



APPROVED
BY THE CITY COUNCIL

MAY 19 1998

OFFICE OF THE
CITY CLERK

1.16

**CITY OF SACRAMENTO
CALIFORNIA**

DOWNTOWN ENTERPRISE DEPARTMENT
DEVELOPMENT GROUP

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May 13, 1998

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: HISTORIC SACRAMENTO RAIL DEPOT

LOCATION AND COUNCIL DISTRICT: Downtown, District 1

STAFF RECOMMENDATION: Adopt the attached resolution expressing support for renovation of the Historic Sacramento Rail Depot.

CONTACT PERSON: Wendy Saunders, Downtown Department, 264-8196

FOR COUNCIL MEETING OF: May 19, 1998

SUMMARY:

The City's recent efforts to obtain state funding for renovation of the Historic Sacramento Rail Depot have been hampered by the plan to ultimately construct a new intermodal terminal at 7th and North B Streets. Approval of the attached resolution would acknowledge that significant hurdles currently preclude construction of a new intermodal terminal, and that the historic depot will remain the City's multimodal center for the foreseeable future.

COMMITTEE/COMMISSION ACTION: N/A

BACKGROUND:

Over the past year, the City has approached a number of public agencies for assistance in financing the renovation of the Historic Sacramento Rail Depot located at 4th and I Streets. The City's efforts to obtain financing, however, have been hampered by the intent, as expressed in the Railyards Specific Plan, to construct a new intermodal station. A number of significant financial and physical hurdles stand in the way of development of the new intermodal station in the near term. The need exists now, however, for an improved transit facility to serve current and projected transit ridership demands.

Issues Affecting Construction of a New Intermodal Station

The Railyards Specific Plan calls for construction of a new intermodal station at approximately 7th and North B Streets. Significant obstacles, however, stand in the way of development of that station. First,

completion of the new berm on which the Union Pacific mainline would be relocated is not expected until the year 2005. Even then, UP is not required to move the mainline to the berm until development on its property exceeds about 3.0 million square feet, which is the approximate equivalent of seven Wells Fargo buildings. Movement of the mainline tracks to the berm also requires UP investment of approximately \$9.5 million of its private capital. UP would be unlikely to expend this amount for rail relocation unless sufficiently profitable development proposals requiring relocation of the mainline were at hand.

In addition, significant development in both the Railyard and Richards areas must occur before funding for the new station is in place. Because both Caltrans and Amtrak object to relocation of the station, it is assumed that the station must be built without state or federal funding. (Caltrans and Amtrak officials argue that the station's proximity to Old Sacramento is of critical importance to the success of intercity rail service.) Thus, the Railyards/Richards/Downtown Financing Plan allocates about \$8.0 million in development fees to the 7th and North B intermodal station. The fees necessary for development of an \$8.0 million station will be available upon construction of between four and five million square feet of office space (about 60% Railyards, 40% Richards). Significant development must occur, therefore, in both the Railyards and Richards areas before the intermodal terminal station can be realized.

Current Need for Depot Improvement

The depot is the third busiest Amtrak station in California, serving about 500,000 passengers annually, with ridership expected to exceed one million by the year 2003. The Depot is a key link in California's intercity rail system, serving four round-trip Capitol Corridor trains per day from the San Francisco Bay Area. Two additional Capitol Corridor trains are planned to be added by the end of the year as well as two San Joaquin trains from Bakersfield. Amtrak also operates transcontinental and west-coast passenger trains through the facility. Extension of LRT service to the Depot in 1999 will link intercity service with light rail transit. Approximately 5,000 to 6,000 LRT passengers are expected to board or alight at the Depot per day. A Historic Trolley connecting several key downtown destination points is also planned to run on the LRT tracks.

The Sacramento Depot is a significant blight on the popular intercity rail service. The historic Italianate Depot structure is in need of significant repair. The structure is not seismically sound, all major mechanical and electrical systems are substandard, and it does not comply with the Americans with Disabilities Act (ADA). As a result, much of the Station is in disuse, and the upper floors are vacant. The site on which the Station is located is in poor repair, and automobile, pedestrian, and bus circulation routes are poorly delineated. Existing parking areas are pot-holed and barely serviceable, and the rail passenger platform is in need of improvement.

The Historic Sacramento Depot project includes redesign of the site surrounding the depot to separate private vehicles from public transit for better transit service and a safer pedestrian environment; landscape and hardscape aesthetic improvements; and better identification of pedestrian routes and transit user access points. The building would be brought up to current seismic, electrical, mechanical and ADA standards, and its architectural features would be restored to their historic grandeur. In addition, a limited amount of commercial uses would be introduced into the facility, including a major restaurant, a commuter coffee bar, pedestrian-oriented retail, and 2nd- and 3rd-floor offices.

The Historic Sacramento Rail Depot project will have significant public benefit in terms of transit ridership and economic development. The Federal Courthouse, to open this Fall, will create a population base that can help support both the public transit and commercial uses at the Depot facility; Old Sacramento and Downtown Plaza and their patrons are within striking distance; and LRT will be extended to the Depot in 1999. The

project will increase ridership on both intercity and LRT rail service, and will likely provide significant returns to the local economy.

While it is difficult to estimate the number of years before the UP mainline will be moved and a new intermodal constructed, the hurdles that stand in the way are significant and will not quickly be overcome. Given LRT extension to the depot and implementation of the Historic Trolley, the Depot is likely to serve public transit uses in perpetuity. In order to address the current need and avail itself of the benefits associated with renovation of the depot, the City must acknowledge that the historic depot will be the City's intermodal terminal for the foreseeable future and commit itself to preserving it in public transit use in accordance with requirements of funding agencies. Agreements with Union Pacific for use of the property, subject to Council approval, will provide such commitments.

Staff will return to Council within approximately 90 days to submit a report on the draft plan for renovation, including draft agreements with Union Pacific, a complete project description, estimated project cost, funding sources and phasing plans. The staff will also meet with community stakeholders to review and receive input on the project.

ENVIRONMENTAL ISSUES: N/A

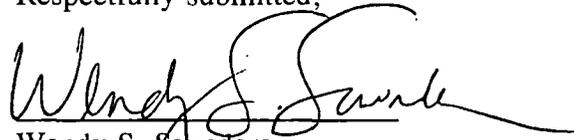
FINANCIAL CONSIDERATIONS: N/A

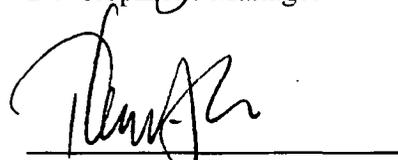
POLICY CONSIDERATIONS:

Approval of the attached resolution would acknowledge that the historic depot will serve as the City's multimodal transit center for the foreseeable future, which is in contrast to the intentions expressed in the Railyards Specific Plan. Like anticipated Council decisions regarding extension of 7th Street, this action would articulate the Council's position that, while approved planning documents may express the City's long-term vision, actions that deviate from those plans may be required in the short term to encourage redevelopment and address critical needs.

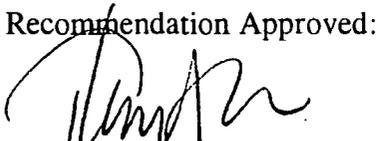
MBE/WBE: N/A

Respectfully submitted,


Wendy S. Saunders
Development Manager


Thomas V. Lee
Deputy City Manager

Recommendation Approved:


WILLIAM H. EDGAR
City Manager

APPROVED
BY THE CITY COUNCIL

RESOLUTION NO. 98-189

MAY 19 1998

ADOPTED BY THE SACRAMENTO CITY COUNCIL

OFFICE OF THE
CITY CLERK

ON DATE OF _____

**RESOLUTION EXPRESSING SUPPORT FOR THE
HISTORIC SACRAMENTO RAIL DEPOT RENOVATION PROJECT**

WHEREAS, in 1994, the City of Sacramento adopted the Railyards Specific Plan, which calls for construction of a new intermodal station at 7th and North B Streets; and

WHEREAS, significant financial and physical hurdles preclude near-term development of the new intermodal station; and

WHEREAS, Regional Transit, with the City's encouragement, will invest approximately \$12.5 million to extend light rail transit service to the Historic Sacramento Rail Depot within the next two years;

WHEREAS, increased intercity rail ridership and anticipated light rail ridership require that Sacramento improve the Historic Sacramento Rail Depot to address current facility deficiencies and to encourage and enhance transit ridership; and

WHEREAS, improvement of the Historic Sacramento Rail Depot will encourage new development in the Richards Boulevard Redevelopment Project Area, improve connections between Old Sacramento and the Central Business District, and result in restoration of an architecturally significant structure listed on the National Register of Historic Places;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. The City supports improvement the Historic Sacramento Rail Depot to enhance its function as a regional serving multimodal transit center serving light rail, intercity rail, and regional and intercity bus transit services.

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____

Section 2. The City supports restoration of the Historic Sacramento Rail Depot so that this valuable architectural and historic City asset, which is listed on the National Register of Historic Plance, may be preserved.

Section 3. The City supports renovation of the Historic Sacramento Rail Depot so that it may serve as an economic development catalyst for the Richards Boulevard Redevelopment Project Area, and support the City's investments in Old Sacramento, the new U.S. Federal Building and the Merged Downtown Redevelopment Project Area.

Section 4. The City acknowledges that the Historic Sacramento Rail Depot is Sacramento's multimodal transit center for the foreseeable future; and

Section 5. The City shall aggressively seek public funding for this key public transit project, and hereby states its commitment to preserve the Historic Sacramento Rail Depot for public transit service a period of time which is no less than the useful life of the improvements made to the facility with public funds.

MAYOR

ATTEST:

CITY CLERK

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RESOLUTION NO.: _____

DATE ADOPTED: _____