



APPROVED
BY THE CITY COUNCIL

MAR 9 1999

OFFICE OF THE
CITY CLERK

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THOMAS V. LEE
DEPUTY CITY MANAGER

DOWNTOWN DEPARTMENT

February 27, 1999

CITY OF SACRAMENTO
CALIFORNIA

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AG 99-041

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: East End Project, State of California

LOCATION AND COUNCIL DISTRICT: District One, Three and Four

STAFF RECOMMENDATION:

It is recommended that the City Council, by Resolution, authorize the City Manager to sign the attached Memorandum of Agreement, Exhibit 1, by and between the City of Sacramento and the Capitol Area Development Authority. The Agreement memorializes the roles of the City of Sacramento and the Capitol Area Development Corporation (CADA) in the development, review, and approval of projects to be accomplished with the East End project housing mitigation funds.

CONTACT PERSONS: Kristan Otto, Development Manager, 264-7948

FOR THE COUNCIL MEETING OF: March 9, 1999, Afternoon Session

SUMMARY:

Priority issues resolved in the negotiations regarding the State of California's East End project were mitigating the housing loss, preservation issues, retail location, street lighting and traffic. The State and the City agreed on financial mitigations totaling \$4,183,400 that include \$1,200,000 to design and build extensions of the combined sewer system. CADA and the City will have joint control over Two Million, Seven Hundred and Thirty Three Thousand and Four Hundred Dollars. (\$2,733,400.00).

①

BACKGROUND:

On December 1, 1998 in connection with the State's 1.2 (net) million square feet East End Project, the City Council authorized the City Manager, by Resolution, to execute the Memorandum of Understanding (MOU), Exhibit 2, which was negotiated between the City of Sacramento and the State of California Department of General Services. The State and the City agreed on financial mitigation's totaling \$4,183,400. In the approval of the MOU City staff was directed to work with the CADA staff to develop an appropriate agreement between CADA and the City to assure that the MOU between the City and the State could be successfully and efficiently implemented and carried out.

POLICY CONSIDERATIONS:

The basic policy contained in the Agreement is to assure that the funds set aside by the Department of General Services to mitigate for housing losses due to the East End office building project are in fact expended in accordance with the agreement reached between the State and the City of Sacramento. This Agreement formalizes a mechanism and participation by the City to help assure that the projects do meet both the Capitol Area Plan and the intent of the City/State Memorandum of Understanding.

The MOA which is the subject of this agenda item calls for "...the commitment (of the City and CADA) to work cooperatively in the types, planing and scope of development and in the use of the funds to mitigate the impacts of the East End Project." The MOA also specifies that CADA and the City agree that the City, "...shall participate in the proposal, review and developer selection and project approval process." The approval is by the City Manager's office prior to CADA Board approval.

Housing

Regarding the \$1.5 million being made available to CADA by DGS, the draft MOA specifies that the project(s) shall:

- ◆ Be located within the boundaries of the Capitol Area and within two blocks to the boundaries of the East End project; and
- ◆ Be located on sites designated for residential use by the Capitol Area Plan or by the City of Sacramento Zoning Ordinance; and
- ◆ Consist of at least 51 units on one or more projects.

Regarding the \$925,000 being made available to CADA by DGS for the purposes of moving and rehabilitating 1311 15th Street (or for other residential projects as outlined in the State/City MOU), CADA can, with the approval of the City, have the discretion to utilize

these funds for:

- ◆ The relocation and/or rehabilitation of other existing State-owned buildings directly or indirectly effected by the State East End Project; and/or,
- ◆ The rehabilitation of other existing buildings located within the established boundaries of the Capitol Area and more specifically within two blocks of the boundaries of the State East End Project.

The City and CADA shall determine prior to May 1, 1999 whether the funds are to be used for the relocation and rehabilitation of 1311 15th Street, or for other housing purposed as outlined above.

Street Lighting

The MOA reiterates the State/City approved MOU language regarding the \$308,400 for street lighting from the East End Project site to the light rail stations near 11th and O and 16th and R Streets. It further states that if the City, State and CADA apply for and are successful in obtaining other funds for these identified street lighting purposes, that any funds not expended by the DGS provided amount can be used for:

- ◆ The installation of other street lighting in the Capitol Area; and/or, towards other residential projects within the boundaries of the Capitol Area.

FINANCIAL CONSIDERATIONS:

The following monetary mitigations will be implemented and carried out under this Agreement:

MITIGATION FUNDS	FOR	COMMENT
"DGS shall make available up to \$1.5 million to CADA..."	"...for the purpose of new residential development within the Capitol Area."	Based upon current estimates requiring a \$29,000 per unit public investment and the loss of 51 units on the East End site.

MITIGATION FUNDS	FOR	COMMENT
"DGS shall provide up to \$925,000 to CADA for purposes of mitigating the loss of 1311 15 th Street..."	"...based on the estimated cost of moving the building from its current location; for construction of a new foundation; for upgrading the building to meet current occupancy codes; and for acquisition of a new site."	If not feasible to move building, funds can be used, "toward another housing rehabilitation project...Alternatively, CADA and the City may mutually agree that these funds should be used for other residential housing projects."
"DGS will provide...up to \$143,920"	"for acorn style street lighting...from the project site. To the light rail station on 12 th and O"	Based on City Public Works estimates. If CADA and the City can obtain other funds for these purposes, this money can be used for residential projects within the Capitol Area.
"...DGS will provide ...up to \$164,480"	"...for acorn style street lighting...from the project to the light rail station" (near 16 th and R)	Based on City Public Works Estimates. If CADA and the City can obtain other funds for these purposes, this money can be used for residential projects within the Capitol Area.

The City is continuing to work directly with the State of California Department of General Services to implement the following mitigations.

Traffic monitoring/possible mitigations	\$ 100,000
Fremont Park	150,000
Realignment of Sewer	<u>1,200,000</u>
Total	\$1,450,000

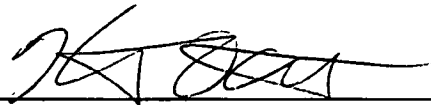
ENVIRONMENTAL CONSIDERATIONS:

The State of California, Department of General Services, Real Estate division was the Lead Agency in the preparation of the Tiered draft and Final EIR (Tiered EIR) for the East End Office Complex. On November 30, 1998 the State of California certified the EIR. Findings of Fact and the Mitigation Monitoring Plan. The 30-day appeal period has lapsed, no appeals were filed.

MBE/WBE:

Not applicable. There are no goods or services being purchased as a result of the recommended action.

Respectfully submitted,



Kristan Otto
Downtown Development Manager

Approved:



Thomas V. Lee
Deputy City Manager

RECOMMENDATION APPROVED:



for:

William H. Edgar
City Manager

MEMORANDUM OF AGREEMENT

EXHIBIT I

**CITY OF SACRAMENTO AND
CAPITOL AREA DEVELOPMENT AUTHORITY**

STATE EAST END PROJECT

THIS AGREEMENT is made at Sacramento, California as of February 19, 1999, by and between the CITY OF SACRAMENTO, a municipal corporation (hereinafter referred to as the "CITY") and the CAPITOL AREA DEVELOPMENT AUTHORITY, a joint powers authority (hereinafter referred to as CADA or the "AUTHORITY") who agree as follows:

A. Purpose

In order to mitigate for certain potential environmental impacts, and enhance development of the proposed State East End Project, the State Department of General Services (DGS) has agreed to provide for certain economic and other mitigation measures to the CITY and the AUTHORITY as outlined in the Memorandum of Understanding between the CITY and DGS, executed on December 11, 1998, as adopted by City Council of the City of Sacramento by Resolution No. 98-603 (the "MOU"). The purpose of this Agreement is to implement the relevant provisions of the MOU.

B. Recitals

"Whereas, the State of California desires to construct an office complex on the east end of Capitol Park in Sacramento: and

Whereas, in order to mitigate certain environmental impacts and to enhance the proposed State East End Development Project, the State of California Department of General Services (DGS) will provide certain economic and other mitigation measures to the City, as outlined in the Memorandum of Understanding between City and DGS (MOU) executed on December 11, 1998, as adopted by the City Council of the City of Sacramento by Resolution No. 98-603, which specifies the use of the mitigation funds; and

Whereas, the Department of General Services is obligated to provide the mitigation funds to Authority in this situation; and

Whereas, Authority and City now desire to document the commitment to work cooperatively in the types, planning and scope of development and in the use of the funds consistent with the Memorandum of Understanding between the City and The Department of General Services, executed on December 11, 1998, to mitigate the impacts of the East End Project.

Therefore, Authority and City agree to the following:

1. Economic Mitigation Measures

DGS has agreed in the MOU to provide directly to the AUTHORITY a total of Two Million Seven Hundred Thirty Three Thousand Four Hundred Dollars (\$2,733,400) to be used as described in this section. DGS has agreed in the MOU to provide such funding upon securing funding for the State East End Project.

The AUTHORITY'S performance pursuant to this Agreement is dependent upon AUTHORITY'S receipt of all of the subject funding from DGS.

A. Housing

1. As mitigation for existing residential units being removed or otherwise impacted by the State East End Project, DGS is providing One Million Five Hundred Thousand Dollars (\$1,500,000) to AUTHORITY. These funds shall be used by the AUTHORITY, in its capacity as the implementing agency for housing and neighborhood commercial components of the Capitol Area Plan, to provide public investment for planning, design and implementation of new residential development within the established boundaries of the Capitol Area.

The new residential development(s) facilitated by these funds shall:

- a. Be located on sites located within the established boundaries of the Capitol Area and within two (2) blocks of the boundaries of the State East End Project (Blocks 171, 172, 173, 174 and 225);
 - b. Be located on sites designated for residential use in accordance with the Capitol Area Plan or the City of Sacramento Zoning Ordinance, as applicable;
 - c. Consist of at least fifty-one (51) units in one or more projects; and
2. CITY and AUTHORITY agree that AUTHORITY shall serve as lead agency for purposes of implementing new residential development in accordance with the above provision 1.A. CITY and AUTHORITY agree that CITY staff and CADA shall participate in the proposal, review developer selection and project approval process as follows:
 - a. Review, evaluate and CADA shall obtain approval from the City Manager's office for the issue prior to consideration and ultimate approval by the CADA Board of any Request for Proposals (RFP) or Requests for Qualifications (RFQ) used by AUTHORITY to solicit development proposals; and
 - b. Review, evaluate and CADA shall obtain approval from the City Manager's office for the issue prior to consideration and ultimate approval by the CADA Board of any development proposals and/or developer qualifications submitted to AUTHORITY;



- c. Review, evaluate and CADA shall obtain approval from the City Manager's office for the issue prior to consideration and ultimate approval by the CADA Board of any proposed terms and conditions for the public investment supported by the subject funding in the context of a proposed development agreement.

B. Historic Preservation

As mitigation for loss of the potentially architecturally/historically significant building located at 1311 15th Street; the impact on other existing buildings directly effected by the proposed State East Project; and the loss of existing housing, DGS is providing Nine Hundred and Twenty Five Thousand Dollars (\$925,000) to AUTHORITY. These funds shall be used by AUTHORITY to plan, design and implement relocation and rehabilitation of the existing building located at 1311 15th Street. However with approval of the CITY, the AUTHORITY shall have the discretion to use such funds for:

1. Relocation and/or rehabilitation of other existing State-owned buildings directly or indirectly effected by the State East End Project; and/or
2. Rehabilitation of other existing buildings located within the established boundaries of the Capitol Area and more specifically within two (2) blocks of the boundaries of the State East End Project (Blocks 171, 172, 173, 174 and 225); and/or
3. Public investment in new residential development on State-owned or AUTHORITY acquired/controlled sites within the established boundaries of the Capitol Area designated for residential use in accordance with the Capitol Area Plan.

The CITY and AUTHORITY shall prior to May 1, 1999 determine whether the funds provided to AUTHORITY under this Agreement Section 1.B. are to be used for relocation and rehabilitation of the existing building at 1311 15th Street (Item 1.B.1. above) or for other housing purposes in accordance with Item 1B, 2 and 3 above.

C. Street Lighting

To enhance the pedestrian activity between the State East End Project and existing light rail transit stations, DGS is providing Three Hundred and Eight Thousand Four Hundred Dollars (\$308,400) to AUTHORITY. These funds shall be used by AUTHORITY to plan, design and implement historic style acorn lighting with review and approval by City, as follows:

1. Installation of new street lighting improvements on both sides of 15th Street from the southerly boundary of the State East End Project to "O" Street; and westerly along both sides of "O" Street from 15th Street to the Light Rail Transit station on "O" Street between 11th and 12th Streets (excepting the frontage along "O" Street between 14th and 15th Streets (Block 225) which is part of the State East End Project); and

2. Installation of street lighting improvements along both sides of 16th Street from the southerly boundary of the State East End Project southerly to the Light Rail Transit station on "R" Street between 16th and 17th Streets.

CITY and AUTHORITY may mutually agree to apply for other funding for all or a portion of the street lighting improvements along 16th Street. CITY and AUTHORITY may apply for other alternative funding sources to assist with the subject street lighting improvements on 16th Street, and if so DGS shall assist CITY and AUTHORITY in such funding application process; and/or

3. Installation of street lighting projects along other pedestrian corridors within the established boundaries of the Capitol Area; and/or
4. Public investment in new residential development within the established boundaries of the Capitol Area.

The street lighting improvements installed with funds provided by DGS shall be installed in accordance with standards mutually developed and agreed upon by the CITY and AUTHORITY and shall assure efficient design, operation, and maintenance of such street lighting improvements.

2. Funding

The subject funds shall be deposited with AUTHORITY, and AUTHORITY shall have the authority and right to legally obligate, commit, and expend the subject funding in its sole discretion in accordance with provisions of this Agreement. CITY and AUTHORITY agree that AUTHORITY shall provide CITY with a status report on the use and expenditure of such funds in the context of AUTHORITY'S annual and semi-annual reports regularly provided to CITY.

The Authority shall have no fiscal liability beyond the funds provided to it pursuant to this Agreement and the Memorandum of Understanding between the City and State Department of General Services executed on December 11, 1998, as adopted by City Council Resolution 98-603.

Executed as of the day first above stated.

CITY OF SACRAMENTO

CAPITOL AREA DEVELOPMENT AUTHORITY

CITY MANAGER



EXECUTIVE DIRECTOR

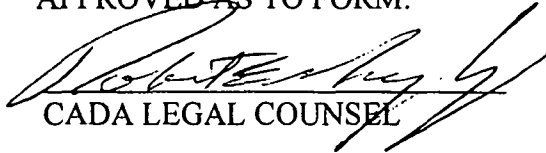
APPROVED AS TO FORM:

CITY ATTORNEY

ATTEST:

CITY CLERK

APPROVED AS TO FORM:



CADA LEGAL COUNSEL

CERTIFIED AS TRUE COPY.
OF MOU - East End Project
12-15-98
DATE CERTIFIED
Maria G. Burrows
CITY CLERK, CITY OF SACRAMENTO

MEMORANDUM OF UNDERSTANDING
REGARDING EAST END PROJECT

This Memorandum of Understanding ("MOU") is entered into between the State of California, Department of General Services ("Department") and the City of Sacramento ("City").

RECITALS

1. The State of California acting by and through the Department of General Services approved the 1997 Capitol Area Plan in June 1997. The Department prepared and certified a full environmental impact report (EIR) on the Capitol Area Plan (CAP) prior to its approval. The CAP serves as the general plan for a 42-block area of state-owned land in and near the State Capitol in Sacramento.
2. The 1997 CAP identified three major office development sites, as well as other residential and retail development sites. The area encompassed by all or portions of Blocks 171-174, 224, and 225 – the area now designated as the East End Office Complex Project site – was identified in the 1997 CAP as the first phase of office consolidation sites in the Capitol Area. Because of this recognition of the potential development of the East End Complex in the near term (1-5 years), the CAP EIR addressed not only the potential environmental effects of the entire Capitol Area Plan, but also this foreseeable project development. The CAP EIR assessed the potential environmental effects of the East End Office Complex project based on the massing models and site plans available at that time.
3. The East End Office Complex Project was subsequently authorized for development by the passage of Senate Bill 1270 (Statutes of 1997, Chapter 761, Government Code Section 8169.5). This bill directed the Department of General Services to proceed with the development of approximately 1.4 million square feet of office development and associated parking on Blocks 171-174 and Block 225. The bill also authorized construction of a parking garage on the southern half of Block 224.
4. As part of the construction planning process for the East End Office Complex sites, the Department prepared a focused tiered EIR on the subject detailed development plan for the five-block area. This EIR was tiered from the earlier CAP EIR that had already assumed a certain level of development on these sites. The subsequent tiered EIR focused on the specific development plans for these sites, including the construction of two large underground garages that will extend under Capitol Avenue and the alleyways in Blocks 171 and 173. The underground garage eliminated the need for above ground parking structures. Use of the area currently dedicated to the alleyways also allowed improved office building designs within the complex and a widening the area currently dedicated to Capitol Avenue.
5. The Department, as lead agency for the East End Office Complex Project, formally certified this tiered EIR, and enacted its formal approval of the project on November 30, 1998. All required environmental findings, mitigation measures included in the EIR, and a statement of overriding consideration were adopted as part of the approval process.
6. Because of the physical need for construction of the project in the area of the alleyways in Blocks 171 and 173, and the portions of Capitol Avenue between 15th and 16th Streets and 16th and 17th Streets, the Department has requested the City approve an abandonment

City Agreement No. 98-215

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proceeding for these subject properties. The abandonment documents have been fully prepared as required by City staff, and the Department concurs will all of the specific conditions of the abandonment proceeding. The abandonment proceeding is scheduled for December 1, 1998. The timing of the approval of this action is essential to the implementation of the project.

7. On August 25, 1998, the Sacramento City Council ("Council"), in public session identified twelve issues of concern. As a result of meetings subsequently conducted between the subject parties, an agreement has been reached between City staff and the Department on all twelve issues. The agreement was summarized in a letter dated November 6, 1998, from Mr. Thomas Lee and Mr. Jack Crist of the City to Mr. Eugene A. Spindler, II, of the Department.
8. As a result of that agreement the Department specifically incorporated additional measures in the Final EIR that address residential incentives in the Capitol Area, historic preservation, and transportation management provisions. All of these additional measures have been fully incorporated into the project approval and the Department is committed to their implementation.

The parties hereby enter into this MOU with the following respective commitments:

- A. The City agrees to the timely, but not later than December 15, 1998, approval of the scheduled abandonment proceeding as currently set forth for portions of Capitol Avenue and the alleyways in Blocks 171 and 173 so the Department can proceed with the East End Office Complex Project. The City may place a condition upon the abandonment that the action is subject to the approval of the MOU by both the Department and City. The Department acknowledges that the flexibility of the use of the mitigation funds for residential housing projects as provided in items 1. and 6. is an important consideration for the abandonment of the alleys and portions of Capitol Avenue needed by the Project.
- B. The City agrees to the timely, but not later than December 15, 1998, adoption a resolution in support of the East End Office Complex Project.
- C. By the time this agreement is effective the Department will have formally acted to incorporate all the measures that address the substantive issues raised by the City on into its approval of the East End Office Complex Project. The evidence of this action will be the formal approval documents and Final EIR that were delivered to the City of November 30, 1998.

In regard to the Department's specific responses and commitments to the Council's list of twelve issues, the following recitals are presented:

1. Housing.

The Department has adopted the following two specific measures as part of the project for the purpose of addressing residential and historic preservation issues:

"DGS shall make available up to \$1.5 million to CADA for the purpose of new residential development within the Capitol Area. CADA will work with the City of Sacramento to determine the best project or projects for which these funds will be allocated. This amount of funding is based on current estimates by CADA that a public investment of approximately \$29,000 per unit is needed

for replacement housing. Thus, \$1.5 million will provide an adequate subsidy to assure the development of 51 residential units. Additional residential funding may also be available from funds not used for the street lighting measure described in the Transportation Management Plan.

"Funding for the cost of the residential mitigation measure is anticipated to be provided through tax-exempt funding as authorized by SB 1270 (Statutes of 1997, Chapter 761). Therefore, the terms and conditions under which the State will grant the funds for this mitigation measure are subject to review of the tax exempt status of the bonds as determined by the State's bond counsel."

"DGS shall provide up to \$925,000 to CADA for purposes of mitigating the loss of 1311 15th Street. The amount of funding is based on the estimated cost of moving the building from its current location; for construction of a new foundation and related site work; for upgrading the building to meet current occupancy codes; and for acquisition of a new site. The use of these funds requires that CADA first determine if relocation to a new site is feasible for re-use as a residential facility. If CADA determines that relocation is feasible, then CADA shall relocate and rehabilitate the building within a schedule consistent with the construction schedule for the East End Office Complex Project."

"If CADA finds that it is not feasible to move 1311 15th Street, CADA and the City of Sacramento may agree that funds necessary to move and rehabilitate 1311 15th Street may be better used toward another housing rehabilitation project, such as the old Sacramento Unified School District Administration Building on N Street. Alternatively, CADA and the City may mutually agree that these funds should be used for other residential housing projects. CADA and the City shall determine by May 1, 1999, whether the funds will be used to relocate 1311 15th Street or for other residential development purposes described above."

"Funding for the cost of the historic/residential mitigation measure is anticipated to be provided through tax-exempt funding as authorized by SB 1270 (Statutes of 1997, Chapter 761). Therefore, the terms and conditions under which the State will grant the funds for this mitigation measure are subject to review of the tax exempt status of the bonds as determined by the State's bond counsel."

2. Retail Location.

The Department has included in the design package for the East End Office Complex project plans and specifications for infrastructure to accommodate future viable retail storefront uses along L Street between 15th and 16th Streets (Block 171). These improvements have been incorporated into the project.

Retail will be created on 17th Street as shown on the site plans in the EIR to draw the pedestrian circulation up to the Project and provide connectivity to the midtown area.

Infrastructure has been planned and incorporated into the project in the Capitol Avenue open space area to provide for future kiosks that create activity within the Project Area.

The Department has agreed to cooperate with the City and the Downtown Sacramento Partnership to identify programs to activate the open space area.

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3. Retail Type/Management.

The Department agrees to seek administrative relief from existing statutory limitations on food service facilities within the East End Office Complex buildings.

4. Parking/Traffic Access.

The Department and City agree that following a review of the Department's traffic and garage access studies, the garage entrance will remain on 17th Street.

In regard to traffic monitoring, the Department has adopted the following additional measure in the project's Transportation Management Plan:

"DGS will provide up to \$100,000 to the City of Sacramento for the purpose of monitoring traffic patterns in the project area and adjacent neighborhoods. These funds may also be used to assist in the implementation of traffic calming measures, if necessary, resulting from the Proposed Project. These measures must be implemented within two years after completion and occupancy of the project. The results of the monitoring studies will be made available to the DGS project mitigation monitor in a timely manner. The City will consult with the DGS project mitigation monitor regarding plans for any traffic calming measures."

"Funding for the cost of this mitigation measure is anticipated to be provided through tax-exempt funding as authorized by SB 1270 (Statutes of 1997, Chapter 761). Therefore, the terms and conditions under which the State will grant the funds for this mitigation measure are subject to review of the tax exempt status of the bonds as determined by the State's bond counsel."

The City Fire Department has agreed to allow on-street parking along both sides of Capitol Avenue between 16th and 17th Streets during evening hours.

5. Transportation Management Plan.

The Department has adopted as part of the approval of the East End Office Complex project a Transportation Management Plan. The Department is fully committed to the implementation of the Plan.

In regard to bike trails, the Department has adopted the following additional measure in the project's Transportation Management Plan:

"In order to facilitate bicycle circulation, DGS will request CHP approval to allow a bikeway connection through Capital Park from the 13th Street crossing to 15th Street."

The Department agrees to assign a staff person to work with the California Department of Transportation, District 3 on the issue of securing additional peripheral parking lots, as needed, in anticipation of meeting parking needs in excess of the on-site facilities.

6. Acorn Street Lighting/LRT Pedestrian Path.

In regard to the provision for acorn lighting and related improvements to promote use of LRT stations, the Department has adopted the following additional measures in the project's Transportation Management Plan:

"To encourage the use of the 12th and O Street Light Rail Station, DGS will provide funding for installation of acorn-style street lighting from the project site south along 15th Street to O Street,

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and then west to the Light Rail Station on O Street. Lighting will be installed on both sides of the street in a matching pattern. Based on an estimate provided by the City of Sacramento's Department of Public Works, up to \$143,920 will be made available for these improvements. The subject improvements will be made either directly by the City, or through a coordinated effort by DGS, its contractors, and the City."

"To encourage the use of the 16th Street/R Street Light Rail Station, DGS will provide up to \$164,480 to install acom-style street lighting on both sides of 16th Street from the project to the light rail station. CADA and the City shall have the flexibility to use these funds to provide acom-style street lighting on alternative pedestrian corridors within the CADA area. If CADA and the City prefer to substitute federal or state transportation agency grants to fund installation of street lights on 16th Street, then the balance of these funds may be used for residential housing projects directed by CADA. DGS shall assist and support CADA and the City in preparation of grant applications to secure an alternative source of funding for street lights on 16th Street. DGS assistance shall include staff time and preparation of environmental documentation.

"Funding for the cost of the historic/residential mitigation measure is anticipated to be provided through tax-exempt funding as authorized by SB 1270 (Statutes of 1997, Chapter 761). Therefore, the terms and conditions under which the State will grant the funds for this mitigation measure are subject to review of the tax exempt status of the bonds as determined by the State's bond counsel."

In regard to the Fremont Park Improvement Project, the Department has adopted the following measure that was also added to the Transportation Management Plan:

"To further encourage the use of the 16th Street/R Street Light Rail Station and pedestrian movement in the Capitol Area, DGS shall provide up to \$150,000 towards implementation of the City of Sacramento's Fremont Park Improvement Plan. Work includes restoration of historic diagonal sidewalks through the park. This measure will particularly benefit employees walking between the station and buildings on Blocks 171 and 174."

"Funding for the cost of this measure is anticipated to be provided through tax-exempt funding as authorized by SB 1270 (Statutes of 1997, Chapter 761). Therefore, the terms and conditions under which the State will grant the funds for this mitigation measure are subject to review of the tax exempt status of the bonds as determined by the State's bond counsel.

7. City Joint Use Parking Garage/Auditorium Space.

The Department agrees to work with the City on the logistics of shared use of the auditorium, meeting rooms, and the parking garages. The Department presently has a similar program in place for use of meeting rooms in other state buildings in the Capitol Area. The Department anticipates that an agreement can be implemented to allow use of parking garages in the Block 171-174 complex for evening parking in support of downtown activities.

8. Residential Alley Improvements.

The plans for the alley between 15th and 17th Streets north of N Street include building setbacks of 10 feet to allow placement of landscaping and other features to improve the transition the planned residential uses on the south half of these respective blocks. With a building set back of 10 feet, the alley will be a total of 30-feet wide. The City's Fire Department has agreed to consider alternative paving such as turf block or stamped concrete.

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9. ULI Recommendations/South of Q Street.

The Department agrees to support the ULI recommendations concerning development south of Q Street within the Capitol Area.

10. Tree Removal.

The Department will complete preparation of a construction period monitoring plan to promote the protection of healthy, mature trees that could be affected by the project, such as those along 15th, 16th, 17th, and L Streets. This plan will be completed prior to the initiation of construction in coordination with representatives of the City's Neighborhood Planning and Development Services Department.

The Department acknowledges and has planned for the City's preference that large boxed transplant trees will be used in the median landscape areas.

The Department will continue to work with the City on the selection of the species of trees suitable for all landscaped areas. The final development plans will incorporate such agreements.

11. Design.

The Department acknowledges that the City's concerns about the design of the complex have been considered in all of the planning for the project, and in the subsequent negotiations concerning the Council's twelve issues.

12. Capitol Park Housing.

The Department did fully consider the alternative site plan that incorporated housing fronting on Capitol Park. This alternative was analyzed in the project's draft EIR.

Commitment: The Department commits to implementing all of these measures and agreements to the extent allowable by state law.

Eugene A. Spindler, II
EUGENE A. SPINDLER, II
Deputy Director, Real Estate Services Division
Department of General Services
State of California

William H. Edgar
WILLIAM H. EDGAR
City Manager
City of Sacramento

Date 12/11/98

Date 12/11/98

ATTEST

Valerie A. Burrows
CITY CLERK

APPROVED AS TO FORM:
[Signature]
SACRAMENTO CITY ATTORNEY

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CERTIFIED AS TRUE COPY
of Resolution No. 98-603

RESOLUTION NO. 98-603

ADOPTED BY THE SACRAMENTO CITY COUNCIL

DEC 14 1998

DATE CERTIFIED
Valerie O. Burrowes
CITY CLERK CITY OF SACRAMENTO

ON DATE OF DEC 01 1998

**RESOLUTION AUTHORIZING THE CITY MANAGER TO
EXECUTE THE MEMORANDUM OF UNDERSTANDING (A
DRAFT OF WHICH IS ATTACHED AS EXHIBIT A), WHICH WAS
NEGOTIATED BETWEEN THE CITY AND THE STATE OF
CALIFORNIA DEPARTMENT OF GENERAL SERVICES (DGS)
PERTAINING TO THE EAST END PROJECT**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The City of Sacramento supports the project in that it provides significant economic and social benefit to the City of Sacramento; and
2. The State Department of General Services must submit the East End Project on December 1, 1998 to the Legislature; and
3. The State Public Works Board does not meet until December 11, 1998 to authorize DGS's signature; therefore
4. The City Manager is authorized to execute a Memorandum of Understanding between the City of Sacramento and the State of California Department of General Services pertaining to the East End Project, after the approval of the Memorandum of Understanding at the State Public Works Board meeting on December 11, 1998.

JOE SERNA, JR.

MAYOR

ATTEST:

VALERIE BURROWES

CITY CLERK

(17)

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 98-603

DATE ADOPTED: DEC 01 1998

City Agreement No. 98-215

APPROVED
BY THE CITY COUNCIL

MAR 9 1999

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 99-108

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

EAST END PROJECT, STATE OF CALIFORNIA

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

That the City Manager is authorized to execute an agreement between the City of Sacramento and the Capitol Area Development Authority in the development, review, and approval of projects to be accomplished with the East End project housing mitigation funds.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____