



REPORT TO COUNCIL

City of Sacramento

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

CONSENT
July 31, 2007

Honorable Mayor and
Members of the City Council

Title: FY2006/07 Intermodal Project Budget Adjustments

Location/Council District: Downtown/Railyards (District 1)

Recommendation: Adopt a **Resolution:** 1) establishing a Capital Improvement Project for the Intermodal Site Acquisition (CF42); 2) authorizing the movement of property acquisition expenditures and budgets to the Intermodal Site Acquisition Project (CF42); 3) amending the FY2006/07 Capital Improvement Program to record the \$30 million purchase within New Measure A (Fund 291 - \$27.5 million) and 2006 Capital Improvement Revenue Bond (Fund 713 - \$2.5 million); and 4) amending the FY2006/07 Capital Improvement Program to establish a \$25 million revenue and expense budget (CF42) for the City Council authorized property acquisition note (Resolution 2006-939).

Contact(s): Greta Ossman, Program Analyst, 808-5643; Dawn Holm, Principal Management Analyst, 808-5574; Dennis Kauffman, Accounting Manager, 808-5843.

Presenters: Not applicable

Department: Transportation

Division: Engineering Services

Organization No: 3431

Description/Analysis

Issue: The Sacramento Intermodal Transportation Facility (ITF) Project (CF41) is a long running, multi-year project, with many concurrent activities. Staff has reviewed the status of funding and expenditures within the Sacramento ITF Project (CF41), and recommends this administrative action to establish a new CIP in order to accurately segregate and track the previously approved loans and promissory note for the appraisal, acquisition, and other expenses related to the purchase of Parcel A at the Union Pacific Railyard.

Policy Considerations: The development of the Sacramento ITF Project (CF41), and the Intermodal Site Acquisition Project (CF42), are consistent with the City's Strategic Goal to improve and diversify the transportation system and to enhance and preserve City neighborhoods.

Committee/Commission Action: None

Environmental Considerations: This report concerns administrative activities that do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)]. All environmental actions will be accomplished under the Sacramento Intermodal Transportation Facility Project (CF41), and other related projects as required.

Rationale for Recommendation: Staff is recommending the establishment of the Intermodal Site Acquisition Project (CF42), as well as the consolidation of previously approved budgets, loans and expenditures related to the appraisal and acquisition of Parcel A at the Union Pacific Railyard, for ease in tracking and reporting. Recommendations within this report are consistent, and continue to implement, previous council actions.

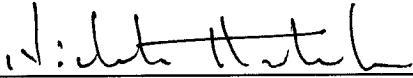
Financial Considerations: In working with staff to implement City Council direction, it was determined that additional City Council action (direction) was required to accurately record the purchase of Parcel A at the Union Pacific Railyard. This item does not appropriate any new funding; rather it clarifies the property purchase by establishing a new Capital Improvement Project (CIP) to accurately reflect how approved funding and loans are utilized for the purchase of Parcel A at the Union Pacific Railyard, in support of the Sacramento Intermodal Transportation Facility (ITF) Project (CF41).

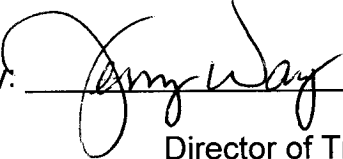
This administrative item, establishes the Intermodal Site Acquisition Project (CF42) to accurately segregate and track the previously approved loans and promissory note for the appraisal, acquisition, and other expenses related to the purchase of Parcel A at the Union Pacific Railyard. Staff is requesting the authority to complete the following within the Intermodal Site Acquisition Project (CF42):

- Record the cash payment to S. Thomas Enterprises of Sacramento, LLC, for the purchase of Union Pacific Railroad's Parcel A, in the amount of \$30 million.
- Record the Promissory Note between the City of Sacramento, S. Thomas Enterprises of Sacramento, LLC and Bank of America for the purchase of Parcel A at the Union Pacific Railyard.
- Consolidate all appraisal and acquisition related expenditures within the Intermodal Site Acquisition Project (CF42).

The proposed actions will result in a loan backed by local transportation funds (Funds 203, 209, 213, and 217) and will appropriately establish the budgets in new Measure A (Fund 291) and Community Reinvestment CIP (CRCIP) (Fund 713) that pay for the purchase of the property.

Emerging Small Business Development (ESBD): None

Respectfully Submitted by: 
Nicholas Theocharides
Engineering Services Manager

Approved by: 
Jerry Way
Director of Transportation

Recommendation Approved:


RAY KERRIDGE
for City Manager

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Attachment 1**Background Information**

December 5, 2006, the City Council adopted Resolution No. 2006-874:

- Approving the New Measure A Capital Allocation and Expenditure Contract for the Sacramento Intermodal Transportation Facility.
- Accepting and appropriating \$15,913,500 from a series of revenue anticipation notes by Sacramento Transportation Authority.

December 5, 2006, the City Council adopted Resolution No. 2006-879:

- Approving the Bridge Loans for Sacramento Intermodal Station Project by appropriating \$11,600,000 from transportation contingency funds as part of the purchase of Parcel A.

December 12, 2006, the City Council adopted Resolution No. 2006-933:

- Authorizing the City Manager to execute the Purchase and Sale Agreement and Joint Escrow Instructions Agreement with S. Thomas Enterprises of Sacramento, LLC
- Authorizing a \$30 million cash advance, and execution of a \$25 million note payable in Fiscal Year 2009.

December 28, 2006, the City Council adopted Resolution No. 2006-939:

- Pledging the following funding sources in payment of the Note:
 - \$33.2 million approved and funded by STA (\$16.4 million FY2008; \$16.8 million FY2009)
 - Approximately \$5 million in revenues from sale of City Lot A
 - Approximately \$5 million in proceeds from sale of city property located at 625 H Street.
- Approving execution of Note Purchase Agreement, the Pledge and Security Agreement, and other documents to implement Promissory Note not to exceed \$25 million, plus interest on the Note, between Bank of America, City of Sacramento and S. Thomas Enterprises.

RESOLUTION NO. 2007-

Adopted by the Sacramento City Council

FY2006/07 INTERMODAL PROJECT BUDGET ADJUSTMENTS

BACKGROUND

- A. December 5, 2006, the City Council adopted Resolution No. 2006-874 approving the New Measure A Capital Allocation and Expenditure Contract for the Sacramento Intermodal Transportation Facility; and accepted \$15,913,500 in bond revenue.
- B. December 5, 2006, the City Council adopted Resolution No. 2006-879 approving the Bridge Loans for Sacramento Intermodal Station Project.
- C. December 12, 2006, the City Council adopted Resolution No. 2006-933 approving a Purchase and Sale Agreement and Joint Escrow Instructions Agreement for the acquisition of the Intermodal Transportation Facility Site.
- D. December 28, 2006, the City Council adopted Resolution No. 2006-939 pledging FY2008 and FY2009 Measure A bond funding (\$33.2 million) and approximately \$10 million in funds from the sale of City lots to the future payment of the approved \$25 million Promissory Note between Bank of America, City of Sacramento and S. Thomas Enterprises of Sacramento.
- E. Establishment of a new capital project for the Intermodal Site Acquisition Project (CF42) and authority to administratively move acquisition expenditures, budgets and recording of loans will provide the ability to accurately segregate and track the previously approved loans and promissory note for the appraisal, acquisition, and other expenses related to the purchase of Parcel A at the Union Pacific Railyard.

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

- Section 1. A Capital Improvement Project is hereby established for the Intermodal Site Acquisition Project (CF42).
- Section 2. The movement of property acquisition expenditures and budgets to the Intermodal Site Acquisition Project (CF42) is hereby authorized.
- Section 3. The FY2006/07 Capital Improvement Program is amended to record the \$30 million purchase within New Measure A (Fund 291 - \$27.5 million) and 2006 Capital Improvement Revenue Bond (Fund 713 - \$2.5 million).

Section 4. The FY2006/07 Capital Improvement Program is amended to establish a \$25 million revenue and expense budget within the Intermodal Site Acquisition Project (CF42) for the City Council authorized property acquisition note (Resolution 2006-939).