



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

CONSENT
May 1, 2007

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

**Title: Agreement: I-5/Cosumnes River Boulevard Extension and Interchange
Project (PN: TV76)**

Location/Council District: Along Interstate 5, one mile south of Pocket
Road/Meadowview Road in the Pocket and Airport Meadowview Planning Areas.
Location Map – Exhibit A of Resolution. (District 7 and 8)

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute a
Design Funding Agreement with M & H Realty Partners VI and SunCal Delta Shores,
LLC for the I-5 Cosumnes River Boulevard Extension and Interchange Project.

Contact: Saed Hasan, Senior Engineer, (916) 808-7923; Tim Mar, Supervising
Engineer, (916) 808-7531

Presenters: None

Department: Transportation

Division: Engineering Services

Organization No: 3434

Description/ Analysis

Issue: The project proposes to extend Cosumnes River Boulevard from its
westerly terminus at Franklin Boulevard to an at-grade intersection with Freeport
Boulevard (in the unincorporated town of Freeport), and construct a new
interchange at I-5. The Draft environmental document was released for public
comment on February 24, 2006. The final Environmental Impact Report project
approval is scheduled to be brought to the City Council for certification early
Summer 2007.

The developers of the Delta Shores development project, M & H Realty Partners
VI, California limited partnership, and SunCal Delta Shores, LLC, a Delaware
limited liability company (developers), wish to accelerate the project schedule and
to retain a consultant to perform preliminary and final engineering design services

for the project. The developers have proposed entering into an agreement to have the developers retain a consultant and assume the cost of developing preliminary and final engineering design of the project. The major business points of the Agreement are as follows:

- The developers will hire the highest ranked consultant(s) through the consultant selection process already completed by the City.
- All project design work to be performed by the consultant is to be at the City's sole discretion and approval.
- The City agrees to grant the developers a fair share credit, which is a credit against the amount of the developer's fair share payment of the Project's total cost. The City will utilize its best efforts to establish a public funding mechanism and/or development fee applicable to land which will benefit from the Project and which will be the basis for granting the fare share credit.

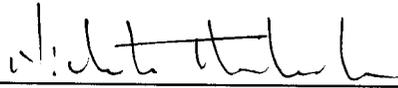
Policy Considerations: The proposed City Council action is consistent with the City's Strategic Plan goals of achieving sustainability, and enhancing livability, and expanding economic development throughout the city.

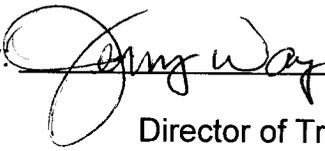
Environmental Considerations: The requested action is not subject to the provisions of the California Environmental Quality Act (CEQA) under the general rule (Section 15061 (b)(3)) that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The Project's final design will be consistent with Final approved Environmental Impact Statement/Final Environmental Impact Report (EIS/EIR).

Rationale for recommendation: The Design Funding Agreement (Agreement) will accelerate project design by three (3) months and possibly more if the project approval is delayed. The Agreement will also free existing project funds for partially funding the utility relocation and right of way needed for the project.

Financial Considerations: The current project budget is \$6,855,254. As of March 23, 2007, the I-5/Cosumnes River Boulevard Extension Project (PN: TV76) has an unobligated balance of \$4,740,124. This amount is adequate to cover City staff costs to oversee the project design.

Emerging Small Business Development (ESBD): None, since no goods or services are being procured with this action. However, in the event that the City has to assume the Consultant contract, as per certain provisions of the Agreement, the City will use federal funds to pay consultant fees. Federal funding rules require voluntary Disadvantaged Business Enterprise (DBE) participation and will be applied to the project. ESBE rules would be held in abeyance.

Respectfully Submitted by: 
Nicholas Theocharides
Engineering Services Manager

Approved by: 
Jerry Way
Director of Transportation

Recommendation Approved:


RAY KERRIDGE
City Manager

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Attachment 1**Background Information:**

The City of Sacramento, with the support of the Federal Highway Administration (FHWA), is proposing to construct the Interstate 5 (I-5)/Cosumnes River Boulevard Interchange Project. The project would create a new regional connection between Franklin Boulevard and Freeport Boulevard and would alleviate traffic congestion in the south area of the City of Sacramento. The purpose of the project is to provide route continuity and improve circulation in south Sacramento, reduce existing congestion and future congestion along existing roads and interchanges along I-5, improve safety, provide improved medical and emergency vehicle response times in the project area, and improve air quality by reducing overall vehicle miles of travel and vehicle hours of travel in the project area. The project would accommodate future development of the project area both west and east of I-5 in accordance with the land uses in the adopted City General Plan.

The draft environmental document was released to the public on February 24, 2006 and the final approvals of the Project are expected to be brought forward to City Council in early summer of 2007. On July 28, 2006, the City issued a Request for Proposal (RFP) to prepare the Project design. Based on submitted proposals and interviews, staff ranked Mark Thomas and Company, Inc. and HDR Engineering, Inc. as the highest ranked firms. The Developers of Delta Shores (Developers), M & H Realty Partners VI, California limited partnership, and SunCal Delta Shores, LLC, a Delaware limited liability company, wish to accelerate the Project schedule and are willing to retain and fund hiring a Consultant to perform preliminary and final engineering design services for the Project. The proposed Agreement will allow the Developers to retain design consultant and fund the project design. This will free current Project funds to partially fund Project utilities relocations and right of way acquisition necessary for the project completion. On November 2, 2006, Developers submitted an application to the City to develop the approximately 800 acres of the vacant land in the vicinity of the Project, also known as the Delta Shores.

The Agreement stipulates that City will grant Developers a Fair Share Credit, which is a credit against the amount of the Developers' Fair Share Payment of the total project cost. The Fair Share Credit will be equal to the amount the Developers have paid, or a lesser amount as determined by the City as the proper payment amount, under the Consultant Contract. The Agreement does not obligate the City to approve the Project or commence construction of the Project. In the event there is no Project Approval prior to completion of the work under the Consultant Contract, then City will have no obligation to grant Developers any Fair Share Credit or to otherwise reimburse Developers for consultant fees. Either the City or Developers may terminate the Agreement. Under such conditions, the City has the right to assume the consultant contract. All work to be performed by the consultant will be subject to the City's approval.

RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZING THE CITY MANAGER TO EXECUTE FUNDING DESIGN AGREEMENT WITH M & H REALTY PARTNERS VI AND SUNCAL DELTA SHORES, LLC FOR THE I-5 COSUMNES RIVER BOULEVARD EXTENSION AND INTERCHANGE PROJECT (PN: TV76)

BACKGROUND

- A. On May 29, 2001, the City commenced preparing the environmental document for the I-5/Cosumnes River Boulevard Extension and Interchange Project (PN: TV76).
- B. The Developers of Delta Shores (Developers), M & H Realty Partners VI and SunCal Delta Shores wish to accelerate the Project schedule and are willing to retain and fund hiring a Consultant to perform preliminary and final engineering design services for the Project. All Project Design work to be performed by the consultant is to be at City's sole discretion and approval.
- C. The City agrees it will grant Developers a Fair Share Credit, which is a credit against the amount of the developers Fair Share payment of the Project's total cost. The City will utilize its best efforts to establish a public funding mechanism and/or development fee applicable to land which will benefit from the Project and which will be the basis for granting the fair share credit.
- D. The Agreement will also free existing Project funds to be used for partially funding utility relocations for the project and right of way.

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

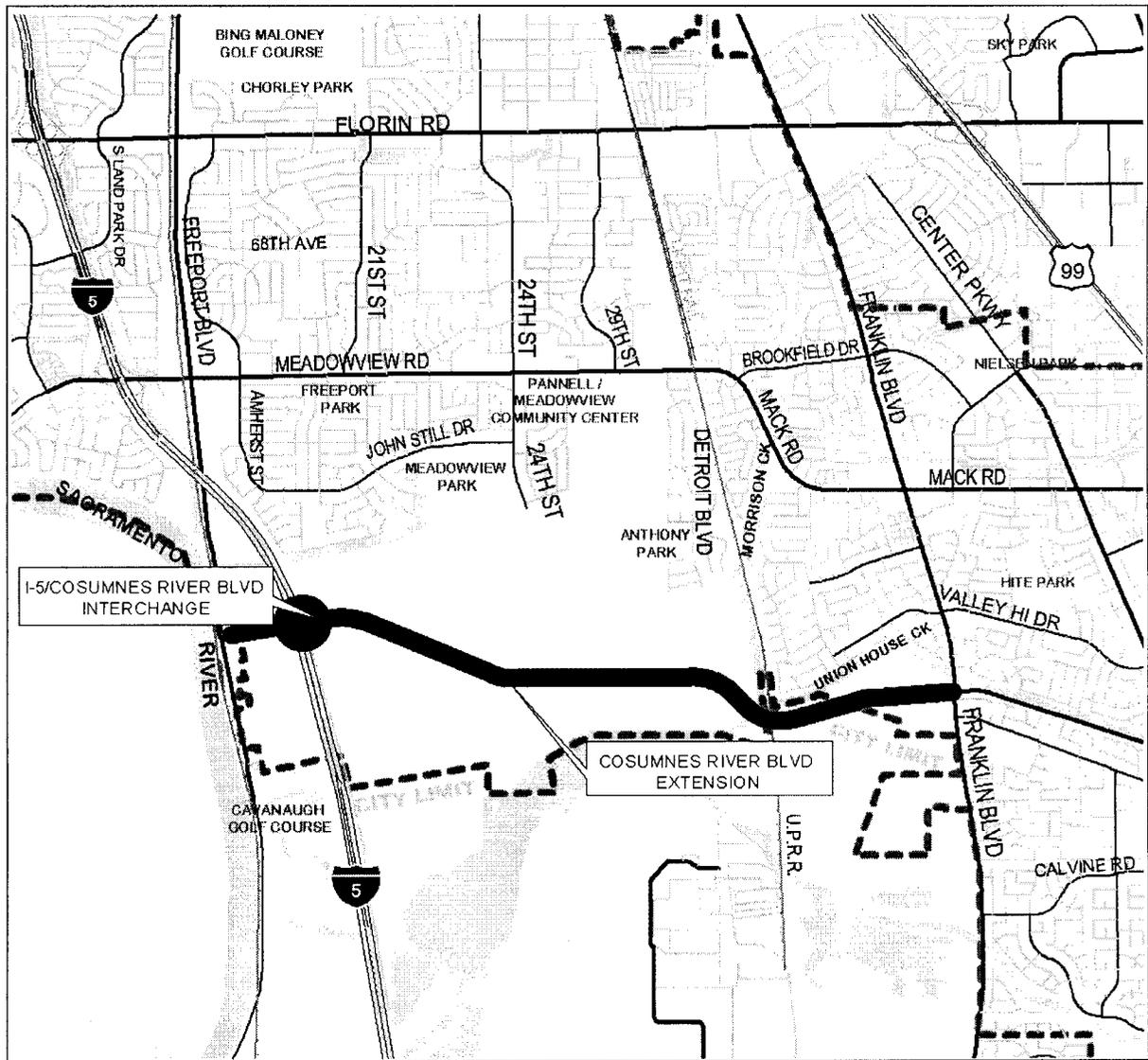
- Section 1. The City Manager is authorized to execute a Funding Design Agreement with M & H Realty Partners VI and SunCal Delta Shores, LLC for the I-5 Cosumnes River Boulevard Extension and Interchange Project (PN: TV76).

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- Exhibit A: Map of I-5/Cosumnes River Boulevard Extension and Interchange Project (PN: TV76)

EXHIBIT A

Location Map for
Cosumnes River Boulevard Extension
and Interchange Project (PN: TV76)



Department of
TRANSPORTATION
City of Sacramento

Map Contact: S.Tobin
Map Date: Jan, 2007

1000 0 1000 2000 Feet

