



REPORT TO COUNCIL City of Sacramento

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Consent
June 10, 2008

Honorable Mayor and
Members of the City Council

Title: Carryover Funding Authority for Natomas Joint Vision

Location/Council District: Unincorporated portion of the Natomas Basin within Sacramento County adjacent to District 1.

Recommendation: Adopt a **Resolution** authorizing the Planning Department to carryover \$155,000 in Fiscal Year (FY) 2007/08 appropriation authority into FY2008/09 to complete work on the Natomas Joint Vision Sphere of Influence amendment.

Contact: Scot Mende, New Growth Manager, (916) 808-4756; Diane Morrison, Administrative Officer, (916) 808-7535

Presenters: Not Applicable

Department: Planning

Division: New Growth

Organization No: 4913

Description/Analysis

Issue: The City entered into a contract to prepare an Environmental Impact Report (EIR) for the Natomas Joint Vision Sphere of Influence amendment. EIR work has been suspended while City and County staff engage in broad visioning discussions, as previously discussed in the staff report of April 10, 2008. The delay in the environmental analysis has meant that the bulk of the costs for the Traffic Study, Local Agency Formation Commission (LAFCo) Fees and EIR staff costs will not be occurring until FY2008/09.

Policy Considerations: City Council authority is required to carry over General Fund appropriation authority into a new fiscal year.

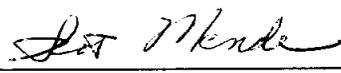
Environmental Considerations: This report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a "project" as defined by California Environmental Quality Act (CEQA): [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

Commission/Committee Action: None

Rationale for Recommendation: City Council approved the appropriation of funding for this purpose on November 21, 2006 (Resolution 2006-858). Granting authority to carry over \$155,000 from FY2007/08 to FY2008/09 will allow completion of those Council-approved actions.

Financial Considerations: On November 21, 2006, City Council approved the appropriation of \$631,000, (FY2006/07: \$150,000; FY2007/08: \$481,000) to the Planning Department's operating budget from the \$1.7 million in remaining funds within the FY2004/05 growth initiative reserve. The appropriation was to fund an authorized contract with RBF Consulting for preparation of the Municipal Services Review (MSR) and EIR for the Natomas Joint Vision Sphere of Influence amendment. The appropriation authority also included \$155,000 for a traffic study, LAFCo Fees and EIR Staff costs (Attachment 2, page 5).

Emerging Small Business Development (ESBD): Not applicable

Respectfully Submitted by: 
Scot Mende
New Growth Manager

Approved by: 
Carol Shearly
Director of Planning

Recommendation Approved:

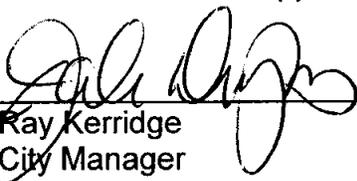

Ray Kerridge
City Manager

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Attachment 1**BACKGROUND**Adoption of the MOU

On December 10, 2002, the City Council and Board of Supervisors adopted a Memorandum of Understanding (MOU) regarding principles of land use and revenue sharing between the City and County of Sacramento for the Natomas area, setting the stage for what has come to be known as the "Natomas Joint Vision" (Resolution 2002-830 on file with City Clerk). Since that time, City and County staff have been working to implement the MOU.

Work Program for Implementing the MOU

A Sphere of Influence is defined as a plan for the probable physical boundary and service area of a local agency, as determined by the Local Agency Formation Commission (LAFCo). In determining the Sphere of Influence, LAFCo considers the following:

1. The present and planned land uses in the area, including agricultural and open space lands;
2. The present and probable need for public facilities in the area;
3. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide; and,
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

City and County staff have devised a process which addresses the technical demands of LAFCo and CEQA and facilitates participation of all affected stakeholders. The scope of the Open Space Program includes an opportunities and constraints analysis to assess the potential for permanently preserving open space in the Natomas Joint Vision area. The scope of the MSR will include an opportunity and constraints analysis of the suitability for development. It is anticipated that the analyses outlined above will allow City Council and the Board of Supervisors to make informed decisions, including how to respond to issues related to the geographical area commonly referred to as the Boot area.

Open Space Program

The Dangermond Group (TDG) completed their work on the Open Space Program (OSP). The draft Final Report was presented to the City Council on February 12, 2008. The addendum containing comments & responses was presented to the City Council on April 10, 2008, after which the City Council received & filed the Natomas Joint Vision Open Space Program report.

The OSP evaluated the habitat-open space-agricultural values of the Natomas Joint Vision

area while the City's MSR will evaluate the urban values of the Natomas Joint Vision area. This combined information will provide a framework for a project description and any alternatives in the Sphere of Influence Environmental Impact Report.

Sphere of Influence Amendment Environmental Impact Report

An EIR will be prepared for use by the City, County, and LAFCo in their evaluation of the effects of the City Sphere of Influence Amendment, necessary text and map amendments to both the City and County General Plans, and the OSP. It is anticipated that the EIR will be prepared jointly by LAFCo and the City as co-lead agencies, and the County as a responsible agency. The EIR will also assess the impacts of actions on biological resources related to the existing Natomas Basin Habitat Conservation Plan (NBHCP) and the effects of additional development for the development/preservation balance set out in the NBHCP.

Cost of Preparing MSR & EIR

MSR & EIR Contract w/ RBF	\$569,658
Traffic Study (not yet under contract)	\$95,000
LAFCo Fees (estimated)	\$35,000
EIR Staff Costs	\$25,000
Total Costs	\$724,658

Funding Sources for MSR & EIR

On November 21, 2006, the City Council authorized execution of a professional services agreement with RBF Consulting in an amount not to exceed \$570,000 for preparation of the EIR and Municipal Services Review (Resolution No. 2006-858).

The City & County entered into a Memorandum of Understanding on January 24, 2008, in which the County agreed to pay one-third of the cost of the Consultant Contract for the preparation of the EIR, up to a maximum of \$174,000, which is higher than originally stated on Attachment 2, Page 5, which represents the Budget Sheet as of 10/25/06. Payment will occur in three installments:

1. \$58,000 for Phase I upon approval of the MOU (has been paid)
2. \$58,000 for Phase II upon completion of final public scoping meeting
3. \$58,000 for Phase III upon completion of an Administrative Draft EIR

Attachment 2

BUDGET SHEET

**BUDGET: NATOMAS JOINT VISION
SPHERE OF INFLUENCE AMENDMENT AND RELATED WORK**

Updated 10/25/06

<u>Work Product</u>	<u>Cost</u>	<u>County Share</u>	<u>City Share</u>
MSR & EIR	569,658	94,000*	475,658
Traffic Study	95,000		95,000
LAFCo Fees	35,000		35,000
EIR staff costs	25,000		25,000
Subtotal	724,658	94,000	630,658
Open Space Program (separate report – Approved in FY2005/06))	<u>214,915</u>	<u>*107,458</u>	<u>107,458</u>
Total	939,573	201,458	738,116

*County share assumes up to 1/3 of EIR consultant costs and 1/2 of open space program.

Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

CARRYOVER FUNDING AUTHORITY FOR NATOMAS JOINT VISION

BACKGROUND

- A. On November 21, 2006, the City Council approved Resolution 2006-858 authorizing the appropriation of \$631,000 to the Planning Department's operating budget, (FY2006/07: \$150,000; FY07/08: \$481,000) for the North Natomas Joint Vision Sphere of Influence amendment.
- B. The appropriation was to fund a contract with RBF Consulting for preparation of the Municipal Services Review (MSR) and Environmental Impact Report (EIR), traffic study, and Local Agency Formation Commission (LAFCo) fees, for the Natomas Joint Vision Sphere of Influence amendment.
- C. A delay in EIR staff work on this project has resulted in the need to carry over \$155,000 in appropriation authority into FY2008/09 for the traffic study, LAFCo fees and EIR staff work.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Authorize the City Manager to carryover \$155,000 in General Fund appropriation authority from FY2007/08 to FY2008/09 to complete Council approved work on the Natomas Joint Vision Sphere of Influence amendment.