



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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Consent
June 17, 2008

**Honorable Mayor and
Members of the City Council**

Title: Agreement: State Trade Corridor Improvement Funds (CF48/T15029005)

Location/Council District: Downtown Railyards, Central City, District 1.

Recommendation: Adopt a **Resolution** authorizing the City Manager or designee to execute various agreements with the California Transportation Commission and California Department of Transportation.

Contact: Hinda Chandler, Senior Architect, (916) 808-8422; Fran Halbakken, Operations Manager, (916) 808-7194

Presenters: None

Department: Transportation

Division: Office of the Director

Organization No: 3416

Description/Analysis

Issue: The City was awarded \$20 million in State Trade Corridor Improvement Funds (TCIF) toward relocation of the railroad tracks through the downtown Railyards. Execution of baseline agreements is the first step necessary to move ahead with the project.

Policy Considerations: The action requested is consistent with the City of Sacramento Strategic Plan goal of enhancing livability.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a "project" as defined by CEQA [CEQA Guidelines Sections 15061 (b) (3); 15378 (b) (2)]. Activities funded in part or whole with grant funds will undergo appropriate environmental review.

Sustainability Considerations: Relocation of the tracks will contribute to the development of the Sacramento Intermodal Transportation Facility and improving opportunities for public transit and passenger rail operations.

Commission/Committee Action: None.

Rationale for Recommendation: Execution of this agreement is necessary to continue work on the Track Relocation project.

Financial Considerations: Total funding for the Track Relocation project (CF48/T15029005) is estimated to be approximately \$50 million. The City has programmed \$2.9 million in local funds toward the environmental review and track relocation design. The City applied for and has been recommended to receive \$20 million in TCIF funds as part of the State's Proposition 1B program. A future report will be brought forward to appropriate this funding.

These funds require a one to one match of non-State funds. To provide that, staff proposed to use Federal Railroad Administration (FRA) funds. The City was earmarked \$392,000 of the Section 9002 FRA funds in FY2008 and will be applying for an additional \$19.6 million in FRA funds for this project. Future reports will be brought forward to appropriate this funding when it becomes available.

The balance of the funding will be sought through sources that include additional federal funding programs, a separate Prop 1B program, developer participation (per an approved agreement) and Measure A.

Emerging Small Business Development (ESBD): Not applicable at this time.

Respectfully Submitted by: *Abdellah Deherby*
for Francesca L. Halbakken
Operations Manager

Approved by: *Jerry Way*
Jerry Way
Director of Transportation

Recommendation Approved:

Ray Kerridge
for Ray Kerridge
City Manager

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Attachment 1

Background Information:

An initial phase of the Sacramento Intermodal Transportation Facility (SITF) project is to relocate and straighten the mainline Union Pacific freight and passenger rail tracks that pass through the Sacramento Railyards and serve the Sacramento Valley Station. These improvements will allow for increased capacity for both freight trains and passenger service on the shared Union Pacific line between Nevada and the Sacramento region, with additional benefits to Amtrak Capitol Corridor service between the San Francisco Bay Area and Sacramento.

In addition to capacity improvements, separating freight and passenger rail enhances safety. The track relocation also addresses security concerns by moving the rail line further from the adjacent federal courthouse.

In December 2006, City Council approved the Track Finance Agreement between the City and Thomas Enterprises that provided for the City to be responsible for \$40 million of project cost with the balance to be shared by Thomas Enterprises and the City.

In December 2007, the City Council certified the Railyards Specific Plan Environmental Impact Report (EIR) and approved the Railyards Specific Plan and development project. The track relocation and SITF were included in the EIR at a project specific level and programmatic level, respectively. The City has initiated environmental review of the SITF and track relocation and the track relocation design with \$2.9 million in local funding.

The total track relocation project is estimated to cost approximately \$50 million. The City applied for and received \$20 million in TCIF funds as part of the State Proposition 1B program. To provide the required one to one match for these funds, the City was earmarked \$392,000 of Section 9002 Federal Railroad Administration (FRA) funds in 2007 and will be applying for an additional \$19.6 million in FRA funds.

Additional funding will be obtained from other federal funding programs, a separate Prop 1B program, developer participation (per an approved agreement) and Measure A.

RESOLUTION NO.

Adopted by the Sacramento City Council

**AUTHORIZE AGREEMENT FOR THE STATE TRADE
CORRIDOR IMPROVEMENT FUNDS (CF48 / T15029005)**

BACKGROUND

- A. The City was awarded \$20 million in State Trade Corridor Improvement Funds (TCIF) toward track relocation. An agreement needs to be established with the California Transportation Commission and California Department of Transportation for programming those funds.

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

- Section 1. The City Manager or designee is authorized to execute various Agreements as required with the California Transportation Commission and California Department of Transportation to allocate Trade Corridor Improvement Funds (TCIF) funds (Fund 512 / 3704) to the Track Relocation project (CF48 / T15029005).
- Section 2. The City will provide for matching funding for the project through pursuit of federal funds and dedication of Measure A local funds to address the balance of funding as needed.