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Railyard development moving faster than it appears

Infrastructure progress is on track, selection of master developer expected by year's end



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The 240-acre downtown railyard development site reveals few signs of activity to those passing by on Interstate 5 — other than some dirt being moved hither and yon. The trick is looking past the dirt.

In reality, Sacramento city officials and developers say, the long-awaited project is completing the infrastructure necessary for commercial development of one of the largest downtown infill projects in the U.S.

[Jared Ficker](#), a spokesman for the project, said by year's end the site's private owner, Inland American, will have selected a master developer.

"We're really looking for people who understand Sacramento and have a methodology for developing this site that fits with the community," Ficker said. Inland American has narrowed the list to a handful of developers, he said, declining to identify them.

For now, infrastructure is the focus.

[Fran Halbakken](#), the railyard project manager for the city, said between surface streets being extended north into the site and new **Amtrak** platforms in use a stone's throw from the historic Union Pacific shops buildings, the project is becoming more tangible all the time.

"What people are anxious about is the ability to drive the site," Halbakken said, a goal still a couple

of years away. That will become possible after Sixth Street, under construction now, is linked to the pending Railyards Boulevard, which at its western end would be connected to Bercut Drive extending south. "We're calling it the backbone to the River District."

More immediately, work is well underway, though largely out of sight, on seismic retrofitting for the railroad depot, which the city plans to make a multimodal transportation hub. Once the retrofits are completed, a federal grant for \$15 million will help a \$30-million renovation beginning in September to all three floors of the depot, Halbakken said.

Rehab, set to be completed in two years, will coincide with adding 40,000 square feet, she said, allowing Amtrak to move offices into the building and opening up the rest for office and retail uses appropriate for a transportation hub, like a coffee kiosk or newsstand.

While the Sixth Street extension is underway, work will start later this year for similar work on Fifth Street, eventually connecting both to two bridges over the rail lines completed in 2011. A pedestrian tunnel to allow access to the shops buildings is also nearly complete, though it won't open until a planned railroad technology museum opens in one of them.

About that toxic soil

The city's current site plan for the railyard calls for residential and commercial mixed-use toward the western end of the development, and mostly residential mixed-use to the east. Offices are planned extending from the middle toward the south, and open space along the northern edge, including an area at one time proposed for a new sports and entertainment arena.

Halbakken said because some of the money for the project came from Proposition 1C, a state bond, about 1,100 housing units will have to be built in the railyard within the decade.

Still, much of what's happening in the railyard in the near future is going to involve infrastructure. A planned Sacramento County Courthouse east of the rail depot has been delayed because of state funding issues, though Ficker said finalizing a deal for the actual future courthouse site should be completed this summer. Money is being raised for the railroad technology museum.

Halbakken said Inland American, the property owner, is involved in ongoing mediation with the state Department of Toxic Substances Control over contaminated dirt in a portion of the railyard. A public comment period for a plan on remediation for soil near the shops ended last month, though crews have already removed thousands of yards of dirt from the site.

Ficker said he believes there's been progress in talks with Union Pacific, which formerly owned the site, on the company's responsibility for cleaning up remaining toxic soil.

Developing from the outside in?

Others who've been keenly interested in the railyard said what will really spur development may be tied to what happens a few blocks to the south.

[Michael Ault](#), executive director of the **Downtown Sacramento Partnership**, said a deal for a new arena for the **Sacramento Kings** at what's now **Downtown Plaza** may play a big role.

"Then you've got some momentum that will go toward the railyard," Ault said, "But there's a real need for infrastructure there, and it's obvious it's going to be a multi-phase project."

Both Ault and [Jess Zimbabwe](#), a proponent for infill development with the **Urban Land Institute** in Washington, D.C., said the downturn in the region's economy had a lot to do with dashing expectations of how quickly the railyard would be developed.

In that light, what's happened there since she visited the site two years ago is remarkable, said Zimbabwe, the executive director of the Rose Center for Public Leadership with ULI. She mentioned the track realignment and greater exposure to the shops buildings as examples. "But it is going to take a long time," she said.

Zimbabwe said a panel of interdisciplinary experts who looked at the railyard a few years ago still saw it as a great opportunity for the city, representing one of the largest infill projects in the nation. But she said her group's also encouraging development not to happen by districts, as some site plans have suggested, but in smaller pieces.

A few blocks around a central plaza, with an anchor such as a school, she said, would allow the railyard to be built from the inside out. If there's a downtown catalyst like the arena, though, it could make more sense to build from the outside in.

But even if the project takes longer than some might have wanted, it's still worth pursuing, Ault said.

"The railyard represents a plot of land that's the same size as the central business district in Sacramento," he said. "That's really an opportunity for the city."

Ben van der Meer covers real estate, development, local and regional planning, construction, transportation, agriculture and water for the Sacramento Business Journal.