



5.2

PLANNING AND BUILDING
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February 17, 2004

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: R Street Corridor Infrastructure Needs Assessment (M04-013)

LOCATION AND COUNCIL DISTRICT: Districts 1, 3, and 4

RECOMMENDATION: Staff recommends Council adopt the attached resolutions:

- Accepting the R Street Corridor Infrastructure Needs Assessment and directing staff to develop a finance plan to implement the R Street Corridor Plan
- Approving the establishment of the 12th Street Combined Sewer Storage Project, Q to R Streets (PN: XN27) as a new Capital Improvement Project:
- Appropriating \$800,000 in funding from the State Jobs-Housing Balance Incentive Grant to the 12th Street CSS Storage Project, Q to R St.

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Jim McDonald, AICP, Senior Planner (916) 264-5723

FOR COUNCIL MEETING OF: February 24, 2004 (Afternoon)

SUMMARY: The purpose of this report is to provide the Council with an overview of the completed infrastructure needs assessment for the R Street Corridor Plan area. Additionally, staff is seeking direction from council to proceed with development of a finance plan to fund the infrastructure needed to support the transit supportive development identified in the adopted land use plan. Staff is also seeking authorization from Council to appropriate \$800,000 from the Jobs-Housing Balance Incentive Grant to develop the 12th Street Combined Sewer Storage Project, Q to R Streets, as a first step in implementing the R Street Corridor Infrastructure Needs Assessment.

BACKGROUND INFORMATION:

R Street Corridor Plan Overview: The R Street Infrastructure Needs Assessment (Needs Assessment) identifies major infrastructure needs and issues that have to be addressed to implement the land uses adopted in the R Street Corridor Plan. The Plan envisions a transit-oriented residential mixed-use neighborhood, with some major office and commercial development. Adopted in 1996, the Plan area extends from 2nd to 29th Streets, and Q to S Streets (see Attachment #1). A number of major projects are now proceeding in the corridor. However, the smaller parcel and adaptive reuse development envisioned has yet to materialize. Among the constraints to private investment are high property costs and the unknown issues and costs associated with inadequate and antiquated infrastructure systems.

R Street Corridor Infrastructure Needs Assessment Overview: The Needs Assessment (summarized in Attachment #2) projects build out for the Corridor using an updated version of the build-out scenario assumed in the Plan EIR. The new build-out scenario projects approximately 2400 new housing units and up to 2.4 million new square feet of office and commercial uses in mixed-use and stand alone buildings. Attachment #2 shows existing land use and projected build-out under the Needs Assessment scenario. The build-out projection, together with City Utilities and Public Works development standards were used to generate, at a conceptual level, the infrastructure improvements needed to serve the projected uses. In addition unique problems and issues were identified to provide a reference for City and private engineers planning or reviewing proposed development projects. Actual engineering for any specific project would need to be more rigorously designed to actual field conditions and specific project requirements. Existing and new improvements are mapped, schematically, in the report.

“Level of magnitude” cost estimates were generated to look at the magnitude of infrastructure funding necessary to enable development. These estimates are shown in the summary in Attachment #2. More detailed presentations and discussions of the infrastructure improvements, including private utilities, and cost components are presented in the report. The estimated costs are in the ballpark of \$44,000,000. Of that cost sixty-two percent \$27,000,000 is the cost to dig a joint trench and place vaults to underground the private utilities. If that cost is removed the remaining cost is \$17,000,000 with the water distribution system and street improvements being the largest components.

Some of the street improvements will be installed as part of new development projects. However, portions of the corridor that are not redeveloped will leave a patchwork of substandard and even unpaved street segments. The high cost of installing new water supply loops and hydrants for a whole block may render smaller infill projects infeasible. The improvements needed for the combined sewer and separated drainage systems are expensive for any one (or several) projects to bear while they will benefit all of the nearby properties. Further it is difficult to predict where and when new infill

development will occur. These systems have to be upgraded in fairly large increments to be cost effective and often to be functional.

Nolte Associates came up with a strategy for a large detention facilities to cost effectively add capacity to the combined sewer system. These types of projects are often only feasible for the City to carry out, even if cost recovery or assessments are used to generate all or a portion of the funding, as individual projects cannot shoulder the full costs of upgrading the larger system.

Allocation of Funds from Jobs-Housing Balance Incentive Grant: The City Council previously authorized execution of the contract with the State for the Jobs-Housing Balance Incentive Grant (Resolution 2003-820) to support infill development and neighborhood revitalization. The total grant is approximately \$2.5 million to be used for capital improvements that can be completed by June 2006. Creation of a Capital Improvement Project for the "12th Street Combined Sewer Storage Project, Q to R," estimated to cost approximately \$800,000, is proposed to be created and funded with a portion of the grant. This project is intended to address necessary improvements to the combined sewer system to improve drainage detention capacity.

Improvements to the combined system are difficult to address on an individual project basis, and the difficulty and expense has been a significant disincentive to new development. The storage facility is estimated to create enough capacity to support about 40 percent (approximately 1,100 units) of the projected housing build out, or a comparable amount of mixed use development. This would reduce obstacles to development within this area and improve individual project economics. The proposed storage project can be completed by June 2006, so meets the criteria for project readiness required for the State grant funds. Appropriation of \$800,000 from the grant for this project provides a dedicated funding source for completion of these sewer improvements to support residential mixed use development.

FINANCIAL CONSIDERATIONS: The R Street Infrastructure Needs Assessments identify general level of magnitude cost estimates for the necessary infrastructure improvements needed to implement the land use plans for both Plan areas. These cost estimates provide a foundation and reference for infrastructure improvements but do not necessarily reflect the final or actual costs. A feasibility assessment and financing strategy will be necessary to identify how the identified improvements will be financed.

The Capital Area Housing Authority (CADA) recently initiated an Urban Design and Development Plan for the CADA portion of the R Street Corridor extending from 5th to 17th Street. The Plan would include a finance strategy based on the work completed by the R Street Corridor Needs Assessment. CADA has agreed to expand the financing strategy portion of the study to include the entire R Street Corridor from 2nd to 29th Street with additional funding provided by the City. The estimated cost to fund the expanded scope for CADA's R Street Financing Strategy is estimated to cost \$28,000 and will be funded by Planning Division's consultant services budget.

The City Council authorized execution of the contract with the State for the Jobs-Housing Balance Incentive Grant (Resolution 2003-820). Appropriation of \$800,000 from the State Jobs-Housing Balance Incentive Grant for this project provides a dedicated funding source for the project. A CIP is created for this Fiscal Year 03/04 to authorize the City Utilities Department to move forward with the project and meet grant deadlines.

ENVIRONMENTAL CONSIDERATIONS: The proposed action does not constitute a project under California Environmental Act (CEQA) per Guidelines Section 15378 (b) (2), and is exempt from the National Environmental Policy Act (NEPA) per 24 CFR Part 58.34 (a) (3).

POLICY CONSIDERATIONS: The City of Sacramento General Plan's smart growth and infill policies support the identification and provision of infrastructure to aid in the development of new transit oriented development adjacent near light rail stations, transit corridors, and infill areas. The General Plan also encourages high intensity, mixed use development adjacent to transit, particularly those areas proximate to LRT stations.

It is also General Plan policy to provide a full range of adequate municipal services in order to meet resident and worker needs and to assure the healthy, orderly development and maintenance of its communities.

The Needs Assessments complies with the City's Strategic Plan to enhance and preserve neighborhoods, promote and support economic vitality, and improve and diversify the transportation system.

The R Street Corridor Infrastructure Needs Assessment promotes a number of Smart Growth policies of the General Plan including: providing a mix of uses and transit choices, promoting development of an urbanized area, and target infrastructure investments within the urban core of the region to allow for efficient use of existing facilities, infill and reuse areas.

E/SBD CONSIDERATIONS: No goods or services are being purchased under this report.


City Council
February 24, 2004
Re: R Street Corridor Infrastructure Needs Assessments (M04-013)
Page 5

Respectfully Submitted,



Gary L. Stonehouse
Planning Director

RECOMMENDATION APPROVED:

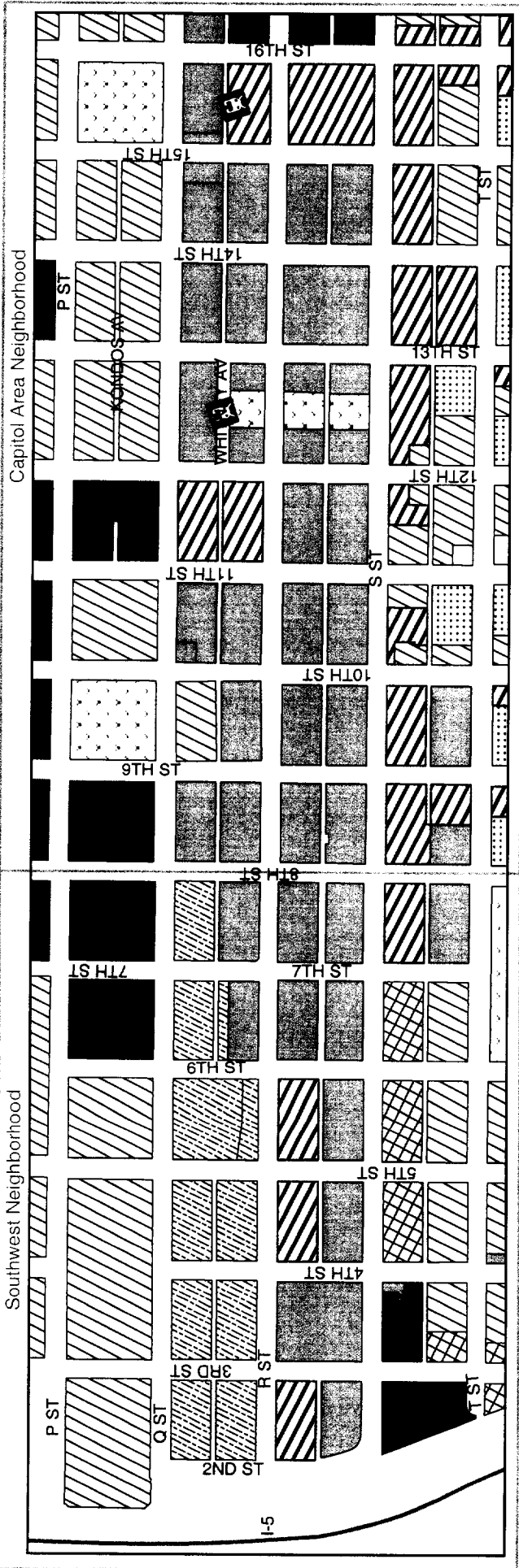


Robert P. Thomas
City Manager

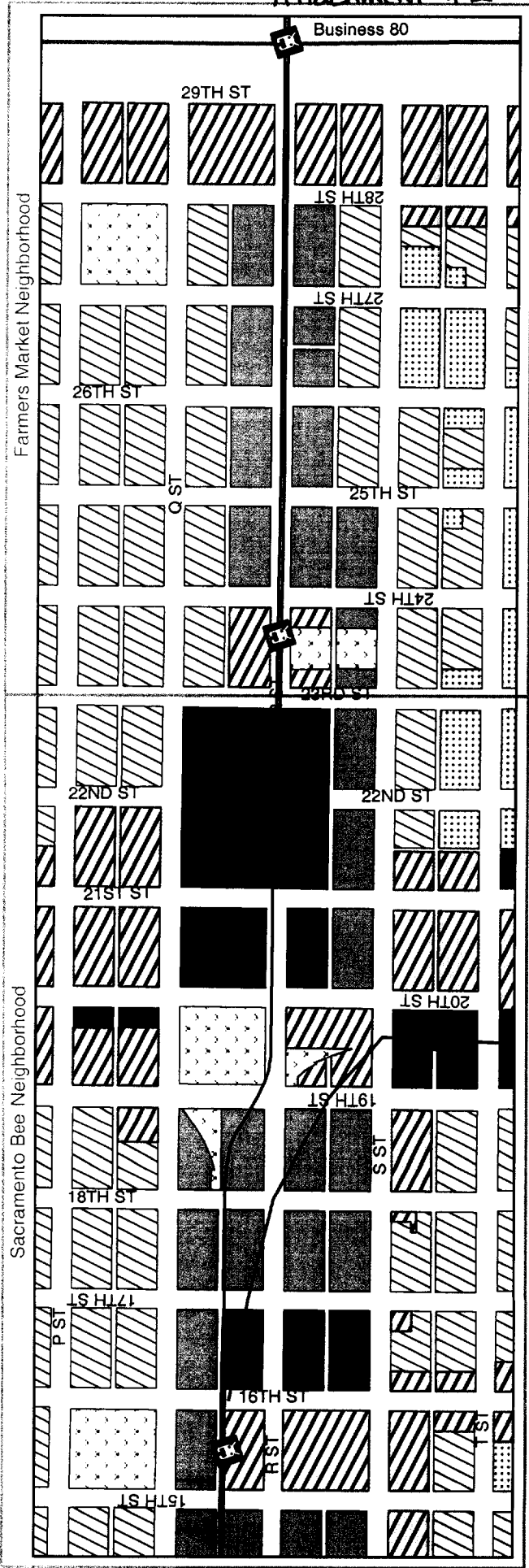
<u>TABLE OF CONTENTS</u>	<u>Page</u>
1. Attachment #3 - R Street Map	6
2. Attachment #4 - R Street Existing Development Summary	7
3. Resolution #1	10
4. Resolution #2	12

R Street Corridor Community Plan

Area West of 16th Street



Area East of 16th Street



Attachment # 2

Legend

- Existing Light Rail
- Proposed Light Rail
- Existing Station
- Proposed Station

Community Plan Land Uses

- Multi Family Residential
- Heavy Commercial
- General Commercial Mixed Use
- Intensive Mixed Use
- Office
- Residential Mixed Use
- Residential Office
- Low Density Residential
- Multi Use
- General Commercial
- Neighborhood Commercial
- Parks/Open Space

0 250 500 1,000
Feet



R STREET CORRIDOR INFRASTRUCTURE NEEDS ASSESSMENT SUMMARY

Infrastructure Needs Assessment Findings:

Numerous infrastructure issues have been discovered through the development of this Study. These key findings are briefly mention below and discussed in more detail in the appropriate sections of the Study.

- Existing streetscape conditions may require varying from the adopted typical street section. Recently constructed street improvements may not need to be constructed to strictly adhere to the adopted street section.
- Interim improvements may be necessary for the maintenance of the existing street sections.
- Additional land for park sites within the Plan are has not been purchased or reserved.
- Water main extension may be necessary to meet an individual project's fire flow demand and fire hydrant spacing.
- Detention will be required to mitigate the impacts to the Combined Sewer System. A centralized conceptual system is identified which will mitigate impacts from build-out of the full R Street corridor.
- The cost to underground the existing overhead utility lines is extremely expensive
- An existing petroleum products pipeline in R Street may interfere with the construction of future improvements
- A financing plan needs to be developed to fund the Costs of the needed improvements
- The financing of infrastructure upgrades may be difficult given the expected piecemeal development of the Plan area over along period of time.



R STREET CORRIDOR INFRASTRUCTURE NEEDS ASSESSMENT SUMMARY

Construction Cost Estimate Summary

A. STREETWORK	
R Street - 2nd to 18th Streets	\$5,782,800
R Street - 24th to 29th Streets	\$1,950,000
B. COMBINED SEWER SYSTEM	\$1,623,000
C. DRAINAGE SYSTEM (BASIN 52 IMPROVEMENTS)	\$1,341,100
D. WATER DISTRIBUTION SYSTEM	\$6,117,000
E. JOINT TRENCH	\$27,075,000
TOTAL CONSTRUCTION (A-E)	\$43,888,900



R STREET CORRIDOR INFRASTRUCTURE NEEDS ASSESSMENT SUMMARY

Existing Development and Total Build Out Projections

Development Type	Office/Commercial (square feet)			Heavy Commercial (square feet)			Residential (dwelling units)		
	Existing to Remain	Proposed Development	Projected Build Out	Existing to Remain	Proposed Development	Projected Build Out	Existing to Remain	Proposed Development	Projected Build Out
Southwest Area Neighborhood	1,117,162	661,158	1,778,320	0	0	0	0	881	881
Capitol Area Neighborhood	590,358	361,085	951,443	0	0	0	187	639	826
Sacramento Bee Neighborhood	25,600	728,147	753,747	456,473	0	456,473	35	466	501
Farmers Market Neighborhood	75,400	612,875	688,275	0	0	0	300	405	705
Total	1,808,520	2,363,265	4,171,785	456,473	0	456,473	522	2,391	2,913

9

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION DIRECTING STAFF TO PROCEED WITH THE DEVELOPMENT OF A FINANCING PLAN FOR THE R STREET CORRIDOR (M04-013).

WHEREAS, the City Council of the City of Sacramento, on December 10, 1996, adopted the R Street Corridor Plan and Special Planning District, which provides land use, design, implementation guidance, and zoning to create a transit oriented, mixed use neighborhood in the Central City; and

WHEREAS, the City of Sacramento General Plan designates R Street Corridor as an area of opportunity for re-use due to infrastructure, access or service changes that have resulted in new development opportunities; and

WHEREAS, the R Street Infrastructure Needs Assessment identified the necessary improvements and the estimated costs for infrastructure to implement the land use changes of the R Street Corridor Plan; and

WHEREAS, the R Street Corridor Plan and Infrastructure Needs Assessments promotes several Smart Growth policies of the General Plan including: providing a mix of uses and transit choices, promoting development of an urbanized area, creating walkable and bikeable development, taking advantage of existing community assets; and

WHEREAS, the Capital Area Development Authority (CADA) is developing an urban design and infrastructure financing plans for the CADA area of the R Street corridor and has asked the City of Sacramento to participate in the development of those plans, including the development of a financing plan for the infrastructure improvements throughout the entire R Street Corridor; and

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

ADOPTED: _____

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Sacramento that staff is directed to develop a finance plan recommendations for the R Street Corridor to implement the adopted land use plan and infrastructure improvements outlined in Infrastructure needs assessments and return to City Council for final approval.

MAYOR

ATTEST:

CITY CLERK

M04-013

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

ADOPTED: _____

11

RESOLUTION NO. _____

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON THE DATE OF _____

12TH STREET COMBINED SEWER STORAGE PROJECT, Q TO R STREETS - APPROPRIATION OF JOBS-HOUSING BALANCE INCENTIVE GRANT FUNDS

WHEREAS, in December 2003, the City Council authorized application and acceptance of the State Jobs-Housing Balance Incentive Grant to support infill development and neighborhood revitalization (Res. 2003-820); and

WHEREAS, the City Council adopted the R Street Corridor Plan on December 10, 1996; and

WHEREAS, the City prepared an Infrastructure Needs Assessment to identify infrastructure needs to support development consistent with the R Street Corridor Plan; and

WHEREAS, the Infrastructure Needs Assessment identified combined sewer system improvements that would support and facilitate substantial additional development in the R Street Corridor consistent with the adopted plan:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sacramento, to:

1. The 12th Street Combined Sewer Storage Project, Q to R Streets (PN: XN27) is established as a new Capital Improvement Project:
2. The FY03/04 Sewer Fund Capital Improvement Program is hereby amended to add the 12th Street CSS Storage, Q to R (PN: XN27) and to appropriate \$800,000 in Jobs-Housing Balance Incentive Funds to the project (512-500-XN27-4820).

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____