



REPORT TO COUNCIL

City of Sacramento

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

Consent
August 17, 2010

Honorable Mayor and
Members of the City Council

Title: Downtown Infrastructure Study

Location/Council District: I to N Streets, 3rd to 15th Streets/Council District 1

Recommendation: Adopt a **Resolution:** authorizing the City Manager to execute a professional services agreement with Nolte Associates, Inc. in an amount not to exceed \$150,000 to prepare an infrastructure study for downtown.

Contact: Sheri Smith, Senior Project Manager, 808-7204; Leslie Fritzsche, Downtown Development Manager, 808-5450

Presenters: N/A

Department: Economic Development Department

Division: Downtown

Organization No: 18001021

Description/Analysis

Issue: In October 2009 the City Council approved funds from the Shovel Ready Program to be used for four projects. One of the four projects identified was the Downtown Development Strategy which included a recommendation to complete an infrastructure study.

Projects in downtown often face unknown obstacles such as hidden infrastructure improvement costs. The intent of preparing an infrastructure study and needs analysis to reduce uncertainty for infill projects in the heart of the Central Business District.

The infrastructure study will provide a detailed look at what infrastructure currently exists and what will be required to implement the land uses expected to occur on opportunity sites in the study area (See attachment 1: Study Boundary Map). Existing conditions and capacities of the sewer system, water system, electrical systems, telecommunications, historic, and potential streetscape improvements will be reviewed. Based on build out assumptions identified in the 2030 General Plan, the capacity improvements to accommodate future development will be identified.

The consultant will provide cost estimates for improvements required in the area with strategic recommendations for handling the upgrading of the individual systems.

This effort will provide development projects in downtown with an understanding of the infrastructure needs early in the development planning and financing process. This study is one part of an overall activation strategy to assist projects in the core so that downtown Sacramento will be well-positioned to take advantage of opportunities as the economy improves and to leverage potential funding for infrastructure enhancements.

The Economic Development Department coordinated with Community Development and Department of Utilities to solicit proposals in May. A selection committee was made up of representatives from the above listed departments and SMUD. The committee reviewed the five submitted proposals and unanimously chose Nolte Associates, Inc. to provide the infrastructure study. Staff recommends that Council support the selection committee's recommendation and award the contract for the Downtown Infrastructure Study to Nolte Associates, Inc.

Policy Considerations: The recommended actions in this report are consistent with the City's Strategic Plan Goal of encouraging economic development throughout the City. The Downtown Infrastructure Study furthers the goals of the adopted Economic Development Strategy by strengthening the city's business climate and removing barriers to development. The strategy is consistent with the Merged Downtown Redevelopment Plan and the recently adopted 2010-14 Implementation Plan.

The Downtown Infrastructure Study is a component of the 10 point Downtown Activation Strategy approved by Council on January 19, 2010. If the action is approved, the study is expected to be complete by spring of 2011.

Environmental Considerations:

California Environmental Quality Act (CEQA): The Downtown Infrastructure Study is a planning activity only and does not include any project specific funding or approvals. As such, the Downtown Infrastructure Study is exempt from environmental review under CEQA Guidelines section 15262, Feasibility and Planning Studies. Further environmental review may be required at a later date, when specific projects identified by this planning study are proposed for implementation.

Sustainability Considerations: The use of Shovel Ready Sites Program Funds for this planning effort fosters sustainability by encouraging economic development in the downtown area. One of the major tenets of a sustainability agenda is to encourage infill development and to seek opportunities to revitalize existing areas and reuse existing building stock. The actions outlined in this report correspond with this objective by focusing on an enhanced approach to redevelop the downtown's existing fabric.

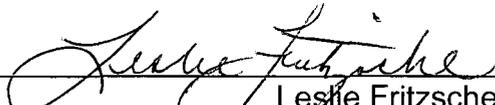
Commission/Committee Action: None.

Rationale for Recommendation: Significant changes in the nation's economy, particularly those in the lending and development industries, have prompted the need to be strategic and develop a tactical plan to support downtown's future growth. The Downtown Infrastructure Study will assist future developments in understanding the needs and requirements of projects in the Downtown. With this action, Sacramento is investing to be poised to actively compete for and attract investors and developers as they seek new opportunities when the economy emerges from the present downturn. Staff will also be prepared to leverage future funding opportunities as they become available. The goal of the Downtown Infrastructure Study is to support and encourage major economic development efforts in the Downtown.

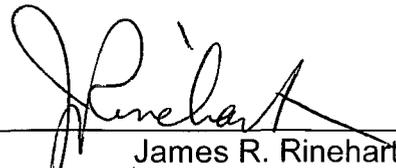
Financial Considerations: On October 6, 2009, City Council approved Resolution 2009-629 allocating funds from the Shovel Ready Program to be utilized for the Downtown Development Strategy which included an Infrastructure Study as one of the components. This action will utilize \$150,000 of the Downtown Plan - Shovel Ready Project (D21001305) funds for the Downtown Infrastructure Study. No new general fund money would be used.

Emerging Small Business Development (ESBD): None

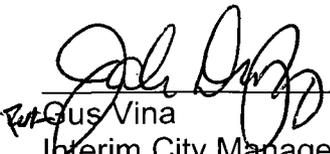
Respectfully Submitted by:


Leslie Fritzsche
Downtown Development Manager

Approved by:


James R. Rinehart
Director, Economic Development Department

Recommendation Approved:

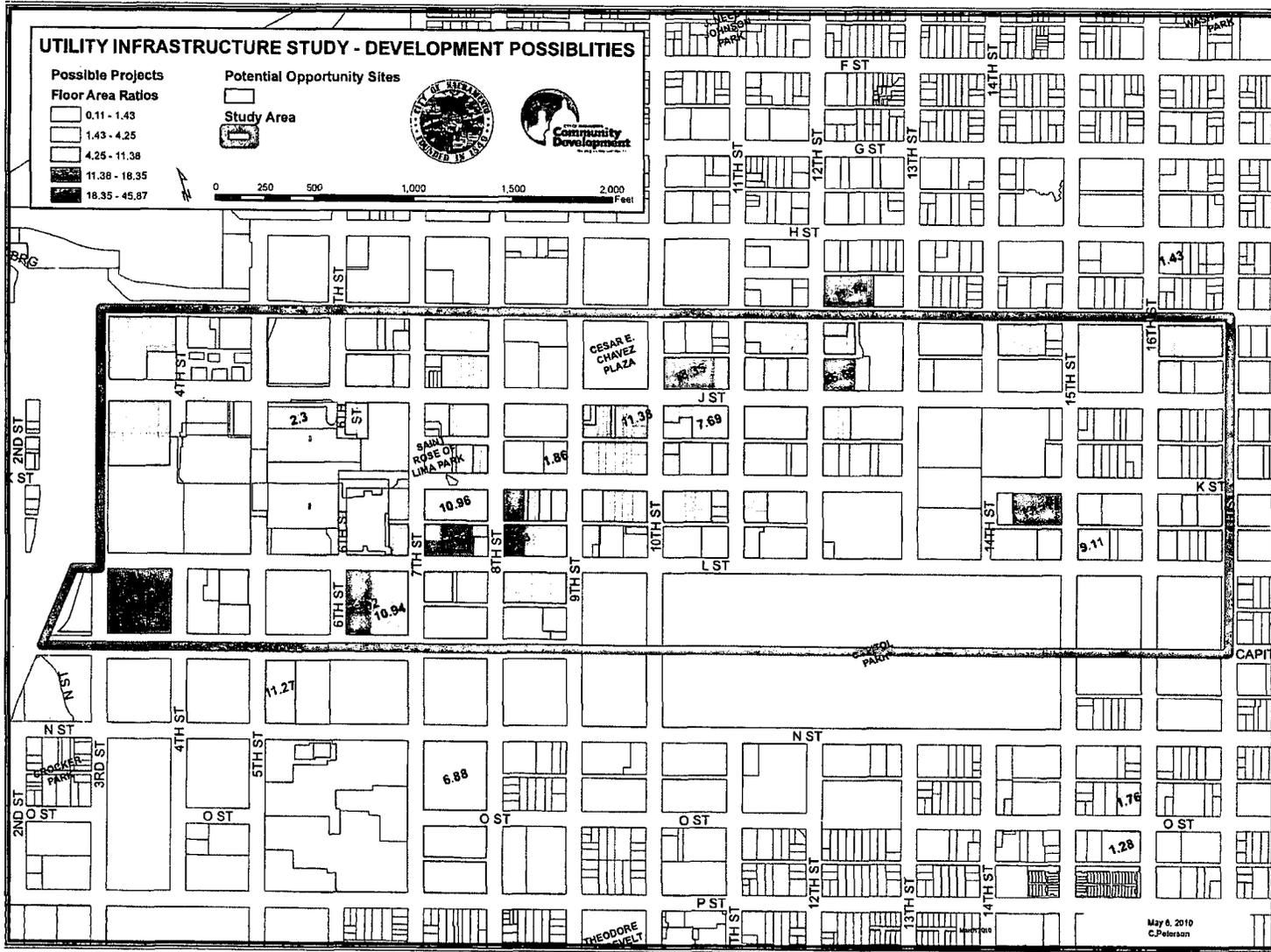


Gus Vina
Interim City Manager

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Study Boundary Map



Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

**APPROVAL OF A CITY PROFESSIONAL SERVICES
AGREEMENT WITH NOLTE ASSOCIATES, INC. FOR THE DOWNTOWN
INFRASTRUCTURE STUDY**

BACKGROUND

- A. The City desires to support and encourage economic development efforts in the Downtown.
- B. On October 6, 2009 City Council approved Resolution 2009-629 allocating funds for the Shovel Ready Sites Program (D21001300) to be utilized for the Downtown Development Strategy which included an Infrastructure Study as one of the components.
- C. A Downtown Infrastructure Study was one of the components of the Downtown Development Strategy to assist development projects in identifying unknown infrastructure costs which can be barriers to development.
- D. Staff released a Request for Qualifications on May 14, 2010.
- E. The Downtown Infrastructure Study Selection Committee comprised of City staff from Community Development, Department of Utilities, and Economic Development with a representative from SMUD, recommended the selection of Nolte Associates, Inc. to prepare an infrastructure study for downtown.
- F. City Council wishes to proceed with the downtown infrastructure study and needs analysis that will remove unknowns which can be costly barriers to development projects, especially in older areas like downtown.

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

- Section 1. The Interim City Manager, or his designee is authorized to execute a City Professional Services Agreement with Nolte Associates, Inc. for preparation of the Downtown Infrastructure Study in an amount not to exceed \$150,000.