



11.4

**CITY OF SACRAMENTO
CALIFORNIA**

OFFICE OF THE CITY MANAGER
OFFICE OF SPECIAL PROJECTS

915 I STREET, SUITE 301
SACRAMENTO, CA 95814

916-264-7223
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September 22, 1997

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: RESOLUTIONS APPROVING AND ADOPTING THE RAILYARDS/RICHARDS BOULEVARD AREAS INFRASTRUCTURE FINANCE PLAN AND RAILYARDS/RICHARDS/DOWNTOWN NEXUS STUDY

LOCATION AND COUNCIL DISTRICT: Southern Pacific Railyards, Richards Boulevard Area, Downtown - District 1

STAFF RECOMMENDATION:

This report recommends that the City Council, by Resolution, adopt the following documents:

- Railyards/Richards Boulevard Areas Infrastructure Financing Plan, dated September 17, 1997
- Railyards/Richards/Downtown Nexus Study, dated September 17, 1997

This report also recommends that the City Council, by Resolution, direct staff to investigate the constraints, costs and schedule associated with the accelerated construction of 7th Street.

CONTACT PERSON: Terence W. Moore, Special Projects Manager, 264-5530
Wendy S. Saunders, Senior Management Analyst, 264-8196

FOR COUNCIL MEETING OF: September 30, 1997

SUMMARY:

On December 12, 1995 the City Council, pursuant to Resolution No. 95-719, directed staff to prepare a Finance Plan for the subject areas. The Finance Plan has been prepared and is attached for Council review.

Also attached for review is a Nexus Study prepared in support of the Finance Plan impact fees.

Staff recommends that the Council, by Resolution, adopt both documents.

Staff also recommends that the Council, by Resolution, direct staff to investigate the constraints, costs and schedule associated with the accelerated construction of 7th Street.

COMMITTEE/COMMISSION ACTION:

The Richards Boulevard PAC has approved the Finance Plan and Nexus Study. The Plan and Study have also been presented to the following organizations for their information and feedback:

- City Planning Commission
- Sacramento Housing and Redevelopment Commission
- Downtown Partnership
- Capital Station District

BACKGROUND:

Council approved the EIR and planning documents for the Railyards and Richards Boulevard areas that together form the Richards Boulevard Redevelopment Plan. The documents identify the land uses and supporting infrastructure envisioned for the buildout of the two areas. However, these documents do not identify funding sources to pay for the infrastructure. Further, they do not allocate fair share costs to each area that will benefit from the constructed infrastructure.

Therefore, when Council adopted the Facility Element on December 13, 1994, staff was directed to prepare a Finance Plan and supporting documents that would identify infrastructure funding sources and allocate fair share costs. Since the Downtown area of the City also benefits from the infrastructure, staff was also directed to determine the Downtown fair share and propose a method for collection. In all three planning areas, it was stipulated that only new development would be required to participate in financing the infrastructure. While existing development in the Richards and Downtown areas will benefit from the infrastructure, their fair share will be provided for from other funding sources as identified in the Finance Plan. The Finance Plan identifies an Infrastructure program costing \$513 million (Exhibit A).

Of particular interest to the development community is the methodology used to determine how they will pay their fair share for area infrastructure improvements (Impact Fees). This methodology is the purpose of the Nexus Study.

On December 12, 1995 the Council approved a Development Agreement between the City and the Southern Pacific Transportation Company. At that time, pursuant to Resolution No. 95-719, staff was directed to do the following in preparation of the Finance Plan.

- Prepare the Finance Plan in consultation with representatives from SPTCo and Richards Boulevard and Downtown area landowners.
- Consider an alternate schedule for the construction of 7th Street by the year 2000.

The Finance Plan and Nexus Study were prepared in consultation with representatives from the Railyards, Richards and Downtown areas. A working group was formed to assure that there was a consensus that the methodology used is correct. That is not to suggest that all members of the working group or the clients that they represent agree that the proposed impact fees are appropriate. Exhibit B, attached, lists the members of the Working Group and support staff.

Exhibit C, attached, is the Finance Plan discussion of some of the physical and financial constraints that must be overcome in order to accelerate the construction of 7th Street. A detailed analysis of this accelerated construction was beyond the scope of the Finance Plan. Therefore, staff recommends that the Council direct staff to investigate in more detail the constraints, costs and schedule for the accelerated construction of 7th Street from Richards Boulevard to G Street. The study will also investigate phasing approaches to minimize costs. Alternative financing mechanisms will also be determined. Upon completion of the studies, the findings will be discussed with the Finance Plan Working Group. Finally, staff will return to Council with recommendations relative to the accelerated construction.

Exhibit D, attached, shows the proposed fees for various uses in the three study areas. On April 29, 1997 a workshop was conducted with Council to review the Finance Plan and Nexus Study and to receive public testimony. Exhibit E, attached, briefly itemizes the changes that have been made to the Plan, based on community feedback, since the workshop.

If Council adopts the Finance Plan and Nexus Study as recommended, staff will notice Council intent to implement the fees. Staff will return to Council within six (6) weeks to request adoption of the Fee Ordinance and establishment, by Resolution, of the actual fees.

FINANCIAL CONSIDERATIONS:

City funding identified in the Finance Plan will be committed to the projects through the normal CIP process. Likewise, expenditure of tax increment funds will be subject to all City/SHRA spending policies.

Impact fee payments collected from developers shall be accounted for by segregation of the various fee categories into separate accounts, representing the respective items of infrastructure and/or facilities for which they are intended. Such segregation shall not preclude temporary fund account transfers and/or loaning arrangements contemplated by the plan or as necessary in order to maintain the flexibility of the plan and the timely construction of needed infrastructure – provided, however, that such transfers and/or arrangements shall not impair the ability to achieve the infrastructure for which fees have been paid.

School fees collected by the City will be transferred to the appropriate School District.

ENVIRONMENTAL CONSIDERATIONS:

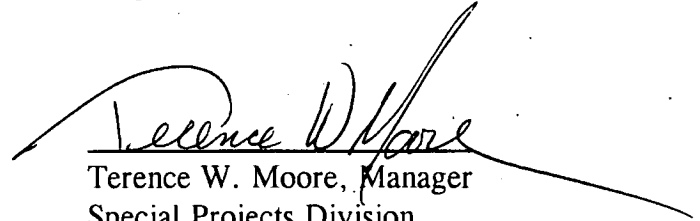
The proposed Council action approving the Finance Plan and Nexus Study is not a project as defined by CEQA in that the documents only establish a financing mechanism and will have no effect on the environment. CEQA Guidelines Section 15378(b)(5).

POLICY CONSIDERATIONS:

- Adoption of development impact fees that only apply to a portion of downtown as well as the Railyards and Richards area
- \$7.4 million Major Street Construction Tax funds generated by the Railyards/Richards areas are designated for project funding. No citywide MSCT funds will be expended in the project area.

MBE/WBE: None, since no goods or services are being procured with this action.

Respectfully submitted,


Terence W. Moore, Manager
Special Projects Division

Recommendation Approved:



WILLIAM H. EDGAR
City Manager

EXHIBIT A
RAILYARDS/RICHARDS BOULEVARD
INFRASTRUCTURE FINANCING PROGRAM
\$513.1 MILLION (Constant \$'s)

OUTSIDE SOURCES OF FUNDING:
 Regional, Federal, State
\$196.7 Million

FUNDING FROM DEVELOPMENT PROJECTS
\$205.0 Million

CITY OF SACRAMENTO, SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
\$111.4 Million

Transportation Fee
\$104.2 Million
 Railyards, Richards, Downtown

Tax Increment
\$79.6 Million
 (See Note 1)

Railyards Public Facilities Fee
\$16.6 Million
 Railyards

Measure A /Gas Tax
\$7.2 Million

Richards Public Facilities Fee
\$0.9 Million
 Richards

Major Street Construction Tax
\$7.4 Million

Private Capital
\$69.4 Million
 Railyards, Richards

Other Revenue Sources
\$17.2 Million
 Police Station, Portions of Fire Station, rail bridge, Social Services

School Impact Fee
\$13.9 Million

(1) The allocations shown in this figure are conceptual only and do not obligate SHRA in spending tax increment in this manner. Any tax increment spending is subject to SHRA policy, available tax increment, and legal findings allocating the funds.

EXHIBIT B
RICHARDS/RAILYARDS/DOWNTOWN FINANCING PLAN
WORKING GROUP

Working Group:

Roy Brewer, Southern Pacific Transportation Company
Tom Carroll, Downtown Partnership
Joe Coomes, Downtown Partnership
Jim Fletter, Richards Boulevard
Steve Hebert, Southern Pacific Transportation Company
Bruce Nott, Richards Boulevard
Johan Otto, Richards Boulevard
David Taylor, Downtown Partnership

Staff:

Terry Moore, City Manager's Office
Wendy Saunders, City Manager's Office
Ken Nishimoto, Finance Department
Paul Blumberg, SHRA

Other Attendees:

Cleve Livingston, Consultant to Bruce Nott
William Ishmael, Consultant To Southern Pacific Transportation Company
Tim Yeomans, Consultant to City
Joe Chinn, Consultant to City
Ernie Gallardo, Consultant to Bruce Nott

EXHIBIT C
ALTERNATE CONSTRUCTION SCHEDULE
FOR SEVENTH STREET

Consideration was given to the construction of 7th Street by the year 2000. The constraints on such an accelerated schedule are physical, financial, and regulatory. The primary physical constraint on acceleration is not the sizing of the roadway (i.e., two lanes vs. four lanes) or the at-grade crossing of the Southern Pacific mainline rails, but rather the contaminated state of the project soils.

There are approximately 400,000 cubic yards of lead-contaminated soil and 400,000 cubic yards of chemical-contaminated soil on the project site. It is anticipated that the lead contaminated soil will be encapsulated in the railroad berm as a long-term remediation measure. The chemically contaminated soil must be removed from the project site. Completion of the lead soil encapsulation within the berm is scheduled for the year 2002. Seventh Street construction would commence after completion of the berm. Completion of 7th Street construction would be in the year 2003.

In order to accelerate the construction schedule three years, from 2003 to 2000, the following identified construction constraints would need to be addressed:

- The 7th Street Corridor would need to be remediated ahead of the rest of the site. If chemically contaminated soil is encountered within the Corridor, it would need to be hauled off the site for disposal.
- The 7th Street Corridor bisects two soil study areas. Within these two study areas, there exists approximately 168,000 cubic yards of lead-contaminated soil. Of this, approximately 117,000 cubic yards are located east of 7th Street. The berm segment east of 7th Street requires approximately 178,000 cubic yards of lead-contaminated fill material. Thus, during berm construction, approximately 61,000 cubic yards of lead-contaminated soil would need to be transported across 7th Street to the easterly berm segment. It is anticipated that approximately 100 trucks per day would cross 7th Street. Each truck would need to be decontaminated before crossing so as not to drop contaminated soil on the roadway.
- To avoid truck crossings, the approximate 61,000 cubic yards could be moved prior to 7th Street construction. This would require a storage area covering 4 acres at a depth of ten feet. The storage area would include a fabric liner, runoff control, fencing and lighting. The soil would require a second handling when berm construction commences.

Prior to construction of 7th Street, a number of documents would need to be prepared and regulatory approvals obtained, including the following:

- CEQA analysis (possibly a Supplemental EIR) to address the environmental impacts of project acceleration and develop mitigation measures.
- A Health Risk Assessment to address potential risks to vehicle traffic and pedestrians.

- California Department of Toxic Substance Control (DTSC) approval of the plan for accelerated cleanup of 7th Street, based on the Health Risk Assessment.

The above list of documents, approvals and construction constraints may not be all inclusive. Additional issues may be identified at a later time.

The single financial constraint is a funding mechanism that will pay the extraordinary cost of accelerating construction. In addition to the financial constraint, significant regulatory issues need to be addressed. It is not certain that the DTSC would approve a plan for an accelerated cleanup and construction of 7th Street. Furthermore, it is not certain that preparation of the documents on which the DTSC's decision would be based (the CEQA analysis and the health risk assessment) could be completed in accordance with a schedule that allows for acceleration of the construction schedule.

Southern Pacific has stipulated that it will not pay all or a portion of the incremental costs associated with an accelerated construction schedule. Likewise, it is unknown whether a nexus relation can be drawn in order to utilize developer fees for capital costs or reimbursement. Thus, while it is physically possible to accelerate construction of 7th Street, financing and regulatory issues remain a problem. The City or landowners who benefit from and desire such early implementation may wish to identify project costs, propose a nexus relationship, pursue a financing mechanism, and present a project for consideration. As stated elsewhere in this Plan, the normal costs for construction will be paid for from a combination of impact fees, developer capital contributions and Measure A funds.

EXHIBIT D
RAILYARDS/RICHARDS/DOWNTOWN NEXUS STUDY
TOTAL NEXUS IMPACT FEE FOR RAILYARDS, RICHARDS AND DOWNTOWN AREAS
INCLUDING ADMINISTRATION (1), (2)

Area	Residential	Office	Retail	Public/ Cultural	Hotel	Industrial
Railyards Area:	<i>Per Unit</i>	<i>Per Sq.Ft.</i>	<i>Per Sq.Ft.</i>	<i>Per Sq.Ft.</i>	<i>Per Room</i>	<i>Per Sq.Ft.</i>
Transportation Impact Fee	\$2,815	\$5.35	\$5.89	\$0.62	\$1,398	N.E.
Railyards Public Facilities Fee	\$3,627	\$1.51	\$3.00	\$5.80	\$1,865	N.E.
Total Railyards Fee	\$6,442	\$6.86	\$8.89	\$6.42	\$3,263	N.E.
Richards Area:	<i>Per Unit</i>	<i>Per Sq.Ft.</i>	<i>Per Sq.Ft.</i>	<i>Per Sq.Ft.</i>	<i>Per Room</i>	<i>Per Sq.Ft.</i>
Transportation Impact Fee	\$2,906	\$5.52	\$6.08	N.E.	\$1,443	\$2.00
Richards Public Facilities Fee	\$1,073	\$0.14	\$0.14	N.E.	\$83	\$0.14
Total Richards Fee	\$3,979	\$5.66	\$6.22	N.E.	\$1,526	\$2.14
Downtown Area:	<i>Per Unit</i>	<i>Per Sq.Ft.</i>	<i>Per Sq.Ft.</i>	<i>Per Sq.Ft.</i>	<i>Per Room</i>	<i>Per Sq.Ft.</i>
Transportation Impact Fee	\$600	\$1.14	\$1.26	N.E.	\$298	\$0.41
Total Downtown Fee	\$600	\$1.14	\$1.26	N.E.	\$298	\$0.41

"Total_Impact_Fees"

(1) A 2.5% allowance for cost of administering each of the fee programs has been added to the amounts shown in Figures 12, 13, and 14.

(2) If a land use is proposed which is different than the land uses identified in this figure, then the City should calculate the fee for this land use by estimating common use factors for the relevant fee funded facilities and pro-rating the fees based on the relationship of the new land use's common use factors for improvements to an existing land use's common use factors.

N.E. - Not estimated

EXHIBIT E
REVISIONS TO FINANCE PLAN
AND NEXUS STUDY

- Methodology for phasing-in fees for interim land uses in the Richards Area.
Nexus Study, pp 47-51.
- Policy for reimbursement of developers if they advance money to construct required infrastructure.
Nexus Study, pg 47.
- Comparison of fees and bond debt, per room, for hotel development.
Nexus Study, pg 62, Figures C-11 through 13.
- Revised Downtown Benefit District to include full block east of 16th Street.
Finance Plan, pg 4; Nexus Study, pg 7.
- Revised list of projects include 5th Street, I Street to H Street, and H Street, 6th Street to 5th Street,
as projects funded by Finance Plan.
Finance Plan and Nexus Study, Figures A-1 and B-1.
- Consideration of construction of 7th Street by year 2000.
Finance Plan, pp 17-18.

APPROVED
BY THE CITY COUNCIL

SEP 30 1997

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 97-557

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION ADOPTING
THE RAILYARDS/RICHARDS BOULEVARD AREA
INFRASTRUCTURE FINANCING PLAN**

WHEREAS,

A. On December 14, 1993, by Resolution No. 93-740 and No. 93-741, respectively, the City Council adopted amendments to the City's General Plan and the Central City Community Plan affecting the Railyards Specific Plan and Richards Boulevard Area Plan areas.

B. On December 13, 1994, by Resolution No. 94-736, the City Council adopted the Railyards Specific Plan, the Richards Boulevard Area Plan and the Facility Element of the Railyards Specific Plan and the Richards Boulevard Area Plan ("Facility Element"). The Facility Element contains the following policies:

Policy 5.1: Fund, from revenues generated by development within the area, a fair share of costs related to on- and off-site infrastructure and public services required for the area.

Policy 5.3: Require new Downtown development to contribute its fair share to infrastructure improvements and public services developed as a part of the project.

C. On December 12, 1995, by Ordinance No. 95-072, the City Council approved a Development Agreement ("Development Agreement") with Southern Pacific Transportation Company (SPTCo) that vested certain development rights with SPTCo.

D. Since execution of the Development Agreement, SPTCo and Union Pacific Railroad (UPRR) were merged, and UPRR became the owner of the property subject to the Railyards Specific Plan and the beneficiary of all development rights and obligations of the Development Agreement between the City and SPTCo.

E. On December 12, 1995, by Resolution No. 95-719, the City Council directed City staff to undertake various tasks required by the Development Agreement and required to implement the Railyards Specific Plan, the Richards Boulevard Area Plan, and the Facility Element, including the

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____ 11

preparation of a Financing Plan, subject to City Council adoption, establishing a method for financing the required public facilities identified in the Facility Element.

F. The City has caused to be prepared the "Railyards/Richards Boulevard Area Infrastructure Financing Plan" dated September 17, 1997 ("Financing Plan"), which establishes the method for funding the public facilities identified in the Facility Element of the Railyards Specific Plan and Richards Boulevard Area Plan over a 20 to 40 year build out period. The Financing Plan is generally based on the following concepts and assumptions:

1. Federal, State and Regional sources of funding will be allocated to the project in an estimated total amount of \$197.0 million.
2. City of Sacramento and Sacramento Housing and Redevelopment Agency funding will be allocated to the project in an estimated total amount of \$111.2 million.
3. Transportation, school and public facilities fees imposed on new development within the Railyards Specific Plan, Richards Boulevard Area Plan and Downtown areas will generate an estimated total amount of \$135.6 million to be allocated to the project.
4. Railyards and Richards Boulevard Area developers will allocate private capital to the project in an estimated total amount of \$69.3 million.

G. The Financing Plan is designed to provide for a fair and equitable distribution of public costs of infrastructure, fees, dedications and other exactions, determined and applied in a manner to allow commercial and residential properties to develop in a timely and competitive manner as compared to other lands in the Sacramento region. The Financing Plan is intended to be updated over time to accommodate changes to plans for public facilities and facility costs, and to ensure that the distribution of fees, dedications and exactions remains fair and equitable.

H. City Staff presented to the City Council of the City of Sacramento a staff report as part of a regularly scheduled meeting of the City Council on September 30, 1997, at 2:00 p.m., in the Council Chamber located at City Hall, 915 I Street, Second Floor, Sacramento, California 95814, regarding, among other matters, the Financing Plan.

I. The Financing Plan was available for public inspection and review at the Office of the City Clerk, City Hall, for a period of at least ten (10) days prior to said City Council meeting. Materials supplementing the Financing Plan and all background data referenced in the Financing Plan were made available to interested parties upon request made to the City Manager's Office at least ten (10) days prior to said City Council meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

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RESOLUTION NO: _____

DATE ADOPTED: _____ 12

The City Council hereby adopts and approves the "Railyards/Richards Boulevard Area Infrastructure Financing Plan" dated September 17, 1997, a copy of which is on file with the Sacramento City Clerk and which is incorporated herein by this reference, including the other studies, reports, and all supporting data (including without limitation any infrastructure, utility, drainage, or transportation plans) referred to and relied upon in said plan, as such study exists as of the date of the enactment of this Resolution, or as may thereafter be amended or supplemented from time to time.

MAYOR

ATTEST:

CITY CLERK

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RESOLUTION NO: _____

DATE ADOPTED: _____ 13

APPROVED
BY THE CITY COUNCIL
SEP 30 1997
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 97-558

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION ADOPTING
THE RAILYARDS/RICHARDS/DOWNTOWN NEXUS STUDY**

WHEREAS,

A. On December 14, 1993, by Resolution No. 93-740 and No. 93-741, respectively, the City Council adopted amendments to the City's General Plan and the Central City Community Plan affecting the Railyards Specific Plan and Richards Boulevard Area Plan areas.

B. On December 13, 1994, by Resolution No. 94-736, the City Council adopted the Railyards Specific Plan, the Richards Boulevard Area Plan and the Facility Element of the Railyards Specific Plan and the Richards Boulevard Area Plan ("Facility Element"). The Facility Element contains the following policies:

Policy 5.1: Fund, from revenues generated by development within the area, a fair share of costs related to on- and off-site infrastructure and public services required for the area.

Policy 5.3: Require new Downtown development to contribute its fair share to infrastructure improvements and public services developed as a part of the project.

C. On December 12, 1995, by Ordinance No. 95-072, the City Council approved a Development Agreement ("Development Agreement") with Southern Pacific Transportation Company (SPTCo) that vested certain development rights with SPTCo.

D. Since execution of the Development Agreement, SPTCo and Union Pacific Railroad (UPRR) were merged, and UPRR became the owner of the property subject to the Railyards Specific Plan and the beneficiary of all development rights and obligations of the Development Agreement between the City and SPTCo.

E. On December 12, 1995, by Resolution No. 95-719, the City Council directed City staff to undertake various tasks required by the Development Agreement and required to implement the Railyards Specific Plan, the Richards Boulevard Area Plan, and the Facility Element, including the preparation of a Financing Plan, subject to City Council adoption, establishing a method for financing the required public facilities identified in the Facility Element.

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RESOLUTION NO: _____

DATE ADOPTED: _____ 14

F. The City has caused to be prepared the Railyards/Richards Infrastructure Financing Plan dated September 17, 1997 ("Financing Plan"), which establishes the method for funding the public facilities identified in the Facility Element of the Railyards Specific Plan and Richards Boulevard Area Plan over a 20 to 40 year build out period.

G. In order to impose fees on new development, as proposed in the Financing Plan, the City must, in accordance with State Law, determine that there is a reasonable relationship between development projects on which the fee is imposed and the need new public facilities. The City must further establish that the relationship between the amount of fees imposed on development projects is reasonably related to the portion of the cost of new facilities that the projects are required to bear. Therefore, the City has caused to be prepared the "Railyards/Richards/Downtown Nexus Study" dated September 17, 1997 ("Nexus Study") which establishes the relationship between the new development that is anticipated to occur within the Railyards, Richards, and Downtown areas and the need for additional public infrastructure and other community facilities. The Nexus Study further calculates the impact fees to be levied against various land uses within the Railyards Specific Plan, Richards Boulevard Area Plan, and Downtown areas based upon their proportionate share of the total facility use that each land use within each area represents.

H. The Nexus Study is designed to provide for a fair and equitable distribution of public costs of infrastructure, fees, dedications and other exactions, determined and applied in a manner to allow commercial and residential properties to develop in a timely and competitive manner as compared to other lands in the Sacramento region. The Nexus Study is intended to be updated over time to accommodate changes to plans for public facilities and facility costs, and to ensure that the distribution of fees, dedications and exactions remains fair and equitable.

I. City Staff presented to the City Council of the City of Sacramento a staff report as part of a regularly scheduled meeting of the City Council on September 30, 1997, at 2:00 p.m., in the Council Chamber located at City Hall, 915 I Street, Second Floor, Sacramento, California 95814, regarding, among other matters, the Nexus Study.

J. The Nexus Study was available for public inspection and review at the Office of the City Clerk, City Hall, for a period of at least ten (10) days prior to said City Council meeting. Materials supplementing the Nexus Study and all background data referenced in the Nexus Study were made available to interested parties upon request made to the City Manager's Office at least ten (10) days prior to said City Council meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

The City Council hereby adopts and approves the "Railyards/Richards/Downtown Nexus Study" dated September 17, 1997, a copy of which is on file with the Sacramento City Clerk and which is incorporated herein by this reference, including the other studies, reports, and all supporting data (including without limitation any infrastructure, utility, drainage, or transportation plans) referred to and

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DATE ADOPTED: _____ 15

relied upon in said study, as such study exists as of the date of the enactment of this Resolution, or as may thereafter be amended or supplemented from time to time.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____ 16

APPROVED
BY THE CITY COUNCIL

SEP 30 1997

OFFICE OF THE
CITY CLERK

AMENDED

97-559

RESOLUTION NO. 97-559

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF September 30, 1997.

**A RESOLUTION DIRECTING THE CITY MANAGER
TO UNDERTAKE VARIOUS TASKS RELATING TO
THE ACCELERATED CONSTRUCTION OF SEVENTH STREET
BETWEEN RICHARDS BOULEVARD AND G STREET**

WHEREAS:

- A. On December 12, 1995 the City Council, pursuant to Resolution No. 95-719, directed staff to prepare a Finance Plan for the Railyards and Richards Boulevard planning areas.
- B. The Council also directed staff in Resolution No. 95-719 to consider alternate financing and phasing approaches in an effort to construct Seventh Street by the year 2000, and include the analysis in the Finance Plan.
- C. The Finance Plan was presented to Council on September 30, 1997 for review and Council did adopt the Plan on September 30, 1997 by Resolution No. 97-557.
- D. The Finance Plan presented a discussion on the physical and financial constraints of such an accelerated schedule.
- E. Complete analysis as directed by Resolution No. 95-719 was beyond the scope of the Finance Plan.
- F. The Finance Plan recommends that either the City or private landowners conduct a thorough study of constraints, costs and finance mechanisms to evaluate such an accelerated construction schedule.
- G. The Seventh Street extension is the City's number one priority as identified in the Transportation Programming Guide, dated March, 1997.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

FOR CITY CLERK USE ONLY

RESOLUTION NO: 97-559

DATE ADOPTED: 9/30/97

1. The City Council hereby directs the City Manager to prepare such studies that are necessary to identify financing and phasing approaches for the construction of seventh Street by the year 2000.
2. The studies shall further review the physical and financial constraints identified in the Finance Plan.
3. The studies shall also determine other constraints that may impact an accelerated schedule including, but not limited to, right-of-way acquisition, toxic soil-handling, State agency approvals, geometric design, site clearance, toxic soil exposure to pedestrians and vehicle traffic.
4. The studies shall determine the costs related to the acceleration and make recommendations for financing.
5. Staff shall work with the Railyards/Richards/Downtown Finance Plan Working Group, and other interested parties, in developing said studies and determination of recommendations to Council.
6. Staff shall return to Council within three months with recommendations relative to accelerated construction including schedule, costs and funding mechanisms.

Joe Serna, Jr.

MAYOR

ATTEST:

Valerie A. Burrowes

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: 97-559

DATE ADOPTED: 9/30/97

Amended

RESOLUTION NO. 97-559

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION DIRECTING THE CITY MANAGER
TO UNDERTAKE VARIOUS TASKS RELATING TO
THE ACCELERATED CONSTRUCTION OF SEVENTH STREET
BETWEEN RICHARDS BOULEVARD AND G STREET**

WHEREAS

- A. On December 12, 1995 the City Council, pursuant to Resolution No. 95-719, directed staff to prepare a Finance Plan for the Railyards and Richards Boulevard planning areas.
- B. The Council also directed staff in Resolution No. 95-719 to consider alternate financing and phasing approaches in an effort to construct Seventh Street by the year 2000, and include the analysis in the Finance Plan.
- C. The Finance Plan was presented to Council on September 30, 1997 for review and Council did adopt the Plan on September 30, 1997 by Resolution No. _____.
- D. The Finance Plan presented a discussion on the physical and financial constraints of such an accelerated schedule.
- E. Complete analysis as directed by Resolution No. 95-719 was beyond the scope of the Finance Plan.
- F. The Finance Plan recommends that either the City or private landowners conduct a thorough study of constraints, costs and finance mechanisms to evaluate such an accelerated construction schedule.
- G. The Seventh Street extension is the City's number one priority as identified in the Transportation Programming Guide, dated March, 1997.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____ 17

1. The City Council hereby directs the City Manager to prepare such studies that are necessary to identify financing and phasing approaches for the construction of seventh Street by the year 2000.
2. The studies shall further review the physical and financial constraints identified in the Finance Plan.
3. The studies shall also determine other constraints that may impact an accelerated schedule including, but not limited to, right-of-way acquisition, toxic soil-handling, State agency approvals, geometric design, site clearance, toxic soil exposure to pedestrians and vehicle traffic.
4. The studies shall determine the costs related to the acceleration and make recommendations for financing.
5. Upon completion, the studies shall be presented to the Richard/Railyards/Downtown Finance Plan Working Group for reviews and determination of recommendations to Council.
6. Staff shall return to Council with recommendations relative to accelerated construction including schedule, costs and funding mechanisms.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____ 18

Capital Station District, Inc.

A Non-Profit Organization

Dear Mayor Serna
City Hall
Sacramento, CA 95814

September 28, 1997

On December 12, 1995 the City Council directed staff to commence the preparation of a Finance Plan establishing a method for Financing the required public facilities identified in the Facility Element of the Railyard Specific Plan and the Richards Boulevard Area Plan. The Council further directed that consideration be given to "alternate financing and phasing approaches for the implementation of 7th Street in an effort to provide for construction of 7th Street by the year 2000."

The Finance Plan has been completed and will be brought to the Council for consideration at your September 30, 1997 meeting. Although the Finance Plan does provide a source of funding for the Railyards/Richards Boulevard infrastructure it does not include a financing mechanism for accelerating the construction of 7th Street. The analysis that has been done to date indicates that it is physically impossible to accelerate the construction of 7th Street but that financing and regulatory issues require further analysis.

We respectfully request that in conjunction with its approval of the Finance Plan, the Council directed staff to complete the work that was begun on a plan to accelerate the construction of 7th Street. Without such a plan, we question the viability of the Finance Plan.

The Finance Plan is development driven. As development occurs, fees are generated which are in turn applied to the construction of the infrastructure that is required to serve the development. Because 7th Street provides a critical bridge between the Richards Boulevard area and the rest of the downtown, it is of particular importance to the revitalization of the Richards Boulevard area. The accelerated construction of 7th Street will serve to jump start development which will, in turn, generate the fees necessary to pay for the infrastructure required to support further development. For this reason, we believe an accelerated 7th Street is critical to the success of the Finance Plan itself.

Moreover, unless a plan is developed to construct 7th Street on a stand alone basis, this roadway will remain a hostage to the uncertainty and repeated delays in the Railyards remediation schedule. Indeed, in the approximately twenty months since the Council directed staff prepare the Finance Plan, the Railyard cleanup, and consequently, the 7th Street extension have fallen yet another year behind schedule. Under the current schedule, 7th Street will not be constructed until the year 2003. In the absence of a plan for accelerating the construction of 7th Street on a stand alone basis, it is both fair and reasonable to ask how many more delays will be encountered.

Quits simply, it no longer makes any sense to tie the future of the Richards Boulevard area to the moving target of the Railyard remediation.

Accordingly, we urge the Council to direct staff to prepare a plan for accelerating the construction of 7th Street. The plan should include an identification of project costs, an accelerated cleanup and construction schedule, an analysis of financing options, and a strategy for accelerating regulatory review and compliance. In addition, we request that the plan be brought back to the Council for action within three months.

Thank you for your consideration of this request.

Sincerely,

Ray Enos
President