

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

REGULAR MEETING

JANUARY 15, 2002

The Regular Meeting of the Sacramento City Council was called to order by Mayor Fargo at 2:09 p.m. on the above date in the City Council Chamber located at 915 I Street.

ROLL CALL

Present: Council Members Cohn, Hammond, Jones, Pannell, Sheedy, Tretheway, Waters, Yee and Mayor Fargo

Absent: None

1.0 SPECIAL PRESENTATIONS/GENERAL COMMUNICATIONS

1.1 Proclamation declaring the month of January, 2002, as "Mentor Month"

Mayor Fargo made the presentation to Karen Rothstein, of the Community in Schools Quality in Mentoring Program. Ms. Rothstein introduced representatives from mentoring programs and spoke of the need for more mentors. The mentoring hotline is 1-800-273-3133.

Council Member Cohn asked for a report back on the City's mentoring program goals.

2.0 CONSENT CALENDAR (Items 2.1 through 2.14)

A motion was made by Council Member Waters, seconded by Council Member Hammond to waive the reading and adopt the Consent Calendar, Items 1.1 through 2.14. The motion carried with a 9-0 voice vote.

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Public Review Items - Informational Only

None

Sacramento Housing and Redevelopment

2.1 THIS ITEM MOVED TO S.H.R.A. STAFF REPORTS, ITEM 5.4

City Council Items

2.2 Professional Services Supplemental Agreement to City Manager Agreement 2000-242 for additional tasks necessary to complete the Environmental Impact Report for 65th Street Transit Village Project, located on 50 acres bounded on the west by 61st Street, on the north by the UP Rail Line and Folsom Boulevard, on the east by UP Rail Line and to the south by US Highway 50. (D-3,6)

Adopted Resolution 2002-012

RESOLUTION 2002-012

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A SUPPLEMENTAL PROFESSIONAL SERVICES AGREEMENT WITH EDAAW, INC. IN THE AMOUNT OF \$10,201.00 TO CONDUCT THE ADDITIONAL TASKS NECESSARY TO COMPLETE THE 65TH STREET TRANSIT VILLAGE PROJECT

2.3 Approval of Consultant and Professional Services Agreement with Simpson Sumpertz and Heger, Inc. for a sum not to exceed \$198,000 for the structural retrofit analysis and due diligence survey for the Southern Pacific Depot and Railway Express Agency Building (PN:CF40), located on Fifth and I Streets. (D-1)

Item continued to January 29, 2002

2.4 Heating/Air Conditioning and Ventilation System (HVAC) upgrade contract at the Crocker Art Museum. (D-1)

- A. Approve the plans and specifications;
- B. Authorize and direct the City Manager to execute a contract in the amount of \$960,000 and award the contract to the lowest responsible bidder, Airco Mechanical Inc.

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Adopted Resolution 2002-013 adopting Contract 2002-007

RESOLUTION 2002-013

A RESOLUTION AWARDING A CONTRACT FOR
THE HVAC SYSTEM MAINTENANCE UPGRADE
AT THE CROCKER ART MUSEUM

- 2.5 Consultant Services Agreements for Construction Inspection Services with Western Integrated Networks (JN:P424) - approval of three consultant services agreements with Salaber Associates, Vali Cooper and Associates and Entranco in the amounts of \$400,000 each. (D-All)
-

Adopted Resolution 2002-014 approving Agreements 2002-005, 006, and 007.

RESOLUTION 2002-014

RESOLUTION APPROVING CONSULTANT
SERVICES AGREEMENTS FOR INSPECTION
SERVICES (WESTERN INTEGRATED
NETWORKS JN:P424) WITH SALABER &
ASSOCIATES, ENTRANCO, AND VALI
COOPER AND ASSOCIATES

- 2.6 **THIS ITEM MOVED TO STAFF REPORTS, ITEM 4.2**
-

- 2.7 Florin Reservoir Improvement Project (PN:ZH66), located at the Florin Reservoir Park on Power Inn Road between Florin Road and Elder Creek Road - approval of Consultant Services Agreement with Carollo Engineers for an amount not to exceed \$175,602. (D-6)
-

Adopted Resolution 2002-015 approving Agreement 2002-008

RESOLUTION 2002-015

RESOLUTION AUTHORIZING THE CITY
MANAGER AND CITY CLERK TO SIGN AND
EXECUTE A CONSULTANT SERVICES
AGREEMENT WITH CAROLLO ENGINEERS FOR
THE FLORIN RESERVOIR IMPROVEMENT
PROJECT (PN:ZH66) FOR AN AMOUNT NOT
TO EXCEED \$175,602.

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- 2.8 Request to open an application period for the Sacramento Housing and Redevelopment Commission (SHRA) to fill one (1) vacancy due to resignation. Category A - One to five members confirmed by the Mayor and City Council (non Housing Authority Member). (D-All)
-

This Item was withdrawn at staff's request.

- 2.9 **THIS ITEM MOVED TO STAFF REPORTS, ITEM 4.3**
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- 2.10 Sacramento Regional County Sanitation District Economic Development Treatment Capacity Bank Sewer Credits for Embassy Suites Hotel. (D-1)
-

Adopted Resolution 2002-016

RESOLUTION 2002-016

A RESOLUTION AWARDING ECONOMIC DEVELOPMENT TREATMENT CAPACITY BANK, HOUSING CONNECTION FEE CREDITS BY SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT (SRCSD) FOR THE EMBASSY SUITES HOTEL

- 2.11 Supplemental No. 6 to City Manager Agreement 98-366 with B. J. Foster Fire and Life Safety not to exceed a total contract value of \$210,000 for the Fire Protection Plan Review Contract Amendment. (D-All)
-

Staff recommendation adopted.

- 2.12 Miller Park Boat Launch Ramp Project (PN:LJ11), located at the Sacramento Marina - Change Order to CO2001-217 with MCM Construction. (D-4)
-

Staff recommendation adopted.

- 2.13 Ordinance adding Chapter 3.148 to Title 3 of the Sacramento City Code, relating to Predatory Lending. (D-All)
-

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This Item was continued to January 22, 2002.

- 2.14 Request to open an application period for the Joint City/County Accommodations for the Physically Handicapped Persons Appeals Board, One (1) position, Category A - Experiences in Construction. (D-All)
-

Application period was Opened: 1/15/02. Applications are due: 2/15/02.

3.0 **PUBLIC HEARINGS**

None

4.0 **STAFF REPORTS**

- 4.1 Support for high speed rail study environmental alternatives. (D-All)
-

Paul Blumberg, Senior Project Manager, described the many benefits the high speed rail train will bring to Sacramento. Locating the terminus at the intermodal center would be particularly beneficial, adding 5,200 passengers/day. The tracks will be along existing rails with grade separation at all intersections. The travel time from Sacramento to Los Angeles would be 2 hours and 9 minutes.

Carrie Pourvahidi, Deputy Director with the California High-Speed Rail Authority (HSRA), stated that the scoping and screening of alternative rail alignments and passenger station locations to be considered in the EIR/EIS has been completed. The two recommended station alternatives are the Sacramento Downtown Intermodal Station and the Power Inn Station. The two recommended rail alignment alternatives are the Union Pacific and the Central California Traction. The final Program EIR/EIS will be presented in December 2003.

Council Member Cohn stated that he had requested the item to be on the agenda because the Council needs to be involved in the planning. He suggested amending the resolution to support the Intermodal Station site more strongly and suggested presenting the resolution to the High Speed Rail Conference tomorrow morning.

Council Member Jones stated that he had not been briefed and would need more background before he could support the report.

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He asked for a split vote, however, because he could support the Intermodal Station alternative.

A motion was made by Council Member Cohn, seconded by Council Member Yee to support the downtown Sacramento Intermodal Station as the preferred terminus location. The motion carried with a 9-0 roll call vote.

A motion was made by Council Member Cohn, seconded by Council Member Yee to support the California High Speed Rail Authority's first draft screening report, part 2, as it pertained to Sacramento, dated November 20, 2001. The motion carried with a 8-0 roll call vote with Council Member Jones abstaining.

RESOLUTION NO. 2002-017 AMENDED

RESOLUTION OF SUPPORT FOR THE HIGH
SPEED RAIL ENVIRONMENTAL
ALTERNATIVES

4.2 THIS ITEM MOVED FROM CONSENT CALENDAR, ITEM 2.6

7th Street Extension Project (PN:TH26) - requesting City Council authority to advertise the project for construction, approval of the plans and specifications, approval of cooperative agreement with SMUD for constructing new facilities, and approving the fund appropriation from SMUD in the amount of \$833,375 to the 7th Street Extension Project. (D-1)

- A. Request City Council authorize staff to advertise the project for construction bids;
- B. Approve the Plans and Specifications;
- C. Approve the attached Cooperative Agreements with SMUD in the amount of \$833,375 for construction new facilities as part of the 7th Street Extension Project;
- D. Approve the fund appropriation from SMUD in the amount of \$833,375 to the 7th Street Extension Project.

Nader Kamal, Senior Engineer, described the significant construction issues associated with the project that cannot be reasonably predetermined:

- Groundwater - The groundwater may have organic and chemical contaminants. The underpass will require an excavation to 30 to 35 feet below existing ground and groundwater will be encountered.
- Contaminated Soil - the surface and subsurface soils

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within the Railyards are known to contain various hazardous and toxic materials. If contaminated soils are found within the City right-of-way outside the Railyard, then it is the City's responsibility to remove them.

- Archaeological - Archaeologically Sensitive Areas have been defined and some archaeological excavation will be conducted prior to any construction work. There is a possibility that additional historical artifacts will be discovered during construction requiring additional monitoring and treatment.

Council Member Cohn stated that he had to abstain from this item because it involved SMUD.

Council Member Hammond asked for a report back on the progress of the Railyard and Curtis Park cleanup.

Public Testimony:

Connie Miottel, of the Capitol Station Association, supported the project and complimented staff on their efforts.

A motion was made by Council Member Tretheway, seconded by Council Member Sheedy to adopt the Resolution approving Agreement 2002-009. The motion carried with a 8-0 voice vote with Council Member Cohn abstaining.

RESOLUTION 2002-018

REQUESTING CITY COUNCIL AUTHORITY TO ADVERTISE THE PROJECT FOR CONSTRUCTION, APPROVAL OF THE PLANS AND SPECIFICATIONS, APPROVAL OF COOPERATIVE AGREEMENT WITH SMUD FOR CONSTRUCTION NEW FACILITIES, AND APPROVING THE FUND APPROPRIATION FROM SMUD IN THE AMOUNT OF \$833,375 TO THE 7TH STREET EXTENSION PROJECT

4.3 THIS ITEM MOVED FROM CONSENT CALENDAR, ITEM 2.9

Professional Services Agreement for the 7th Street Extension Project, located on 7th Street between E and Richards Boulevard, Environmental Oversight Authority (EOA). (D-1)

Grace Hovey, Associate Planner, described the professional services agreement to be awarded to Anderson Consulting Group

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in the amount of \$305,000. The Downtown Railyards Environmental Oversight Program requires that an environmental expert be on site to deal with discoveries as they occur. This contract amount will not change no matter what is found.

A motion was made by Council Member Tretheway, seconded by Council Member Hammond to adopt the Resolution approving Agreement 2002-010. The motion carried with a 8-0 voice vote with Council Member Cohn absent.

RESOLUTION 2002-019

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH ANDERSON CONSULTING GROUP IN THE AMOUNT OF \$305,000 TO PROVIDE ENVIRONMENTAL OVERSIGHT AUTHORITY (EOA) SERVICES FOR THE 7TH STREET EXTENSION PROJECT TH26.

5.0 SHRA

Public Hearing

- 5.1 Approval of Natomas Park Apartments, located South of Club Center Drive and East of Danbrook Drive in North Natomas - tax-exempt bond proposal and agency loan. (D-1)
- A. Indicate the willingness of the Housing Authority of the City of Sacramento to issue \$18,915,000 in tax-exempt mortgage revenue bonds to provide acquisition, construction, and permanent financing for the Natomas Park multi-family rental project located within the City of Sacramento;
 - B. Authorize an application to the California Debt Limit Allocation Committee (CDLAC) for allocation authority to issue the bonds;
 - C. Conduct a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing related to the proposed acquisition, construction, and permanent financing of the project;
 - D. Approve a \$1,000,000 HOME loan to St. Anton Capital, LLC for the Natomas Park Apartments and authorize the Executive Director to execute a loan commitment and related loan agreements;
 - E. Authorize the transfer of \$600,000 from City HOME (revolving loan) funds and \$400,000 from the 2002 multi-

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family City HOME funds to the Natomas Park Apartments project.

Darren Bobrowsky, Program Manager, stated that the project is a 212 unit multi-family, mixed-income apartment complex in the new North Natomas community. The developer has proposed that 92 (43%) of these units be made affordable to households making 60% or below area median income and with 20% of the units be affordable to households making 50% or below area median income.

Staff recommends tax-exempt mortgage revenue bonds and City HOME funds as a source of financing for acquisition and construction, and as permanent financing for the project.

Steve Eggert, representing the developer, described the project. It has swimming pools, club houses, and washer/dryer hookups. It has been approved by the Natomas Community Association.

A motion was made by Council Member Tretheway, seconded by Council Member Jones to adopt the Resolutions. The motion carried with a 9-0 voice vote.

RESOLUTION 2002-020

APPROVAL OF THE ISSUANCE OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN RELATED ACTIONS

RESOLUTION HA2002-001

DECLARATION OF INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN RELATED ACTIONS

RESOLUTION 2002-021

NATOMAS PARK APARTMENTS: APPROVAL OF \$1,000,000 DEVELOPMENT LOAN; EXECUTION OF LOAN COMMITMENT, LOAN AGREEMENT, AND RELATED DOCUMENTS WITH ST. ANTON CAPITAL, LLC., A CALIFORNIA LIMITED LIABILITY COMPANY; RELATED BUDGET AMENDMENT

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- 5.2 18th and L Street Mixed Use Development - Tax Exempt Bond Financing, Amendments to Owner Participation Agreement. (continued from 1/10/02, item 5.1). (D-3)
- A. Declaration of intention to reimburse expenditures from the proceeds of tax-exempt obligations and directing certain actions;
 - B. Approval of issuance of tax-exempt obligations and directing certain related actions.
-

Darren Bobrowsky, Program Manager, stated that this is a significant project that will develop a vacant, blighted site into a mixed use project with studios, and 1, 2, and 3 bedroom units. There will be secured underground parking, a fitness room, a roof top deck, a business center, a swimming pool and spa, laundry facilities, and ground floor retail.

The project will be ready for construction this spring if the financing is approved. Recent project changes include making 31 units very low income housing, extending affordability to 55 years instead of 30 years, reducing the Agency loan by \$500,000, and reserving .66 acres for future development.

Tom Downey, from San Francisco, described the financing and the percentage of very low income units. The project does comply with 1999 Notice of Funding Availability, the City's codes, and the Agency's Multi-Family Lending Guidelines. There is no need to add more assisted units.

Public Testimony:

Vito Saromo, of the Marshall School Neighborhood Association, supported the project.

Mayor Fargo stated that Karen Jacques of the Winn Park Association, had sent in an e-mail supporting the project.

A motion was made by Council Member Cohn, seconded by Council Member Sheedy to adopt the Resolutions. The motion carried with a 9-0 roll call vote.

RESOLUTION RA2002-001

DECLARATION OF INTENTION TO
REIMBURSE EXPENDITURES FROM THE
PROCEEDS OF TAX-EXEMPT OBLIGATIONS
AND DIRECTING CERTAIN ACTIONS

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RESOLUTION 2002-022

APPROVAL OF ISSUANCE OF TAX-EXEMPT
OBLIGATIONS AND DIRECTING CERTAIN
RELATED ACTIONS

Staff Reports

- 5.3 Selection of the CIM Group and authorization to negotiate exclusively for 150 days the terms of a disposition and development agreement for the development of 10th and K Project site, located on the Southeast corner of 10th and K Streets. (D-1)

Traci Michel, Senior Management Analyst, stated that this project is the former Woolworth Building on the K Street Pedestrian Mall. It is considered key to downtown development. Project concepts include ground-floor and lower level promotional retail and a destination restaurant and/or a state-of-the-art multi-screen Cineplex. There will also be a minimum of 20 live/work style loft apartments on the upper floors.

The CIM Group was chosen because of their experience with the product type, prior relationship with key tenants, evidence of financial resources, and track record on previous projects.

If the milestones are not met, the Agency will terminate the agreement. A deposit will be required to cover 3rd party expenses.

Mr. Gibbon, of CIM, described the project.

A motion was made by Council Member Tretheway, seconded by Council Member Yee to adopt the Resolution. The motion carried with a 9-0 roll call vote.

RESOLUTION RA2002-002

DEVELOPER SELECTION AND
AUTHORIZATION FOR STAFF TO NEGOTIATE
EXCLUSIVELY THE TERMS OF A PROJECT
PROPOSAL FOR EVENTUAL NEGOTIATION OF
A DISPOSITION AND DEVELOPMENT
AGREEMENT WITH CIM GROUP FOR THE
REDEVELOPMENT OF 1000 K STREET

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5.4 THIS ITEM MOVED FROM CONSENT CALENDAR, ITEM 2.1

Old Sacramento Ebner's Hotel Stabilization Project. (D-1)

- A. Amend RACS Resolution 2002-066 to delete provision two and proceed with awarding a contract to Westcon Construction Corporation to stabilize Ebner's Hotel;
- B. Amend the existing contract to include a \$25,000 bonus if the contractor is able to open the adjacent alley and sidewalk prior to opening day of the 2002 Jazz Jubilee;
- C. Allocate an additional \$25,000 from the Downtown Developer's Assistance Fund.

Laura Sainz, Senior Project Manager, stated that the bid was scheduled to be awarded at the December 18, 2001 meeting. However, Council asked if a penalty clause could be added to ensure that the sidewalk would be open for the Jazz Jubilee. The City's legal staff has advised that the penalty clause cannot be enforced. There are also life safety issues if the project is rushed.

Kevin O'Dell, of SHRA, stated that the timing for penalty clauses is critical. A penalty clause can be included as part of a bid or a change order can be made after a project is awarded. It cannot be added as the bid is awarded. The issue has been discussed with the contractor and he rejects the penalty clause. The contractor is willing to try to get the sidewalk open for the Jubilee. The penalty clause would not be enforceable.

Council Member Sheedy stated that she could not support the bonus clause because it is too much like changing the bid. She was also concerned about the safety issues.

Ms. Sainz stated that staff supported removing the incentive clause.

Council Member Waters asked for a report back on damage clauses in bids and other ways to ensure projects will be finished on time.

Council Member Sheedy suggested putting in a change order to change the scope of the project to speed it up.

A motion was made by Council Member Tretheway, seconded by Council Member Sheedy to adopt Item #1 of the Resolution on page 4 of the staff report but to remove items 2 and 3 regarding the bonus. The motion carried with a 9-0 roll call vote.

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RESOLUTION RA2002-003 AS AMENDED

OLD SACRAMENTO EBNER'S HOTEL
STABILIZATION PROJECT

6.0 REGIONAL ISSUES

6.1 Sutter Health Women/Child Care Center. (D-All) [Oral Report]

Tom Gaggen, from Sutter Medical Group, described the history of Sutter Memorial Hospital, Sutter General Hospital, their clinics, and their institutes. The new Master Site Plan will create a Sutter Health Women/Child Care Center to better meet the needs of the greater Sacramento area. Sutter Memorial Hospital will be closed in 2006 because it would be cost prohibitive to make it earthquake safe. Construction on the Care Center will begin in late 2003 and should finish in 2006.

Public Testimony:

Kristina McBurney, President of the Winn Park Neighborhood Association, supported the project.

This information was received and filed.

7.0 COUNCIL IDEAS AND QUESTIONS

7.1 Council Member Sheedy invited everyone to the Kick-off meeting of the Robla Park Community Association on Thursday, January 24, 2002. It will be at 7:00 p.m. at Taylor Elementary School, 4350 Taylor.

7.2 Council Member Sheedy stated that those who wanted to march in the Martin Luther King Junior March could meet at the Firehouse Community Association at 810 Grand at 7:30 a.m. on January 21, 2002. The Mutual Assistance Network of Del Paso Heights will provide a bus to City College.

7.3 Council Member Hammond added that the Martin Luther King Junior March will start at 7:30 from the Oak Park Community Center and continue to the west steps of the State Capital, gaining marchers at City College. At 10:00 a.m. there will be a short program on the west steps.

7.4 Council Member Hammond stated that there will be a Job Fair all day at the Convention Center on Monday, January 21, 2002. Regional Transit will be providing free bus passes.

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7.5 Council Member Pannell asked for a report back on the status of the wading pools that were closed, relocated, or replaced with a spray feature.

8.0 **CITIZENS ADDRESSING COUNCIL (MATTERS NOT ON AGENDA)**

None

9.0 Recessed into **CLOSED SESSION** at 5:02 p.m.

9.1 Pursuant to Government Code Section 54956.8 to grant authority to City's negotiators (City Manager or designee) concerning negotiations with owner Natomas Farms (Gregory Thatch, Attorney at Law) for matters related to the purchase of property located in Sacramento County, adjacent to and north of Elverta Road.

9.2 Pursuant to Government Code Section 54956.9(a) for matters pertaining to pending litigation in the following:

- A. East Sacramento Alhambra Corridor Neighborhood Association, et al., vs. City of Sacramento Sacramento Superior Court, Case No. 01CS0133
- B. Asahara vs. City of Sacramento, Federal Court, Eastern District, Case No. CIV S-01-0497 LKK GHH
- C. Gorman vs. Easley, 257 F.3d 738 (8th Cir. 2001)

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 5:58 p.m. in memory of Richard Kennedy.

Submitted



Valerie A. Burrowes, City Clerk

Approved



Heather Fargo, Mayor

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