



**REPORT TO REDEVELOPMENT AGENCY
AND CITY COUNCIL
City of Sacramento**
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

STAFF REPORT
November 8, 2005

Honorable Mayor and
Members of the City Council

Subject: North Sacramento/Del Paso Boulevard Streetscape Improvement Project

Location/Council District:

North Sacramento Redevelopment Area
Council District 2

Recommendation:

Staff recommends City Council adopt the attached resolution on page 7, to take the following actions:

- Authorize the City Manager to execute an Individual Project Agreement for \$450,000 to design Phase II of the Del Paso Boulevard Streetscape Improvement Project, to conduct the environmental review, and to take all actions and execute such instruments as may be necessary to implement the project, and
- Find that the City does not have sufficient funding to pay the total project costs of Phase I and II, which is estimated to be approximately \$ 4.2 million, that it has previously allocated all of its available funding to the project, and that there are no other feasible alternative sources of funding available except for tax increment funds.

Staff also recommends the Redevelopment Agency of the City of Sacramento adopt the attached resolution on page 9 to:

- Find that the North Sacramento Redevelopment Project Area meets the current definition of blighted area described in Health and Safety Code Section 33445 and that this project will help eliminate certain blighting conditions such as inadequate public infrastructure and adverse economic conditions;
- Find that such tax increment use is consistent with the Redevelopment Plan and the Five Year Implementation Plan for the Redevelopment Project Area adopted in 1992 and 2004, respectively; and

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- Authorize the Executive Director to amend the budget to allocate \$4.2 million in California Infrastructure and Economic Development Bank bond proceeds to the Del Paso Boulevard Streetscape Improvement Project fund and sign the necessary financing documents with the Infrastructure Bank for the purposes of this financing.

Contact:

Lisa Bates, Director, SHRA City Community Development, 440-1322
Cynthia Shallit, Management Analyst, SHRA City Community Development, 440-1322

Presenters:

Cynthia Shallit, Management Analyst, SHRA City Community Development

Department: Sacramento Housing and Redevelopment Agency

Summary:

This report recommends approval of Phase II of the Del Paso Boulevard Streetscape Improvement Project and the allocation of \$4.2 million from the California Infrastructure and Economic Development Bank loan to fund the design and construction of Phase I and Phase II of the project.

PAC/RAC Action:

At its meeting on September 28, 2005, the North Sacramento Redevelopment Advisory Committee adopted a motion recommending approval of the attached resolution. The votes were as follows:

At its meeting on

AYES: Bergstrom, Harlan, Mack, Marcus, McCleary, E. McCleary, J. Mulligan, C. Mulligan, M. Ogden, Roberts, Scoggins

NOES: None

ABSENT: Ash

Commission Action:

At its meeting on October 19, 2005, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions:

AYES: Burns, Burruss, Coriano, Fowler, Gale, Gore, Hoag, Piatkowski, Shah, Simon, Stivers.

NOES: None.

ABSENT: None.

Background Information:

In October 2002, the City Council adopted the Del Paso Boulevard Streetscape Improvement and Beautification Master Plan (Streetscape Plan) which covers one mile on Del Paso Boulevard from Highway 160 to El Camino (see Attachment I, map). Construction of Phase I of the project started in late June 2005 and includes enhanced pedestrian crosswalks, pedestrian scale lighting, new median landscaping, public art, and gateway enhancements at Highway 160. Construction of the majority of the improvements in this phase will be completed in December of this year with the installation of the public art to follow in early 2006.

A total of \$1,980,000 of North Sacramento Tax Increment Bond funds was previously allocated for the Phase I streetscape. However, with only \$2.4 million in tax increment remaining for non-housing projects in North Sacramento, the Redevelopment Agency authorized staff to apply for funds from the California Infrastructure and Economic Development Bank (Infrastructure Bank) for a portion of the streetscape project and allowed the remaining tax increment to be used for other projects. On August 12, 2005, the Infrastructure Bank approved a loan of \$4.2 million. Staff is proposing that \$1 million of the Infrastructure Bank Loan be allocated to the Phase I project that is currently underway.

The remainder of the loan, approximately \$3.2 million, will be used for Phase II of the streetscape project. As described in the Streetscape Master Plan, the Phase II project will reduce the width of the street from four lanes to two and create on-street angled parking. The new angled parking and the lane reduction will reduce speeds on the Boulevard, beautify the area, add additional parking spaces, and promote the section of Del Paso Boulevard between Arden and El Camino as a walkable and customer friendly corridor. Over the last few months, City Department of Transportation staff has been performing additional environmental and traffic analysis of the angled parking project and has incorporated several design recommendations to lessen the impacts to the area and to Regional Transit.

At this time, City Staff estimates that the design and environmental studies for Phase II will cost approximately \$450,000 and that the construction of the improvements will cost approximately \$2.5 million. Improvements anticipated include new bulb-outs, realignment and restriping of the roadway, new planters, drainage improvements, reconstruction of curb and gutter in certain locations, and other associated improvements that are required. In addition, improvements are also proposed at the intersection of Arden Way and Del Paso Boulevard to help lessen the traffic impacts of the project. City staff estimates that these improvements will be completed by the Fall of 2006.

Financial Considerations:

The \$4.2 million approved by the Infrastructure Bank will be allocated as shown:

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\$ 1,000,000	Phase I
\$ 450,000	Design and environmental work for Phase II (angled parking)
\$ 2,550,000	Phase II construction costs
\$ <u>221,000</u>	<u>Required debt reserves and loan servicing costs</u>
\$ 4,221,000	TOTAL

The loan term is 30 years and the interest rate is 3.01%. Loan repayment will be guaranteed by the tax increment generated by the North Sacramento Project Area. The annual debt service payment will be approximately \$225,000 annually.

Environmental Considerations:

Environmental review of the Phase I improvements has been completed and that project is under construction. The Phase II streetscape improvements are generally exempt from environmental review pursuant to CEQA Guidelines Section 15301(c), because the project will not increase the capacity of the roadway or eliminate existing parking. Instead, the project will reduce roadway capacity by converting a traffic lane for on-street angled parking. As long as it is reasonably foreseeable that the project would not have a significant effect on the environment, the exemption would apply. The City Public Works Department will undertake a traffic analysis as part of the Phase II project design to verify that the removal of the travel lane and installation of on-street angled parking will not create any significant impacts on the environment prior to implementation of the Phase II improvements. NEPA does not apply.

Policy Considerations:

The actions recommended in this staff report are consistent with the North Sacramento Redevelopment Plan, the North Sacramento 2005-2009 Implementation Plan and the Del Paso Boulevard Streetscape Improvement and Beautification Master Plan. Specifically, the proposed streetscape improvements meet the 2005-2009 North Sacramento Implementation Plan goals of 1) implementing a major streetscape improvement plan on Del Paso Boulevard, 2) guiding the use of public improvement funds to assist future redevelopment activities and 3) maintaining and improving the area's economic vitality.

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M/WBE Considerations:

The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

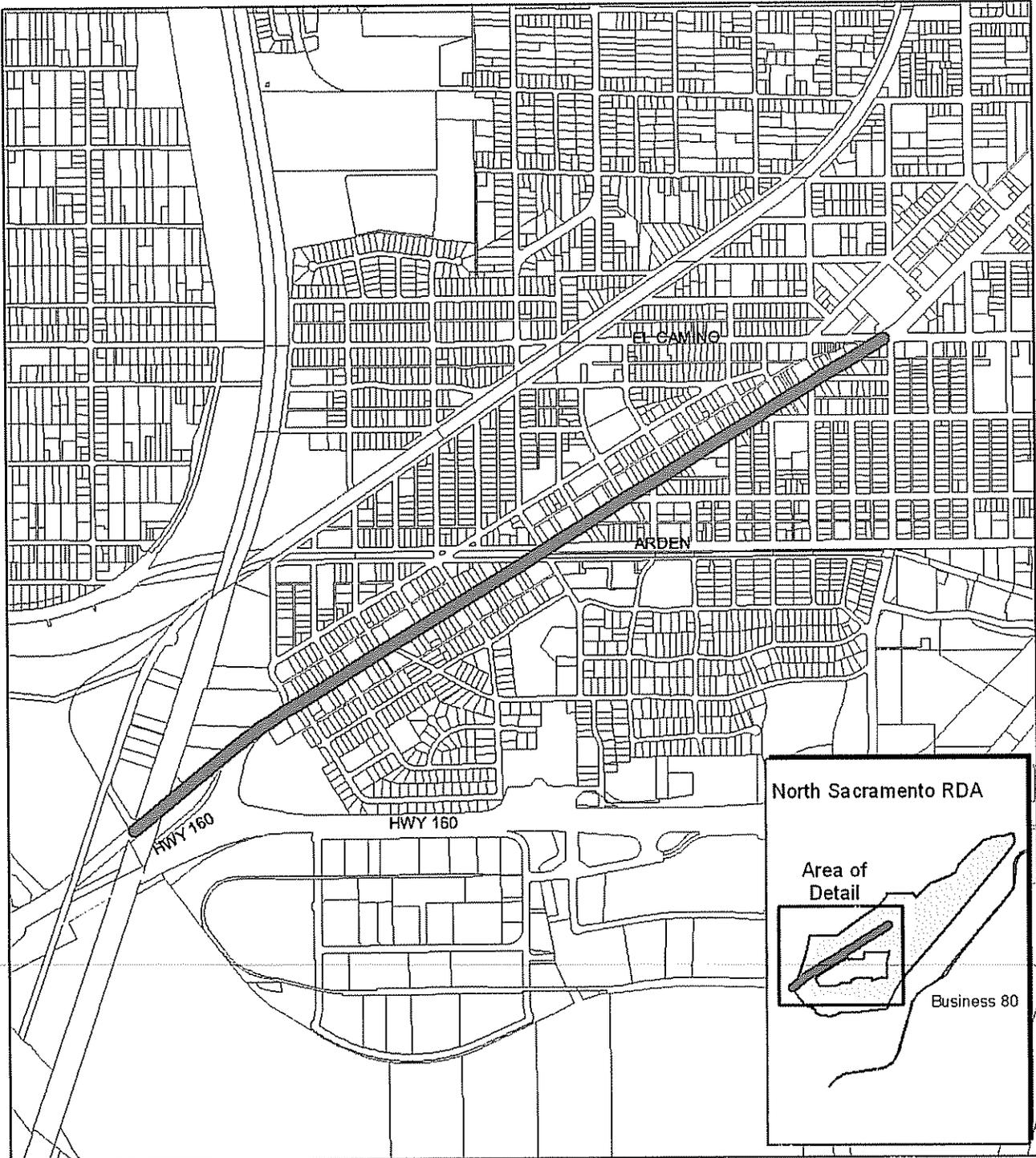
Respectfully Submitted by: 
ANNE M. MOORE
Executive Director

Recommendation Approved:


ROBERT P. THOMAS
City Manager

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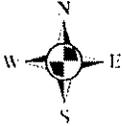
Del Paso Blvd.
Streetscape

GA 5/17/05

Legend

-  Del Paso Blvd. Streetscape
-  North Sacramento RDA

0 500 1,000 1,500 2,000 Feet



Sacramento
Housing &
Redevelopment
Agency

RESOLUTION NO. 2005 -

Adopted by the Sacramento City Council

ON DATE OF

MAKING CERTAIN FINDINGS REGARDING THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO'S FUNDING OF THE DEL PASO BLVD STREETScape PROJECT AND APPROVAL OF INDIVIDUAL PROJECT AGREEMENT

BACKGROUND

- A. The City of Sacramento ("City") adopted the Del Paso Boulevard Streetscape Improvement and Beautification Master Plan ("Project"). The Project is a variety of street hardscape and landscape improvements, including enhanced crosswalks with textured and colored pavement, landscaping and irrigation in street medians along Del Paso Blvd between Highway 160 and El Camino Avenue; and replacement of streetlights, and providing parking and angled parking with bulb outs between Arden Way and El Camino Avenue.
- B. The Project is segmented into two phases. Phase I is near completion and the City desires to commence design and implementation of Phase II
- C. The California Infrastructure and Economic Development Bank is prepared to provide a loan to the Redevelopment Agency of the City of Sacramento ("Agency") in an amount not to exceed four million two hundred twenty-one thousand dollars (\$4,221,000) (the "Loan") for development and construction of eligible capital improvement project to be repaid from tax increment revenues of the North Sacramento Redevelopment Project Area.
- D. The total cost for the Project is estimated at over \$4.2 million, the City does not have sufficient funding to pay the total Project costs, the City has allocated all of its available funding to the Project, and the City Council finds that there are no other feasible alternative sources of funding available.
- E. The Agency is willing to allocate the Loan funding for completion of the Project in order to benefit the North Sacramento Redevelopment Project Area.

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

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

- Section 2. Pursuant to section 33445 of the Health and Safety Code of the State of California, the City makes the following findings in support of the Loan;
- (a) The development and construction of the Project is of benefit to the North Sacramento Redevelopment Area;
 - (b) There is no other reasonable means of financing the Project except for the Loan, to be repaid with tax increment funds; and
 - (c) The use of tax increment funds for the Project is consistent with and in furtherance of the North Sacramento Redevelopment Plan and the North Sacramento Implementation Plan, and the Project will further the goals of the North Sacramento Redevelopment Plan by improving public facilities and eliminating blighting conditions inside the Project Area, including, without limitation, the lack of adequate infrastructure.

Section 2. The City Manager, or his designee, is authorized to enter into the Del Paso Blvd Streetscape Individual Project Agreements with the Redevelopment Agency of the City of Sacramento to allocate a total of \$1 million in Loan funds for Phase I improvements, \$450,000 in Loan funds for the design and environmental review of Phase II of this Project, and the remaining \$2,550,000 in Loan funds (which excludes debt reserve and loan serving costs) for implementation of Phase II contingent on verification that the Project will not create any significant adverse impacts.

RESOLUTION NO. 2005 -

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

MAKING CERTAIN FINDINGS AND APPROVING THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT BY AND BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO AND THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR THE DEL PASO BLVD STREETScape PROJECT; APPROVAL OF FUNDING AND INDIVIDUAL PROJECT AGREEMENT; AND RELATED BUDGET AMENDMENT

BACKGROUND

- A. The City of Sacramento ("City") adopted the Del Paso Boulevard Streetscape Improvement and Beautification Master Plan ("Project"). The Project is a variety of street hardscape and landscape improvements, including enhanced crosswalks with textured and colored pavement, landscaping and irrigation in street medians along Del Paso Blvd between Highway 160 and El Camino Avenue; and replacement of streetlights, and providing parking and angled parking with bulb outs between Arden Way and El Camino Avenue.
- B. The Project is segmented into two phases. Phase I is near completion and the City desires to commence design and implementation of Phase II.
- C. The California Infrastructure and Economic Development Bank is prepared to provide a loan to the Redevelopment Agency of the City of Sacramento ("Agency") in an amount not to exceed four million two hundred twenty-one thousand dollars (\$4,221,000) (the "Loan") for development and construction of eligible capital improvement projects to be repaid from tax increment revenues of the North Sacramento Redevelopment Project Area.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

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

Section 2. Pursuant to Section 33445 of the Health and Safety Code of the State of California, the Redevelopment Agency of the City of Sacramento makes the following findings in support of the loan:

- a. The Project is located within the North Sacramento Redevelopment Project Area, it is consistent with and in furtherance of the North Sacramento Redevelopment Plan and the North Sacramento Implementation Plan, and the Project will further the goals of the North Sacramento Redevelopment Plan by improving public facilities and eliminating blighting conditions inside the Project Area, including, without limitation, the lack of adequate infrastructure; and
- b. The total cost for the Project is estimated at over \$4.2 million, the City does not have sufficient funding to cover all of the Project costs, the City has applied all of its available funding to the Project, and the City Council has made a finding that there is no other feasible alternative source of funding available to fund the Project shortfall.

Section 3. The Agency accepts the City Council's determination that there is no other feasible alternative source of funding available for the Project funding shortfall, and desires to allocate \$4.221 million in California Infrastructure and Economic Development Bank loan funds for this Project.

Section 4. The Loan with the California Infrastructure and Economic Development Bank is approved and the Agency's Budget is amended by appropriating the \$4.221 million in Loan funds for the Del Paso Blvd Streetscape Project. The Agency is authorized to enter into the Tax Allocation Loan Agreement (the "Loan Agreement") with the California Infrastructure and Economic Development Bank dated as of December 2, 2005. The aggregate principal amount of the Loan under the Loan Agreement shall not exceed four million two hundred twenty-one thousand dollars (\$4,221,000). As executed and delivered, such document shall be in substantially the form presented at this meeting, with such minor additions thereto or minor changes therein as the officers executing such document shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Executive Director, or her designee, is authorized to enter into the Del Paso Blvd Streetscape Individual Project Agreements with the City of Sacramento to allocate a total of \$1 million in Loan funds for Phase I improvements, \$450,000 in Loan funds for the design and environmental review of Phase II of this Project, and the remaining \$2,550,000 in Loan funds (which excludes debt reserve and loan serving costs) for implementation of Phase II contingent on verification that the Project will not create any significant adverse impacts.

Section 6. The Executive Director, or her designee, is authorized to take all such actions, and execute such instruments, subject to approval of Agency Counsel, as are reasonably necessary to implement the Individual Project Agreements.

Section 7. The Executive Director or her designee are hereby each authorized and directed, in the name and on behalf of the Redevelopment Agency of the City of Sacramento, to take any and all steps and to execute and deliver any and all certificates, contracts and other documents which they might deem necessary or appropriate in order to consummate the delivery of the Loan Agreement and otherwise to effectuate the purposes of this resolution, including the execution of a tax certificate, and such actions previously taken by the employees of the Redevelopment Agency of the City of Sacramento are hereby ratified and confirmed. As executed and delivered, such document shall be in substantially the form presented at this meeting, with such minor additions thereto or minor changes therein as the officers executing such document shall require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.