



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
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Meeting Date: 10/16/2012

Report Type: Consent

Title: Resetting City Manager Authority for Multi-Year Project I21000242, River District Finance Plan and Nexus Study

Report ID: 2012-00815

Location: District 3, 4

Recommendation: Pass a Resolution resetting City Manager authority for multi-year project I21000242, River District Finance Plan and Nexus Study, to support consultant services and staff costs for the implementation and administration of the River District Specific Plan Finance Plan.

Contact: Mark Griffin, Program Manager, (916) 808-8788, Finance Department

Presenter: None

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

1-Description/Analysis

2-Background

3-Resolution

City Attorney Review

Approved as to Form
Joseph Cerullo
10/10/2012 6:45:18 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
10/1/2012 9:48:05 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 10/8/2012 1:19:35 PM

Description/Analysis



Issue: On December 11, 2007, City Council adopted Resolution 2007-915, directing the City Manager to update the Richards Boulevard Area Plan and Financing Plan. The River District Specific Plan and Financing Plan were the result of that effort and were adopted on February 15, 2011 by Resolution 2011-081.

The Financing Plan was adopted as a policy document. The actual implementation of fees requires a nexus study, a Finance Plan update as appropriate, a public hearing, and Council adoption of the fees by resolution. The process is expected to be completed early next year.

The original Financing Plan project, which is part of the overall Specific Plan multi-year project, will continue to be used to complete the final stage. To do this, it is necessary to reset the City Manager's budget adjustment authority to accommodate the cost, which is estimated at \$45,000 over the current budget.

Policy Considerations: Pursuant to the Fiscal Year (FY) 2012/13 Budget Resolution, Section 4.1, City Council approval is required for appropriations to any project in excess of \$100,000. Estimated expenditures necessary to implement the Financing Plan are in excess of the City Manager's authority. As such, authority will need to be reset to allow completion of this project.

Environmental Considerations

California Environmental Quality Act (CEQA): Under 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: Resetting the City Manager appropriation authority will permit the completion of the Financing Plan.

Financial Considerations: The original and adjusted project appropriations total \$212,284. To date, \$191,819 has been expended with \$152,747 for consultants and \$39,072 for staff costs. Final expenditures are expected to be approximately \$257,000, including an additional \$45,000 in consultant costs and up to \$20,000 in staff expenses.

The expected final expenditures of \$257,000 are \$45,000 higher than the current budget. Resetting the City Manager's appropriation authority will permit additional expenditures for unforeseen complications and administrative expenses, if any, for the remainder of FY2012/13.

The project to date has been funded by redevelopment funds and the Downtown/River/Railyards area development-impact fee. Funds are available in the development impact fee program and are eligible for the purposes of this project.

The consultant to the project will be hired under an existing Master Services Agreement for these services. No other actions are required to initiate the final stage of the project except that recommended.

Emerging Small Business Development (ESBD): None. No goods or services are being purchased.



BACKGROUND

The Mitigation Fee Act (Government Code § 66000 et. seq.) requires a study to establish nexus between the fee, the improvements, and the development (a Nexus Study). Specifically, the Nexus Study must determine how there is a reasonable relationship between:

- the fee's use and the type of development project on which the fee is imposed;
- the need for the public facility and the type of development project on which the fee is imposed; and
- the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The adopted Financing Plan document is designed with these considerations in place. The Nexus Study will formally verify a correct design of the fee. An outside consultant is always advisable for this purpose. The Financing Plan itself will be adjusted and updated as appropriate.

Both documents need to be adopted by resolution at a public hearing. The resolution will permit the implementation of the actual fees.

As a housekeeping matter, Chapter 18.36 of the City Code will be brought for amendment in the interim to reflect the redesignation of the “Richards Boulevard Area” as the “River District Specific Plan Area.”

RESOLUTION NO.

Adopted by the Sacramento City Council

RESETTING CITY MANAGER AUTHORITY FOR MULTI-YEAR PROJECT I21000242, RIVER DISTRICT FINANCE PLAN AND NEXUS STUDY

BACKGROUND

- A. On December 11, 2007, City Council adopted Resolution 2007-915, directing the City Manager to update the Richards Boulevard Area Plan and Financing Plan. The River District Specific Plan and Financing Plan were the result of that effort and were adopted on February 15, 2011, by Resolution 2011-081.
- B. The Financing Plan was adopted as a policy document. The actual implementation of fees requires a nexus study, a Finance Plan update as appropriate, a public hearing, and Council adoption of the fees by resolution. The process is expected to be completed early next year.
- C. The original Financing Plan project, which is part of the overall Specific Plan multi-year project, will continue to be used to complete the final stage. To do this, it is necessary to reset the City Manager's budget adjustment authority to accommodate the cost, which is estimated at \$45,000 over the current budget.
- D. Resetting the City Manager's appropriation authority to the limit of \$100,000 will permit additional expenditures for unforeseen complications and administrative expenses, if any, for the remainder of FY2012/13.

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

- Section 1.** The City Manager budget adjustment authority is hereby reset to \$100,000 for multi-year project I21000242.