



October 15, 2021

**TO:** CADA Board of Directors

**SUBJECT: October 22, 2021, Board Meeting  
AGENDA ITEM 7  
AGREEMENT BETWEEN THE CITY OF SACRAMENTO AND THE CAPITOL  
AREA DEVELOPMENT AUTHORITY TO GRANT FUNDS FOR THE  
PRELIMINARY DESIGN, ENGINEERING AND ENVIRONMENTAL  
DOCUMENTATION FOR THE CAPITAOL MALL REVITALIZATION**

**CONTACT:** Marc de la Vergne, Deputy Executive Director

**RECOMMENDED ACTION:**

Staff recommends that the Board adopt a resolution authorizing staff to enter into an agreement with the City of Sacramento to grant funds for the preliminary design, engineering and environmental documentation for the revitalization of Capitol Mall.

**BACKGROUND**

On April 19<sup>th</sup>, 2019, the CADA Board adopted a resolution authorizing CADA to contribute \$100,000 to the Capitol Mall Revitalization preliminary design and environmental clearance process, which is being managed by the City of Sacramento. The Board action amended the CADA budget to include this contribution.

The purpose of CADA's contribution is to help fund the City's preliminary design so the City will be in a position to move into more advanced design and fundraising for construction of a significantly improved Capitol Mall. City planners have long recognized that Capitol Mall is not living up to the vision of providing a grand public space and gateway to California's Capitol. The mall's four-lane roadways are over-sized for the volume of cars they serve, its configuration leads to inefficient traffic flow, and its wide intersections are not pedestrian friendly. To address these and other issues, the City wants to transform Capitol Mall between 3<sup>rd</sup> Street and 10<sup>th</sup> Street into a vibrant public space which connects the new influx of residential units in the CADA area with employment, art, entertainment and other destinations.

The City was awarded \$500,000 in SACOG Community Design funds for pre-construction work for the project, and asked CADA for an additional \$100,000 to meet matching grant and budget requirements, and to ready the project for construction. The City has also allocated \$180,000 in local funding, for a total budget of \$780,000. Recognizing that the stretch of the project between 7<sup>th</sup> and 10<sup>th</sup> Streets is within the CADA boundaries, the Board agreed with the staff recommendation that CADA participate in the project. CADA's contribution will be credited toward the required matching funds.

Subsequent to the Board's action, the City launched a design team selection process and issued a Request for Proposals. In 2021, the City asked CADA staff to serve on a City selection panel tasked with evaluating proposals and recommending a team for selection. Based on the committee's

recommendation, the City selected Toole Design to complete a series of deliverables, which are discussed in the funding agreement, attached to the staff report as **Attachment 1**. Project deliverables include:

- Public and Stakeholder Outreach
- Preliminary Urban Design and 30% Plans
- Reviews of Draft Design Plans
- Preliminary Design Memorandum, and
- Environmental Clearance

The City will complete all elements of project delivery in accordance with City of Sacramento processes and procedures for preliminary engineering and environmental documentation. The estimated project schedule is shown below.

| <b>Task</b>                          | <b>Completion Date</b> |
|--------------------------------------|------------------------|
| Begin Outreach/Preliminary Design    | December 2021          |
| Begin Environmental Clearance        | January 2022           |
| Complete Environmental Clearance     | February 2023          |
| Complete Outreach/Preliminary Design | September 2023         |

**POLICY ISSUES**

CADA’s contracts policy requires Board approval of any contracts in excess of the Executive Director’s \$50,000 contract approval authority. The proposed City-CADA funding agreement is valued at \$100,000 and thus requires Board approval.

**STRATEGIC PLAN**

This action is consistent with several key CADA values articulated in the 2016 CADA Strategic Plan, including Collaboration, Community Stewardship, Building Neighborhood Amenities, and Providing Urban Development Leadership.

**FISCAL IMPACT**

The funding agreement calls for CADA to provide its \$100,000 in four payments, as follows:

| <b>Payment</b> | <b>Milestone</b>                                       | <b>Amount</b>    |
|----------------|--|------------------|
| <b>1</b>       | Following contract signing                             | \$60,000         |
| <b>2</b>       | On completion of draft preliminary design report       | \$20,000         |
| <b>3</b>       | On authorization to advance to environmental clearance | \$20,000         |
| <b>4</b>       | Upon completion of CEQA clearance                      | \$10,000         |
| <b>TOTAL</b>   |  | <b>\$100,000</b> |

As noted earlier, the funds were included in the CADA FY 18-19 budget, and expensed in that fiscal year and designated as a long-term payable to the City.

## **ENVIRONMENTAL REVIEW-**

Not applicable. This is an administrative action and is not a project subject to the guidelines of the California Environmental Quality Act (CEQA).

### Attachments:

1. Agreement Between the City of Sacramento and the Capitol Area Development Authority to Grant Funds for the Preliminary Design, Engineering and Environmental Documentation for the Capitol Mall Revitalization

## **CITY OF SACRAMENTO**

### **AGREEMENT BETWEEN THE CITY OF SACRAMENTO AND THE CAPITOL AREA DEVELOPMENT AUTHORITY TO GRANT FUNDS FOR THE PRELIMINARY DESIGN, ENGINEERING AND ENVIRONMENTAL DOCUMENTATION FOR THE CAPITOL MALL REVITALIZATION CIP# (T15175100)**

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by and between the City of Sacramento, a California Charter City ("CITY") and the Capitol Area Development Authority ("CADA"), a Joint Powers Authority of the City of Sacramento and the State of California.

#### **1. PURPOSE OF THE PROJECT**

Capitol Mall has not lived up to the vision of providing a grand public space and gateway to California's Capitol. The mall's four-lane roadways are oversized for the volume of cars they serve, the configuration leads to inefficient traffic flow, and its wide intersections are not pedestrian friendly. Accordingly, the corridor doesn't serve vehicles, pedestrians, or bicyclists well, and apart from organized events, is often not active. The Downtown Housing Initiative Plan envisions the addition of 10,000 residents within ten years, and the wide City right of way between the State Capitol building and the Tower Bridge has the potential to serve as meaningful public space, linking Sacramento's iconic capitol building and golden bridge with the waterfront, Golden1 Center and Downtown Commons, the Crocker Art Museum, and nearby restaurants and businesses. The public realm has the potential to serve as a gathering space and support day-to-day activation, provide access to art and architecture, accommodate civic events in the approach to the Capitol, hold both small and large organized events, and support local businesses. The City has initiated a project to transform Capitol Mall between 3<sup>rd</sup> Street and 10<sup>th</sup> Street into a vibrant public space which connects a new influx of residential units in the CADA area with employment, art, entertainment, and other destinations. The City was awarded \$500,000 in SACOG Community Design funds for pre-construction work for the project. Given that the stretch of the project between 7<sup>th</sup> and 10<sup>th</sup> Streets is within the CADA boundaries, CADA has agreed to participate in the project.

On April 19<sup>th</sup>, 2019, the CADA Board adopted a resolution to contribute \$100,000 to the Capitol Mall Revitalization ("PROJECT") preliminary design and environmental clearance process.

#### **2. USE OF CONSULTANTS**

The CITY has procured a consultant team to augment CITY staff and to complete the deliverables discussed below. CADA staff participated in the consultant selection process as part of the selection committee.

### **3. PROJECT DELIVERABLES**

CITY, acting through its Public Works Department (“PW”), will manage the preliminary engineering design and environmental documentation of the PROJECT. PROJECT activities in support of such design and environmental documentation shall include, but not be limited to: fund management, project management, preliminary design, CEQA and NEPA environmental documentation, and necessary approvals by City Council and Caltrans, as appropriate.

PROJECT deliverables include:

#### **3.1. Public and Stakeholder Outreach**

The CITY will conduct public and stakeholder engagement to inform the community of the project and its goals, and to obtain feedback to shape the design. The outreach will include engagement with the property and business owners, event organizers, community groups and organizations, and others. The CITY will develop a Steering Committee to provide input on the concepts and the outreach strategies. CADA will be included as a participant on the Steering Committee.

#### **3.2 Preliminary Urban Design and 30% Plans**

CITY will use the public and stakeholder feedback gathered in Task 2.1 to confirm the feasibility and effectiveness of the roadway alignment, and develop urban design and mobility alternatives. A Preferred Alternative will be identified, and the CITY shall develop 30% design plans for environmental and design review.

#### **3.3 Reviews of Draft Design Plans**

DOT will distribute the draft 30% design plans to other City departments for review and comment. The reviews will occur in two phases – the first after preparation of the draft 30% Design Plans and the second following preparation of a second draft, after comments to the first draft have been received and addressed appropriately in the draft.

CITY shall coordinate the engineering design and environmental documentation of the PROJECT with CADA staff through regular telephone, video conferencing, and email communications and meetings. The City will include CADA in all PROJECT development meetings including the selection of PROJECT consultants, consultant coordination, design of the PROJECT, environmental review, and community outreach meetings.

### **3.4 Preliminary Design Memorandum**

The CITY will prepare a Preliminary Design Memorandum, which will present the proposed preliminary urban, civil, and landscaping design, discusses potential phasing strategies, outlines the environmental scoping and anticipated process, and identifies project costs. A copy of the Preliminary Design Memorandum will be provided to CADA for informational purposes.

### **3.5 Environmental Clearance**

The CITY and their consultants will prepare CEQA and NEPA certification. The CITY's approach and budget assumes a CEQA Categorical Exemption under Public Resources Code Section 21080.25, and a NEPA Categorical Exclusion with support of technical studies.

## **4 COMPLETION PROCESS AND TIMELINE FOR COMPLETION**

CITY shall complete all elements of project delivery in accordance with the CITY processes and procedures for preliminary engineering and environmental documentation.

The Project Schedule is attached to this agreement as Exhibit C. The deliverables shown in the Project Schedule reflect the deliverables shown in Exhibit B. CITY shall make all reasonable efforts to complete all elements of the first phase, the public and stakeholder engagement, preliminary design, and design report, within two years of the execution date of this agreement.

## **5 DELIVERY OF GRANT FUNDS TO CITY**

CADA shall provide PROJECT funding in an amount of \$100,000 in accordance with the terms and conditions of this Agreement. The PROJECT budget is attached to this agreement as **Exhibit D**. Costs have been estimated by the City of Sacramento and are not-to-exceed amounts. The disbursements shall be made in four payments according to the disbursements schedule shown in **Exhibit E**. The first disbursement shall be in the amount of \$50,000. The remaining three disbursements shall be made in amounts that correspond to three invoices City shall submit following achievement of the milestones noted in the disbursement schedule.

## **6 EXPENDITURES OF FUNDS AND PROJECT STATUS REVIEWS**

CITY shall provide CADA with quarterly accountings of fund expenditures. The City and CADA shall meet on a quarterly basis to review PROJECT expenditures in relation to the

PROJECT budget, and shall meet on at least a monthly basis to review the status of the PROJECT and accomplishment of the deliverables. The CITY shall refund to CADA any unused funds from CADA disbursements within ninety (90) days after PROJECT completion.

## **7 INSURANCE**

The CITY at its sole cost and expense, shall carry insurance, or self-insure its activities in connection with this Agreement, and obtain, keep in force and maintain, insurance or equivalent programs of self-insurance, for general liability, workers compensation and business automobile liability adequate to cover its potential liabilities hereunder.

## **8 NOTICES**

All notices and other communications under this Agreement must be in writing and will be deemed to have been given (i) on the date of delivery, if delivered personally to the party to whom notice is given, or if made by e-mail directed to the party to whom notice is to be given at the e-mail address listed below, or (ii) at the earlier of actual receipt or the second business day following deposit in the United States mail, postage prepaid. A party may change its person designated to receive notice, or its address from time to time by giving notice to the other party in accordance with the procedures set forth in this Article. Notices and other communications will be directed to the parties at the addresses shown below.

CITY: Public Works Department  
915 I St, Room 2000  
Sacramento, CA 95814  
ATTN: Megan Johnson, Senior Engineer  
MEJohnson@cityofsacramento.org

AUTHORITY: Capitol Area Development Authority (CADA)  
1522 14th Street  
Sacramento, CA 95814-5958  
ATTN: Wendy Saunders, Capitol Area Development  
Authority Executive Director  
WSaunders@cadanet.org

Such notice shall be deemed given when deposited into the United States mail, postage prepaid, addressed to the parties at the addresses above. Nothing shall preclude the giving of personal notice.

## **9 AMENDMENT OF THIS AGREEMENT**

This Agreement may only be amended by a written document signed and executed by each of the parties.

## **10 ENFORCEMENT OF THIS AGREEMENT**

This Agreement shall be constructed and interpreted under and governed and enforced according to the laws of the State of California.

## **11 SCOPE OF THIS AGREEMENT**

This Agreement contains the entire agreement of the parties hereto with respect to the matters covered hereby, and supersedes all prior arrangements, understandings or agreements between the parties, and no other agreement, statement or promise made by either party hereto which is not contained herein shall be binding or valid.

## **12 OPPORTUNITY TO CURE**

Either party may terminate this Agreement immediately following written notice if the other party is in default as to any of its material obligations hereunder, provided that: (a) the defaulting party has received a written notice containing a reasonably complete description of the default; and (b) the defaulting party has failed to cure the default within 30 calendar days after receiving such notice; provided that if such failure is capable of cure but cannot be cured during such 30-day period, no event of default may occur so long as the defaulting party is diligently attempting to cure and does so within such additional period of time as is approved in writing by the non-defaulting party.

## **13 TERMINATION FOR CONVENIENCE**

Any party to this Agreement may terminate this Agreement for its convenience in whole or in part at any time upon 30 days advance written notice to the other parties specifying the effective date of termination. In the event of termination of this agreement by the City or by CADA, any CADA funds that have been advanced but remain unspent will be returned to CADA.

## **14 MODIFICATION**

No waiver, alteration, modification, or termination of this Agreement will be valid unless made in writing and signed by the authorized parties thereof.

## **15 THIRD PARTIES**

Each party will be solely liable to third parties with whom it enters into contracts to effectuate this Agreement and shall (i) pay directly the third party for all amounts owed, and (ii) indemnify and hold harmless the other party from any amounts owed to that third party. Nothing set forth in this Agreement will establish a standard of care for, or create any legal rights in, any person not a party to this Agreement.



## **16 WORKERS COMPENSATION**

None of the parties to this Agreement will be responsible for providing payments or benefits to the other parties' employees, including without limitation, workers compensation insurance or any other protective insurance coverage that is based upon the relationship of employer and employee.

## **17 RELATIONSHIP BETWEEN THE PARTIES**

Nothing in this Agreement is intended to or will be construed to create any contractual or other relationship, whether expressed or implied, joint venture, partnership, principal-agent, independent contractor, or master-servant.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CAPITOL AREA DEVELOPMENT  
AUTHORITY

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Wendy Saunders, Executive Director

CITY OF SACRAMENTO  
a California Charter CITY

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Hector Barron, Assistant CITY Manager

ATTEST:

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CITY Clerk

APPROVED AS TO FORM:

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CITY Attorney

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CADA Attorney

**Exhibit A**

The Capitol Mall Revitalization Concept Drawings, as presented to the CADA Board of Directors on April 19, 2019, is incorporated herein by reference.

## **Exhibit B**

### **Capitol Mall Revitalization Scope**

The CITY will complete all tasks necessary for preliminary design, public and stakeholder engagement, and if authorized, environmental documentation and approval for the Capitol Mall Revitalization project. The project area includes the public right-of-way along Capitol Mall from the 3rd Street to 9<sup>th</sup> Street. The following are key tasks that are typical of the preliminary design and environmental clearance phase of work and will be completed unless the City determines they are not necessary:

#### **1. Preliminary Design and Outreach**

- a. Review existing documentation, including the Central City Specific Plan, Golden 1 Transportation Management Plan, the California Register of Historical Resources Evaluation of Capitol Mall, and relevant Environmental Impact Reports from adjacent projects.
- b. Perform surveys and mapping necessary for preliminary design.
- c. Evaluate potential historical resources impacts which might serve as constraints or affect the alternative design.
- d. Perform public and stakeholder engagement. Stakeholder engagement will include the formation of a Steering Committee, and stakeholder interviews. Public engagement may include virtual or in-person workshops.
- e. Conduct traffic required for the environmental document, and to evaluate the potential to extend the lane reduction to 3<sup>rd</sup> Street.
- f. Based on the findings from the stakeholder and public engagement and the anticipated constraints from the environmental and historical resources evaluations, the road alignment will be confirmed or revised, and alternatives will be developed for urban design, mobility and active transportation, urban forestry and ecology creation, and to support programming and activation strategies. Develop preliminary engineering and urban/landscape design, which will be used as the basis for the environmental assessment. Prepare preliminary cost estimates.
- g. Develop a funding and phasing strategy.
- h. Prepare a Preliminary Design Memorandum that presents the proposed preliminary urban design, discusses potential phasing strategies, outlines the anticipated environmental findings and process, and identifies costs and funding strategies. The memorandum will summarize the key feedback from the

engagement and discuss how the design was shaped from the process.

## **2. Environmental Clearance**

This phase is anticipated to include:

- a. CEQA – identify applicable mitigation measures adopted for the Central City Specific Plan and General Plan, and prepare documentation to support a notice of exemption.
- b. Prepare technical studies for NEPA documentation. Anticipated to include a Finding of No Effect for Section 106 historic resources, a “de minimis” finding for Section 4(f) resources, a visual impact assessment, noise study, and air quality memorandum, to support the preparation of a Categorical Exclusion.

**EXHIBIT C- PROJECT SCHEDULE**

|                                      |                |
|--------------------------------------|----------------|
| Begin Outreach/Preliminary Design    | November 2021  |
| Begin Environmental Clearance        | January 2022   |
| Complete Environmental Clearance     | February 2023  |
| Complete Outreach/Preliminary Design | September 2023 |

**EXHIBIT D – PROJECT BUDGET**

Agreement 1 – Stakeholder and public engagement; preliminary urban and civil design;  
preliminary design memorandum - \$660,000

Agreement 2 – CEQA and NEPA environmental clearance - \$175,000

**EXHIBIT E – PAYMENT DISBURSEMENT SCHEDULE  
(CADA to City of Sacramento)**

| <u>Payment</u> | <u>Milestone</u>                                       | <u>Amount</u>    |
|----------------|--|------------------|
| 1.             | Following contract signing                             | \$60,000         |
| 2.             | On completion of draft preliminary design report       | \$20,000         |
| 3.             | On authorization to advance to environmental clearance | \$20,000         |
| 4.             | Upon completion of CEQA clearance                      | \$10,000         |
|                | <b>TOTAL:</b>  | <b>\$100,000</b> |



**RESOLUTION NO. 21 - 40**

Adopted by the Capitol Area Development Authority

October 22, 2021

**AGREEMENT BETWEEN THE CITY OF SACRAMENTO AND THE CAPITOL AREA  
DEVELOPMENT AUTHORITY TO GRANT FUNDS FOR  
THE PRELIMINARY DESIGN, ENGINEERING AND ENVIRONMENTAL  
DOCUMENTATION FOR THE CAPITOL MALL REVITALIZATION**

**WHEREAS**, Capitol Mall between 7<sup>th</sup> and 10<sup>th</sup> Streets is within the CADA geographic boundary; and

**WHEREAS**, Capitol Mall's configuration is inefficient, its minimal sidewalks do not support pedestrian activity and it is not optimally configured to support public enjoyment; and

**WHEREAS**, the City of Sacramento is commencing a planning process that will result in the redesign of Capitol Mall in order to enhance connections between the CADA residential area and employment, art and entertainment, and to support public events and pedestrian activity; and

**WHEREAS**, the redesign of Capitol Mall for the benefit of CADA residents and the downtown neighborhood is consistent with CADA's strategic plan; and

**WHEREAS**, in 2019 the Board authorized a \$100,000 contribution to the cost of the design and environmental work the City is undertaking to improve the mall; and

**WHEREAS**, the City and CADA have drafted a funding agreement under which CADA will make this contribution to the City and Board approval is needed so the Executive Director can execute the agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors that

The CADA staff is hereby directed to include \$100,000 in the proposed CADA 2019-2020 budget for contribution to the Capitol Mall Redesign Planning Process.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors