



## REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

CONSENT  
August 12, 2008

Honorable Mayor and  
Members of the City Council

**Title:** Appropriation of Basin 6 Drainage Fees

**Location/Council District:** North Natomas/District 1

**Recommendation:** Adopt 1) a **Resolution** appropriating \$2,761,180 from collected drainage fees to allow for the reimbursement of developers under various drainage agreements 2) authorize the creation of Project Number I22200600 to maintain accountability over the provision of the reimbursement arrangement with the landowner.

**Contact:** Mark Griffin, Fiscal Manager, (916) 808-8788

**Presenters:** Not Applicable

**Department:** Planning

**Division:** Public Improvement Financing

**Organization No:** 22001411

### Description/Analysis

**Issue:** As part of the North Natomas Finance Plan (NNFP), drainage fees are collected for the purpose of reimbursing developers that construct drainage improvements. Two agreements (City Manager Agreement No. 98-100 and 2002-712) have reimbursable expenses. Drainage fees have been collected in the amount of \$2,761,180 that need to be appropriated to provide the authority for reimbursement under the two agreements as well as others where reimbursement becomes appropriate.

**Policy Considerations:** Pursuant to the City Charter, City Council appropriation authority is required to reimburse developers under various City Manager standard form agreements.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** Under the California Environmental Quality Act (CEQA) guidelines, continuing administrative activities do not constitute a project and are therefore exempt from review

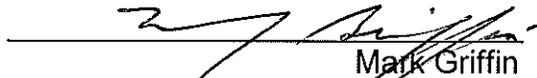
**Sustainability Considerations:** There are no sustainability considerations applicable to administrative activities.

**Commission/Committee Action:** None

**Rationale for Recommendation:** Appropriating funds from the NNFP contingency and establishment of Project No. I22200600 will allow the landowner to be reimbursed for a portion of actual Drainage Facilities cost incurred as per CMA Nos. 98-100 and 2002-712.

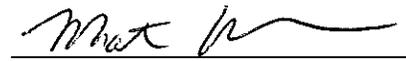
**Financial Considerations:** Drainage Fee revenue was received on May 10, 2006 in the amount of \$2,388,766 and on October 10, 2006 in the amount of \$372,413 from landowners in Basin 6. This revenue must now be appropriated to authorize expenditures for reimbursement under drainage agreements.

**Emerging Small Business Development (ESBD):** Not Applicable

Respectfully Submitted by:   
Mark Griffin  
Fiscal Manager, Planning Department

Approved by:   
Carol Shearly  
Director of Planning Department

Recommendation Approved:

  
Ray Kerridge  
City Manager

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## **BACKGROUND**

In 1998 and 2002, Alleghany Properties, LLC (the "Landowner") entered into two drainage agreements with the City (City Manager Agreements No. 98-100 and 2002-712, the "drainage agreements") related to drainage improvements in Basin 6, located in the community of North Natomas. The drainage agreements allow the Landowner to be partially reimbursed for expenditures related to drainage improvements in Basin 6 if certain conditions and requirements are satisfied.

In calendar year 2006, the City received \$2,761,180 in drainage fees submitted by North Natomas Basin 6 landowners.

Subsequent to the collection of drainage fees related to Basin 6, the Landowner completed drainage improvements in Basin 6 that met conditions and requirements identified in the drainage agreements. The drainage improvements completed by the Landowner enable them to be partially reimbursed for their incurred expenses.

Before the partial reimbursement to the Landowner can occur, the appropriation of \$2,761,180 in drainage fees paid to the City by other Basin 6 landowners must be authorized.

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**APPROPRIATION OF NORTH NATOMAS BASIN 6 DRAINAGE FEES AND  
CREATION OF PROJECT NUMBER I22200600**

**BACKGROUND**

- A. Pursuant to City Manager Agreements No. 98-100 and 2002-712, the landowner is entitled to reimbursement for a portion of the drainage facilities upon the satisfactory completion of conditions and requirements related to drainage improvements of the landowner's property.
- B. In calendar year 2006, the City received drainage fees from landowners in Basin 6 made in the community of North Natomas in the amount of \$2,761,180.
- C. Subsequent to 2006, the City confirmed that drainage improvements made in Basin 6 of the community of North Natomas by Alleghany Properties, LLC (the "Landowner") met the conditions and requirements as identified in City Manager Agreements No. 98-100 and 2002-712; as such, the Landowner would be entitled to a partial reimbursement of expenses incurred.
- D. An appropriation of funds paid from drainage fees collected and the creation of a CIP need to occur before the partial reimbursement to the Landowner can occur.
- E. The appropriation of funds from drainage fees also would enable other Basin 6 landowners that have incurred the Drainage Facilities cost to be partially reimbursed when appropriate.
- F. The City Council is fully advised in this matter.

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

**Section 1.** The City Council finds and determines that the background statements A through F are true and correct.

**Section 2.** The City Manager's designee is authorized to create Project Number I22200600 to account for the reimbursements under various drainage agreements.

**Section 3.** The City Manager's designee is authorized to transfer \$2,761,180 from Contingency of the North Natomas Community Improvement Fund to Project I22200600.