



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO REDEVELOPMENT AGENCY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org**

**Consent
November 6, 2008**

Honorable Chair and Members of the Board

**Title: Design Relocation: Regional Transit Bus Transfer Facility at 65th Street
Light Rail Station Project**

Location/Council District: Q Street east of 65th Street / Council District 3

Recommendation: Adopt a **Redevelopment Agency Resolution** a) finding pursuant to Health and Safety Code §33445 that design work to relocate the publicly-owned 65th Street bus transfer facility (Project) will benefit the 65th Street Redevelopment Project area (65th ST RDA); b) finding pursuant to Health and Safety Code §33445 that there are no other feasible means of financing the Project and that the Project will help eliminate blighting conditions; c) finding that the Project will further achievement of adopted goals in the 65th ST RDA Implementation Plan; d) approving \$68,102 of 65th Street Redevelopment Area Developer Assistance Tax Increment funds for preparation of Project construction plans, specifications and bid documents; e) transferring \$292,027 of tax-exempt bond funds from the Redding Avenue Acquisition project to the bus facility Project; f) transferring \$139,871 from 65th Street Redevelopment Area Developer Assistance tax-exempt bond funds to the bus facility Project; g) authorizing the Executive Director to execute an Owner Participation Agreement for up to \$500,000 with the Sacramento Regional Transit District (RT) to utilize third-party design services to prepare Project plans if RT's governing board makes necessary findings consistent with California Community Redevelopment Law Section 33445; and h) amend the Agency's budget accordingly.

Contact: Lisa Bates, Deputy Executive Director, 440-1316, Christine Weichert, Assistant Director, Housing & Community Development, 440-1353

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The City of Sacramento has planned and adopted several policies to support transit-oriented development (TOD) for the area surrounding the 65th

Design Relocation of RT Bus Transfer Facility at 65th Street Light Rail Station

Street light rail station. These policies include a Transit Village Plan for the area, designation of the 65th Street Redevelopment Project Area, and creation of the Station Block Plan that includes a Sacramento Regional Transit District (RT) bus transfer facility that allows passengers to transfer between light rail trains and buses.

The RT bus transfer facility dates from the late 1980's and was developed in conjunction with RT's light rail system. The area around the bus facility has historically been underutilized with low-density retail, service and industrial uses. Weekday passenger volumes at the 65th Street light rail station exceed 3,200 ("on" and "off" passengers, first quarter 2008). This is the second highest passenger volume outside the Central City on RT's "Gold Line" that links downtown Sacramento with the City of Folsom. The existing bus transfer parcel accommodates twelve RT bus routes, as well as nearby hospital shuttle service and an Amador Transit commuter bus. Frequency of all the routes serving the station slightly exceeds 200 buses/shuttles per weekday.

A public street currently separates the light rail station and bus facility, creating safety hazards as RT riders, including disabled riders, transfer between light rail and buses. Needed improvements would upgrade the bus facility and light rail station to minimize rider/vehicle conflicts, improve RT security systems and increase lighting, bicycle commuter facilities, passenger loading areas and install technology that allows transit riders to benefit from "real time" arrival and departure information.

RT desires to relocate its bus facility to directly abut the light rail station, but has been unable to fund the needed evaluation and design of new facilities with its own resources. To facilitate the study of alternatives, Sacramento Housing and Redevelopment Agency (Agency) provided \$70,000 of Community Development Block Grant funds to RT to examine options for relocation of the bus transfer facility. Agency funding was provided in furtherance of adopted goals in the current Implementation Plan for the 65th ST RDA.

The Portland-based firm Zimmer Gunsul Frasca Architects (ZGF) was retained to evaluate relocation options for the bus facility. Eleven variations of four alternative scenarios were examined. RT staff recently presented the final ZGF report with its "preferred relocation alternative" to RT's board of directors.

The next step in the relocation process involves creation of design documents and construction specifications to allow for bidding to occur. The estimated cost to complete bid documents is \$500,000 and the estimated timeframe for completion of design work is twelve months. RT's lack of internal funding sources prevents it from retaining professional design services to refine conceptual plans into working drawings and specifications to solicit construction bids (Project). The Agency proposes to provide 65th Street tax increment developer assistance funds for this purpose.

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Policy Considerations: The proposed funding is consistent with the following adopted goals in the 2004-2009 Implementation Plan for the 65th ST RDA.

- Redesign and development of portions of the Project Area which are stagnant or improperly utilized.
- Assembly of land into parcels suitable for modern, integrated development.
- Improvement of pedestrian, bicycle and vehicular circulation in the Project Area, in particular, public transit access and support.
- Provision of opportunities for participation by property owners in the revitalization of their properties.

In November 2007, a memorandum of understanding (MOU) was executed by RT, the Agency and City regarding cooperation on planning for a viable TOD project in the vicinity. The parties collaborated on tasks leading to the proposed Project, and will continue to coordinate Project implementation activities if funding is provided.

Environmental Considerations: The activities that would be funded by the proposed action involve design work but would not include actual construction. Construction to relocate the bus facility would be dependent on acceptable contractor bids and available sources of future funding.

California Environmental Quality Act (CEQA): As a project involving only feasibility or planning studies for possible future actions, the proposed activity is exempt from environmental review under CEQA Guidelines Section 15262.

Sustainability Considerations: The Project is intended to improve publicly-owned transit facilities and induce a new mix of uses that are supportive of transit and which would, by virtue of likely densities and proximity, allow light rail and RT buses to be convenient alternatives to automobiles. If this proves successful, the TOD project would achieve the following City of Sacramento Sustainability Master Plan goals:

- Significantly reduce the use of fossil fuels (*Energy Independence*);
- Reduce dependence on the private automobile by working with community partners to provide efficient and accessible public transit and transit supportive land uses (*Urban Design, Land Use, Green Building and Transportation*);
- Reduce long commutes by providing a wide array of transportation and housing choices near jobs for a balanced, healthy city (*Urban Design, Land Use, Green Building and Transportation*).

Other: The National Environmental Policy Act (NEPA) does not apply.

Design Relocation of RT Bus Transfer Facility at 65th Street Light Rail Station

Committee/Commission Action: At its regular meeting of August 27, 2008, the 65th Street Redevelopment Advisory Committee reviewed the staff recommendation for this item. The vote was as follows:

AYES: Arnold, Clady, Klein, Collins, Maleske, O'Mara, O'Toole, Sikich, Little

NOES: None

ABSTAIN: Clady

ABSENT: Garcia, Stevens, Billingsley, Cantu

At its regular meeting of October 15, 2008, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The vote was as follows:

AYES: Burruss, Chan, Coriano, Dean, Fowler, Gore, Morgan, Otto, Shah, Stivers

NOES: None

ABSENT: Mohr


Rationale for Recommendation: The Project would further four adopted goals in the 65th ST RDA Implementation Plan, including design for improved transit, pedestrian and bicycle commuting facilities. If improvement plans are provided future funding and implemented, the assembly of parcels for modern, integrated TOD development would be facilitated and parcel owners would be in an improved position to revitalize their properties and remove blighting conditions. TOD at this highly visible location would have a significant catalytic impact towards achievement of Transit Village and Station Block development objectives for the area. RT staff's recommended preferred alternative for relocation of the bus transfer facility would reduce rider hazards and allow use of upgraded information technology, enhanced lighting, security systems and rider amenities.

Financial Considerations: Staff recommends budget amendments totaling \$500,000 to be allocated to the Project. Of this total, \$68,102 would be 65th Street Developer Assistance Tax Increment funds, along with \$280,295 tax-exempt bond funds to be transferred from the Redding Avenue Acquisition Project and \$139,871 in 65th Street Developer Assistance tax-exempt bond funds. Staff also recommends approval of a resolution to authorize the Executive Director to execute an Owner Participation Agreement with RT for this purpose. Completion of bid documents and specifications will position RT to seek future funding to construct new facilities and allow the existing bus transfer parcel to be incorporated into a TOD site.

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Design Relocation of RT Bus Transfer Facility at 65th Street Light Rail Station

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by: 
LA SHELLE DOZIER
Interim Executive Director

Recommendation Approved:

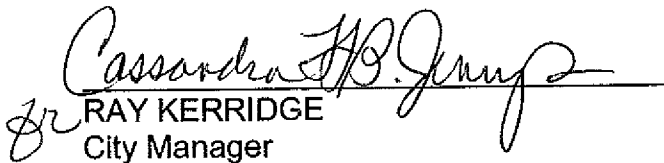
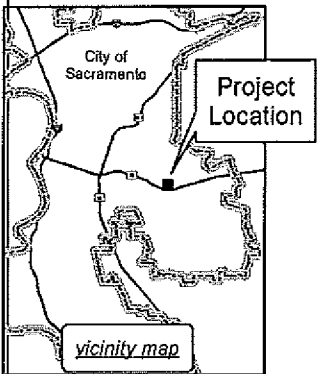
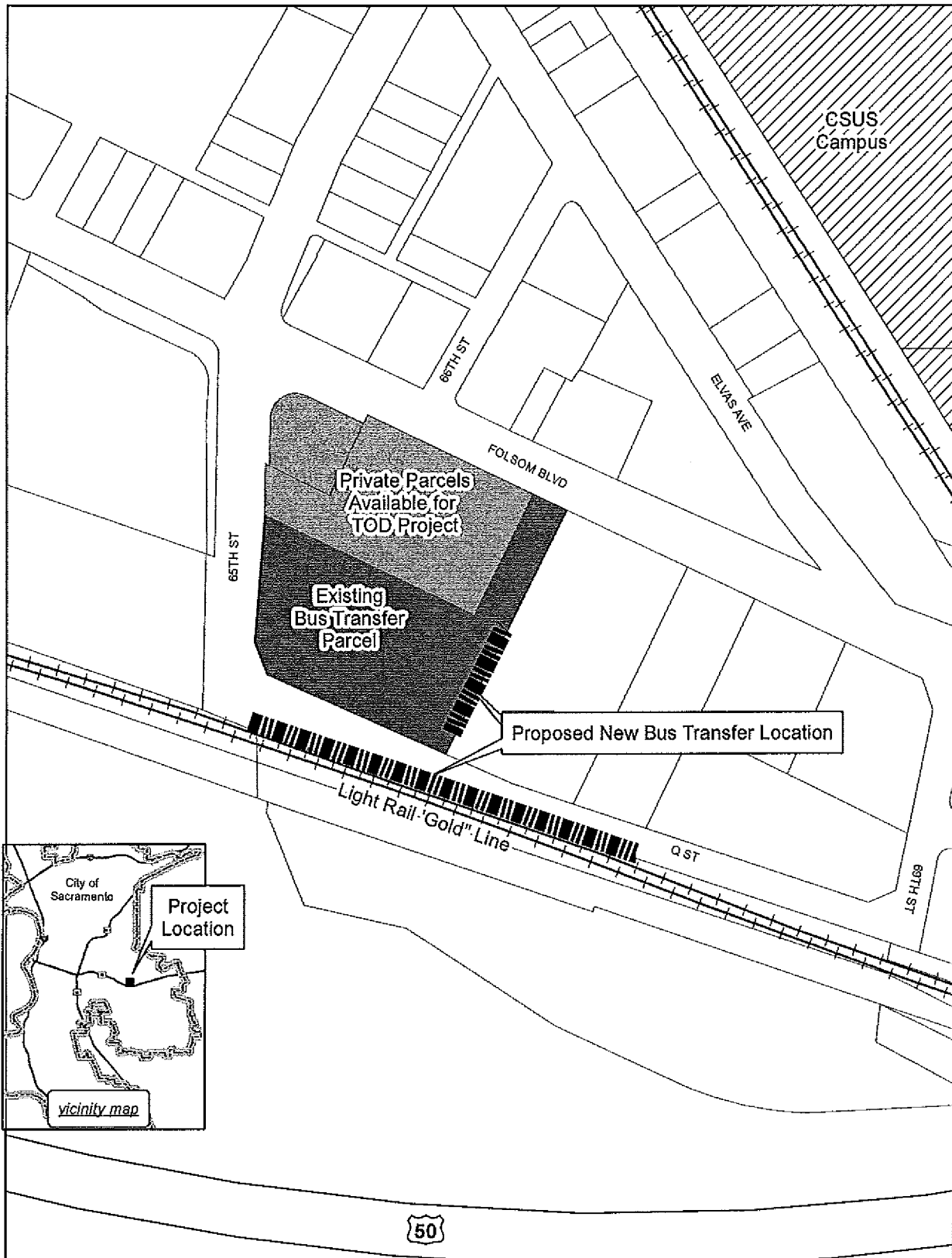

RAY KERRIDGE
City Manager





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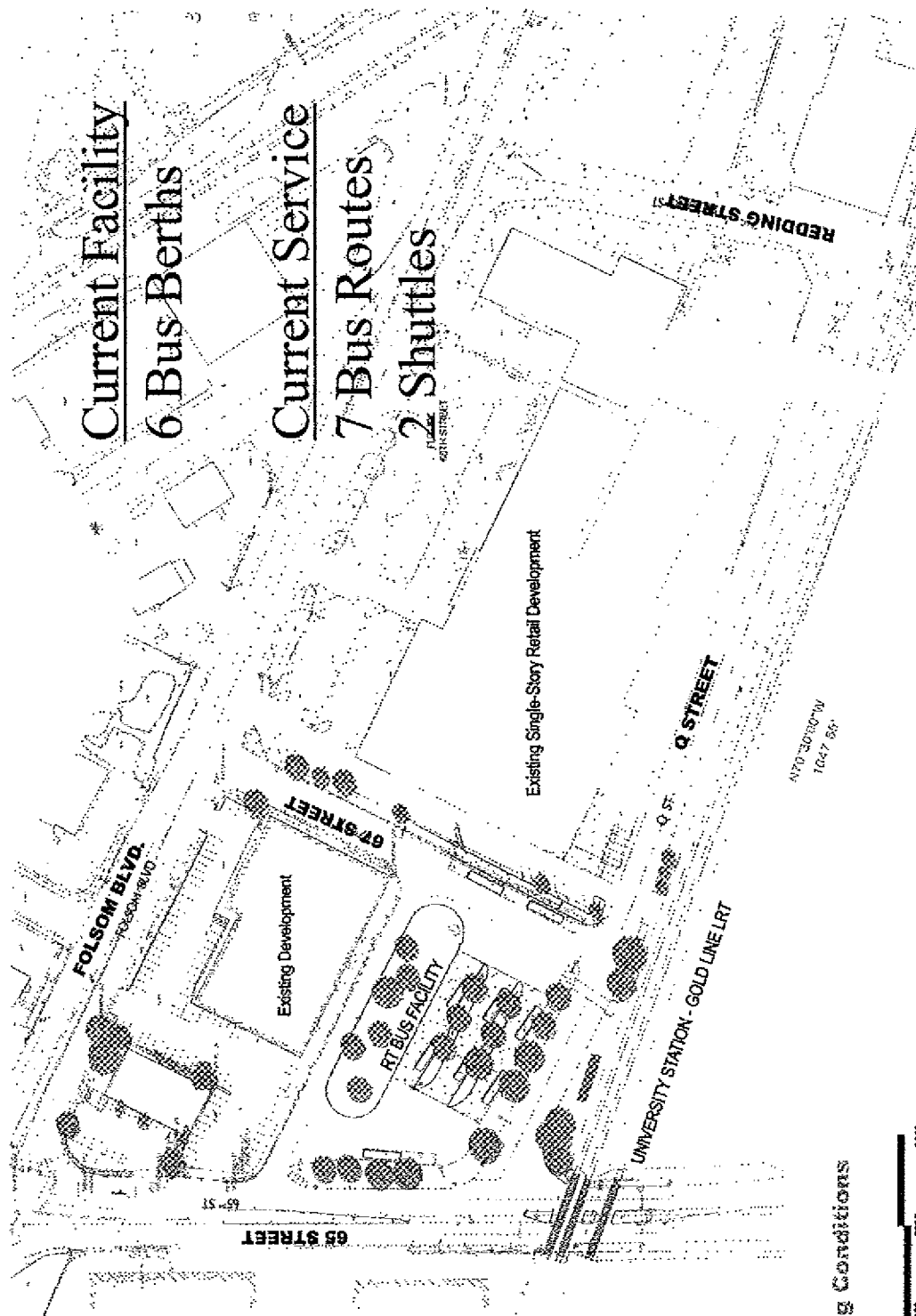
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Relocate Regional Transit Bus Transfer Facility at 65th St Light Rail Station



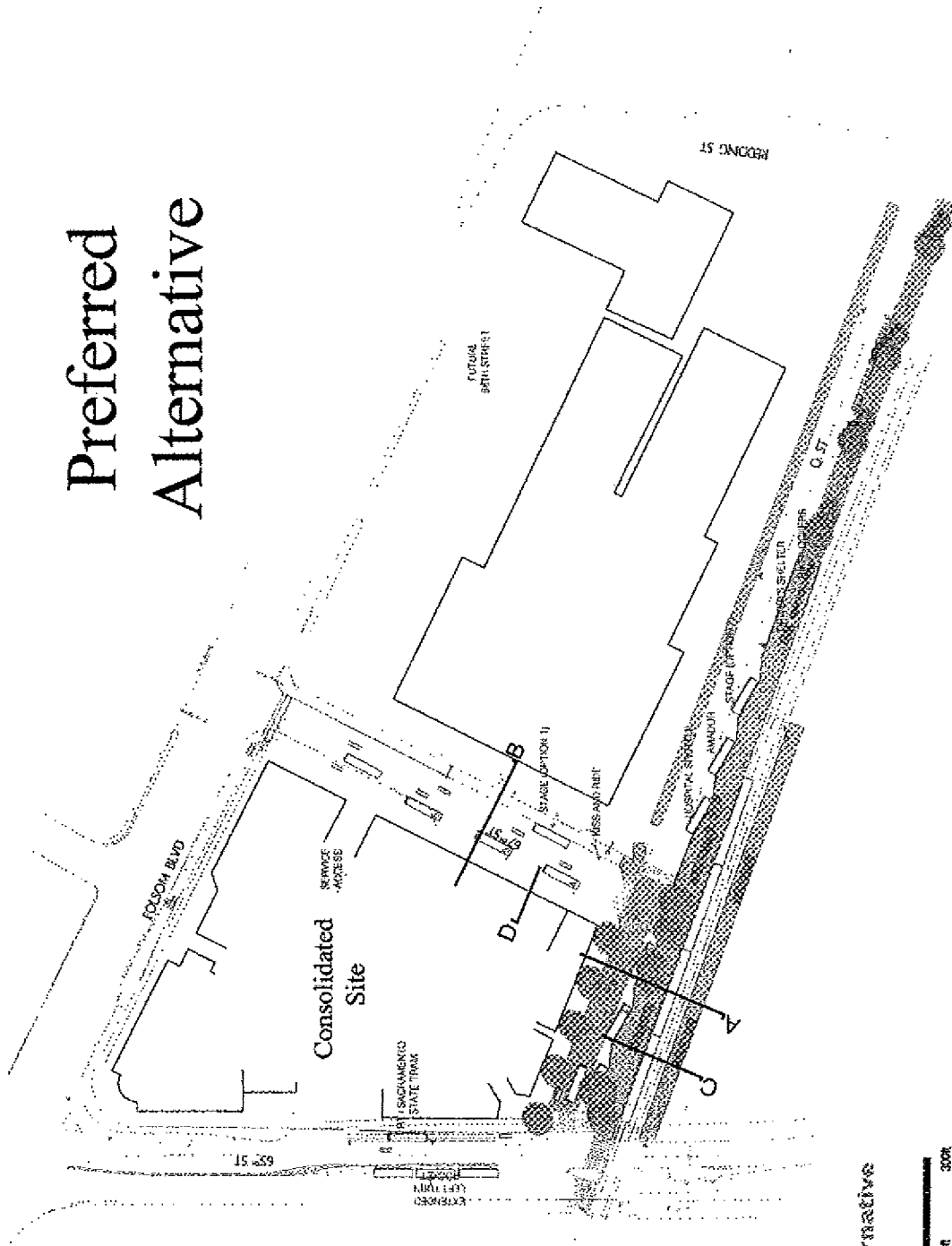
 Proposed New bus transfer location	0 0.05 0.1 Miles		SHRA GIS August 19, 2008
 private_parcels			
 Existing RT Bus Transfer			



Plan: Existing Conditions



Preferred Alternative



Plan: Preferred Alternative



**BACKGROUND: DESIGN RELOCATION: REGIONAL TRANSIT BUS
TRANSFER FACILITY AT 65TH STREET LIGHT RAIL STATION**

Relocation of Sacramento Regional Transit (RT) bus facilities at the 65th Street light rail station is one of many actions being pursued by various public agencies to encourage transit-oriented developments in the area around 65th Street and Folsom Boulevard. These efforts are summarized below, generally presented in chronological order.

65th Street/University Transit Village Plan

Approved by the Sacramento City Council in October 2002, the scope of the 65th Street/University Transit Village Plan (TVP) included comprehensive policies, objectives and an implementation program—all intended to guide land use decisions in the TVP study area (including the RT parcel) for approximately twenty years. The TVP's guiding principles included creation of a village "main street" environment as well as a college district for the adjacent 28,000-student campus of California State University at Sacramento (CSUS). Pedestrian, bicycle and transit linkages were to be improved and residential uses were to be encouraged, along with commercial mixed-use development projects in a compact Transit-oriented Development (TOD) format. The TVP has provided guidance for decision-making on infrastructure and transportation planning in the area, along with focusing the investment of redevelopment funding into competing projects. One component part of the TVP—its circulation element—is currently being re-examined to account for pre-existing mitigation measures that may be incompatible with other TVP objectives (see "Circulation Plan Study" below).

Transit for Livable Communities

In August 2002, after two years of effort and public outreach, RT's board of directors approved the "Transit for Livable Communities" land use planning project (TLC). The TLC project focused on areas within one-quarter mile around certain light rail stations. TLC emphasized higher density development patterns with walkable designs and a mix of uses, all intended to encourage transit use. The 65th Street light rail station was one of 21 stations assessed in the scope of TLC. The 65th Street station and environs were shown to have many favorable circumstances to support TOD development, including proximity to the CSUS campus and to the SMUD headquarters campus. The 65th Street station was described in TLC as providing "...one of the most significant transit-oriented development opportunities within the Folsom Corridor."

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65TH Street Redevelopment Project Area Adoption and Plan

The City Council, acting as the Redevelopment Agency of the City of Sacramento, adopted the 65th Street Redevelopment Project Area (RDA) and redevelopment plan in June 2004. The RT bus transfer facility is located in the northern tier of the 654 acre RDA, most of which lies south of Highway 50. The RDA's 2005-2009 Implementation Plan is supportive of compact infill projects that would increase development densities and the land-use mix around the light rail station. The implementation plan identifies a number of transportation, sewer, drainage and water distribution projects that were needed to supplement existing infrastructure and allow desired private projects to be constructed on land that was often vacant or otherwise underutilized. The RDA was adopted for a thirty-year duration and provides typical redevelopment financing tools to leverage other public resources as well as private equity and debt financing.

Redding Avenue Pedestrian / Bicycle Improvements

To improve non-vehicular transportation options linking areas south of Highway 50 with the 65th Street light rail station and the CSUS campus, \$745,000 of funding was approved in 2006 by the Sacramento Area Council of Governments (SACOG) as part of its Community Design Program for improvement of Redding Avenue between 4th Avenue and Folsom Boulevard (Capital Improvement Project # T15065800). The SACOG funds were matched with \$100,000 of 65th Street RDA tax increment funds. A City Department of Transportation (DOT) consultant team developed design alternatives which include parking, bike lanes, and sidewalks. The design was approved by City Council on June 24, 2008. City DOT and the Department of General Services will initiate right-of-way acquisition from multiple property owners along Redding Avenue. The right-of-way process is anticipated to take 18 months to complete, construction start date is scheduled for spring 2010. The recent ZGF report to RT regarding the bus transfer facilities has incorporated pedestrian connections to Redding Avenue, bicycle lanes on each side of Q Street and bicycle lockers for use by RT passengers

Station Block Plan

Since the 2004 adoption of the RDA, the Agency has emphasized planning for the "superblock" adjacent on the north to the 65th Street light rail station. The underdeveloped 13.6-acres bounded by 65th Street (west), Folsom Boulevard (north), Union Pacific rail tracks (east) and Q Street (south) are referred to as "The Station Block." The Station Block includes the RT bus parcel, and it was the focus of a real estate development strategy report prepared by consultant Leland Consulting Group. Early in their work on the assignment, Leland recommended re-evaluation of previously approved transportation mitigations for the area, since the adopted mitigations were incompatible with the TOD development objectives for the Station Block. The consultant's report, the "65th Street Station Block Development Strategy" (Station Block Strategy) recommended a comprehensive strategic approach to achieve property owner

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cooperation to assemble parcels that would support TOD project needs. The City Council accepted the Station Block Strategy in October 2006.

65th Street Circulation Plan Study

In March 2006, SACOG approved an \$885,000 Community Design Program grant request for reassessment of the 65th Street Circulation Plan Study. Those funds were matched with 65th Street RDA tax increment funds totaling \$114,700. A consultant team managed by City DOT is preparing three study mitigation alternatives that would be consistent with Transit Village and TOD objectives. The Environmental Impact Report (EIR) for the new Circulation Plan began in spring 2008. The team is preparing the traffic study memo that will be included in the draft EIR, which is scheduled for release to the public in winter 2009/2010. Anticipated completion of the EIR and alternatives is summer/fall 2009.

Bond Funds

In 2006, the Agency participated in a City bond issue that generated funds for investment in public parks, utility and transportation infrastructure projects, housing projects and to leverage private economic development projects that need gap financing. The funding was comprised of \$3.85 million taxable and \$1.65 million tax-exempt. The 65th Street Redevelopment Advisory Committee (RAC) recommended the funds be used to achieve the objective of early implementation of desirable developments that will generate new tax increment revenue. RAC priorities for distribution of redevelopment funds are as follows:

1. Drainage, Sewer & Water Distribution Projects
2. Commercial & Economic Development Projects (which could include assemblage of parcels if circumstances dictate a need to do so).
3. Transportation & Streetscape Improvement Projects
4. Parks/Community Facilities, Recreation, Open Space

Agency staff recommended that approximately \$4 million of the funds be tentatively allocated to assist development of the Station Block, the 13.6 acres that includes the RT bus parcel. The \$500,000 recommended in the staff report would come from that tax increment fund source.

RESOLUTION NO. 2008 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

RELOCATE REGIONAL TRANSIT BUS TRANSFER FACILITY AT 65TH STREET LIGHT RAIL STATION

BACKGROUND

- A. Sacramento Regional Transit District (RT) operates a bus transfer facility and light rail station at 65th Street (65th Street Facility) with the second highest passenger volume on RT's Gold Line outside the Central City.
- B. The 65th Street Facility is located within the 65th Street Redevelopment Project Area (Project Area).
- C. Achievement of Project Area Implementation Plan goals, including transit-oriented development (TOD) objectives at this location, are hindered by blighting conditions of the existing 65th Street Facility, inadequate infrastructure, inefficient and unsafe vehicle and pedestrian circulation, and by obsolete parcelization of the properties which hinders development in the immediate area.
- D. TOD-supportive planning activities are key elements of the City's 2002 65th Street/University Transit Village Plan (Transit Village Plan) and in the Agency's current 2004 – 2009 Project Area Implementation Plan. The area surrounding the 65th Street Facility has been identified as a priority location for TOD.
- E. In 2007, the City, RT and Agency agreed to terms of a Memorandum of Understanding (MOU) concerning the solicitation and evaluation of proposals for a TOD project that would include relocation of RT's 65th Street Facility.
- F. Due to lack of RT financial resources, the Agency provided financial support to RT for the evaluation of relocation options for the 65th Street Facility and provided additional financial support for a temporary TOD project manager for the 65th Street Facility.
- G. A Preferred Alternative for a relocated 65th Street Facility recommended by consultant for the potential project and by RT staff has been accepted by RT's Board of Directors.

Design Relocation of RT Bus Transfer Facility at 65th Street Light Rail Station

- H. Use of Developer Assistance to design relocation of RT's 65th Street Facility (Project) would be consistent with the following goals in the Project Area 2004-2009 Implementation Plan:
- Redesign and development of portions of the Project Area which are stagnant or improperly utilized.
 - Assembly of land into parcels suitable for modern, integrated development.
 - Improvement of pedestrian, bicycle and vehicular circulation in the Project Area, in particular, public transit access and support.
 - Provision of opportunities for participation by property owners in the revitalization of their properties.
- I. The Redding Avenue Acquisition Project contains unused tax-exempt bond funds that are eligible for transfer to the Project.
- J. The activities that would be funded by the proposed action involve design work but would not include actual construction. Project implementation would be dependent on acceptable contractor bids and available sources of future funding.
- K. The Project involves only feasibility, planning or environmental studies for possible future actions.
- L. A successful TOD would reduce the use of fossil fuels and reduce dependence on the private automobile by providing efficient and accessible public transit and transit supportive land uses.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

- Section 1. After due consideration of the facts presented, the findings above are determined to be true and correct and are approved, and the proposed activity is determined to be exempt from environmental review under CEQA Guidelines Section 15262.
- Section 2. Pursuant to Section 33445 of the Health and Safety Code of the State of California, the Agency consents to the Agency's allocation of funding under this resolution to be used for the purpose of creating project design plans, construction specifications and bid documents for relocation of RT's publicly-owned and outmoded 65th Street Facility based on the following findings:
- a. The public improvements are of benefit to the Project Area and the immediate neighborhood in which the Project Area is located;

Design Relocation of RT Bus Transfer Facility at 65th Street Light Rail Station

- b. There are no other reasonable means of financing these public improvements which are needed for proper redevelopment of the Project Area in a timely manner; and
- c. The public improvements will assist in the elimination of blighting influences as described in the above findings and are consistent with the implementation plan for the Project Area adopted pursuant to Health and Safety Code Section 33490.

Section 3. The amount of \$500,000 is allocated to the Project from the following 65th Street fund sources:

- a.) \$68,102 would be 65th Street Developer Assistance Tax Increment funds;
- b.) \$292,027 of tax-exempt bond Redding Avenue Acquisition project funds; and
- c.) \$139,871 in 65th Street Developer Assistance tax-exempt bond funds, and the Executive Director is authorized to amend the Agency budget accordingly.

Section 4. The Executive Director, or her designee, is authorized to enter into an Owner Participation Agreement with RT for a \$500,000 forgivable loan to retain professional services to design the Project for bidding.

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Exhibit A: Owner Participation Agreement

OWNER PARTICIPATION AGREEMENT
Using Funds from 65th Street Redevelopment Project Area Project Area Tax Increment

65th Street Light Rail Bus Facility Relocation Design
65th Street and Folsom Boulevard, Sacramento, California

Redevelopment Agency of the City of Sacramento
and
Sacramento Regional Transit District

OWNER PARTICIPATION AGREEMENT

Using Funds from 65th Street Redevelopment Project Area Project Area Tax Increment
65th Street Light Rail Bus Facility Relocation Design
65th Street and Folsom Boulevard, Sacramento, California

THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO, and SACRAMENTO REGIONAL TRANSIT DISTRICT, respectively, enter into this Owner Participation Agreement, also called OPA, as of _____, 2008.

For purposes of this Agreement, the capitalized terms shall have the meanings assigned in Section 10.

RECITALS

SRTD is the owner of real property located at 65th Street and Folsom Boulevard, Sacramento, California, in the City of Sacramento, California, more particularly described in attached Exhibit 1: Legal Description, which is incorporated into this OPA by this reference. The Property is located in 65th Street Redevelopment Project Area and is subject to the Project Area's Redevelopment Plan.

A. This OPA is made in accordance with provisions of the Redevelopment Plan for participation by property owners in redevelopment of the project area (adopted in accordance with California Health & Safety Code Section 33339).

B. The Agency is participating in this OPA because this OPA is consistent with, and furthers, the Redevelopment Plan and the Implementation Plan. Specifically and without limitation, the Agency has determined that the Project will eliminate the following blighting influences: low or stagnant property values and impaired investment in the Project Area, inadequate public infrastructure, and improper or obsolescent parcelization. The Agency has also determined that the Project will meet the following goals of the current "Implementation Plan" adopted for the Project Area: The project will provide for redevelopment of portions of the project area which are improperly utilized; for the assembly of land into parcels suitable for modern integrated development; for improvement of bicycle and vehicular circulation, particularly public transit access and support; and for the participation by property owners in the revitalization of their properties.

C. In order to accomplish such Agency goals and purpose, the OPA provides that SRTD will undertake certain predevelopment activities for the Property in the manner and for the purposes described in this OPA.

D. It is not the intention of the parties that this OPA create a partnership for any purpose. It is the intent of the parties that this OPA serve and further the respective public purposes of the parties.

AGREEMENT

NOW THEREFORE, in consideration of the following mutual covenants, obligations and agreements and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. AGENCY FUNDING. Agency is providing funding to the Project under this OPA for the Project as described in Section 2. As a condition of Agency's obligation to provide the Agency Funding and in consideration of the Agency Funding, SRTD is undertaking all obligations of SRTD under this OPA.

1.1. AMOUNT OF FUNDING. Agency shall provide funding for the Project in an amount not to exceed Five Hundred Thousand Dollars (\$500,000). SRTD shall use the Agency funding for the Project as defined in this OPA and for no other purpose.

1.2. PAYMENT. Agency shall make payment within thirty (30) days following submission of a request for reimbursement by SRTD. Such reimbursement request shall include the billing of third-parties clearly indicating that the work for which reimbursement is requested is Project work and not for any other work, and it shall also include proof of payment for services covered by the prior Agency disbursement under this OPA.

2. PROJECT DESCRIPTION. The Project being assisted with the Agency Funding is the design and preparation of construction specifications and bid documents for proposed relocation of the bus transfer facility located at 6800 Folsom Boulevard, and including related improvements to the University/65th Street light Rail Station platform, bus loading areas, and Q Street and 65th Street rights of way, referenced herein as the Preliminary Design and Design Specifications. The Project does not include actual construction or relocation activities. The Design Specifications shall be in accordance with the Design Concept herein described.

2.1. TIME FOR PERFORMANCE. SRTD shall complete the Project on or before December 31, 2009.

2.2. OWNERSHIP OF WORK. Agency and SRTD shall jointly own the work of the Project and SRTD shall assure that all architectural and design contracts shall provide that Agency and SRTD, jointly and severally, own the full and unrestricted rights to use and reproduce for their respective purposes all of the Designs and Specifications and all related work product, including in electronic formats.

2.3. NATURE OF APPROVAL. This OPA is a financing document of the Agency and not a land use or planning document. Approval of the Project under this OPA by the Agency is not and shall not be considered an approval of the aesthetics or adequacy of the Designs and Specifications or land use or other entitlement for any subsequently derived construction project. SRTD shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the City.

2.4. APPROVAL OF CHANGES TO DESIGN CONCEPT. If SRTD desires to make any substantial changes in the Design Specifications from the Design Concept, SRTD shall submit such proposed changes, in writing, to the Agency for its approval. The Agency shall approve or disapprove the proposed change as soon as practicable. Nothing in this Section shall be construed to relieve SRTD of its obligations under all applicable laws regarding such changes. A substantial change in the Designs and Specifications shall include, without limitation, the following changes.

2.4.1. Any change in use of exterior finishing materials or other architectural and landscape elements substantially affecting architectural appearance or functional use and operation of the Property as intended by the Design Concept.

2.4.2. Any other change which would preclude or materially reduce the ability to use the Designs and Specifications to develop the Property as described in the Design Concept.

3. NONDISCRIMINATION IN CONTRACTING AND EMPLOYMENT. SRTD, agrees that the following provisions shall apply to, and be contained in all contracts and sub-contracts for the construction of the Project.

3.1. EMPLOYMENT. SRTD shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, creed or national origin. SRTD will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, sex, marital status, national origin, ancestry, familial status, or disability. Such action shall include, but is not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. SRTD agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

3.2. ADVERTISING. SRTD will, in all solicitations or advertisements for employees placed by or on behalf of SRTD, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, sex, marital status, national origin, ancestry, familial status, or disability.

4. INDEMNIFICATION. Each party shall indemnify, protect and hold harmless the other party, its officers, directors, commissioners, employees, and agents from any and all liability caused by or resulting from the acts or omissions of the other party or its officers, directors, commissioners, employees, agents or independent contractors in the performance of this Agreement and for any and all costs incurred by the other party in defending against such liability claims, including reasonable attorney's fees. This indemnification provision shall survive the termination of this agreement.

5. INSURANCE. With regard to this OPA, SRTD shall obtain and maintain reasonable coverage of insurance, or the equivalent, with coverage for commercial general liability, worker's

compensation, and as may be applicable, automobile insurance and claims for contractual liability arising from SRTD's obligations under this OPA. SRTD shall require any other entity or person providing work under this OPA to obtain and maintain such insurance coverage.

6. DEFAULTS AND REMEDIES. Except as otherwise provided in the OPA, if either party defaults in its obligations under this OPA, the defaulting party shall immediately commence and diligently proceed to cure the default within thirty (30) days after written notice of default from the other party or, if reasonable, such longer time as is reasonably necessary to remedy such default if such default cannot reasonably be cured within thirty (30) days for reasons beyond the control of the defaulting party, provided that the defaulting party shall promptly begin and diligently pursue such cure to completion. If the defaulting party does not promptly begin and diligently cure the default within a reasonable time, the other party may institute proceedings to cure the default.

6.1. AGENCY DEFAULT. If Agency fails to pay funds, as and when due to SRTD under this OPA, SRTD shall be entitled to recover from Agency the unpaid funds and either (a) interest at the prime rate then generally applicable on due and unpaid funds until paid or (b) actual third party damages arising from activities required of SRTD under this OPA.

6.2. SRTD DEFAULT. If SRTD fails to provide the Designs and Specifications as and when required by this OPA or uses the funds provided to SRTD for any purpose other than as obligated under this OPA, SRTD shall repay to Agency all funds paid by Agency under this OPA together with interest on such funds from date of payment from Agency to SRTD until repaid to Agency, at the prime rate then applicable.

6.3. NONLIABILITY OF AGENCY OFFICIALS AND EMPLOYEES. No member, official or employee of either party shall be personally liable to the other party, or to any successor in interest, in the event of any default or breach or for any other claims arising under the terms of this OPA.

6.4. ATTORNEY'S FEES AND RELATED COSTS. If an action is commenced between the parties, the prevailing party in that action shall be entitled to recover from the non-prevailing party all reasonable attorney fees and costs, witness fees, arbitrator's fees, and court and arbitration costs. The term "prevailing party" shall include without limitation, the party who receives performance from the other party for an alleged breach of contract or a desired remedy where the performance is substantially equal to the relief sought in an action; the party who receives any award for relief through arbitration; or the party determined to be the prevailing party by a court of law. In any event, the prevailing party shall mean the party receiving a judgment, ruling or award that is more favorable than the last firm offer of settlement made by such party. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

7. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER. SRTD shall not assign SRTD's interests or obligations under this OPA or undertake any act or transaction resulting in a

significant change in the interests of the principals of SRTD or the degree of their control of SRTD without the prior written consent of Agency.

8. **DOCUMENT INTERPRETATION.** This OPA shall be interpreted in accordance with the following rules.

8.1. **INTEGRATED DOCUMENTS; SEVERABILITY** This OPA integrates all of the terms and conditions related or incidental to its subject matter, and supersedes all negotiations or previous agreements between the parties with respect to its subject matter. If any term or provision of this OPA shall, to any extent, be held invalid or unenforceable, the remainder of this OPA shall remain in full force and effect and the invalid or unenforceable provision shall be valid and enforceable as to any other person or circumstance.

8.2. **WAIVERS AND AMENDMENTS.** All waivers of the provisions of this OPA must be in writing and signed by Agency or SRTD, as applicable, and all amendments to this OPA must be in writing and signed by Agency and SRTD. Any delay by Agency or SRTD in asserting any rights under this OPA shall not operate as a waiver or limitation of such rights. Any waiver in fact made by Agency or SRTD with respect to any specific default by the other party shall not be considered as a waiver with respect to any other defaults by the other party or with respect to the particular default except to the extent specifically waived in writing.

8.3. **CAPTIONS, GENDER AND NUMBER.** The section headings, captions and arrangement of this OPA are for the convenience of the parties to this OPA. The section headings, captions and arrangement of this instrument do not in any way affect, limit, amplify or modify the terms and provisions of this OPA. The singular form shall include plural, and vice versa, and gender references shall be construed to include all genders.

8.4. **DRAFTER.** This OPA shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to sections are to this OPA. All exhibits referred to in this OPA are attached to it and incorporated in it by this reference.

8.5. [Intentionally Omitted?]

8.6. **TIME FOR PERFORMANCE.** In determining time for performance, it shall be construed that Agency and SRTD shall each do the actions required of them, promptly and when specified in this OPA, and that each action specified in the Schedule of Performances shall be performed by the responsible party on or before the date scheduled for its completion.

8.7. **GOVERNING LAW.** This OPA shall be governed and construed in accordance with California law.

8.8. **INSPECTION OF BOOKS AND RECORDS.** Agency has the right, at all reasonable times, to inspect the books and records of SRTD regarding the Project as reasonably necessary to carry out its purposes under this OPA.

8.9. OWNERSHIP OF DATA. If this OPA is terminated, for any reason, prior to the completion of the Project, SRTD shall deliver to Agency any and all data acquired for development of the Property. Agency shall have full ownership and rights to use such data, including in electronic formats.

8.10. SUCCESSORS. This OPA shall inure to the benefit of and shall be binding upon the parties to this OPA and their respective heirs, successors, and assigns.

9. NOTICES. All notices to be given under this OPA shall be in writing and sent to the following addresses by one or more of the following methods:

9.1. Addresses for notices are as follows:

9.1.1. Agency: Redevelopment Agency of the City of Sacramento, 630 I Street, Sacramento, California 95814, Attention: Greg Ptucha.

9.1.2. SRTD: Sacramento Regional Transit District, 1400 29th Street, Sacramento, CA 95816; mailing address at P.O. Box 2110, Sacramento, CA 95812-2110; Attention: Director of Real Estate.

9.2. Notices may be delivered by one of the following methods:

9.2.1. Certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the United States Mail;

9.2.2. A nationally recognized overnight courier, by priority overnight service, in which case notice shall be deemed delivered one (1) business day after deposit with that courier;

9.2.3. Hand delivery with signed receipt for delivery from a person at the place of business of the receiving party and authorized to accept delivery for the receiving party, in which case notice shall be deemed delivered upon receipt, or

9.2.4. Telecopy, if a copy of the notice is also sent the same day by United States Certified Mail, in which case notice shall be deemed delivered one (1) business day after transmittal by telecopier, provided that a transmission report is automatically generated by the telecopier reflecting the accurate transmission of the notices to receiving party at the "Fax Number" given in the Escrow Attachment or to such other address as SRTD or Agency may respectively designate by written notice to the other.

10. DEFINITIONS.

10.1. "Agency" is the Redevelopment Agency of the City of Sacramento. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California. The principal office of the Agency is located at 630 I Street, Sacramento, California 95814. Agency as used in this OPA includes the Redevelopment Agency of the City of Sacramento and any assignee of

or successor to its rights, powers, and responsibilities. The Sacramento Housing and Redevelopment Agency is a joint powers agency which provides staffing for the operation of the Agency.

10.2. "Agency Funding" is the funding provided by the Agency under this OPA to SRTD for the Project.

10.3. "City" is the City of Sacramento, a political subdivision of the State of California.

10.4. "Community Redevelopment Law" is the law governing redevelopment in the State of California and is found commencing at Health and Safety Code Section 33000.

10.5. "Design Specifications" is the preliminary engineering, design and construction specifications and bid documents for proposed relocation of the bus transfer facility located at 6800 Folsom Boulevard, and including related improvements to the University/65th Street light Rail Station platform, bus loading areas, and Q Street and 65th Street rights of way. Improvements to be included in the Design Specifications shall include hardscape, landscape, information technology, lighting, security systems, seating, bicycle storage facilities, pedestrian and bicycle amenities, and storm water infrastructure.

10.6. "Design Concept" is the "preferred alternative" project concept described in the report of Zimmer Gunsul Frasca Architects LLP, dated September 9, 2008.

10.7. "SRTD" is Sacramento Regional Transit District, a California Public Corporation. Notwithstanding any other provision of this OPA, SRTD may assign this OPA to a single asset entity in which SRTD has a substantial interest and is the managing member, the general partner or the controlling shareholder and chief operations officer; provided (i) that the entity form and organizational documents have been approved by Agency Counsel, (ii) that the new entity has agreed in writing to be bound by all the provisions of this OPA and all agreements related to this OPA, and (iii) that the entity has been approved in writing, in advance, by the Agency's Executive Director. The principal office of SRTD is located at 1400 29th Street, Sacramento, CA 95816; mailing address at P.O. Box 2110, Sacramento, CA 95812-2110.

10.8. "OPA" is this Owner Participation Agreement between Agency and SRTD, including all documents incorporated in this OPA by reference.

10.9. "Project" is the work to be accomplished under this OPA, which consists of the preparation of the Design and Specifications.

10.10. "Project Area" is the 65th Street Redevelopment Project Area, as defined in the Redevelopment Plan.

"Property" is that real property described in the Design Concept for which the Design and Specifications are to be derived, and is generally described as 6800 Folsom Boulevard (Assessor's Parcel Number 015-0010-021), Q Street right of way along the light rail station

(Assessor’s Parcel Number 015-0010-039), and adjacent light rail tracks right-of-way Assessor’s Parcel Number 015-0010-038) .

10.11. “Preliminary Design includes the following: CEQA clearance, environmental site assessment, Right-of-Way activities including survey, soils investigation, geotechnical assessment, etc as required for design.

10.12. “Redevelopment Plan” is the redevelopment plan for the Project Area (as it may be amended from time to time) for the 65th Street Redevelopment Project Area as duly adopted by the City Council and currently active in the City.

10.13. “Schedule of Performances” is the schedule of obligations to be performed by a date certain under this OPA and the date for completion of such obligations. The Schedule of Performances is attached as **Exhibit 2 Schedule of Performances** (Jenn needs to supply this?)

THE PARTIES HAVE EXECUTED THIS OPA in Sacramento, California as of the date first written above.

**SRTD :
SACRAMENTO REGIONAL TRANSIT
DISTRICT**

**AGENCY: THE REDEVELOPMENT AGENCY
OF THE CITY OF SACRAMENTO**

By: _____
Michael R. Wiley
General Manager/CEO

By: _____
La Shelle Dozier, Interim Executive
Director

Approved as to form:

SRTD Counsel

Approved as to form:

Agency Counsel

EXHIBIT 1: LEGAL DESCRIPTION

Parcel commonly known as 6800 Folsom Boulevard, Sacramento, CA 95819, Assessor's Parcel Number (APN) 015-0010-021:

PARCEL 028108: For light rail transit purposes all that parcel of land lying in the Northwest one-quarter of Section 15, Township 8 North, Range 5 East, Mount Diablo Meridian, described as follows:

BEGINNING at a point in the Northwest one-quarter of said Section 15, located the following two (2) courses and distances from the Northwest corner of said section, (1) South 163.40 feet and (2) South 63° 38' 00" East 22.31 feet; THENCE from said point of beginning along the Easterly line of 65th Street, South 3.58 feet; thence South 04° 01' 06" West 202.03 feet; thence South 22° 53' 10" East 56.11 feet to a point in the Northerly line of "Q" Street; thence along said Northerly line, South 64° 20' 00" East 261.27 feet; thence along the arc of a curve with a 950.83-foot radius, said arc being subtended by a chord which bears South 65° 47' 20" East 48.31 feet; thence leaving said curve, North 26° 29' 30" East 431.18 feet to a point in the South line of Folsom Boulevard; thence along said South line, North 63° 36' 00" West 60.00 feet; thence leaving said South line South 26° 29' 30" West 209.59 feet; thence North 63° 38' 00" West 370.99 feet to the point of beginning.

ADDITIONAL PROPERTY

City of Sacramento's "Q" Street Public Right-of-Way and Two Parcels Utilized for bus and light rail transit purposes at the 65th Street / University Station, i.e., APN 015-0010-038 and APN 015-0010-039.

EXHIBIT 2: SCHEDULE OF PERFORMANCES
65th Street Bus Transfer Facility Relocation Design

Task	Action Item / Milestone	Responsible Parties	Completion No Later Than
1	RT-approved PSOMAS & PBS&J Scopes delivered to SHRA for review & comment	RT	(35) days after Effective Date
2	SHRA comments on PSOMAS & PBS&J Scopes delivered to RT	SHRA	(7) calendar days after completion of Task 1
3	Mutual agreement on PSOMAS Scope	RT & SHRA	(7) calendar days after completion of Task 2
4	RT Issues Notice-to-Proceed to PSOMAS & PBS&J	RT	(14) calendar days after completion of Task 3
5	First Project Stakeholder meeting	RT, PSOMAS, PBS&J, SHRA, City and Developer	(14) calendar days after completion of Task 4
6	RT submits proposed performance schedules to SHRA for Review of Preliminary Engineering Plans, and 30%, 60% & 90% plan completion	RT (based on discussion with PSOMAS & PBS&J)	(14) days after completion of Task 5
7	Follow-up Stakeholder Sessions	RT, PSOMAS, PBS&J, SHRA, City and Developer	(21) calendar days after completion of preliminary engineering and 30%, 60% and 90% completion of Design Specifications per OPA
8	Monthly Progress reports from PSOMAS and PBS&J are forwarded by RT to SHRA	RT	By the 15 th of each month following the First Project Stakeholder meeting (see Task 5)
9	Environmental Clearance of Relocation Project (CEQA and/or NEPA as required)	RT	(7) months after OPA Effective Date
10	Final Design Specification Review & Approval	RT (with participation of relevant Stakeholders)	(9) months after OPA Effective Date

Task	Action Item / Milestone	Responsible Parties	Completion No Later Than
11	Design & Specification Bid Documents Prepared to FTA, CA & RT standards and shared with SHRA and City	PSOMAS and RT	(10) months after OPA Effective Date
12	Final Stakeholder meeting to review final design, discuss next steps towards implementation	RT, PSOMAS, PBS&J, SHRA, City and Developer	(11) months after OPA Effective Date
13	Decision whether to present final design to 65 th St. RAC	SHRA and RT	(11) months after OPA Effective Date
14	Complete All Tasks, OPA Scope of Work	RT, PSOMAS, PBS&J,	December 31, 2009
15	Final Invoice processing & close-out OPA	RT and SHRA	January 31, 2009

