

MINUTES

OF THE

SACRAMENTO CITY COUNCIL
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
HOUSING AUTHORITY OF THE CITY OF SACRAMENTO
ECONOMIC DEVELOPMENT COMMISSION
PARKING AUTHORITY OF THE CITY OF SACRAMENTO
SACRAMENTO CITY FINANCING AUTHORITY

REGULAR MEETING

SEPTEMBER 30, 1997

CALL TO ORDER

The Regular Meeting of the Sacramento City Council was called to order by Mayor Serna at 7:10 p.m. on the above date in the City Council Chamber located at 915 I Street.

ROLL CALL

Present: Council members Cohn, Fargo, Hammond, Kerth, Pannell, Steinberg, Waters, Yee and Mayor Serna

Absent: None

9.0 SPECIAL PRESENTATIONS/GENERAL COMMUNICATIONS

None

11.0 STAFF REPORTS

- 11.1 Implementation of the Downtown Department and amendment to the FY 1998 operating budget. (D-1,3,4)
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Tom Lee, Deputy City Manager, stated that his report provided details for the implementation of the new Downtown department.

Mr. Lee reviewed that Council had conceptually approved the new Downtown department with the approval of the City's 1997-98 budget in June, 1997. The primary purpose of the department as to focus on: (1) streamlining the redevelopment process in the downtown; (2) a one-stop shop for downtown area initiatives and economic development activities; (3) one voice for the development/redevelopment of the downtown area; and (4) better coordination of facilities and development including the Sacramento Convention Center, Parking facilities management and operations, Old Sacramento operations, and the K Street, Chinatown and "O" Street malls.

Mr. Lee said that these issues have a tremendous impact on the economic vitality of the central city area and on the region as a whole. The City has placed an emphasis on the downtown area as a keystone of redevelopment and economic revitalization. Although many projects and activities are in place, there still remains much more on the City council agenda for the downtown area, and will be a catalyst for further private investment in the downtown area.

Mr. Lee spoke of the need to begin transitioning redevelopment project areas back into the City and County jurisdiction so that revitalization can be coordinated with other City resources and departments. He also spoke of the initial focus of the department, which will be the merged Downtown Sacramento Redevelopment area and the Richards Boulevard Redevelopment area. According to Mr. Lee, there was a priority to address economic development activities in the central core of these merged areas.

Mr. Lee said the Downtown department would continue to nurture partnering, especially with SHRA; the Downtown Plaza; the Capital Area Development Authority (CADA); the Downtown Sacramento Partnership (DSP); the Area One Manager; Alkali Flat PAC; and other city departments such as Neighborhoods, Planning and Development Services and Police.

The Downtown department would also continue building alliances with community groups such as those representing stakeholders in the R Street Corridor; South Side Park; Broadway Corridor and the Midtown areas to encourage community input and participation on downtown projects and issues. Mr. Lee said his department was not intended to supplant the Area One Manager and his responsibilities with these neighborhood groups; but rather, would work very closely with the Area One Manager and Police Sector Captain in order to define roles and coordinate activities.

Mr. Lee called Council's attention to page 5 of the report which showed the proposed organization of the department and stressed that its goal was to eliminate duplication of development and redevelopment services and bring together the major City-owned facilities operated in the core of downtown.

Mr. Lee said the organizational structure of the department will be directed by a Deputy City Manager, with departmental operations supervised by managers. The Operations/Facilities Manager would oversee the operations of the convention center and the parking facilities. The Administrative and Policy Development Manager would oversee the functions of: administration/budget/policy development; Old Sacramento and the Sacramento Marina; arts group coordination; and hardscape (maintenance of the K Street and O Street malls and the Chinatown mall). The Development Manager would oversee downtown redevelopment/economic development.

According to Mr. Lee, the department would have three divisions: Operations/Facility Management, Administration and Policy Development, and Development. Most of the staff would be located at 15th and K Streets with Parking facilities staff located at their existing facility at Garage G and Old Sacramento/Marina staff located at their existing facilities in Old Sacramento and the Marina.

Mr. Lee discussed the department's strategic plan and work programs and added that he hoped to expedite the redevelopment of the Richards Boulevard area and the Railyards. He also hoped to develop a relationship and work closely with the Sacramento Convention and Visitors Bureau and to market the Convention Center and its facilities.

The new department's budget was also discussed by Mr. Lee with support coming from the General, Community Center, Marina, Parking and Tax Increment funds. He said transfer of funds would be accomplished in two phases to accommodate the different fiscal calendars of SHRA and the City.

Councilwoman Fargo asked Mr. Lee how he planned on dealing with the rest of the City, especially when it came to dealing with citizens' complaints.

Mr. Lee responded that he would work closely with the Area Managers, especially the Area 1 Manager.

Ms. Fargo asked if there would be a downtown team.

Mr. Lee said he had already scheduled a meeting for tomorrow to meet with the Area Manager, the Police Captain and other staff who were involved with the downtown area.

Ms. Fargo asked if staff would be assigned from the Planning department to be a liaison with the Downtown department.

Mr. Lee stated that Steve Peterson was the liaison from the Planning division, and the Downtown department would also have a liaison.

Councilman Cohn expressed concern that SHRA would still be working with the City's midtown.

Mr. Lee responded that his department would work closely with SHRA to insure that the proper resources were allocated to the City's midtown.

Councilman Steinberg asked questions about controlling funds for housing projects beyond the 20% set-aside of tax increments.

Mr. Lee replied that he would be working on this issue, especially since SHRA was on a calendar year budget and the Downtown department was on a fiscal year calendar.

Mr. Steinberg added that the focus of the Downtown department was different from the focus of SHRA.

Ms. Fargo inquired if the Alkahli Flat Redevelopment Area would still be under SHRA's jurisdiction.

Mr. Lee responded that was correct, but that the Downtown department would be working with SHRA on anything that involved the Central city.

Ms. Fargo expressed concern that the number of FTE employees budgeted for the Railyards project was less than one.

Mr. Lee replied that was the City's funding contribution, but that he would be having other employees working on this project. He said that he and the director of SHRA would be working jointly on many projects.

Councilman Kerth asked for the number of staff assigned to each section of the organizational chart depicted on page 5 of the report and asked what would be done to alleviate the significant overlap of public space maintenance in the downtown.

Mr. Lee announced the number of staff in each section of the Downtown department and added that his goal was a unified program involving both public and private entities for maintenance of all the downtown malls.

Mr. Kerth asked why the Marina had been placed in the Downtown department.

Mr. Lee replied because of its location and because the Old Sacramento Manager was responsible for its operation.

Mr. Kerth suggested that the Marina seemed to be a Neighborhood department function.

Mr. Yee responded that further refining of the Downtown department could still take place.

Mr. Kerth stressed that economic development issues in midtown should not be forgotten.

Public Testimony:

Ron Javor argued that several functions related to downtown needed to be better defined before the Council gave final approval to the Downtown department.

Ricardo Vega spoke in favor of the Downtown department.

Connie Miottel, representing Capitol Station District, spoke in support of the department and said she looked forward to clarification of how tax increment funds would be spent.

Mr. Steinberg asked Anne Moore, SHRA Director, how she saw her role on issues related to housing.

Ms. Moore replied that her staff would work closely with Mr. Lee to determine how to equitably spread the resources.

A motion was made by Councilwoman Fargo to adopt staff recommendations, City Resolution 97-555 and Redevelopment Agency Resolution RA97-033 related to the implementation of the Downtown department. She suggested that there needed to be some fine tuning to the department, especially as it related to central city groups. Mayor Serna confirmed that housing still had to be a priority. The motion was seconded by Councilman Yee and carried with a 9-0 roll call vote.

RESOLUTION 97-555

IMPLEMENTATION OF THE DOWNTOWN DEPARTMENT

REDEVELOPMENT AGENCY RESOLUTION 97-033

IMPLEMENTATION OF THE DOWNTOWN DEPARTMENT

11.2 Union Pacific Railroad Workshop - Discussion of Railroad Real Estate and Operational Issues. (D- 1,3,5,6)

Councilwoman Hammond requested that the discussion of freight traffic on the 19th/20th corridor and rail spurs in the Curtis Park yard be continued to a later date.

Tom Lee, Deputy City Manager, stated that this was an information item to bring Council up to date on various issues.

Wendy Saunders, Senior Management Analyst, stated that the Railyards project was a neighborhood project, and would be horizontal and collaborative. She informed the Council that Mike Casey, General Director of special properties for Union Pacific, was also present to respond to any Council questions.

The first issue discussed was the historic depot project. In 1995, the City received \$300,000 in grant monies to improve Sacramento's patronage of public transit. The City hired VBN Architects of Oakland

to design plans to restore the historic depot. The plan required upgrades to seismic, electrical, mechanical, and ADA components. It also included restoration of architectural features; a redesign of the surrounding site to provide better parking and a safer pedestrian environment; and landscape/hardscape improvements.

Ms. Saunders said one of the biggest problems was a lack of parking, both for transit users and commercial/retail users. Parking was also expected to become severely impacted with the opening of the Federal Courthouse, which had only 300 planned parking spaces, but would need an estimated 1,400 parking spaces.

Ms. Saunders said the City and Union Pacific were jointly exploring the idea of constructing interim surface parking lots on the Union Pacific development parcels. This would require moving the Union Pacific mainline to the north. She said the Mayor was also seeking Union Pacific's cooperation in identifying a ballpark site with the downtown Railyards area. If Union Pacific concurred, the feasibility of locating the ballpark on Railyards Parcel 1-B, which was located immediately behind the depot, would be explored.

Ms. Saunders briefly discussed the controversies over funding an intermodal station at 7th and North B Streets, and the extension of light rail northward. She said the proposed 7th Street extension was located within the Car Shop Nine and Lagoon Study areas. Since December, 1994, there had been schedule delays to remediation to these two areas; therefore, completion of the 7th Street extension would not occur until 2003.

Jim Levy, Union Pacific Site Remediation Officer, briefed the Council on the remediation status of the site.

Councilman Cohn said a contingency plan was needed for the intermodal station. He said the rail corridor did not dead-end in Sacramento, but currently went to Roseville and then on to Colfax. He said it would eventually continue on to Reno. He inquired about where \$8 million would come from for the intermodal station.

Ms. Saunders replied the funding would come from local sources; but \$35-40 million was needed for clean-up.

Mayor Serna asked how the City could get the 7th Street extension built. He asked if it could be built through contaminated areas; staff replied no, the area needed to be cleaned up first.

Terry Moore, Special Projects Manager, discussed the plan for remediation of lead-contaminated soil by encapsulating it within the new railroad berm planned on the northern boundary of the Railyard.

Councilwoman Fargo stressed that it was important to expedite the building of an intermodal station, and that it should be placed in the location where the railroad and light rail would come together. She suggested that more modest proposals for the intermodal station be considered in order to insure its completion.

Councilman Pannell stated that public safety was paramount, but requested options that would expedite the 7th Street project.

Councilman Yee asked staff how they determined the acreage necessary to build a ball park.

Ms. Saunders stated that other ball parks were used as examples. She added that the parcel immediately behind the depot was only 8 acres, so staff wanted to look at other options.

Mr. Yee asked what the estimated value of the property would be when remediated.

Mr. Casey replied that assignment had just been given to an appraiser.

Mayor Serna confirmed that the front 37 acres of the site were clean; Ms. Saunders replied that was correct.

The next issue discussed by Ms. Saunders was the 20th Street Bikeway. She said following closure of the 14th Street tunnel, Public Works, bike advocates and Southern Pacific developed a plan to replace the old bike route. This new route would cross along Southern Pacific's easement at 20th Street. She said the proposed route had the support of bike advocates and the neighborhood associations. In addition, \$400,000 in ISTEA money had been secured and all permits had been secured with the exception of an easement agreement from Union Pacific. However, in January, 1996, the UP/SP merger halted the discussion of the easement for 18 months.

In July, 1997, UP determined that the proposed bikeway plan would not work, given UP's operation after the merger. UP submitted a revised bikeway plan to the City in August, 1997 that requires a bridge structure under the main line track. Bike advocates were reviewing the plan. Although the revised plan would be more expensive due to the bridge structure, UP believed that an additional \$300,000 would be available from CalTrans.

Mr. Casey said that UP was willing to reopen discussion of the project and to proceed by securing funds from CalTrans to cover the anticipated increase in costs.

Councilman Cohn stated that there were some security issues that needed to be addressed.

Ms. Saunders directed Council to page 10 of the report and discussed the next issue: the railroad crossings at Power Inn Road, south of 21st Avenue. She said UP has three sets of tracks that crossed Power Inn Road at an angle. The tracks are settled and wooden bits between the tracks have deteriorated and settled, resulting in an extreme change of grade as vehicles cross the tracks. Because the speed limit on Power Inn Road was 45 mph, the condition of the tracks and speed of traffic resulted in hazardous driving conditions.

Councilman Steinberg stressed that this was truly a safety issue and spoke about removing one of the tracks as it was dead.

Ms. Saunders said UP's response to this problem was that the road was scheduled for inspection, and if the inspector determined it was necessary, he would arrange for a cold patch of the crossing within the next 30 days. If this was not sufficient to alleviate the problem, a full concrete upgrade could be scheduled.

Public Testimony:

Johan Otto requested that Council speed up the 7th Street project. He argued that the proposed new tunnel for the bike route would have the same problems as the former tunnel that had been closed.

Councilman Cohn argued that it was not a tunnel.

Terry Moore explained how the bike underpass would be constructed.

Mr. Cohn said the police department was very concerned that the underpass be designed for safety.

Cleve Livingston stressed the importance of the 7th Street extension and intermodal station issues. He felt they had been lost in the discussions.

Genevieve Shiroma said she was interested in the Council addressing the freight traffic on the 19th and 20th Streets corridor and rail spurs in the Curtis Park Yard and would return when this item was agendaized.

Councilwoman Hammond asked if any switching tracks would be removed at the Curtis Park Yard; Mr. Casey replied not at this time.

Ms. Hammond asked if the trains were still idling on the switching tracks, and if so, could the type of fuel be changed.

Mr. Casey replied they were still idling on the switching tracks and there were no plans to change the type of fuel used.

Councilman Pannell said that he was recently in Chicago and was impressed with their large, renovated station and asked if there were any plans for UP to do this in Sacramento.

Mr. Casey replied the only plans for Sacramento were renovation to the depot.

This information was received and filed.

11.3 Resolution endorsing correspondence from the Mayor to Union Pacific Officials. (D-All)

A motion was made by Councilwoman Fargo, seconded by Councilman Cohn to adopt Resolution 97-556 endorsing the correspondence from the Mayor to Union Pacific officials. The motion carried with a 9-0 roll call vote.

RESOLUTION 97-556

RESOLUTION ENDORSING CORRESPONDENCE FROM
THE MAYOR TO UNION PACIFIC RAILROAD

11.4 Matters relating to Railyards/Richards Boulevard/Downtown: (D-1)

- A. Infrastructure Financing Plan
 - B. Nexus Study
 - C. Investigation of constraints, costs and schedule associated with 7th Street
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Terry Moore, Special Projects Manager, stated that in December, 1995, City Council directed staff to prepare a Finance Plan for the Railyards/Richards Boulevard areas. The Finance Plan was being presented this evening for Council review and approval. Also presented was the Nexus Study prepared in support of the Finance Plan impact fees. Staff was recommending that Council, by resolution, adopt both documents. Staff also recommended that Council direct staff to investigate the constraints costs and schedule associated with the accelerated construction of 7th Street.

Connie Miotte spoke in support of the Plan and requested that staff allow both public and private input into its implementation. In addition she requested that it be implemented within 2-3 months.

Mr. Moore responded that both public and private input was welcome, but argued that staff still did not know how long it would take to effect the Plan. He said staff could provide a progress report in three months.

A motion was made by Councilwoman Fargo, seconded by Councilman Pannell to adopt Resolutions 97-557, 97-558 and 97-559, as amended related to the matters in the Railyards/Richards Boulevard/Downtown areas. The motion carried with a 9-0 roll call vote.