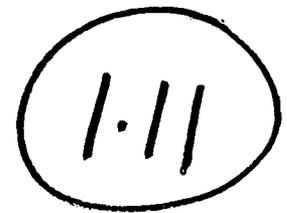


APPROVED
BY THE CITY COUNCIL

JUN 4 1998

OFFICE OF THE
CITY CLERK



THOMAS V. LEE
DEPUTY CITY MANAGER
DOWNTOWN DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

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SACRAMENTO, CA
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May 27, 1998

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Seventh Street Extension

LOCATION AND COUNCIL DISTRICT: Downtown, District 1

STAFF RECOMMENDATION: Adopt the attached resolution authorizing the staff to negotiate, for Council approval, a Memorandum of Understanding with Union Pacific regarding construction of the 7th Street extension and authorizing the staff to prepare the 7th Street extension CEQA documents.

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

FOR COUNCIL MEETING OF: June 4, 1998

SUMMARY:

The City, Union Pacific, the California Department of Toxic Substances Control and Richards Boulevard community members have tentatively agreed that 7th Street may be constructed in the year 2001 under certain conditions. The resolution attached hereto would authorize the staff to negotiate an agreement with Union Pacific in accordance with those conditions. The resolution would also authorize staff to prepare the CEQA documents required to construct the roadway. Completion of the CEQA documents by the end of this calendar year is necessary so that 7th Street can be appropriately incorporated into plans for railyard remediation.

COMMITTEE/COMMISSION ACTION:

N/A

BACKGROUND:

The 7th Street extension is a major component of Railyards Specific Plan and Richards Boulevard Area Plan. Under those plans, the extension would occur following completion of Railyards remediation, and in conjunction with (1) relocation of the UP mainline to a new railroad berm on the northern boundary of the UP property, and (2) construction of an intermodal station at 7th and No.

B Streets. At the direction of the City Council, the staff convened a task force composed of Union Pacific and Richards Boulevard representatives and technical consultants to consider how 7th Street might feasibly be constructed in advance of completion of UP railyard remediation and absent relocation of the UP mainline and intermodal construction.

The proposal presented for Council consideration would implement the 7th Street extension before remediation of the entire Railyard is complete and in advance of other elements of the plan. Seventh street would be extended as a two-lane roadway from its present terminus at D Street, through the UP Railyard, to North 7th Street in the Richards Boulevard area **in the year 2001**. The roadway would include a grade separated structure at the intersection of 7th Street and the UP mainline, and construction of new flood gates the intersection of 7th Street and the new railroad berm. Please see Exhibit A.

The major features of the proposal are as follows:

- ▶ UP would devote the year 2000 to remediation of the 7th Street corridor and construction of the railroad berm abutment walls on either side of 7th Street, and would turn the corridor over to the City for construction of 7th Street at the beginning of the year 2001.
- ▶ City would construct 7th Street, including the two-lane roadway, the UP mainline underpass, and the flood gates that would be attached to the railroad berm abutment walls. City would maintain flood protection by connecting the existing flood control levees to the railroad berm abutment walls.
- ▶ UP would complete remediation and berm construction over a five year period instead of a three year period so that it may first concentrate on 7th Street corridor. The City would agree not to oppose this schedule.
- ▶ The City would start CEQA analysis of 7th Street immediately so that the CEQA information could be incorporated appropriately in the DTSC remediation process.
- ▶ The City and UP would amend their Development Agreement to provide that, upon UP fulfillment of its obligations related to 7th Street, the initial term of the DA would be extended from 2002 to 2004.

A complete list of the terms of the proposed agreement with Union Pacific is attached hereto as Exhibit B.

ENVIRONMENTAL ISSUES

Because 7th Street will be constructed and will become operational while railyard remediation is ongoing, potential health risks to construction workers and roadway users must be evaluated and mitigated. This will be a primary focus of the CEQA analysis. In addition, the CEQA analysis will thoroughly consider transportation impacts associated with the project, which will provide a direct vehicular connection between the City's Central Business District with the Richards Boulevard Area.

FINANCIAL CONSIDERATIONS:

The estimated project cost is approximately \$7 million. This includes about \$6 million for the roadway and \$1 million to accelerate the project, including temporary flood control measures, and other costs associated with constructing 7th Street in advance of completion of Railyards remediation. Please see Exhibits C and D. Funding sources for the project include \$5 million from Sacramento City/County 1/2-cent Transportation Sales Tax (Measure A) and \$2 million from Railyards/Richards/Downtown Infrastructure Finance Plan Fees. While sufficient Measure A funds are included in the CIP for 7th Street, a portion of the funds must be moved forward to meet the new construction schedule. Moving the required funds forward will not adversely affect the City's ability to complete other planned improvements. The CIP will be adjusted to meet the project schedule as a part of next year's regular budget process. Sufficient development fees are also expected to be available by the planned construction date.

POLICY CONSIDERATIONS:

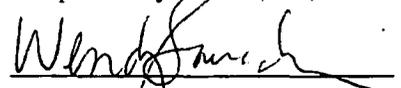
A significant portion of the project would ultimately be replaced by the permanent project described in the Facility Element of the Railyards Specific Plan and the Richards Boulevard Area Plan. However, though the proposed project is "interim," it is likely to have a significant useful life. The ultimate project cannot be constructed prior to the year 2005 due to remediation issues. In addition, relocation of the UP mainline is not required under the City/UP development agreement until office absorption on the UP property exceeds 3.0 million square feet. The UP mainline relocation will also require significant capital expenditures on the part of UP in addition to the generation of significant fees for construction of the intermodal station. Thus, the physical and financial obstacles that currently preclude construction of the "permanent" 7th street project will not quickly be overcome, and the "interim" roadway may be in place for a number of years.

Like anticipated Council decisions regarding the Historic Sacramento Rail Depot, Council approval of this project will articulate the Council's policy that improvements different from those identified in the adopted Railyards Specific Plan and Richards Boulevard Area Plan may be required from time-to-time to encourage redevelopment and address critical needs.

MBE/WBE:

N/A

Respectfully submitted,



Wendy S. Saunders
Development Manager



Thomas V. Lee
Deputy City Manager

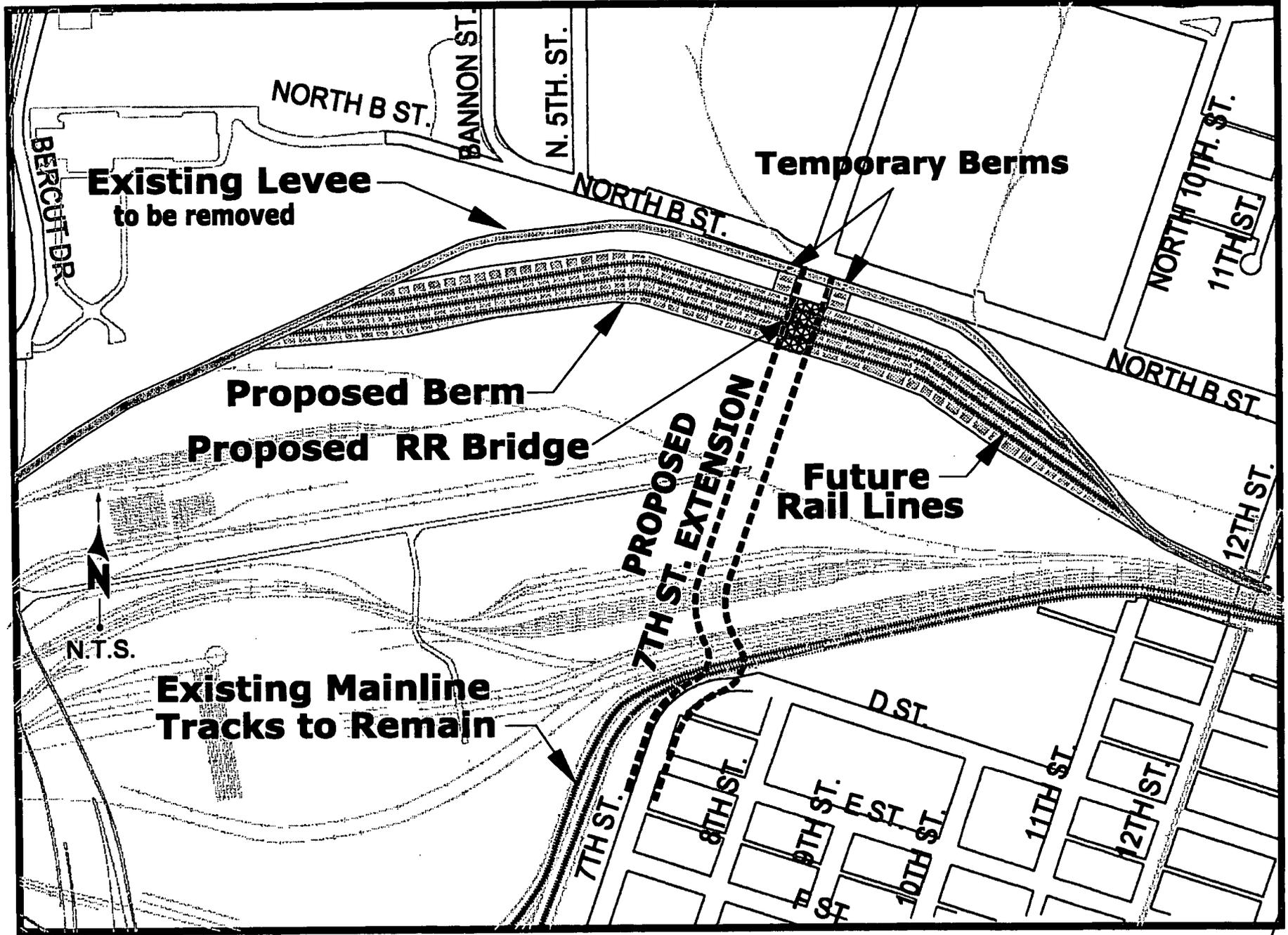
Recommendation Approved:



WILLIAM H. EDGAR, City Manager

7th Street Extension

Exhibit A



Existing Levee to be removed

Temporary Berms

Proposed Berm
Proposed RR Bridge

Future Rail Lines

Existing Mainline Tracks to Remain

PROPOSED 7TH ST. EXTENSION

N.T.S.



**Acceleration of 7th Street Extension
Terms of City/Union Pacific Agreement**

The City and Union Pacific agree that the following points will be set forth in an enforceable Memorandum of Understanding (MOU) between the City and Union Pacific regarding the manner by which 7th Street will be constructed in the year 2001.

1. UP agrees that its remediation priority for the year 2000, to be referenced in the Lagoon Study Area Remedial Action Plan and documented in detail in the Remedial Design and Implementation Plan, will be (a) the entire 7th Street right-of-way which falls within UP property (including any areas required for installation of temporary flood control measures), in accordance with the roadway alignment set forth in the Railyards Specific Plan; (b) the temporary alignment, including the UP mainline under crossing, as determined by the City, and © construction of the rail bridge abutment walls to which the flood gates will be attached. UP will use its best efforts to complete such remediation and construction prior to the end of the year 2000. UP agrees to complete such confirmation sampling and analysis as required by DTSC to certify that 7th Street right-of-way has been remediated to Pretest Soil standards, as defined in the Railyards Specific Plan, and to obtain DTSC approval, in a manner acceptable to the City Attorney, that remediation of the right-of-way, in accordance with the Lagoon Study Area Remedial Action Plan, is complete. City agrees that it will not commence construction of 7th Street prior to completion of such remediation and construction.
2. In consideration for UP's agreement to modify its remediation schedule to allow acceleration of construction of 7th Street, City agrees not to oppose UP's proposed a five-year schedule for completion of lead-affected soil remediation and berm construction.
3. City agrees to assume the costs for the following:
 - a. CEQA analysis, documentation and compliance for the 7th Street roadway construction project, including consideration of potential environmental impacts of construction and operation of 7th Street while remediation of the balance of the Railyard is ongoing.
 - b. Design of 7th Street, except for design of the grade separation, as noted in No. 11, below.
 - c. Construction and maintenance of 7th Street.
 - d. Preparation of an amendment to the approved Lagoon Study Area Health Risk Assessment analyzing potential health risks associated with 7th Street acceleration in a manner acceptable to the parties and DTSC.
 - e. Preparation of any other discrete documents required by DTSC or any other regulatory agency with jurisdiction that are made necessary solely by acceleration of 7th Street.

f. The cost of providing flood protection measures resulting from 7th Street construction during the period that the road is open prior to berm completion, such as installing temporary soil mounds or sheet piles that connect the existing secondary levee to the new berm substructure and flood gates.

g. The additional cost associated with moving approximately 70,000 cubic yards of soil to be placed in the berm from the west side of 7th Street to the east side of 7th Street in a manner that protects the public health and safety. The parties agree to employ a mutually acceptable process for determining the manner by which the soil will be moved. The parties further agree that cost efficiency and ongoing roadway function will be the primary considerations for determining such process.

h. Any such other additional direct costs that result from acceleration of 7th Street that are agreed upon by the parties. The MOU shall include a list of expected additional costs and establish the general parameters for consideration of additional costs. Prior to final City project approval, the parties shall establish a final list of expected additional costs and agree upon a protocol for review of additional costs not included on the list that arise during the course of railyard remediation. In establishing said final list and protocol, it is the intent of the parties to minimize both additional costs and detrimental effects on roadway operation.

4. To preserve initiation of berm construction by April 1, 2000 and 7th Street construction by February 2001, City agrees to complete the CEQA analysis and documentation required by this proposal no later than December 31, 1998 so that DTSC may issue a final Lagoon Soil Study Area RAP no later than March 1, 1999. Failure of the city to complete said CEQA analysis shall render the obligations under the MOU null and void unless otherwise indicated in writing by UP.

5. City agrees to construct temporary flood protection measures in a manner that does not interfere with or minimizes interference with berm construction at the berm abutment walls, subject to the approval of both parties and in coordination with DTSC.

6. City agrees to process amendments to the RSP to eliminate the wine-glass configuration of 7th Street in favor of the straight alignment preferred by City staff and UP as soon as possible. City and UP agree that only such amendments as are mutually acceptable to the parties shall be processed commensurate with the 7th Street alignment amendments.

7. City agrees that City access for construction of 7th Street will be limited to the corridor remediated by UP for the purpose of construction of 7th Street.

8. The parties agree that construction of 7th Street will occur in substantial compliance with the draft Environmental Oversight Plan. In consideration of UP's obligations related to adequacy of remediation of the 7th Street corridor and the fact that final DTSC certification of remediation of the various study areas that affect the 7th Street corridor will be pending upon City construction of 7th Street, the parties agree to consider, in cooperation with DTSC, whether it is appropriate for UP to serve as the Environmental Oversight Authority pursuant to the Environmental Oversight Plan, for the 7th Street project. The City agrees to provide UP with a 7th Street construction project schedule

prior to construction start, pursuant to the Environmental Oversight Plan.

9. City agrees to avoid, to the extent possible, dewatering while 7th Street is under construction, and to waterproof the rail underpass in order to avoid permanent dewatering. City agrees that it will accept responsibility for any required construction period dewatering and all long term management of the underpass waterproofing system. City further agrees that it will bear responsibility for any failure of such system, including any long term dewatering of the underpass resulting therefrom.

10. UP agrees to convey to City, at no cost to City, and in a form mutually acceptable to the parties, the right to construct, maintain and operate 7th Street.

11. UP and City agree to enter into a construction and maintenance agreement with respect to the railroad bridge that provides as follows: (a) UP will, at its cost, design the bridge in accordance with railroad design requirements, (b) UP will prepare a cost estimate for the bridge, pursuant to the construction and maintenance agreement, and (c) UP will construct the bridge, at City cost, in accordance with a schedule that is coordinated with the 7th Street roadway construction. UP shall not commence work on the bridge without prior concurrence of City.

12. City agrees to process an amendment to the Development Agreement between Southern Pacific and the City that would extend the initial term of the Development Agreement to December 31, 2004 upon completion of the following: (a) remediation of the 7th Street right of way and portions of berm construction, as described in No. 1 above; and (b) final agreement on incremental costs, as described in No. 3 above. Failure on the City's part to approve such amendment by December 1998 will render the MOU null and void unless otherwise indicated in writing by UP.

13. The parties agree to together prepare a preliminary project schedule, including regulatory and construction milestones, that identifies dates by which the parties must each perform specified work tasks in order to achieve the purposes of the MOU.

14. The parties agree to meet on a semi annual basis with the 7th Street task force to provide progress reports on remediation activities and related issues affecting 7th Street construction.

15. The parties agree that they shall both undertake the provisions of the MOU in good faith and that the MOU shall contain remedies for failure of either party to act in good faith.

SEVENTH STREET EXTENSION COST ESTIMATE
Grade Separated Crossing at UP Mainline Tracks and
Interim Drainage Improvements Alternative

ITEM #	ITEM	QUANTITY	UNIT	UNIT COST	TOTAL COST	COSTS NOT PART OF ULT 7TH ST PROJ
1	Clearing & Grubbing	112000	CF	\$ 0.25	\$ 28,000	
2	Earthwork	30400	CY	\$ 10.00	\$ 304,000	\$ 220,000
3	Ditch Grading	2700	CY	\$ 15.00	\$ 40,500	\$ 40,500
4	Asphalt Concrete (AC)	3285	TON	\$ 40.00	\$ 131,400	\$ 36,600
5	Aggregate Base (AB)	10575	TON	\$ 20.00	\$ 211,500	\$ 54,900
6	Curb & Gutter No. 4	2900	LF	\$ 15.00	\$ 43,500	\$ 30,000
7	Sidewalk	13050	SF	\$ 5.00	\$ 65,250	\$ 45,000
8	Retaining Wall	225	LF	\$ 50.00	\$ 11,250	\$ 11,250
9	Sheet Piling	9000	SF	\$ 30.00	\$ 270,000	\$ 270,000
10	Concrete Paving	23100	CF	\$ 10.00	\$ 231,000	\$ 231,000
11	Geo Fab & Membrane	34200	SF	\$ 2.00	\$ 68,400	\$ 68,400
12	Street Lighting	22	EA	\$ 2,500.00	\$ 55,000	\$ 25,000
13	RR Bridge	1	LS	\$ 550,000.00	\$ 550,000	\$ 550,000
14	Signing & Striping	1	LS	\$ 15,000.00	\$ 15,000	\$ 7,500
15	Traffic Sig/Intx Mod@N B St	1	LS	\$ 250,000.00	\$ 250,000	
16	Traffic Sig Mod@G, H, I Sts	1	LS	\$ 120,000.00	\$ 120,000	
17	Flood Wall/Gate	1	LS	\$ 600,000.00	\$ 600,000	
	SUBTOTAL ROADWAY COSTS:				\$ 2,994,800	\$ 1,590,150
18	Pump Station & SD Conveyance Sys	1	LS	\$ 400,000.00	\$ 400,000	\$ 400,000
19	Utility Reloc/Mod	1	LS	\$ 200,000.00	\$ 200,000	\$ 200,000
	SUBTOTAL DRAINAGE COSTS:				\$ 600,000	\$ 600,000
	SUBTOTAL CONSTRUCTION COST:				\$ 3,594,800	\$ 2,190,150
	Construction Contingency (10%)				\$ 359,480	\$ 219,015
	TOTAL CONSTRUCTION COST:				\$ 3,954,280	\$ 2,409,165
	Construction Engineering (10%)				\$ 395,428	\$ 240,917
	Design Contingency (20%)				\$ 790,856	\$ 481,833
	Engineering and Survey (11%)				\$ 434,971	\$ 265,008
	Project Management & Admin (5%)				\$ 197,714	\$ 120,458
	Environmental (5%)				\$ 197,714	\$ 120,458
	Right of Way Purchase & Acquisition				\$ 50,000	\$ 50,000
	TOTAL ESTIMATED PROJECT COST:				\$ 6,020,963	\$ 3,687,839
1A	Bridge Substructure	1	LS	\$ 1,537,500.00	\$ 1,537,500	
	SUBTOTAL BERM COSTS: *				\$ 1,537,500	

* Berm costs are to be borne by Union Pacific Railroad as part of the Railyards remediation, and are **NOT LOADED** (i.e., cost is construction only and does not include contingency, engineering, etc.).

Sacramento Railyard
Estimated Additional Costs
Alternative 2

Exhibit D
DRAFT

1.	Cost of modifying RAP, HRA, and CEQA documents to incorporate construction of 7th St. in Year 2001		
	From ERM	\$45,000	
	DTSC Oversight	\$30,000	
	Community Relations Meeting	\$15,000	
	Subtask Total		\$90,000
2.	Construct temporary crossing of 7th St. in northern portion of Site 180' long, 30' wide, 4' deep,		
	933 yds imported soil \$3/ton	\$4,199	
	Trucking (11 yd/truck, \$65/hr, 2 hr round trip)	\$11,026	
	40 trip per day, time of work 3 days.		
	1 foreman (\$50/hr, 3 day, 10 hr/day)	\$1,500	
	2 operators (\$40/hr, 3 day, 10 hr/day)	\$2,400	
	1 Loader (\$600/day, 3 day)	\$1,800	
	1 sheep foot compactor (\$450/day)	\$1,350	
	Asphalt aprons	\$21,600	
	Traffic Signal	\$33,000	
	Subtask total		\$76,875
3.	Cost of enhanced dust control while 7th st. is open and soil remediation is being performed.		
	1 water truck for years 2001 through 2003		\$253,440
4.	Potential costs of decontamination of construction equipment prior to crossing 7th st.		
	Decontamination stations (2) set-up	\$14,000	
	2, 40-hr trained laborers, 382 days, \$42/hr, 10 hr/day	\$320,880	
	2-Water storage tank (3,000 gal, 17 mo. \$500/mo. + \$1,200 mob/demob.)	\$20,600	
	Water treatment (assume 2083 truck, 15 gal/truck, \$0.50/gal)	\$15,623	
	Subtask total		\$371,103
5.	Cost of Temporary sheet pile walls (2) for flood protection Years 2001 through 2003 (220 lf, 25 feet long, \$35/sqft)		\$192,500
6.	Removal of temporary sheet piles and roads, fences and general cleanup		\$90,000
	ALTERNATIVE 2 PROJECT TOTAL		\$1,073,917

APPROVED
BY THE CITY COUNCIL

JUN 4 1998

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-217

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION AUTHORIZING ACTIONS RELATED TO THE 7TH STREET EXTENSION
PROJECT**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. The City Manager is hereby authorized to negotiate a memorandum of understanding with the Union Pacific Railroad that provides for construction of 7th Street through the downtown Union Pacific Railyard in the year 2001.

Section 2. The City Manager is hereby authorized to complete such environmental analysis as is required to allow construction of 7th Street in the year 2001.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____