



APPROVED
BY THE CITY COUNCIL

JAN 12 1999

OFFICE OF THE
CITY CLERK

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AG 99-005

DEPARTMENT OF
UTILITIES

ENGINEERING SERVICES

CITY OF SACRAMENTO
CALIFORNIA

December 23, 1998

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City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: DRAINAGE AGREEMENT FOR THE CONSTRUCTION OF THE NORTH
NATOMAS BASIN 5 COMMON DRAINAGE FACILITIES (JN: 4825)**

LOCATION AND COUNCIL DISTRICT:

The North Natomas Basin 5 common drainage facilities serve the drainage needs of the Del Paso Road Planned Unit Development, Office Building on Parcel #6 - Del Paso Road PUD, Arena Corporate Center and Natomas Crossing PUD (Attached Map). District 1

RECOMMENDATION:

Staff recommends the City Council authorize the City Manager and City Clerk to execute the drainage agreement between the:

City of Sacramento,

Cambay Group Inc.,

Oates/Cummings/Fred Anderson Trust, Sacramento Holdings, Inc.,

Kings Arco Arena Limited Partnership, and

AAC Arena LLC, A Delaware Limited Liability Co. (herein called Landowners)

requiring Landowners to design and finance, and the City to construct, all facilities required for drainage pursuant to the North Natomas Comprehensive Drainage Plan.

CONTACT PERSON: Gary A. Reents, Engineering Services Manager, 264-1433
Terry Paxton, Supervising Engineer, 264-1459

FOR COUNCIL MEETING OF: January 12, 1999

SUMMARY

The proposed agreement provides financial assurances to the City that the common drainage facilities for Basin 5, a 410-acre drainage shed in North Natomas, will be completed. The drainage agreement not only ensures payment for the common drainage facilities but also covers design and construction, City review and inspection, conveyance and dedication, and acceptance of the common drainage facilities by the City. The drainage agreement requires the City to construct, and the owners to pay all associated cost of, the common drainage facilities. The drainage agreement has been signed by the owners and now needs to be signed by the City. The City's execution of the agreement reflects both concurrence as a property owner and approval as the regulatory authority.

BACKGROUND INFORMATION

The proposed agreement is for the financing of the common drainage facilities that will serve Basin 5, a 410-acre drainage sheds in North Natomas. This basin is located west of the East Drainage Canal, north of Truxel Road, east of Interstate 5 and south of Del Paso Road. Within this basin are lands owned by the City of Sacramento, upon which the Sacramento Kings' facility, Arco Arena, was built.

All rainfall runoff within the Basin 5 area will be collected in drainage pipes that will discharge into a water quality/detention basin. From the basin, the rainfall runoff will then be pumped into the East Drainage Canal. The common drainage facilities within Basin 5 include the following improvements:

- Drainage pump station with a capacity of 75 cubic feet per second;
- Water quality basin of approximately seven acres;
- Drainage pipes and channels to serve each parcel of the Master Parcel Maps, approximately 8,500 feet;
- Gravel access roads to the detention basin and pump station.

The construction of these common drainage facilities is in conformance with the approved master plan for Drainage Basin 5 and is needed to remove the Basin 5 area from the 100-year floodplain.

All improvements will be constructed in accordance with plans and specifications approved by the Department of Utilities and will be subject to normal inspection by the City.

City Council
December 23, 1998
Basin 5 Common Drainage Facilities

FINANCIAL CONSIDERATIONS

The agreement has been signed by the Landowners and specifies that the common facilities will be financed from either cash contributions of the landowners, bonds proceeds, or other security mechanisms acceptable to the City. The estimated cost of the common facilities is \$4.5 million. On June 30, 1998, the City Council completed the formation of Community Facility District #2 for the financing of the common drainage facilities in Drainage Basin 5; and bonds were advertised for sale on December 16, 1998. The proceeds from the bond sale should be available after January 15, 1999.

ENVIRONMENTAL DETERMINATION

On May 3, 1994, the City Council approved the revised North Natomas Community Plan and certified the Supplemental EIR.

On August 29, 1995, the City Council approved both the Del Paso Road Planned Unit Development (P95-028), Office Building on Parcel #6 - Del Paso Road PUD (P95-096) and the Arena Corporate Center (P94-089) and ratified Negative Declarations for the projects.

On May 20, 1997, the City Council approved the North Natomas Comprehensive Drainage Plan for North Natomas and certified the project EIR.

On June 24, 1997, the City Council approved the Natomas Crossing PUD (P96-082) and ratified a Negative Declaration for the project.

On September 22, 1998 the Council ratified an addendum to the adopted Negative Declarations for Del Paso Road PUD, Arena Corporation Center, Natomas Crossing PUD and Office Building on Parcel #6. The ratified addendum was necessary to allow the City Council to adopt a resolution authorizing the City Manager and City Clerk to execute a construction contract with Kiewit for the construction of common drainage facilities in Drainage Basin #5. This contract was necessary to allow construction to begin prior to the rainy season and prior to receiving bond proceeds. The resolution, as adopted, allowed the City Manager and City Clerk to execute a contract to cover \$2.1 million in construction cost that would be realized between September 1998 and January 1999, and to execute, after bond proceeds have been received, the full contract with Kiewit in the amount \$4.4 million.

City Council
December 23, 1998
Basin 5 Common Drainage Facilities

The Planning Division has now reviewed the drainage agreement for compliance with the requirements of the California Environmental Quality Act (CEQA) and found it falls within the scope of the Addendum to the Negative Declarations for Del Paso Road PUD, Arena Corporation Center, Natomas Crossing PUD and Office Building on Parcel #6. This addendum was adopted in conjunction with the award of the construction contract for the common drainage facilities for Drainage Basin 5 Common. No further determination is required.

POLICY CONSIDERATIONS

The drainage agreement is consistent with the City Council's adoption of the North Natomas Comprehensive Drainage Plan and the goal of North Natomas Community Plan to promote development in North Natomas.

MBE/WBE

Not applicable since no goods or services are being purchased.

Respectfully submitted,



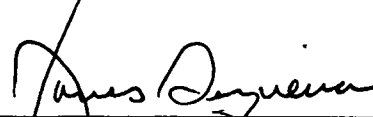
Gary A. Reents
Engineering Services Manager

RECOMMENDATION APPROVED:



William H. Edgar
City Manager

APPROVED:



James G. Sequeira
Director of Utilities

APPROVED
BY THE CITY COUNCIL

JAN 12 1999

RESOLUTION NO.

99-014

OFFICE OF THE
CITY CLERK

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING THE CITY MANAGER AND CITY CLERK TO SIGN A DRAINAGE AGREEMENT FOR FINANCING THE CONSTRUCTION OF THE COMMON DRAINAGE FACILITIES FOR NORTH NATOMAS DRAINAGE BASIN 5 (JN: 4825)

WHEREAS, on May 20, 1997, the City Council adopted the North Natomas Comprehensive Drainage Plan; certified the adequacy of the Final Environmental Impact Report prepared in connection with the Plan (Final EIR), adopted Findings of Fact and a Statement of Overriding Considerations, and approved a Mitigation Reporting Program for the project; and

WHEREAS, on September 22, 1998, the City Council awarded the contract for the construction of a portion of the common drainage facilities for Drainage Basin 5; and

WHEREAS, the City Council by awarding a contract for the construction of Basin 5 common drainage facilities as identified in the Basin 5 Drainage Master Plan is consistent with the North Natomas Comprehensive Drainage Plan, which would implement drainage needs for this drainage basin within the North Natomas Community Plan area; and

WHEREAS, the environmental impacts of the proposed drainage agreement fall within the scope of the addendum to the Negative Declaration adopted by the City Council which approved the award of the construction contract for a portion of the and detention basin construction are within the scope of analysis contained in the Negative Declaration and Final EIR.

THEREFORE BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

The City Manager and City Clerk are authorized the sign the drainage agreement securing the funding for the construction of common drainage facilities in North Natomas Drainage Basin 5.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. : _____

DATE ADOPTED: _____