



**APPROVED**  
BY THE CITY COUNCIL

**JUN 8 1994**

OFFICE OF THE  
CITY CLERK

9.3

DEPARTMENT OF  
PUBLIC WORKS

ENGINEERING DIVISION

**CITY OF SACRAMENTO**  
CALIFORNIA

**June 3, 1994**

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: TRANSPORTATION CONSTRUCTION FINANCING -  
PROGRAM RECOMMENDATION**

**LOCATION AND COUNCIL DISTRICT: Citywide/All Districts**

**RECOMMENDATION:**

This report recommends that the Sacramento City Financing Authority and the Sacramento City Council adopt the following related to a bond financing using State Gas Tax revenues received by the City:

1. Approve the attached Resolution which includes the Primary (Exhibit 1) and Secondary (Exhibit 2) Recommended Project Lists.
2. Direct staff to obtain the required Reimbursement Agreements for the Truxel Road Interchange project.
3. Direct staff to initiate assessment district proceedings for the Richards Boulevard Widening project.
4. Direct staff to report back to Council on September 6, 1994 with a recommended final project list.

**CONTACT PERSON: Larry Wing, Senior Engineer, 264-7924**

**FOR COUNCIL MEETING OF: June 8, 1994**

City Council  
Transportation Construction Financing - Program Recommendation  
June 2, 1994

**SUMMARY:**

This report summarizes previous Council direction regarding the feasibility of using City Gas Tax revenue for debt financing of selected transportation projects. The following recommendations are made:

- Defer consideration of Sales Tax revenue for debt financing until after the Sacramento Transportation Authority completes its Strategic Plan (anticipated June 1994).
- Maximum term for debt financing shall be 15 years.
- Annual funding level for debt repayment shall be \$1.5 million, which yields total bond proceeds of \$13 million.
- Projects to receive bond proceeds are:
  1. Truxel Road Interchange - \$8.5 million bond proceeds (\$5.5 million developer contribution).
  2. Richards Blvd. Widening - \$2.5 million bond proceeds (\$5.0 million assessment district contribution).
  3. Power Inn Road Grade Separation - \$1.5 million bond proceeds (\$1.5 million State grant matching share).
  4. Street Reconstruction Projects in various parts of the City (\$0.5 million bond proceeds).

For the Truxel Road Interchange project, development agreements to obtain the \$5.5 million must be negotiated. Also, an assessment district to obtain the \$5.0 million needed for the Richards Boulevard Widening project needs to be developed. Since both of these items will take time, it is recommended that any bond sale be delayed until at least September 1994, or until after the agreements/assessment district are in place.

**COMMITTEE/COMMISSION ACTION:**

None.

## **BACKGROUND INFORMATION:**

At the request of Councilmember Kerth, the City Treasurer on December 7, 1993 discussed the feasibility of using the City's Gas Tax and Transportation Sales Tax revenues to bond (or debt finance) selected transportation improvements. The Treasurer indicated that debt financing was feasible, and as a result, Council directed staff to:

1. Study further and report back on the financial implications of a bond financing program for transportation construction projects; and
2. Identify, prioritize and recommend transportation projects which could be included in a debt financing program; and
3. Review with City staff and the Sacramento Transportation Authority (STA) the issues related to an assignment of a portion of the Sales Tax to the City for a debt financing; and
4. Proceed with validation actions necessary to accomplish a public financing.

On February 1, 1994, the Treasurer presented a follow-up report to the Council which approved the following:

1. Council agreed to proceed with a validation suit to determine if gas tax revenues could be used to secure bonds issued by the City;
2. Council agreed to not interfere with the STA's current strategic planning process involving Sales Tax revenues;
3. A list of projects compiled by the Public Works Department was included in the report for Council consideration.

The project list presented in the report was larger than what reasonably could be accomplished using debt financing. It was included for purposes of the validation suit. Staff recommended and Council agreed that a prudent course be developed so as not to disrupt other transportation improvement priorities or place the General Fund at risk. Staff was directed to return to Council with a report discussing the following policy issues:

- Sales Tax Revenues

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Should the City postpone further consideration of debt financing of Sales Tax revenues until the STA Board hears, considers and adopts a strategic plan?

Response: Contained in the February 1, 1994 Council Report was a staff recommendation that discussion of Sales Tax revenue for debt financing be delayed until completion of the STA's Strategic Plan. This Plan will discuss the feasibility of debt financing using Sales Tax revenues and is scheduled for release in June 1994. Staff continues to make this recommendation.

- Maximum Term For Debt Financing.

What is the appropriate maximum term for debt financing of gas tax revenues?

Response: Staff recommends the maximum term for debt financing be 15 years. This term will approximately coincide with the end of the Measure A Transportation Sales Tax program (2008), and also is an appropriate time frame based on the life expectancy of the proposed projects. Additionally, one of the projects proposes a matching share by using an assessment district which typically has 15 year bond terms.

- Annual Amount For Debt Financing

What is the prudent level of debt financing for State Gas Tax revenues?

Response: Based on the 1993/94 City Budget, the City currently receives approximately \$7.5 million annually in Gas Tax revenue. In the 1993/94 Capital Improvement Program appropriations were as follows:

Street Maintenance	\$3.3 Million
Midyear Reduction of Maint. of Effort	<u>\$1.5 Million</u>
Sub Total	\$4.8 Million (64%)
Capital Improvement Projects	<u>\$2.7 Million (36%)</u>
Total	\$7.5 Million

Exhibit 3 shows the Gas Tax CIP allocation segmented into the following major categories:

Street Improvements	\$ 720,000
Signals/Lights/Signs	1,135,000
Street Maintenance CIP (Overlays)	<u>870,000</u>
Total Gas Tax CIP	\$2,725,000

This Exhibit also shows how revenues are allocated to various programs within these three major Gas Tax CIP categories.

Based on an analysis of the current CIP needs and an evaluation of all CIP projects which are feasible for debt financing, staff recommends that \$1.5 of the City's annual Gas Tax revenue be set aside for debt financing. For a 15 year bond term, the \$1.5 million annual payment yields approximately \$13 million in net construction proceeds.

Using the recommended \$1.5 million annual debt payment, Exhibit 4 depicts how the CIP Street Maintenance, Signals/Lights/Signs, and Street Improvement programs would be annually affected for three different scenarios. Exhibits 5, 6, and 7 depict graphically how the Gas Tax revenue would be split for Alternatives 1, 2, and 3 respectively.

Staff recommends Alternative 3, which reduces the Signals/Lights/Signs allocation by nearly 80%, while maintaining Street Maintenance at over 50% of present allocations and Street Improvements at nearly 75% of present allocations. Alternative 3 is the recommended choice because it maintains at the highest possible level funding for maintenance and capital improvement projects. Reducing funding for future construction of traffic signals has the least impact to the Capital Improvement Program. Recent input from active community groups and updated traffic analysis indicate that construction of traffic signals is not always the only solution for improving traffic operations. Therefore, fewer traffic signals will be constructed in the future.

Under Alternative 3 the Gas Tax debt financing would require the following ongoing reductions to the Gas Tax CIP program:

<u>CIP PROGRAM</u>	<u>PROPOSED REDUCTION</u>	<u>PERCENTAGE ANNUAL REDUCTION</u>
Street Improvements	-\$ 200,000	(-37.3%)
Signals/Lights/Signs	-\$ 900,000	(-79.3%)
Street Maintenance	<u>-\$ 400,000</u>	<u>(-46%)</u>
	<u>-\$1,500,000</u>	

For Fiscal Year 1994-95 the impact to the proposed Gas Tax CIP program may be offset with approval of the recommended "one-time" funding adjustments included on Exhibit 8.

A summary evaluation of possible impacts to future CIP's is shown on Exhibit 9. This evaluation is tentative in nature as changes in projected

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revenues and changing priorities will require the Council to make decisions each year the CIP is adopted as to which programs or projects are reduced in funding.

- Recommended Projects

Which projects should be included in a debt financing? In considering projects, Council directed staff to emphasize projects which (1) open up opportunities for economic development, (2) create opportunities for matching contributions from other agencies or private interests, and (3) expedite projects highest on the City's priority list as expressed in the Transportation Programming Guide and Capital Improvement Program. Also, a number of smaller projects throughout the City were to be developed and evaluated. Additionally, projects under consideration must have essentially a clear environmental document and be able to have substantial work complete within three years of the bond sale.

Staff evaluated each of the major street projects as listed in the Council approved Transportation Programming Guide. Exhibit 10 is a summary of the evaluation.

Response: Staff recommends that the four (4) projects shown on the Exhibit 1 "Primary List" of projects be funded from a Gas Tax debt financing. Additionally, projects from the Exhibit 2 "Secondary List" may be selected if projects from the Primary List are not ready for funding.

Following is a brief discussion of each project and its evaluation based on the criteria presented in the February 1 report and on Page 5 of this report:

Project No. 1: Truxel Road Interchange on I-80

- This project is the construction of a new interchange on I-80 between the I-5/I-80 interchange and Northgate Blvd. interchange.
- Construction drawings are approximately 90% complete; environmental can be cleared in approximately two (2) months.
- Proposed funding is \$8.5 million from bond proceeds and \$5.5 million from a combination of developer and FBA contributions.

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- Criteria - (1) Economic: This project would provide more convenient access into the North Natomas community, thus spurring both commercial and residential development. This project services the North Natomas Community which has the potential to accommodate 73,000 employees. With an estimated project cost of \$14 million, the project is estimated to generate over \$28 million in economic benefits. Also, its construction would create nearly 200 jobs with annual earnings of over \$8 million. (2) Matching Opportunities: Construction of this interchange is desperately needed to improve traffic circulation in North Natomas. By contributing \$8.5 million from bond proceeds, staff feels that the project creates incentives and provides a motivation for development sufficient to raise the additional \$5.5 million; (3) Expedite Projects: This project was ranked Priority No. 9 in the Transportation Programming Guide Major Street Projects list.

Project No. 2: Richards Boulevard Widening

- This project proposes to widen Richards Boulevard and construct frontage improvements from I-5 to North 12th Street, and along portions of North 7th and North 10th Streets.
- Construction drawings are 100% complete and the project has a clear environmental document.
- Proposed funding is \$2.5 million from bond proceeds and \$5.0 million from a proposed assessment district.
- Criteria - (1) Economic: Improving this roadway will provide better truck access to the industrial and manufacturing businesses located along the Richards Boulevard corridor and help create new development opportunities. The Richards Boulevard Widening project is located within the Southern Pacific/Richards Boulevard Redevelopment area. This area is planned to accommodate 26,000 employees. The estimated project cost of \$7.5 million is estimated to generate approximately \$15.2 million in economic benefits, and create over 100 jobs with annual earnings approaching \$3 million; (2) Matching Opportunities: This project was developed some time ago as an assessment district but was turned down by the landowners as being too costly. The \$2.5 million contribution should provide the necessary incentives for property owners

to support the assessment district. (3) Expedite Projects: This project is ranked priority number 6 in the City Transportation Programming Guide Major Street Projects list.

#### Project No. 3: Power Inn Road Grade Separation

- This project proposes to construct a grade separation structure of the light rail and heavy rail tracks which cross Power Inn Road south of Folsom Boulevard. The proposed project would allow vehicular traffic to pass underneath the railway tracks uninterrupted.
- Regional Transit will be the lead agency for the project and prepare the construction drawings. Preliminary engineering to approximately a 30% level has been completed. Since this is a safety project, it is categorically exempt under CEQA guidelines.
- Criteria - (1) Economic: Constructing this grade separation will eliminate costly delays for the commercial and private vehicles traveling to the Power Inn industrial area. The current situation involves delays of nearly three minutes when a light rail vehicle is loading and unloading passengers at the nearby station. This results in thousands of vehicle delay hours each day! The number of potential employees in the area is 22,500. Approximately 40 new construction jobs will be added with the project. The project also has a projected economic benefit to the County of approximately \$6.1 million; (2) Matching Opportunities: Regional Transit has received a grant from the State of California for \$1.5 million to construct the grade separation. The \$1.5 million proposed from bond proceeds represents the local matching share; (3) Expedite Projects: This project is a portion of the Folsom Blvd./Power Inn Road Urban Interchange which was ranked priority number 14 in the City Transportation Programming Guide Major Street Projects list.

#### Project No. 4: Street Reconstruction

- This project proposes to reconstruct certain arterial or collector roadways throughout various locations in the City (see Exhibit 11).
- These projects fall outside the normal roadway maintenance schedule and cannot be repaired or improved with a standard overlay. These



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streets require a heavier form of maintenance, namely reconstruction of the roadway base and asphalt courses.

- These types of projects require only minimal design and can be completed with a categorical exemption environmental analysis.
- Proposed funding is for \$2,000,000 with no local match.
- Criteria - (1) Economic: Maintenance of existing City streets ensures the safe and efficient movement of services and goods throughout the City; (2) Matching Opportunities: None; (3) Expedite Projects: Maintenance of the existing roadway system is a very high priority for the Council. This project satisfies the Council request to include smaller projects throughout the City which enhance neighborhoods and contribute to these neighborhoods for quality of life.

Please note that all four projects collectively have a recommended bond proceeds totalling \$14.5 million, while the recommended bond sale is for \$13 million (annual debt service of \$1.5 million). The recommendation is to include the Truxel Interchange for \$8.5 million, the Richards Boulevard Widening for \$2.5 million; the Power Inn Urban Interchange for \$1.5 million, plus various reconstruction projects for an estimated \$0.5 million. If there were bond proceeds remaining after the successful completion of the three projects, these proceeds would be used to fund additional reconstruction projects shown on Exhibit 11.

Exhibit 12 is a map showing the location of the projects being considered along with detailed information sheets for each project.

- Additional Work Required

In order for the Council to approve the Truxel Road Interchange and the Richard's Boulevard Widening projects, several items must occur. For the Truxel Road project, the development community in North Natomas must be contacted and reimbursement agreements obtained for the \$5.5 million contribution prior to the Council approving a bond sale.

For the Richards Boulevard Widening project, an assessment district needs to be created for the \$5,000,000 contribution. Initiation of an assessment district requires several meetings with affected property owners, and significant time. It is anticipated

that approximately three (3) to four (4) months will be required to conduct the necessary interviews and assessment district proceedings.

It is recommended that the Council direct staff to seek the reimbursement agreements for the Truxel Road Interchange project and initiate assessment proceedings for the Richards Boulevard Widening project, and to bring a report back on September 6, 1994.

If one or more of the Primary List projects drops out, staff further recommends substituting with projects contained on the Secondary List.

#### **FINANCIAL CONSIDERATIONS:**

This report provides an analysis and recommendation for the 1994/95 CIP if \$1.5 million in gas tax revenue is used for debt financing. If the Council elects to proceed with debt financing, Council will decide annually which programs, projects, or maintenance will be delayed or unfunded. The \$1.5 million proposed for debt financing represents approximately 55% of the total amount allocated in the 1993/94 budget for CIP transportation projects. This percentage is expected to drop in the future as gas tax revenues increase.

An analysis of the Net present Value of the interest and financing costs will be provided when this item is heard by Council.

#### **POLICY CONSIDERATIONS:**

The approval of debt financing for transportation projects using annual gas tax revenues would be a new policy for the City. The purpose of this new policy is to create short term (construction) and long term (enhanced development activity) economic benefits for the City. This new policy changes from the existing pay as you go policy to commitment of future revenue stream to advance delivery of high priority projects. Council needs to weigh the benefits of delivering the recommended projects sooner than anticipated against the \$1.5 million annual gas tax allocation for bond revenue. Additionally, Council needs to consider the following:

- The proposed "AR" Flood Zone may restrict non-residential development in North Natomas. If this is the case, then it may not be appropriate to recommend the Truxel Road Interchange. More information will be available in August.
- The two major street projects as proposed require developer cost sharing. It may not be feasible to obtain developer cost sharing consensus prior to the September Council meeting. Thus, the program may be delayed.

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- While the gas tax bonding may be a good concept, staff may recommend holding the program if one or both major projects drop out until such time that another project is ready. For example, the Council's number one priority project, the Arden-Garden Connector, is not ready for debt financing at this time. However, it could be a good candidate for debt financing when project environmental documentation and design are completed.
- Debt financing using Gas Tax revenues would reduce the capacity of the City to finance higher priority projects in future years. The projects recommended here were chosen in part because they are ready to go, even if they are somewhat lower in priority.
- Gas Tax is a State subvention. The revenues to the City in future years could be altered by action of the Legislative and Governor. If this occurs, the impacts of reduction would fall first on the maintenance, operating and construction projects that are NOT debt financed. Repayment of the bondholders for debt would take priority.

Staff has developed this new policy involving the bonding of City Gas Tax revenue using a prudent and conservative approach. Operation and maintenance revenues and effort will be left primarily intact. The projects proposed for debt financing have been previously identified as definite transportation needs with well documented benefits.


Debt financing of major capital projects is not a new approach and in fact has been around for over 80 years. The City's transportation network plays a vital role in the development of citywide economic benefits. The need to build transportation infrastructure versus projected future revenues requires a creative funding approach.

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**MBE/WBE:**

None. No goods or services are being purchased.

Respectfully submitted,

  
for **TERENCE W. MOORE**  
Engineering Division Manager

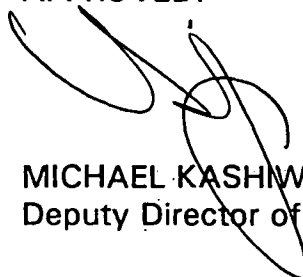
**RECOMMENDATION APPROVED:**

  
**WILLIAM H. EDGAR**  
City Manager

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06.0294

Attachments

**APPROVED:**

  
**MICHAEL KASHIWAGI**  
Deputy Director of Public Works

**RESOLUTION NO.**

94-003

ADOPTED BY THE SACRAMENTO CITY FINANCING AUTHORITY

ON DATE OF \_\_\_\_\_

**RESOLUTION OF THE GOVERNING BOARD  
OF THE SACRAMENTO CITY FINANCING AUTHORITY  
APPROVING ACTIONS ASSOCIATED WITH A  
TRANSPORTATION CONSTRUCTION FINANCING PROGRAM**

BE IT RESOLVED BY THE SACRAMENTO CITY FINANCING AUTHORITY THAT:

1. The transportation projects shown on the attached Recommended Projects Primary List (Exhibit 1) and Secondary List (Exhibit 2) are hereby approved for further analysis associated with a Transportation Construction Financing program.
2. Staff is hereby directed to obtain the required Reimbursement Agreements for the Truxel Road Interchange project.
3. Staff is hereby directed to initiate assessment district proceedings for the Richards Boulevard Widening project.
4. Staff is hereby directed to report back to the Authority on September 6, 1994 with a recommended final project list.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_  
DATE ADOPTED: \_\_\_\_\_

**DEPARTMENT OF PUBLIC WORKS  
TRANSPORTATION CONSTRUCTION FINANCING  
RECOMMENDED PROJECTS  
"PRIMARY LIST"  
(THREE YEARS TO COMPLETE)**

6/3/94

NO.	PROJECT NAME	ESTIMATED COST (x1,000)	RECOMMENDED BOND PROCEEDS (x1,000)	MATCHING SHARE (x1,000)	COMMENTS
1.	Truxel Road Interchange on I-80	\$14,000	\$8,500	\$5,500	<ul style="list-style-type: none"> <li>• Master Plan Priority #9</li> <li>• Requires Environmental Re-Evaluation</li> <li>• Construction Plans 90% Complete</li> <li>• Right-of-Way process to begin soon pending funding</li> <li>• \$5.5M from combination developer and FBA contributions</li> </ul>
2.	Richards Boulevard Widening from I-5 to North 12th Street	\$7,500	\$2,500	\$5,000	<ul style="list-style-type: none"> <li>• Master Plan Priority #6</li> <li>• Environmental Document Clear</li> <li>• Construction Plans 100% Complete</li> <li>• \$2.5M Matching Share from proposed Assessment District</li> <li>• Minor right-of-way acquisitions required</li> </ul>

NO.	PROJECT NAME	ESTIMATED COST (x1,000)	RECOMMENDED BOND PROCEEDS (x1,000)	MATCHING SHARE (x1,000)	COMMENTS
3.	Power Inn Road Grade Separation	\$3,000	\$1,500	\$1,500	<ul style="list-style-type: none"> <li>• Master Plan Priority #14</li> <li>• Project is phase of the Folsom Boulevard/Power Inn Road Urban Interchange</li> <li>• Environmental document anticipated to be Negative Declaration</li> <li>• Regional Transit has received \$1.5M grant. Proposed \$1.5M is the required 50% matching share.</li> </ul>
4.	Street Reconstruction	\$2,000	\$500	0	<ul style="list-style-type: none"> <li>• Highest Priority Maintenance Projects</li> <li>• Environmental Document in most cases is Categorical Exemption</li> <li>• Minimal Construction Plans Required</li> <li>• Various Locations in City</li> </ul>
<b>TOTALS</b>		<b>\$26,500</b>	<b>\$13,000</b>	<b>\$12,000</b>	

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**DEPARTMENT OF PUBLIC WORKS  
TRANSPORTATION CONSTRUCTION FINANCING  
RECOMMENDED PROJECTS  
"SECONDARY LIST"  
(THREE YEARS TO COMPLETE)**

**OTHER PROJECTS**

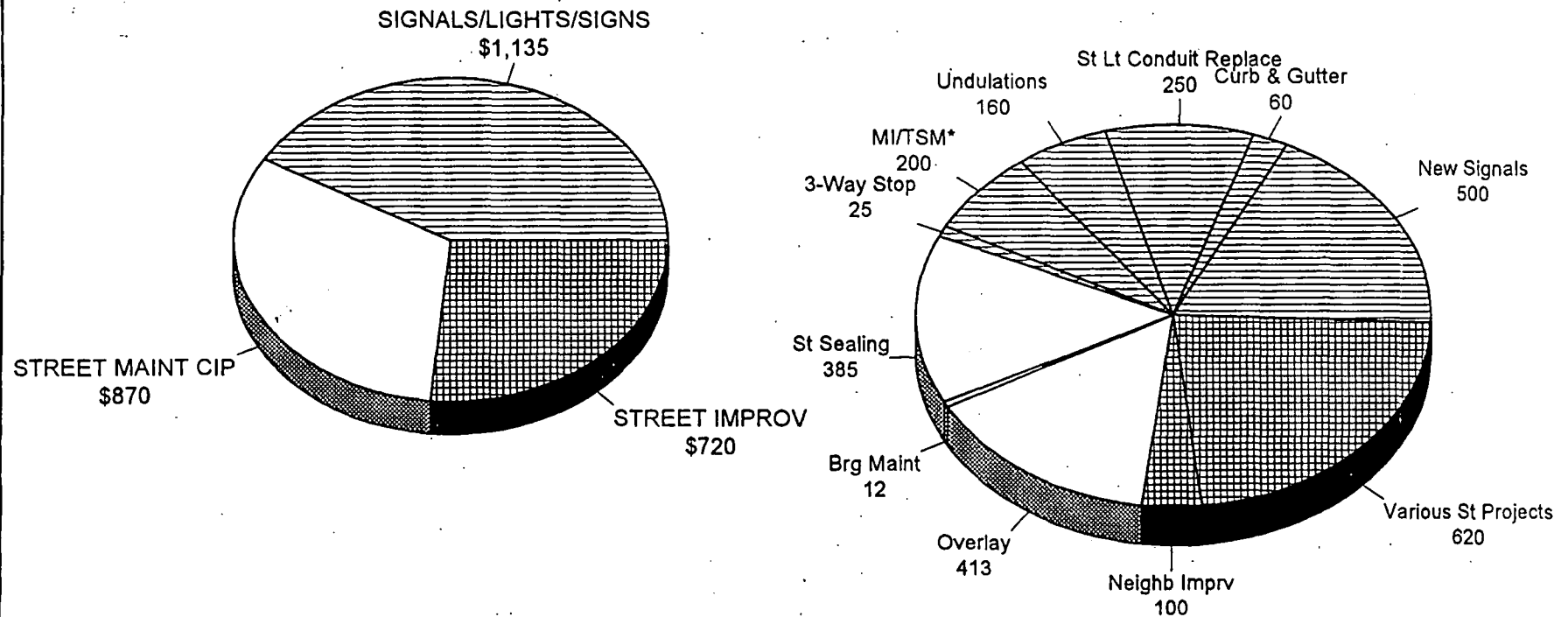
6/2/94

NO.	PROJECT NAME	ESTIMATED COST (x1,000)	RECOMMENDED BOND PROCEEDS (x1,000)	MATCHING SHARE (x1,000)	COMMENTS
1.	Street Reconstruction	\$2,000	\$2,000	0	<ul style="list-style-type: none"> <li>• Highest Priority Maintenance Projects</li> <li>• Environmental Document in most cases is Categorical Exemption</li> <li>• Minimal Construction Plans Required</li> <li>• Various Locations in City</li> </ul>
2.	Exposition Boulevard Extension	\$7,500	\$6,500	\$1,000	<ul style="list-style-type: none"> <li>• Master Plan Priority #2</li> <li>• Environmental Complete 3/94</li> <li>• Construction Plans 60% Complete</li> <li>• Right-of-Way Underway</li> <li>• De-fund current and 94/95 Measure A allocation of \$6,750M and reallocate to Arden/Garden project</li> <li>• Matching share of \$1M from landowner for right-of-way dedication</li> </ul>
<b>TOTALS</b>		<b>\$9,500</b>	<b>\$8,500</b>	<b>\$1,000</b>	



# TRANSPORTATION CONSTRUCTION FINANCING

## USING GAS TAX REVENUE EXISTING FUNDING LEVELS



In Thousands

\*MI/TSM = Miscellaneous Improvements/Traffic Signal Maintenance

## GAS TAX BONDING - ONGOING CIP IMPACT

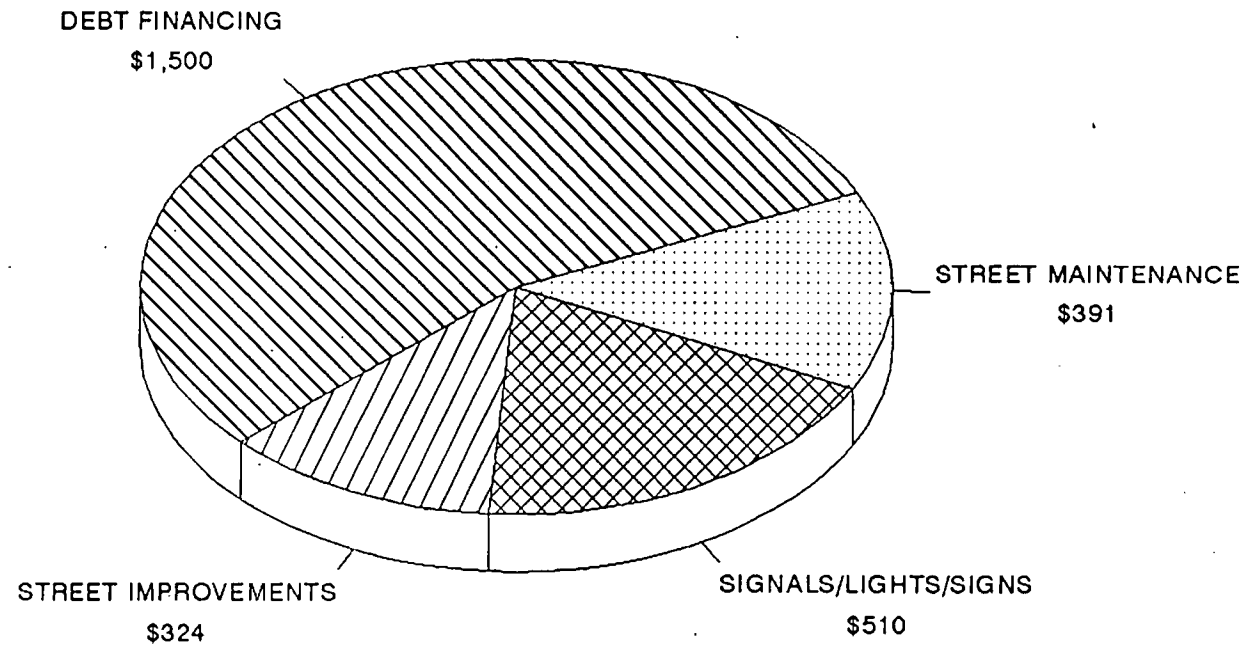
Alternative 1 Current CIP Proportions	Base 1993-94	Debt Reduction	Bonding Impact	Revised Program
Street Maintenance	870	55.00%	(479)	391
Signals/Lights/Signs	1,135	55.00%	(625)	510
Street Improvements	720	55.00%	(396)	324
<b>TOTAL GAS TAX CIP</b>	<b>2,725</b>		<b>(1,500)</b>	<b>1,225</b>
Alternative 2 No Street Maintenance Cut	Base 1993-94	Debt Reduction	Bonding Impact	Revised Program
Street Maintenance	870	0.00%	0	870
Signals/Lights/Signs	1,135	68.72%	(780)	355
Street Improvements	720	100.00%	(720)	0
<b>TOTAL GAS TAX CIP</b>	<b>2,725</b>		<b>(1,500)</b>	<b>1,225</b>
Alternative 3 RECOMMENDED	Base 1993-94	Debt Reduction	Bonding Impact	Revised Program
Street Maintenance	870	45.98%	(400)	470
Signals/Lights/Signs	1,135	79.30%	(900)	235
Street Improvements	720	27.78%	(200)	520
<b>TOTAL GAS TAX CIP</b>	<b>2,725</b>		<b>(1,500)</b>	<b>1,225</b>

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# TRANSPORTATION CONSTRUCTION FINANCING USING GAS TAX REVENUE ALTERNATIVE ONE - CURRENT CIP PROPORTIONS

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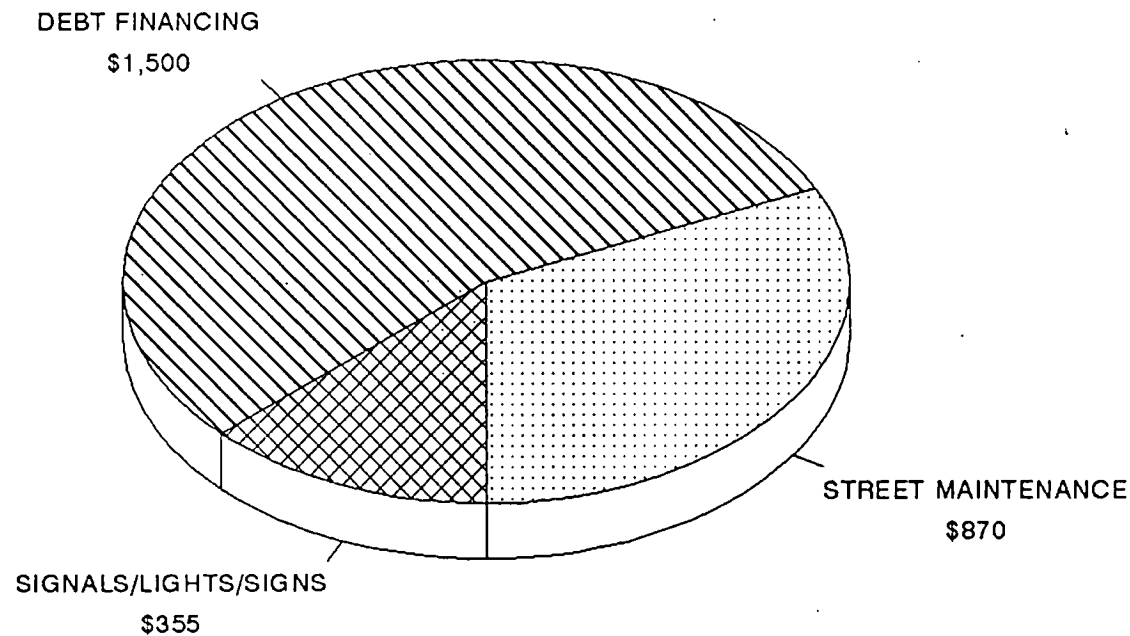


6/2/94

LARRY20.J

# TRANSPORTATION CONSTRUCTION FINANCING USING GAS TAX REVENUE ALTERNATIVE TWO - NO STREET MAINTENANCE CUT

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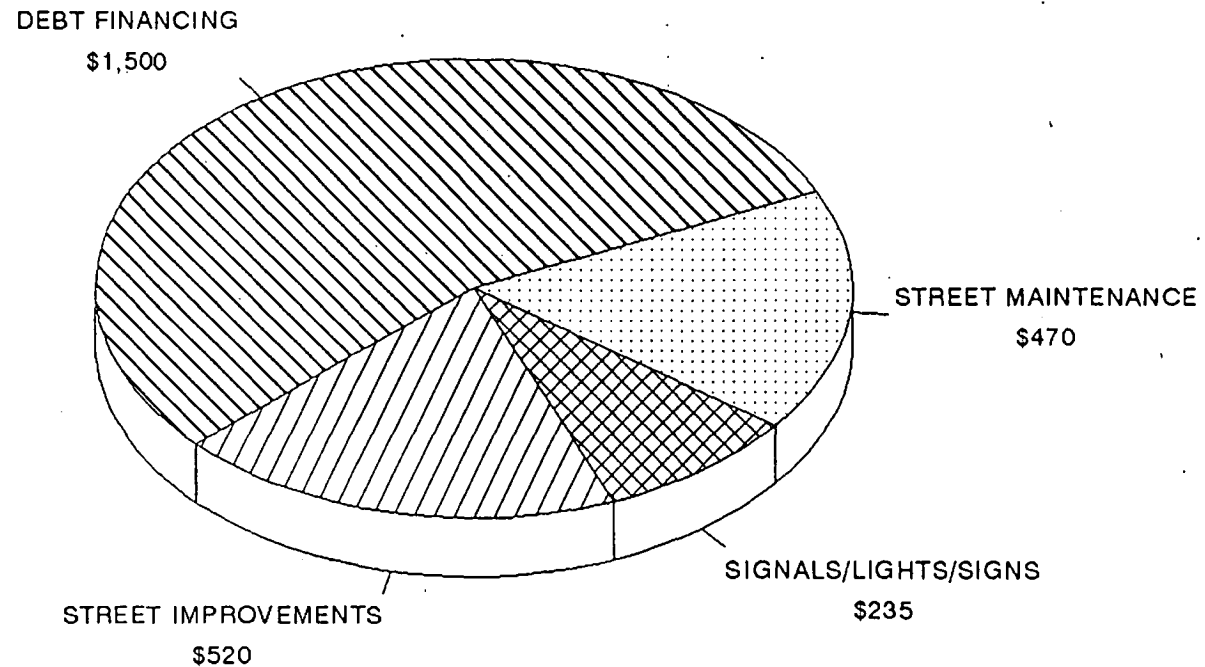
STREET IMPROVEMENTS = 0

6/2/94

LARRY21.J

# TRANSPORTATION CONSTRUCTION FINANCING USING GAS TAX REVENUE ALTERNATIVE THREE - RECOMMENDED PROPORTIONS

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6/2/94

LARRY22.J

# 1994/95 PROPOSED GAS TAX CIP

## RECOMMENDED "ONE-TIME" FUNDING ADJUSTMENT

CIP PROJECT/PROGRAM	CURRENT MODIFIED BUDGET	PROPOSED FUNDING ADJUSTMENT	PROPOSED 94/95 CIP REALLOCATION	AFFECT TO BUDGET	COMMENT
Street Overlay Program	\$412,650	\$(300,000)	-----	\$(300,000)	The proposed reduction of \$300,000 will accomplish one (1) less mile of overlay.
H Street Bridge Painting	-0-	(215,000)	215,000	None	There is currently unallocated revenue in the Measure A earned interest account. The proposed \$215,000 reduction will be reallocated with a portion of this Measure A earned interest.
Street Light Conversion (MV to HPS) Program	-0-	(100,000)	100,000	None	The proposed \$100,000 reduction will be reallocated with a portion of the Measure A interest.
Raley Boulevard Widening - Phase II	550,000	(375,040)	-0-	(375,040)	The Raley Boulevard Widening project (Phase II) is contingent upon the completion of the Magpie Creek Improvement Study. The \$375,040 is not needed until this study is complete, approximately 1998. It is proposed to defund \$375,040 and reallocate in 1997 or 1998 when the widening project is ready for construction.

CIP PROJECT/PROGRAM	CURRENT MODIFIED BUDGET	PROPOSED FUNDING ADJUSTMENT	PROPOSED 94/95 CIP REALLOCATION	AFFECT TO BUDGET	COMMENT
Main Avenue Bridge Reconstruction	400,000	(399,304)	-0-	(399,304)	The Main Avenue Bridge Reconstruction project is scheduled for delivery in FY 1997/98 and is contingent upon a large grant and schedule from SAFCA. The \$399,304 is not needed until this date. It is proposed to defund the current gas tax budget of \$399,304 and reallocate in 1997 or 1998 when SAFCA is ready for the bridge project.
Elder Creek Road/Power Inn to Elk Grove-Florin	300,000	(110,656)	-0-	(110,656)	The Elder Creek Road Widening project is currently scheduled for FY 1995/96. The proposed reduction of \$110,656 in the 94/95 CIP can be reallocated in FY 95/96 so as to not jeopardize the delivery date of this project.
<b>TOTAL FUNDING ADJUSTMENT FOR 1994/95</b>		<b>\$1,500,000</b>			

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LW5-02.E



**IMPACTS TO CAPITAL IMPROVEMENT PROGRAM  
BY PROGRAM - ALL FUND SOURCES**

**STREET MAINTENANCE**

<b>PROGRAM/PROJECT</b>	<b>94/95</b>	<b>95/96</b>	<b>96/97</b>	<b>97/98</b>	<b>98/99</b>
Bridge Maintenance	12	12	12	12	12
H Street Bridge Painting	1,135	0	0	0	0
Median Retrofit	250	257	265	273	281
Replace Boardwalk - Old Sac	60	61	0	0	0
Street Overlay Program	2,947	2,832	2,917	3,004	3,094
Street Sealing Program	300	309	318	328	337
<b>TOTAL STREET MAINTENANCE</b>	<b>4,704</b>	<b>3,471</b>	<b>3,512</b>	<b>3,618</b>	<b>3,725</b>
Proposed Annual Reduction	400	412	424	437	450
<b>REMAINING MAINTENANCE AFTER DEBT FINANCE</b>	<b>4,304</b>	<b>3,059</b>	<b>3,088</b>	<b>3,181</b>	<b>3,275</b>

- Annual Street Maintenance reduction proposed @ \$400,000.
- Proposed reduction represents approximately Five Lane Miles less overlays per year.
- Reduction represents between 8% - 15% of the total street maintenance program.

**SIGNALS/LIGHTS/TRAFFIC CONTROL**

<b>PROGRAM/PROJECT</b>	<b>94/95</b>	<b>95/96</b>	<b>96/97</b>	<b>97/98</b>	<b>98/99</b>
Traffic signals	1,075	865	575	319	530
Future Traffic Signals	0	463	469	681	230
Misc. Imp. & Traffic Signal Maint.	200	206	212	273	337
Street Light Conv. Program	100	0	0	0	0
Three Way Stop Program	25	25	26	27	28
Traffic Signal Upgrade, Interconnect	275	235	371	382	394
Traffic Undulation Program	160	61	63	65	67
<b>TOTAL SIGNALS/ LIGHTS/TRAFFIC CONTROL</b>	<b>1,835</b>	<b>1,955</b>	<b>1,716</b>	<b>1,747</b>	<b>1,586</b>
Proposed Annual Reduction	900	927	955	983	1,012
<b>REMAINING AFTER DEBT SERV.</b>	<b>935</b>	<b>1,028</b>	<b>761</b>	<b>764</b>	<b>574</b>

- Annual signals/lights/traffic control reduction proposed @ \$900,000
- Proposed reduction represents approximately 5 traffic signals annually
- Reduction represents approximately 50% of total signals/lights/traffic control program.

**STREET IMPROVEMENTS**

<b>PROGRAM/PROJECT</b>	<b>94/95</b>	<b>95/96</b>	<b>96/97</b>	<b>97/98</b>	<b>98/99</b>
Street Improvement Projects	7,121	5,552	14,033	21,047	11,618
Bridge Projects	0				
Advance Project Plan/Design	50	51	53	54	56
Bikeway Program	59	82	84	87	90
Captain Jerry Traffic Safety	1	3	0	2	2
Center Median/left Turn Lane	100	144	155	164	168
CMP Reimbursement	35	36	37	38	39
Disabled Access Program	100	103	106	109	112
Landscaping of Existing Street Medians	250	257	265	273	281
Neigh. Facil. Imp. Program	100	103	106	109	112
Neigh. Traffic Mgmt. Prog.	400	412	424	437	450
Overwidth Pavement Reim.	150	154	159	164	168
Measure A State Highway	2,160	2,226	2,293	2,362	2,433
<b>TOTAL STREET IMPROVEMENTS</b>	<b>10,526</b>	<b>9,123</b>	<b>17,715</b>	<b>24,864</b>	<b>15,529</b>
Proposed Annual Reduction	200	206	212	218	225
<b>REMAINING AFTER DEBT SERVICE</b>	<b>10,326</b>	<b>8,917</b>	<b>17,503</b>	<b>24,646</b>	<b>15,304</b>

- Annual Street Improvement Reduction Proposed @ \$200,000
- Only minimal impacts to street improvements
- Reduction represents between 1% - 2% of total Street Improvements Program

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LW5-10.E

**MAJOR STREET PROJECTS  
SUMMARY EVALUATION FOR  
GAS TAX BONDING POTENTIAL**

PROJECT NUMBER & NAME		FEASIBLE FOR GAS TAX BONDING	RECOMMENDED FOR GAS TAX BONDING	COMMENT
1	Arden-Garden Connector	No	No	No Environmental Document
2	Exposition Boulevard Extension	Yes	No	Project already fully funded with Sales Tax/SLTPP
3	I-5/J Street Off-Ramp	Yes	No	Project already fully funded with ISTEA/Grant
4	Intermodal Station	No	No	Project not defined
5	7th Street Extension	No	No	No Environmental Document
6	Richards Blvd. Widening	Yes	Yes	Meets all criteria
7	Richards Boulevard Interchange (Phase 1)	No	No	No Environmental Document
8	Richards Blvd. Extension	No	No	Project not defined
9	Truxel Road Interchange	Yes	Yes	Meets all criteria
10	All Weather Northgate	No	No	Project not defined
11	Arena Blvd. Interchange	Yes	No	No Economic Benefit
12	Power Inn Road Widening	No	No	Project Not Defined
13	Evergreen Extension	No	No	No Environmental Document
14	Folsom/Power Inn Urban Interchange	No	No	No Environmental Document
15	Raley Blvd. Reconstruction	No	No	Project dependent on Magpie Creek improvements
16	Richards Blvd. Interchange Improvements (Phase 2)	No	No	Project not defined
17	Elder Creek Road Widening	Yes	No	No Environmental Document
18	Bannon Street Extension	No	No	Project not defined
19	Gateway Boulevard/ Crescent Boulevard	No	No	Project not defined
20	6th Street Extension	No	No	Project not defined
21	Crescent Braided Ramps on I-5	No	No	Project not defined
22	SR51/SR160/Arden- Exposition Improvements	No	No	Project not defined
23	Exposition Boulevard Interchange on SR160	No	No	Project not defined

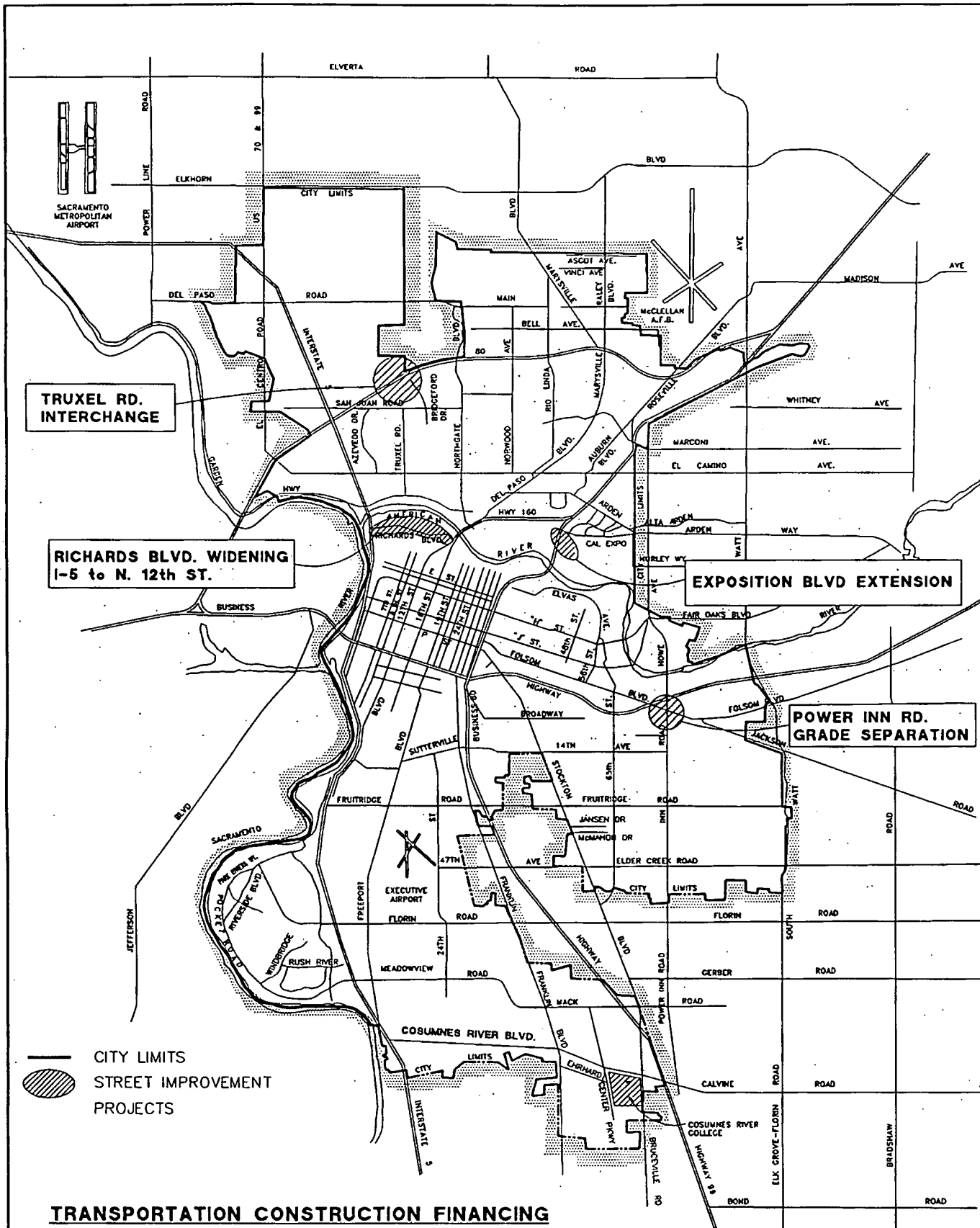
PROJECT NUMBER & NAME		FEASIBLE FOR GAS TAX BONDING	RECOMMENDED FOR GAS TAX BONDING	COMMENT
24	Cosumnes River Blvd. - I-5 to Franklin Boulevard	No	No	Project not defined
25	Northgate Boulevard Interchange on SR160	No	No	Project not defined
26	Cosumnes River Blvd. - Widen from 2 lanes to 4	No	No	Project not defined
27	Fair Oaks and Howe Avenue Grade Separation	No	No	Project not defined
28	Garden Highway Widening	No	No	No Environmental Document

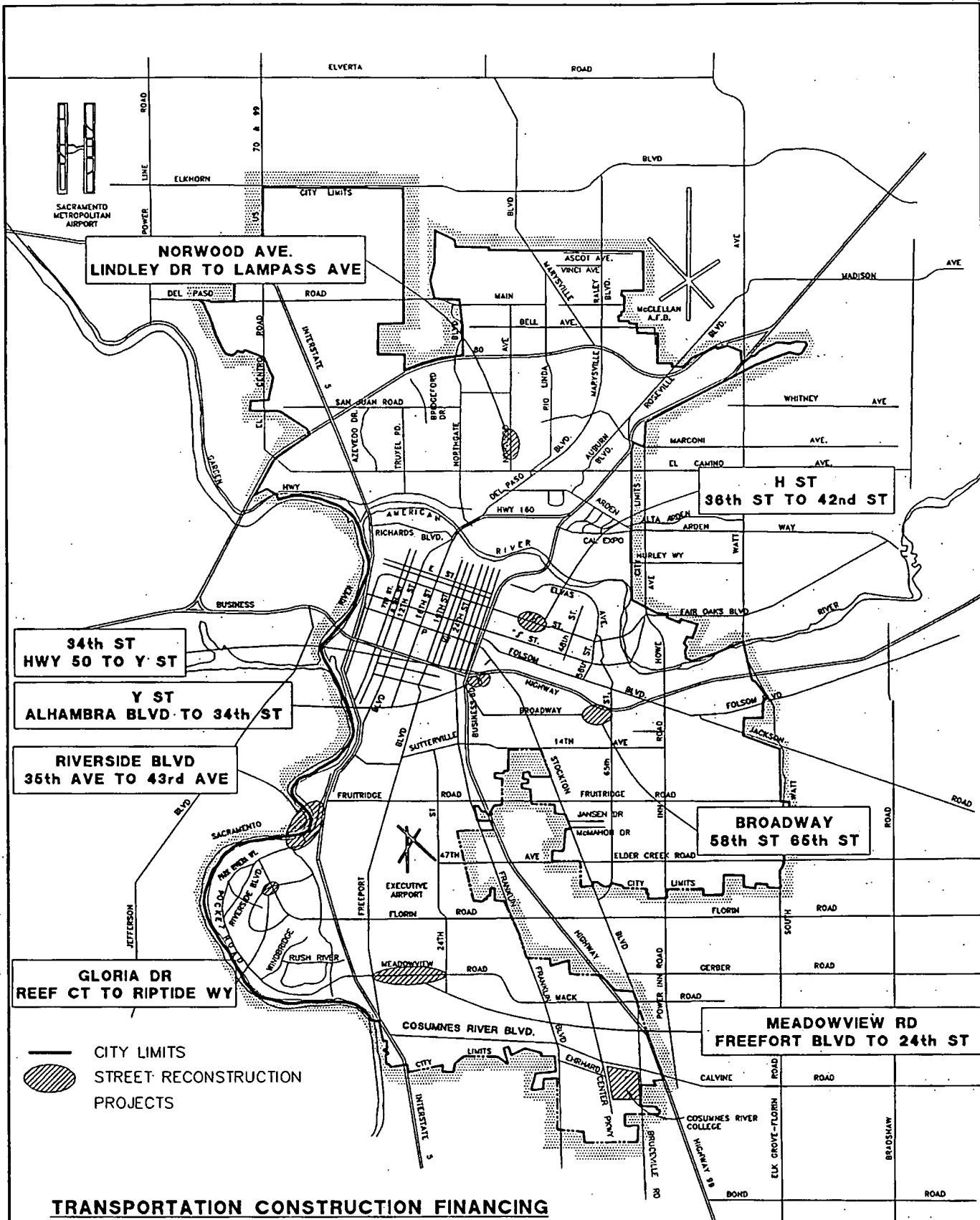
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**CITY OF SACRAMENTO  
TRANSPORTATION CONSTRUCTION FINANCING  
VARIOUS ROADWAY RE-CONSTRUCTION PROJECTS**

6/2/94

<u>Council District</u>	<u>Street Name</u>	<u>Project Limits</u>	<u>Project Length (Miles)</u>	<u>Estimated Cost</u>
2	Norwood Ave.	Lindley Dr. to Lampasas Ave.	0.48	\$200,000
3	H Street	36th St. to 42nd St.	0.45	200,000
4	Riverside Blvd.	35th Ave. to 43rd Ave.	0.60	150,000
5	34th Street	Hwy. 50 to Y Street	0.32	130,000
	Y Street	Alhambra Blvd. to 34th St.	0.21	60,000
6	Broadway	58th St. to 65th St.	0.57	160,000
7	Gloria Drive	Reef Court to Riptide Way	0.48	200,000
8	Meadowview Road	Freeport Blvd. to 24th St.	1.35	<u>900,000</u>
		TOTAL ALL PROJECTS		\$2,000,000







4/14/94

**CITY OF SACRAMENTO**  
**TRANSPORTATION CONSTRUCTION FINANCING**  
**TRUXEL ROAD/I-80 INTERCHANGE (PN:TH42)**

- **Project Description**

Construction of a full service partial cloverleaf freeway interchange at Truxel Road/I-80; located between the I-5/I-80 connection and the Northgate Boulevard/I-80 interchange.

- **Project Need:**

Under the existing transportation system, access to the Sports Complex, which includes a 19,000 seat arena and a proposed 65,000 seat stadium, and Northgate Industrial Park is the Del Paso Boulevard/I-5 interchange or Northgate Boulevard/I-80 interchange; no other major arterials exist to provide access into this heavily traveled area. As a result, long delays are experienced by motorists trying to enter or exit the area during peak hours or sporting/entertainment events.

Due to restricted access, development potential of the surrounding area is limited. The revised North Natomas Community Plan recommends the addition of a freeway interchange between the I-5/I-80 transition and the Northgate Boulevard/I-80 interchange as a means to encouraging future development.

- **Circulation Benefits**

Provides multiple routes and connections, thus improving the current traffic congestion associated with circulation and access to the existing Arco Arena, proposed stadium, Northgate Industrial Park, adjacent developments, and nearby residential communities.

Minimizes air quality impacts through direct street routing and proper street sizing suitable for the level and speed of commuters and sports complex visitors.

Mitigates traffic impact to neighborhoods by providing sufficient major arterials to high use areas.

- **Economic Benefits**

In a study commissioned by the City of Sacramento, the North Natomas Area, with the interchange improvements, would improve the City's competitiveness in attracting small to medium-sized companies in the electronics, surgical and medical instruments, and optical instruments industries.

Number of Potential Employees	Employee Earnings	Economic Impact to County of Sacramento	Number of Jobs Generated by Construction
39,350	\$8.2 million	\$28.3 million	197

- **Project Cost**

Gas Tax Bond Proceeds:	\$ 8,500,000
Other (developer & FBA contributions)	\$ 5,500,000
<b>Total Project Cost</b>	<b>\$14,000,000</b>

- **Project Expenditure Flow**

See Reverse Side.

**CITY OF SACRAMENTO  
TRANSPORTATION CONSTRUCTION FINANCING  
PROJECTED BOND PROCEEDS EXPENDITURE SCHEDULE BY MAJOR FUNCTION**

**PROJECT NAME: TRUXEL ROAD INTERCHANGE ON I-80**

**APRIL 15, 1994**

FUNCTION	PRIOR EXPENDITURE	FY 94/95				FY 95/96				FY 96/97			
		1	2	3	4	1	2	3	4	1	2	3	4
Design & Environmental	300	100	100										
Construction				600	1200	1800	1800	1200	800	600	300		

(values x 1000)

4/14/94

CITY OF SACRAMENTO  
TRANSPORTATION CONSTRUCTION FINANCING  
RICHARDS BOULEVARD WIDENING

- **Project Description**

This project involves widening Richards Boulevard from two-lanes to four-lanes and providing frontage improvements from I-5 to North 12th Street.

- **Project Need**

Richards Boulevard is a narrow, two-lane, deteriorated roadway with no curbs, gutters, sidewalks, or street lighting. It serves as the major east-west connector serving the North Old City Industrial Park. While the area is centrally located, access to the highway system is hampered by poor surface road flow and condition. Thus hampering the ability to transport goods and services to and from industrial businesses.

- **Circulation Benefits**

Provides an additional major east-west connection serving the central city, thereby increasing access and relieving congestion to and from the downtown area.

Provides improved access/circulation to the North Old City Industrial Park and Richards area.

- **Economic Benefits**

While the widening of Richards Boulevard offers no opportunities for mid-size or larger users, it does provide a strong role in the revitalization of the area.

Number of Potential Employees	Employee Earnings	Economic Impact to County of Sacramento	Number of Jobs Generated by Construction
7,650	\$2.9 million	\$10.1 million	71

- **Project Cost**

Bond Proceeds	\$2,500,000
Matching Shares (Proposed Assessment District)	<u>\$5,000,000</u>
Total Project Cost	\$7,500,000

- **Project Expenditure Flow**

See Reverse Side.

**CITY OF SACRAMENTO  
TRANSPORTATION CONSTRUCTION FINANCING  
PROJECTED BOND PROCEEDS EXPENDITURE SCHEDULE BY MAJOR FUNCTION**

PROJECT NAME: RICHARDS BOULEVARD WIDENING - I-5 TO NORTH 12TH STREET

APRIL 15, 1994

FUNCTION	PRIOR EXPENDITURE	FY 94/95				FY 95/96				FY 96/97			
		1	2	3	4	1	2	3	4	1	2	3	4
Construction				700	800	500	500						

(values x 1000)

4/14/94

**CITY OF SACRAMENTO  
TRANSPORTATION CONSTRUCTION FINANCING  
POWER INN ROAD GRADE SEPARATION**

- **Project Description**

This project involves the construction of a bridge structure which provides grade separation allowing Power Inn Road to pass beneath existing heavy rail and Regional Transit Light Rail Lines. This project has received 50% grant funding through the Regional Transit District.

- **Project Need**

Folsom Boulevard/Howe Avenue-Power Inn Road intersection is one of the most congested intersections in the City of Sacramento. Motorists passing through the intersection experience significant delays created by the limited capacity of the existing intersection and interruptions from Regional Transit (RT) light rail trains. These trains impede traffic flow for three - four minutes at 15 minutes intervals. Proposed future Light Rail services will result in delays at four - seven minute intervals.

Despite the fact this area has excellent development potential in the Florin-Perkins Industrial area, Army Depot, and the Granite Park site, manufacturers have indicated that the traffic congestion is an impediment to further development. The congestion associated with the Folsom Boulevard/Power Inn Road intersection makes it difficult to attract workers from the major labor pools located on the north side of U. S. 50 and causes costly delays for inbound and outbound truck traffic.

- **Circulation Benefits**

Increases safety by eliminating congestion at the intersection through the separation of light rail train movements and by consolidating turning movements.

Minimize air quality impacts through improved circulation and decreased delays.

- **Economic Benefits**

The construction of a grade separation structure on Power Inn Road south of the Folsom Boulevard intersection will increase the competitiveness of attracting businesses and manufacturing to an area that otherwise has excellent transportation routes and freeway access.

Number of Potential Employees	Employee Earnings	Economic Impact to County of Sacramento	Number of Jobs Generated by Construction
22,500	\$1.7 million	\$6.1 million	43

- **Project Cost**

Bond Proceeds	\$1,500,000
Matching Shares (State Grant)	<u>\$1,500,000</u>
Total Project Cost	\$3,000,000

- **Project Expenditure Flow**

See Reverse Side.

**CITY OF SACRAMENTO  
TRANSPORTATION CONSTRUCTION FINANCING  
PROJECTED BOND PROCEEDS EXPENDITURE SCHEDULE BY MAJOR FUNCTION**

**PROJECT NAME: POWER INN ROAD GRADE SEPARATION**

**APRIL 15, 1994**

FUNCTION	PRIOR EXPENDITURE	FY 94/95				FY 95/96				FY 96/97			
		1	2	3	4	1	2	3	4	1	2	3	4
Preliminary Design			50										
Final Design				100	100								
Right-of-Way						250							
Construction						100	200	400	200	100			

(values x 1000)

6/1/94

**CITY OF SACRAMENTO  
TRANSPORTATION CONSTRUCTION FINANCING  
VARIOUS ROADWAY RECONSTRUCTION PROJECTS**

- **Project Description**

This project involves the reconstruction of various roadway segments in selected areas throughout the City.

- **Project Need**

The City receives nearly \$4.2 million dollars each year from Transportation Sales Tax (Measure A) and Gas Tax revenues for the purpose of street maintenance. These funds primarily fund placement of new asphalt surfaces on City streets prioritized using a computerized pavement management system. These asphalt overlays work well on streets where the base material is in good repair. Unfortunately, there are several miles of streets where the base material has failed requiring the entire street section to be removed and reconstructed. Unfortunately, these projects are much more expensive than a simple overlay, and there is no dedicated fund source for the reconstruction projects.

- **Circulation Benefits**

Streets which are in need of reconstruction are often in such disrepair that motorists seek alternative routes to avoid the failed sections. Reconstructing these streets will re-establish the desired circulation route and eliminate the circuitous traffic movements caused by the bad streets.

- **Economic Benefits**

Reconstructing City streets in areas where need will provide for the efficient movement of goods and services and help stabilize the local economy.

Number of Potential Employees	Employee Earnings	Economic Impact to County of Sacramento	Number of Jobs Generated by Construction
Unknown	\$1.5 Million	\$3.8 Million	40

- **Project Cost**

Bond Proceeds	\$2,000,000
Matching Shares	\$ 0
<b>Total Project Cost</b>	<b>\$2,000,000</b>

- **Project Expenditure Flow**

See Reverse Side.

**CITY OF SACRAMENTO  
TRANSPORTATION CONSTRUCTION FINANCING  
PROJECTED BOND PROCEEDS EXPENDITURE SCHEDULE BY MAJOR FUNCTION**

**PROJECT NAME: VARIOUS ROADWAY RECONSTRUCTION PROJECTS**

**APRIL 15, 1994**

FUNCTION	PRIOR EXPENDITURE	FY 94/95				FY 95/96				FY 96/97			
		1	2	3	4	1	2	3	4	1	2	3	4
Design	0		100	100									
Construction					600	600	600						

(values x 1000)



CITY OF SACRAMENTO  
TRANSPORTATION CONSTRUCTION FINANCING  
EXPOSITION BOULEVARD EXTENSION TO STATE ROUTE 160

EXHIBIT 12 (Con't)

- Project Description

This project proposes the extension of Exposition Boulevard west, from SR 51 (Business 80) at Tribute Road, to connect with SR 160 near the present Royal Oaks ramp connection. The construction of an improved connection at SR 160 is also proposed as part of this project.

- Project Need

Currently, Exposition Boulevard ends at Tribute Road, just west of SR 51 (Business 80). Traffic commuting from Arden/Point West area to downtown or activities serviced by SR 160 must use the Arden Way/SR 51 to reach SR 160. This circuitous routing increases traffic congestion on Arden Way.

The proposed interchange at SR 160/Exposition Boulevard would reduce the amount of traffic using the existing buttonhook style ramps at Canterbury Road and Royal Oaks Drive. Recent studies have indicated a potential increase in accident rates at these types of connections.

- Circulation Benefits

Reduce emissions by providing alternate route for traffic moving between the downtown area and the Cal Expo/Point West area. Avoids circuitous routing by allowing local traffic to travel on local facilities and avoid the SR 51/Arden interchange.

Provides additional flexibility of traffic routing in and out of downtown, enhancing the effectiveness of future traffic management plans by alerting drivers to routing options via Changeable Message Signs.

- Economic Benefits

Improves access to the areas north and south of SR 160 which represent potential in-fill development opportunities consistent with the City of Sacramento General Plan, strengthening the economic vitality of the project area.

Number of Potential Employees	Employee Earnings	Economic Impact to County of Sacramento	Number of Jobs Generated by Construction
9,750	\$4.4 million	\$15.2 million	106

- Project Cost

Bond Proceeds	\$6,500,000
Matching Share (developer contributions)	<u>\$1,000,000</u>
Total Project Cost	\$7,500,000

- Project Expenditure Flow

See Reverse Side.

**CITY OF SACRAMENTO  
TRANSPORTATION CONSTRUCTION FINANCING  
PROJECTED BOND PROCEEDS EXPENDITURE SCHEDULE BY MAJOR FUNCTION**

**PROJECT NAME: EXPOSITION BOULEVARD EXTENSION**

**APRIL 15, 1994**

FUNCTION	PRIOR EXPENDITURE	FY 94/95				FY 95/96				FY 96/97			
		1	2	3	4	1	2	3	4	1	2	3	4
Preliminary Design	800												
Final Design		100											
Right-of-Way		800	400										
Construction			800	1000	1000	1000	600						

(values x 1000)

**OFFICE OF CITY TREASURER****Transportation Bond Financing****15 Year Debt Financing**

Available Construction Proceeds	Annual Debt Payment	Gross Debt	Present Value Interest Costs	TIC
\$14,500,000	\$1,652,333	\$24,759,048	\$6,003,335	5.768%
\$13,143,000	\$1,499,310	\$22,461,620	\$5,445,902	5.768%

\* Based on market rates on June 6, 1994