Title: Riverfront Joint Powers Authority and Streetcar Successor Project

Location: Districts 3 and 4

Recommendation: Pass a Motion directing the City Manager to: 1) develop a delivery plan with the partnering agencies for a successor light rail transit project in place of the Streetcar; and 2) collaborate with the City of West Sacramento and identify the necessary steps to dissolve the Riverfront Joint Powers Authority.

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Presenter: None.

Attachments:
1-Description/Analysis
Description/Analysis

**Issue Detail:** Under a Memorandum of Understanding first initiated in 2004, the Sacramento Regional Transit District (SacRT), in collaboration with the Sacramento Area Council of Governments (SACOG), the City of Sacramento, the City of West Sacramento, and the Yolo County Transportation District (YCTD), proposed to construct a streetcar line between West Sacramento and the Midtown District in Sacramento. In March 2017, the Cities of Sacramento and West Sacramento approved a Joint Exercise of Powers Agreement (JEP) that created a separate legal entity, the Riverfront Joint Powers Authority (JPA) to acquire, plan, design, finance, construct, own, operate, and maintain a fixed-rail streetcar system within and between the two cities (Resolution 2017-0103).

A request for construction bids for the streetcar guideway system was released by SacRT in late 2018. The contractor bids received were significantly higher than the available project budget and, therefore, SacRT rejected all bids in early 2019.

At the request from regional leadership, staff from the two cities, SacRT, YCTD, the Sacramento Metropolitan Air Quality Management District (SMAQMD), the Sacramento Municipal Utility District (SMUD), and SACOG met as a Technical Working Group to evaluate alternatives to accomplish the goals of the original project -- generally, to connect the transit systems of Yolo and Sacramento counties, expand the region’s transit system, deliver increased transit ridership, reduce greenhouse gas emissions, and promote the transformation of the urban core of the Sacramento region, including specifically the promotion of economic and residential development.

City Council direction is necessary to continue this process.

**Policy Considerations:** The General Plan provides for a multimodal transportation system that supports the social, economic and environmental vision, goals, and objectives of the City, and is effectively planned, funded, managed, operated, and maintained (Sacramento 2035 General Plan Goal M 1.1). Dissolution of the JPA and development of a successor project is consistent with this General Plan Goal by replacing a project that can no longer be effectively funded and eliminating an entity that is no longer necessary to effectively manage the successor project.

**Economic Impacts:** None.
Environmental Considerations:

**California Environmental Quality Act (CEQA):** This report concerns administrative activities that do not constitute a “project” as defined by the California Environmental Quality Act (CEQA) Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines Section 15060(c)(3)).

**Sustainability:** Not applicable.

**Commission/Committee Action:** None

**Rationale for Recommendation:** The Streetcar Technical Working Group was tasked to evaluate alternatives to accomplish the goals of the original project. The alternatives included: 1) rebidding the Streetcar project with cost saving scope reductions; 2) implementing a light rail extension project; or 3) implementing a rubber-tired transit service with street improvements. Of these alternatives, staff recommends that the City of Sacramento supports the extension of light rail by SacRT with phasing options that connect the City of West Sacramento and provide a second track (“double-tracking”) to Sacramento’s Township 9 for reasons as follows:

**Alternative 1: Rebidding the Streetcar:** While staff anticipates that some re-scoping and bid conditions may reduce the overall project costs, the changes would not be substantive enough to bring the costs within the project funding of approximately $205 million. An estimated $75M in additional funding for construction would be required and no sources are readily available. On August 20, 2019, the City Council adopted an ordinance dissolving the Sacramento Streetcar Community Facilities District (CFD) No. 2019-01 per a settlement agreement (City Agreement No. 2019-0541). Absence of the CFD creates a gap in funding for the operations and maintenance of the streetcar system as originally proposed. Therefore, rebidding the streetcar project is not a recommended alternative.

**Alternative 2: Light Rail Transit (LRT) Extension:** Constructing an extension of the existing LRT system may include options such as: an extension from the Sacramento Valley Station (SVS) to West Sacramento (along Tower Bridge Gateway to just past Ironworks Avenue); the double-tracking of the SacRT Green Line from the SVS to North B Street (including a reconfigured station closer to the existing Amtrak platform, referred to as the “Loop”); and a new station between North B Street and Railyards Boulevard. Double-tracking 7th Street was anticipated in the Railyards Specific Plan; has been a priority for SacRT; and is environmentally cleared under CEQA.

Combined, these project options would connect West Sacramento to the SVS and improve SacRT service north of H Street to serve the planned Kaiser Hospital, the pending State
Department of General Services (DGS) office development at 7th Street and Richards Boulevard, and the anticipated Major League Soccer (MLS) stadium at 7th Street and Railyards Boulevard. These options would also provide West Sacramento with a rail connection for potential future rail expansion to serve planned higher-density, transit-oriented development in Pioneer Bluff, Stone Lock, and Southport utilizing an existing underutilized heavy rail alignment. This project would also serve as a vital link for the planned future Green Line light rail extension to the Sacramento International Airport. The connection of these options would need to be further discussed and evaluated.

In summary, an LRT extension project would be constructed, operated, and maintained by SacRT and could be delivered in phases based on the availability of funding to construct to logical termini where each phase provides service to major transit hubs as follows:

**Option 1: Township 9 to SVS**
- This LRT extension could be completed in time to serve new development including MLS, Railyards, and State DGS.
- Township 9 to SVS Option could be locally funded and is CEQA cleared.

**Option 2: Township 9 to Raley Field**
- Township 9 to Raley Field Option would need additional funds.
- Project Options between West Sacramento and SVS would require Federal Transit Administration (FTA) review and determination for FTA “New Starts” federal funding eligibility.

**Option 3: Township 9 to West Sacramento City Hall**
- Township 9 to West Sacramento City Hall Option would need additional funds.
- Project Options between West Sacramento and SVS would require FTA review and determination for FTA “New Starts” federal funding eligibility.

**Alternative 3: Rubber-Tired Transit Service with Street Improvements:** An innovative rubber-tired transit service could generally serve the original project area and accomplish many of the transportation goals of the original streetcar project. If selected, staff would continue exploring the alignment issues and the existing infrastructure constraints within the cities. This service would evaluate the addition of infrastructure needed to manage curbside utilization with city services, other mobility providers, future technologies, and overall operations.

Given the above considerations, staff recommends Alternative 2: LRT Extension with a phased delivery plan to ultimately connect the two cities from Township 9 to West Sacramento City Hall. With Alternative 2, City staff would continue to work with SacRT and the City of West Sacramento to determine an appropriate plan for phasing and funding of a successor light rail
project, including discussions with the FTA to identify opportunities for federal funding moving forward.

The Riverfront JPA's purpose of formation was acquiring, planning, designing, financing, constructing, owning, operating, and maintaining a fixed-rail streetcar system within and between Sacramento and West Sacramento; and hence, staff recommends the dissolution of the JPA given a viable successor project does not include a streetcar system. The recommended alternative light rail extension project is currently envisioned as a project constructed, owned, operated, and maintained solely by SacRT.

Financial Considerations: The financial considerations of this project will be evaluated as a subsequent effort upon approval by the City Council.

Local Business Enterprise (LBE): Not applicable.