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OFFICE OF THE
CITY MANAGER

OFFICE OF ECONOMIC DEVELOPMENT

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 100
915 I STREET
SACRAMENTO, CA
95814-2696

February 23, 1994

916-264-7730
FAX 916-264-7618

APPROVED
BY THE CITY COUNCIL

MAR 1 1994

OFFICE OF THE
CITY CLERK

AG94-033

City Council
Sacramento California

Honorable Members:

Subject: Execute Agreement with Southern Pacific Transportation Company to accept transfer of property to consolidate city-block for the proposed Federal Courthouse Project at 5th and "I" Street

LOCATION AND COUNCIL DISTRICT:

City-block bounded by 5th, 6th, H and I Streets. District 1.

RECOMMENDATION:

Authorize the City Manager to execute an agreement with the Southern Pacific Transportation Company to accept property in order consolidate a full City block on 5th and "I" Streets for the U.S. Government to construct a Federal Courthouse.

CONTACT PERSON:

Bill Farley, Economic Development Manager, 264-7730

FOR COUNCIL MEETING:

March 1, 1994

SUMMARY

On June 4, 1992 the City Council approved the consolidation of the subject property for the proposed Federal Courthouse and directed staff to prepare the necessary agreements. Since the time of Council approval, the project has been delayed by routine budget reviews and a special review conducted by the Office of the Vice President. In December 1993, the proposed project cleared the review by the

Vice President and Congressional budget committees. The recommended agreement with Southern Pacific Transportation Company (SPTCo) to transfer property to the City is the first step in the process of transferring the full city-block to the U.S. Government.

COMMITTEE/COMMISSION ACTION: None.

BACKGROUND

In the spring of 1992 the General Services Administration of the U.S. Government announced that they were considering locating a new Federal Courthouse in the Sacramento region. On April 21, 1992 Council directed staff to prepare a proposal to the U.S. Government to facilitate locating this proposed project on City property at 5th and "I" Streets. On June 9, 1992 the City Council adopted a formal proposal to the U.S. Government.

As a result of the offer extended by the City of Sacramento, the General Services Administration initiated various design studies and environmental reviews to expedite the project. At this time the U.S. General Services Administration has:

- Agreed to purchase the property for \$2.485 million in exchange for the City completing various improvements to make the site ready for development.
- Released a Draft Environmental Impact Statement on the proposed project
- Executed a design contract with Nacht and Lewis Architects
- Completed the conceptual design of the building
- Received all necessary budget approvals from Congress for the project
- Reviewed and approved excavation guidelines that will be imposed on the site by the State Department of Toxic Substance Control.

City staff and SPTCo have worked closely with GSA over the past year to ensure that toxic issues with the site do not impact the proposed project. To accomplish this, staff:

- Completed a soil testing program on the site to specifications approved by DTSC in order to properly characterize the condition of the soil (no serious problems were identified).
- Developed and received approval from DTSC for a contingency plan on the site in the unlikely event that contaminated soil was discovered during excavation.
- Provided information to DTSC to support placement of ground-water monitoring wells outside the property lines of the proposed site - per the request of GSA.
- Developed a deed restriction for the site that was acceptable both to DTSC and GSA.

Concurrent with the above activities, the City has had continuous meetings with the property acquisition staff at GSA to prepare the necessary legal agreements to transfer the full city block to GSA. It was necessary to complete this transfer agreement so that SPTCo could review the document before it transferred its property to the City.

The subject transfer agreement between SPTCo and the City is the first step in completing the transfer of property to GSA. The proposed agreement:

- Transfers SPTCo right-of-way to the City for realignment of 5th and H Streets
- Transfers SPTCo property to the City for consolidation of a full city-block that must be transferred to the U.S. Government for construction of a Federal Courthouse
- Provides for the joint-development of the property (with SPTCo as the lead) in the event that the U.S. Government does not elect to close escrow on the site.
- Provides that proceeds from the transfer of the consolidated parcel will be used for improvements that directly benefit the Federal Courthouse project and the Southern Pacific Railyard project.

The property being transferred from SPTCo to the City is identified in Exhibit A. A copy of the entire agreement is on file with the City Clerk.

POLICY CONSIDERATIONS

Accepting the transfer of property from SPTCo with the various conditions is consistent with the original business terms approved by Council in 1992.

The proposed project will support the economic development objectives of the City Council by bringing much needed construction jobs to the region within the next two years. After the project is completed, the 1,600 employees that will occupy the building will support the:

- Expanding retail activity on "J" and "K" Streets
- Cultural activities planned by the Downtown District
- Light Rail service planned for 7th Street

Relocating the existing Federal Courthouse from Capitol Mall to 5th and "I" will also allow the U.S. Government the opportunity to back-fill that building with agencies that occupy office space in outlying areas.

FINANCIAL DATA

The legal costs associated with this project will be fully reimbursed from the sale proceeds from the site.

MBE/WBE

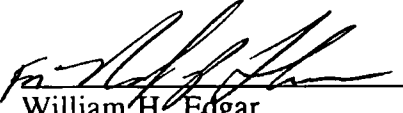
Not applicable.

Respectfully submitted,



Bill Farley
Economic Development Manager

Recommendation Approved:



William H. Edgar
City Manager



RESOLUTION NO. 94-127

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT ACCEPTING THE TRANSFER OF REAL PROPERTY FROM SOUTHERN PACIFIC TRANSPORTATION COMPANY

Be it Hereby Resolved by the City Council that:

The City Manager is authorized to execute an agreement with the Southern Pacific Transportation Company to accept property in order consolidate a full City block on 5th and "I" Streets for the U.S. Government to construct a Federal Courthouse.

ON THIS _____ DAY OF _____ 1994

MAYOR

ATTEST:

CITY CLERK

[Faint, illegible text]

APPROVED
BY THE CITY COUNCIL
MAR 1 1994
OFFICE OF THE
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

980-004

M. O. P.

1980-004



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CITY CLERKS OFFICE
CITY OF SACRAMENTO

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OFFICE OF ECONOMIC DEVELOPMENT

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AG 94-033 9.3
94-034 9.4

March 10, 1994

MEMORANDUM

TO: Val Burrowes
FROM: Bill Farley *BF*
SUBJECT: Execution of Agreements

*Aug 1st 94
debt
line*

The agreements approved by City Council on March 1 to:

- Accept Property from Southern Pacific (Transfer Agreement)
- Sell property to the U.S. Government (Sales Agreement)

will be processed in the following manner:

1. Sales agreement is sent to U.S. Government with City Council Resolution - U.S. Government will have legal counsel approve document.
2. City will sign Sales Agreement.
3. City will sign Transfer Agreement (with Sales Agreement Attached) and send to Southern Pacific for Signature.
4. Southern Pacific will sign Transfer Agreement and return to City.
5. City will send Sales Agreement to U.S. Government for execution.

I have initiated the first step. I anticipate receiving the agreement from the U.S. Government in three weeks.

