. There is no preferred alternative in the draft EIR at this time.

Each of the alternatives includes 1.4 million square feet of office space located in the two towers, located on the southeast corner of 7th and N streets and the northwest corner of 8th and P streets, with parking provided in the garage planned for R Street.

Points of discussion between the City and DGS center around the following issues:

1. Whether housing should be included as a part of the West End development;
2. Location of the thermal storage tanks associated with the Central Plant renovation;
3. Compliance with the R Street Corridor plan; and
4. Whether the Heilbron House should remain in its current location or be moved.

Below is a summary of how the three alternatives differ.

Alternative 1

- No housing on the West End site
- Move Heilbron house to an off-site location
- Garage is 55' without housing, 72' with housing, 122' with Cooling Towers
- Largest amount of open space

Alternative 2

- No housing on the West End site
- Heilbron house stays at the current location
- Garage is 65' without housing, 85' with housing, 135' with Cooling Towers

Alternative 3

- Three levels of housing included on the West End site
- Heilbron house stays at the current location
- Garage is 65' without housing, 85' with housing, 135' with Cooling Towers

The Central Plant alternatives all include an above ground thermal energy storage (TES) tank which is roughly 140' x 80' x 80' and 6-8 cooling towers which are 50' x 50' x 50'. The following is a description of how they are different:

Alternative 1 - TES and cooling towers are located on a currently privately held block on the Southside of Q Street between 7th and 8th streets.

Alternative 2 - TES is located at the central plant and the cooling towers are located at the garage site.

Alternative 3 - TES is located at the central plant and cooling towers are located at the docks and central plant, which are currently owned by the State.

The important discussion items moving forward at this time with the Department of General Services include:

- AB 1663 – This is a bill introduced by Assemblyman Dave Jones to allow for flexibility in allowing DGS to build a mixed-use project. It has been approved by the Assembly and is out of committee and on to the Senate floor for approval.
- Docks Master Plan – The City is in the process of development planning for the docks area where the current well and outfall are located for the state central plant. The first priority for the City is to find an alternative that will allow the State to abandon the use of the property in the Docks area.
- Infrastructure – When the project alternative is selected there will be a Memorandum of Understanding negotiated with the State to pay for their fair share of impacts to the City's infrastructure.

With the understanding that the draft EIR is not complete and there may be issues that come out on the alternatives at a later date. Staff recommends the West End Alternative 3 and Central Plant Alternative 2 with housing at the West End and garage with the following additional comments:

- Allow the housing on the west end office complex to be up to 75 feet to allow for another level of parking for Capital Athletic Club.
- Find ways to keep the City involved in the process, for example presentations on design to the Design/Preservation Board and City Council.
- Allow for public night and weekend parking at the R Street garage.
- Design the project to enhance access to and use of the adjacent light rail station.
- Incorporate pedestrian-friendly improvements throughout the project.

Financial Considerations: None

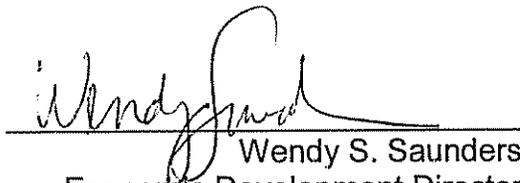
Environmental Considerations: None

Policy Considerations:

The State of California is not subject to the normal review process. There are no approvals that the Department of General Services needs to build this project by the City of Sacramento.

Emerging Small Business Development (ESBD):

No goods or services are being purchased.

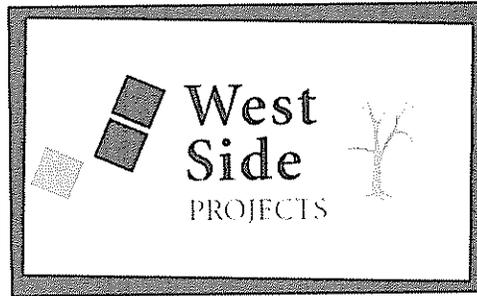
Approved by: 
Wendy S. Saunders
Economic Development Director

Approved for Council Information:


ROBERT P. THOMAS
City Manager

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**State of California
Capitol West Side Projects
Update to Sacramento City Council
September 6, 2005**

Community Group Briefings

Over the past eight months, the Department of General Services (DGS) has met with numerous neighborhood and community organizations to introduce the Capitol West Side Projects, explain their purpose and need, provide information on the public outreach program, and answer basic questions. The organizations DGS has met with include:

- Neighborhood Advisory Group (NAG) (September 2004, January 2005, February 2005, July 2005, August 2005)
- Capitol Area Development Authority (CADA) (October 2004)
- Sacramento Old City Association (October 2004)
- Land Park Community Association (October 2004)
- Southside Park Neighborhood Association (October 2004, May 2005)
- Winn Park Neighborhood Association (October 2004, January 2005)
- Capitol Area Committee (CAC) (October 2004, January 2005, February 2005, April 2005, July 2005)
- Capitol Historic Committee (October 2004, January 2005, April 2005, July 2005)
- Downtown/Riverfront Development Committee (February 2005)
- Downtown Sacramento Partnership (February 2005)
- Saratoga Townhomes Homeowners Association (March 2005)

DGS is continuing to attend the monthly NAG meetings to provide consistent updates on the Capitol West Side Projects. DGS will also continue to provide updates at neighborhood groups, historic groups, CAC and CADA as requested.

Initial City Meetings

Since the last City Council update on April 19, 2005, DGS has met with the following City Departments:

- City Staff Presentation of the Three Alternatives (June 21, 2005)
- The City Utilities Departments to discuss utility connections (August 11, 2005)

Status of the Website

The official Capitol West Side Projects' website is located at <www.westsideprojects.com>. The website provides project descriptions, background, and goals for the West End Office Complex Project and the Central Plant Renovation Project. The website also provides information on the public outreach program, a calendar of events, maps, links to other resources, and a page to submit questions or comments. The website is updated regularly with frequently asked questions and their answers, results of public meetings, documents, plans, design renderings, alternatives, current events, news articles, etc. The CEQA Notice of Preparation and Initial Study were posted on the website (in the file cabinet) during the agency and public scoping comment period (March 7 – April 7, 2005) and remain available on the website.

In addition to the website, the call-in comment line, (877) 227-9781, is available and is monitored regularly. Callers receive a response, if requested, within 72-hours by an outreach program staff member.

Public Outreach Center

DGS has established a public outreach center for the Capitol West Side Projects. It is located in the Bonderson Building at 901 P Street; the entrance is at the corner of 9th and O Streets. DGS is keeping up-to-date graphics, design renderings, etc., at the site for use at public meetings and for briefings of elected officials by appointment.

Community Workshops

DGS has completed a series of public workshops that solicited community ideas and concerns on the West End Office Complex and the Central Plant Renovation projects, while the projects were still early in their planning phases. The workshops served to both educate and inform the public about the projects as well as to provide the opportunity for the public to comment on a range of project issues. The public workshops were held on the following dates:

- West End Office Complex Project Workshop #1
Attended by approximately 90 community members
Wednesday, January 26, 2005, 5:00 p.m. – 8:00 p.m.
Bonderson Building, 901 P Street at the corner of 9th and O Streets
- Central Plant Renovation Project Workshop #1
Attended by approximately 19 community members
Wednesday, February 9, 2005, 5:00 p.m. – 8:00 p.m.
Bonderson Building, 901 P Street at the corner of 9th and O Streets
- West End Office Complex Project Workshop #2
Attended by approximately 70 community members
Wednesday, April 6, 2005, 5:00 p.m. – 8:00 p.m.
Bonderson Building, 901 P Street at the corner of 9th and O Streets
- Central Plant Renovation Project Workshop #2
Attended by approximately 14 community members
Wednesday, April 20, 2005, 5:00 p.m. – 8:00 p.m.
Bonderson Building, 901 P Street at the corner of 9th and O Streets
- West End Office Complex Project Workshop #3
Attended by approximately 75 community members
Wednesday, June 15, 2005, 5:00 p.m. – 8:00 p.m.
Bonderson Building, 901 P Street at the corner of 9th and O Streets
- Central Plant Renovation Project Workshop #3
Attended by approximately 38 community members
Wednesday, June 29, 2005, 5:00 p.m. – 8:00 p.m.
Bonderson Building, 901 P Street at the corner of 9th and O Streets

After receiving public input at the April workshops on a wide range of alternatives for both the West End Office Complex and the Central Plant Renovation, the project teams refined the alternatives and decided upon the final alternatives to be analyzed in the EIR. The refined alternatives, and the process by which the teams arrived at the final alternatives, were presented at the June public workshops.

CEQA Notice of Preparation and Initial Study

The State circulated a Notice of Preparation of an Environmental Impact Report (EIR) and an Initial Study for the combined West End Office Complex and Central Plant Renovation projects on March 7, 2005 to solicit comments from agencies and the public on the scope and content of the environmental document. An agency scoping meeting and a public scoping meeting were held mid-way through the scoping period on March 16, 2005.

Community Concerns

DGS has received initial public comments regarding the Capitol West Side Projects through the community briefings, the website, the call in line, the Community Workshops, and the CEQA scoping meeting. The following general topics have been raised as points of concern by the community:

- Heilbron House
- Parking
- Traffic and circulation
- R Street character
- Retail and housing
- Public input on building designs
- Active pedestrian level streetscape
- Potential disruption to Roosevelt Park

Preparation of the Draft EIR

DGS is currently preparing the Draft EIR on the following refined alternatives for the Central Plant Renovation Project and the West End Office Complex Project. The alternatives are being analyzed at an equal level of detail; DGS has not identified a "preferred alternative" for either project. Rather, DGS will use the information provided through the EIR analysis to determine the preferred alternative for each project.

Central Plant Renovation Project

- Alternative 1 – Block 264 Alternative
- Alternative 2 – Central Plant Alternative
- Alternative 3 – Block 266 Alternative

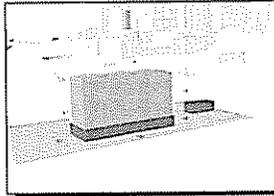
West End Office Complex Project

- Alternative 1 – Heilbron House is Relocated
- Alternative 2 – Heilbron House Remains in Place
- Alternative 3 – Heilbron House Remains and a Housing Opportunity Site is Included
- Parking Structure Alternative 1 – Basic Parking Structure with Retail
- Parking Structure Alternative 2 – Parking Structure with Retail, Housing Opportunity Site and Cooling Towers on the Roof

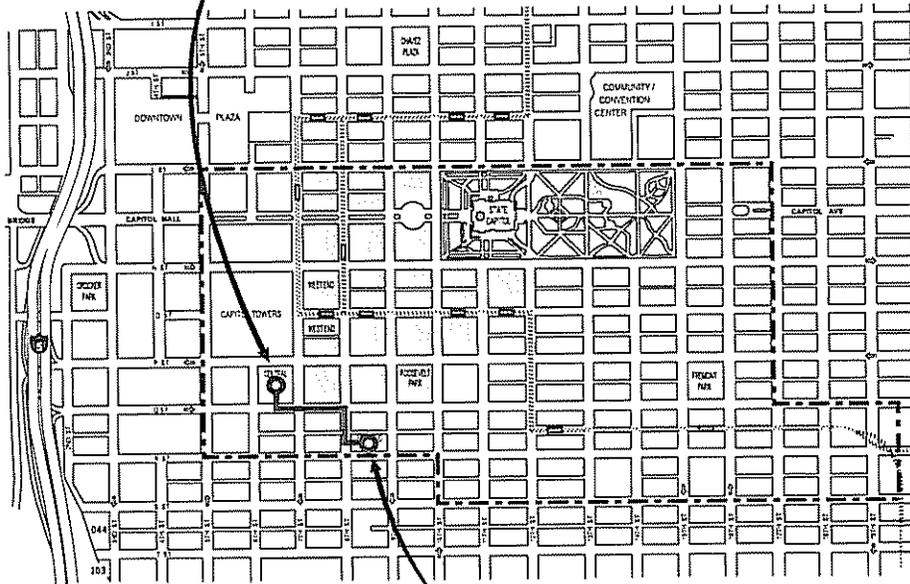
DGS estimates that the Draft EIR will be issued this fall (2005) and that the Final EIR will be approved in spring 2006.

TO BE DELIVERED

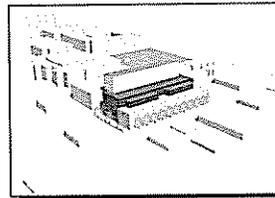
EXHIBIT B



Central Plant expansion with above ground thermal storage tank

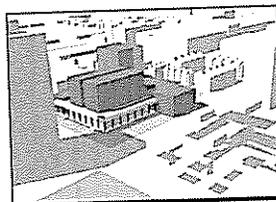


West End parking structure at Block 266 with cooling towers on roof

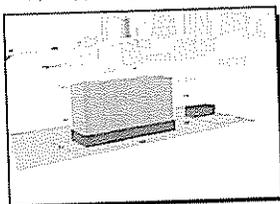
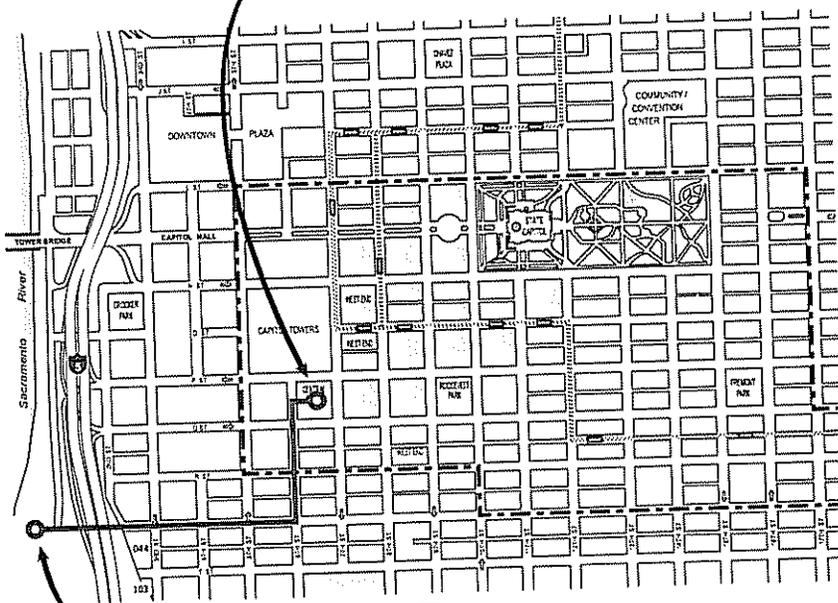


ALTERNATIVE 2

ensus Planning Group



Central Plant
with above gr
storage tank
towers



Ranney Well Site -
with at-grade cooling
towers

ALTERNATIVE 3