



City Council Report

915 I Street, 1st Floor
Sacramento, CA 95814

www.cityofsacramento.org

File #: 2016-01341

November 29, 2016

Consent Item 05

Title: (Pass for Publication) Natomas Fountains Retail Center (P16-012)

Recommendation: 1) Review a) a Resolution approving Mitigated Negative Declaration Findings per General Plan Master Environmental Impact Report; b) a Resolution approving a Development Agreement; c) a Resolution approving a General Plan Amendment to re-designate 12.54± acres from Employment Center Mid Rise (ECMR) to Regional Commercial Center (RCC); d) an Ordinance approving a rezone of 12.54± acres from Employment Center (EC-40) to Shopping Center (SC) zone within the Coral Business Center PUD; e) a Resolution approving a PUD Schematic Plan Amendment to the Coral Business Center Planned Unit Development; f) a Resolution approving the Natomas Fountains project, including Site Plan and Design Review and a Tree Removal Permit; and 2) pass for publication the ordinance title as required by Sacramento City Charter section 32(c) to be considered on December 6, 2016.

Location: West of the intersection of Gateway Park Boulevard and North Freeway Boulevard, District 1

Contact: Arwen Wacht, Associate Planner, (916) 808-1964; Lindsey Alagozian, Senior Planner, (916) 808-2659, Community Development Department

Presenter: None

Department: Community Development Department

Attachments:

- 01-Description/Analysis
- 02-Draft Resolution for Mitigated Negative Declaration Findings per GP MEIR
- 03-Exhibit A Mitigation Monitoring Program
- 04-Draft Resolution for Development Agreement
- 05-Exhibit A Development Agreement
- 06-Draft Resolution for General Plan Amendment
- 07-Exhibit A General Plan Amendment Exhibit
- 08-Draft Ordinance for Rezone

James Sanchez, City Attorney

Shirley Concolino, City Clerk

John Colville, Interim City Treasurer

Howard Chan, Interim City Manager

- 09-Exhibit A Rezone Exhibit
- 10-Draft Resolution for PUD Schematic Plan Amendment
- 11-Exhibit A PUD Schematic Plan Amendment
- 12-Draft Resolution for Project Approval
- 13-Exhibit A Site Plan
- 14-Exhibit B Turning Exhibits for Proposed Driveway on Truxel Road
- 15-Exhibit C Conceptual Designs for Future Commercial Buildings
- 16-Exhibit D Tree Permit Application
- 17-Exhibit E Tree Replacement Plan Exhibits
- 18-Land Use Map
- 19-North Natomas Retail Market Demand Study Update
- 20-Letter from WalkSacramento dated March 10, 2016
- 21-Applicant response letter to WalkSacramento Comments
- 22-Letter from North Natomas Transportation Management Association (NNTMA) dated April 19, 2016

Description/Analysis

Issue Detail: The applicant is requesting entitlements to allow the development of a retail shopping center on 12.54± acres in the proposed Shopping Center (SC) zone within the Coral Business Center PUD. This proposal requires the following entitlements: Development Agreement, General Plan Amendment, Rezone, PUD Schematic Plan Amendment, and Site Plan and Design Review, and Tree Removal Permit for a total of six trees. This portion of the Coral Business Center PUD was previously designated for office development. The applicant is now proposing to re-designate the property to allow the development of a 115,960± square foot retail center at this location. Future site plan and design review entitlements will be necessary prior to development of the project site.

Policy Considerations:

Flood Hazard Zone: State Law (SB 5) and Planning and Development Code chapter 17.810 require that the City must make specific findings prior to approving certain entitlements for projects within a flood hazard zone. The purpose is to ensure that new development will have protection from a 200-year flood event or will achieve that protection by 2025. The project site is within a flood hazard zone and is an area covered by the Sacramento Area Flood Control Agency's (SAFCA) Improvements to the State Plan of Flood Control System, and specific findings related to the level of protection have been incorporated as part of this project. Even though the project site is within a flood hazard zone, the local flood management agency, SAFCA, has made adequate progress on the construction of a flood protection system that will ensure protection from a 200-year flood event or will achieve that protection by 2025. This is based on the SAFCA urban level of flood protection plan, adequate progress baseline report, and adequate progress toward an urban level of flood protection engineer's report that were accepted by City Council Resolution No. 2016-0226 on June 21, 2016.

General Plan: The 2035 General Plan designates the subject site as Employment Center Mid Rise (ECMR). Employment Center Mid Rise areas play an important role in accommodating new businesses and jobs. Due to a number of factors, including site access constraints and the high level of office vacancy rates in the area with less near-term prospects for growing office demand, the applicant has been unable to successfully market and develop the site for office use.

The applicant is now proposing to re-designate this property to Regional Commercial Center (RCC) which provides for predominantly nonresidential, large scale, regional shopping centers with a mix of uses including the following: major retail stores, home improvement stores, offices, restaurants, and services; multifamily dwellings (e.g.,

apartments and condominiums); central gathering places; and compatible public, quasi-public, and special uses. Regional Commercial Center development standards have a minimum floor area ratio (FAR) of 0.15 and a maximum FAR of 3.00. With the proposed 115,960± square foot retail development, this proposal is within the FAR requirements by providing 0.21 FAR.

In addition to the proposal's consistency with the proposed 2035 General Plan designation of Regional Commercial Center, the project is consistent with the following General Plan goals and policies:

Regional Commercial Center – Urban Form Guidelines:

- A development pattern with buildings sited at or near the front line on internal streets and plazas that add character and spatial definition to the center
- Centrally located gathering places/plazas connected by pedestrian paths
- Building facades and entrances with a high level of transparency
- Building heights that generally range from one to six stories
- Lot coverage generally not exceeding 60 percent
- Internal pedestrian streetscapes with broad sidewalks, appropriate landscaping, lighting, and pedestrian amenities / facilities

Land Use (LU) 5.1.1 Diverse Centers. The City shall encourage development of local, citywide, and regional mixed-use centers that address different community needs and market sectors, and complement and are well integrated with the surrounding neighborhoods.

LU 5.1.2 Centers Served by Transit. The City shall promote the development of commercial mixed-use centers that are located on existing or planned transit stops in order to facilitate and take advantage of transit service, reduce vehicle trips, and enhance community access.

LU 5.4.3 Connectivity to Regional Centers. The City shall require greater pedestrian and bicycle connections between mixed-use regional commercial centers and surrounding neighborhoods.

Mobility (M) 5.1.6 Connections between New Development and Bicycle Facilities. The City shall require that new development provides connections to and does not interfere with existing and proposed bicycle facilities.

North Natomas (NN) Community Plan

NN.LU 1.1 PUD Designation Required. All development in the plan area shall be designated as a PUD and shall include Schematic Plan and Development Guidelines for the PUD.

NN.LU 1.5 Financing Plan. The City shall require all property owners in the Plan area to: 1) participate equitably in the financing mechanisms necessary to finance the design, engineering, and construction of all library, fire, police, street, traffic, water, sewer, drainage improvements and all monitoring programs provided for in this Plan, and 2) pay an equitable share of all the costs incurred in the process of development of the Financing Plan. Guarantees for this shall be via development agreements or other means acceptable to the City staff. All property owners in North Natomas will be required to reimburse the City in an equitable manner for all planning expenses incurred in developing this Community Plan and related documents. The costs will be divided equally by each acre receiving urban land use designations by this Plan. Payment of this cost will be a condition of the development agreements.

NN.LU 1.24 Commercial Sites. The City shall confine commercial to designated sites to avoid strip commercial.

NN.LU 1.27 Market Study Requirement. The City shall require a feasibility study and apportionment study during the entitlement process for a proposed commercial project that is not designated for commercial use. This review is designed to ensure that the site is feasible for the commercial use and does not contribute to too much commercial area in the community. Incentives should be provided to commercial developers who propose to develop within the first five years of buildout to foster the provision of retail goods and services at the beginning of residential development.

NN.M 1.3 Light Rail Corridor. The City shall acquire and maintain right-of-way for a light rail corridor as shown on Figure NN-4, which reflects the Regional Transit adopted alignment for the Downtown Natomas Airport extension (DNA) plus 40 feet on their side of the alignment centerline. The light rail corridor is approximately 80 feet wide. Desirable land use opportunities at the following selected locations may justify minor variations to the alignment and should be considered in future light rail studies and dedications: (a) Truxel Road / I-80 interchange between I-80 and Loop Road, (b) Arena Boulevard between Loop Road and Del Paso Road, (c) north side of Del Paso Road from Arena Boulevard to East Commerce Way, and (d) East Commerce Way between Del Paso Road and Highway 99.

Within the North Natomas area, the General Plan requires a feasibility study and apportionment study during the entitlement process for a proposed commercial project that is not designated for commercial use. This review is designed to ensure the site is feasible for the commercial use and does not contribute to too much commercial area in the community. A copy of the retail study submitted by the applicant can be found as an attachment to this report. AECOM prepared the North Natomas Retail Market Demand Study Update document. The findings of the study conclude that there is “ample demand to absorb additional retail square footage between 2015 and 2020, and beyond” and that other currently permitted uses, including office and light industrial, still have a higher vacancy rate with square footage that may take longer to absorb relative to retail land use.

Upon review of the retail study, staff has concluded that additional retail uses can be accommodated in this particular area. While the site was originally designated for office uses, the site does not appear to be amenable to this land use at this time. The purpose of the retail study is to ensure that the city does not preclude the opportunity for employment generating uses in the North Natomas area. The proposed re-designation of this site for retail uses does not hamper the rest of the North Natomas area from attracting employment generating uses as the majority of the vacant land along the Interstate 5 corridor in North Natomas is currently designated as Employment Center. Furthermore, congregating the regional commercial centers into one particular area is a more sustainable approach and supports several General Plan policies.

The project would provide residents in the North Natomas area with another option for the purchase of goods and services. The proposal provides an attractive and expanded option for customers in the region. Staff believes the proposal is consistent with the intent of the Regional Commercial Center designation and the overall General Plan and North Natomas Community Plan policies. Locating additional retail uses in this area supports the General Plan policy related to confining regional commercial centers into a centralized area. The site is already surrounded by two major regional commercial centers including the Promenade and the Marketplace. Although portions of the project site are within ¼ mile of a planned Light Rail Transit (LRT) station, Sacramento Regional Transit has advised staff that they have no concerns with the proposed land use change.

Economic Impacts: None.

Environmental Considerations: The City of Sacramento prepared a Mitigated Negative Declaration (MND) for the Natomas Fountains Project. In accordance with under the California Environmental Quality Act (CEQA), the MND was circulated for a 30-day public review period which ended on September 16, 2016. The comment period was also advertised in a newspaper of general circulation and a notice of availability (NOA) was sent to regulatory

agencies, neighborhood associations, and stakeholders in the project area.

Staff received five comment letters regarding the project during the public review period. Comment letters and response to comments are provided in the Final MND. Revisions have been made to the initial study which are staff-initiated for clarification purposes only and do not affect the adequacy of the environmental analysis or change the environmental determination made. Pursuant to CEQA Guidelines Section 15073.5, new information has been added to provide updated information and clarification where no new or additional impacts are identified. No recirculation of the mitigated negative declaration is required.

The Environmental Services Manager has determined that adoption of the MND and Mitigation Monitoring Program are appropriate actions under the CEQA. The Final MND for the project is available at the Community Development Department's webpage located at the following link: <http://www.cityofsacramento.org/Community-Development/Planning/Environmental/Impact-Reports.aspx>

Sustainability: The proposed development will ensure energy consumption is minimized and use of renewable energy sources is encouraged in that staff recommends that the project, to the extent possible, incorporate green building methods in the construction of the proposed structures.

Commission/Committee Action: On October 20, 2016, the Planning and Design Commission held a public hearing on the Natomas Fountains project and unanimously passed a motion to forward a recommendation of approval to the City Council.

Rationale for Recommendation: Staff recommends the City Council approve the requests based on the findings of fact and subject to the conditions listed in the attached Ordinances and Resolutions. Staff supports the project because: a) the project is consistent with the proposed General Plan designation of Regional Commercial Center; b) the project is consistent with the proposed Shopping Center (SC) zone; c) the project is consistent with the Coral Business Center PUD, as amended; d) the proposed retail development is a feasible use consistent with the surrounding development; e) there is "ample demand to absorb additional retail square footage between 2015 and 2020, and beyond"; and f) other currently permitted uses, including office and most light industrial, still have a higher vacancy rate with square footage that may take longer to absorb relative to retail land use.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

Background: On December 11, 1990, the Coral Business Center PUD was established by the City Council (P90-157). When the PUD Schematic Plan was first approved, the southern parcel (Parcel #1) was designated for the Coca-Cola Bottling Facility; the center parcel (Parcel #2) was designated for the Raley's Distribution Center; and the northern parcel (Parcel #3) was designated for office uses. The Raley's warehouse was construction and subsequently the PUD Schematic Plan was amended to locate the Coke Bottling Facility on the northern parcel (Parcel #3) and move the office uses to the southern parcel (Parcel #1), closer to future transit service and the freeway (P93-179). The Coke facility was constructed and expanded (Z04-203 and P07-001) and the Raley's warehouse facility was also expanded (P96-014, P98-038, and Z05-331).

On October 23, 1997, the Planning Commission approved a Tentative Map to subdivide one 25.1± parcel into two lots for a future hotel and office development and forwarded related entitlements for this development with a recommendation of approval to City Council (P97-026). On November 18, 1997, the City Council approved entitlements to allow the development of a 160-240 room hotel and 15,675± square feet of support retail on Parcel #1, as well as 360,300± square feet of offices for this overall property. The entitlements included the following: rezone from Manufacturing Industrial Park (MIP-PUD) to Employment Center (EC-50-PUD and EC-80-PUD); a PUD Schematic Plan Amendment to allow a hotel use and other retail uses; and a PUD Guidelines Amendment to the Coral Business Center PUD to add development guidelines for the proposed hotel and retail uses.

On September 27, 2001, the Planning Commission denied the Tentative Map and Special Permit for the proposed development of a 245,600± square foot regional commercial shopping center, and recommended denial of the related General Plan Amendment, Community Plan Amendment, Rezone, PUD Guidelines Amendment, and PUD Schematic Plan Amendment to City Council (P99-072). After several discussions with the applicant and several City Council hearings, on April 9, 2002, the City Council directed the applicant to file a revised application and remanded the matter back to the Planning Department for further proceedings (Resolution 2002-192). On October 23, 2003, the Planning Commission approved revised entitlements to allow the development of 50,083± square foot retail center and three 3-story office buildings (255,000 square feet of office) on 25.84± acres (P99-072). This approval included a PUD Guidelines Amendment, PUD Schematic Plan Amendment, Tentative Map, and Special Permit for the proposed development. The developer eventually constructed the retail portion of the approval.

On September 23, 2008, the Zoning Administrator approved a Minor Modification (Z08-257) to a previously approved Special Permit to modify the previously approved exterior building materials for the three office buildings approved as a part of P99-072. On February 26, 2009, the Zoning Administrator approved a tentative map to subdivide this parcel into three parcels

(Z08-248), one parcel for each of the office buildings previously approved as a part of P99-072.

The applicant is now requesting entitlements to allow the development of a retail shopping center on the remaining 12± acres of this portion of the Coral Business Center PUD.

Public/Neighborhood Outreach and Comments: The project was routed to the North Natomas Community Association, Natomas Community Association, North Natomas Alliance, North Natomas Community Coalition, Environmental Council of Sacramento, Sacramento Area Bicycle Advocates, and WalkSacramento. The site was posted more than 10 days prior to the hearing and public notices for this hearing were mailed to property owners within 500 feet of the subject site. Staff received comments from WalkSacramento on March 10, 2016 (see Attachment 4), which are summarized below:

- Maintain existing zoning to maximize transit use and walking trips.
- Add trees to sidewalk-bisected parking islands to shade walkways.
- Add trees along existing Coral Business Center driveway at south edge of site to shade sidewalk.
- Add raised crosswalk between buildings on either side of the existing Truxel driveway into Coral Business Center and remove the speed bump to provide direct pedestrian route between shopping center phases and maintain traffic calming.
- Add sidewalk along the north side of the existing driveway into Coral Business Center between the new raised crosswalk and the proposed driveway on the south edge of the site to provide direct pedestrian route between shopping center phases and maintain traffic calming.
- Add sidewalks from Gateway Park Boulevard to the fountains area between Building G and Building H to provide for a pathway that people will be inclined to use.
- Incorporate windows with views into and out of occupied space on Buildings G and H to provide eyes on the street.

The applicant has provided a response to WalkSacramento's comments (see attached), which is summarized below:

- The use of trees was intentionally avoided at the "pedestrian connection nodes: as shown on plan in order to:
 - ... avoid trees under performing and providing less than adequate shade due to the logistics of the planter wells to support larger canopy trees.
 - ... create a "wayfinding" visual queue with decorative trellis elements that will support a better performing shade structure and pathway lighting, while clearly defining and encouraging people to use the walking path provided.
- Trees were added along the existing Coral Business Center driveway at the south edge of the site to shade the sidewalk.

- Adding a raised crosswalk between building on either side of the existing Truxel driveway and removing the driveway would be proposed improvements that are outside of the property boundary and would be required by the adjacent property owner.
- Adding sidewalk along the north side of the existing driveway into Coral Business Center between the new raised crosswalk and the proposed driveway on the south edge of the site would be proposed improvements that are outside the property boundary and would be required by the adjacent property owner.
- Regarding adding sidewalks from Gateway Park Boulevard to the fountain area between Buildings G and H, landscaping and fountains have been intentionally placed to help reduce the constant ambient noise created by cars on Gateway Park Boulevard, as well as unsightly vehicular traffic. The preferred path of travel from the public right of way is along the fronts of the merchants to create a direct connection between each.
- Buildings G and H are planned to include a moment frame structure with generous amounts of glass at the building perimeter to connect the public right of way and adjacent streets.

Although there are a number of pedestrian connections proposed throughout the project site, staff recommends the applicant work with the adjacent property owner to improve and enhance the bike and pedestrian connections from Truxel Road and Gateway Park Boulevard, throughout both the proposed and existing commercial developments. Although the applicant has not provided schematic elevation for Buildings G and H, they will be required to submit Site Plan and Design Review applications for their development and will be reviewed and conditioned through that entitlement process, for consistency with the Planning and Development Code, the Coral Business Park PUD, and the Neighborhood Commercial Corridor Design Principles.

Staff received comments from the North Natomas Transportation Management Association (NNTMA) on April 18, 2016 (see Attachment 6), which are summarized below:

- Construct a 10'-12' sidewalk on the south side of the development, from Truxel Road to Gateway Park Boulevard for pedestrians and cyclists. This also allows access to the Sacramento Gateway Shopping Center.
- Or, construct a bike path on the east side of the East Drain Canal, to connect with a future bridge across the canal and augment the shopping center entrance to accommodate cyclists.

The applicant has revised their site plan to reflect the proposed bike trail and connection as requested by NNTMA.

Rezone: The project proposes to rezone the property from the Employment Center PUD (EC-40-PUD) zone to the Shopping Center PUD (SC-PUD) zone. The existing Employment Center zoning permits a maximum of 10% of the overall EC-PUD net acreage to be designated for and devoted to support retail uses, which has already been taken up by the existing retail center to the southeast of this project site. In order to allow for additional stand-alone retail uses within this PUD, the applicant is requesting to rezone the property to the SC-PUD zone.

Staff supports the rezone of this parcel to the Shopping Center (SC-PUD) zone for the following reasons: a) the Retail Market Demand Study provided by the applicant supports the capacity for additional retail square footage in the region; b) the SC-PUD zone is consistent with the proposed General Plan Designation of Regional Commercial Center; and c) the SC-PUD zone will allow land uses that will be more sustainable and compatible in this area.

Coral Business Center PUD: The guidelines and schematic plan were originally established in 1990 (P90-157). Several amendments have been made to both the PUD guidelines and the schematic plan. The most recently approved PUD guidelines and schematic plan amendment (P99-072) designated this portion of the PUD for three three-story office buildings, for approximately 255,000 square feet of office (see Figure 1 above). The applicant is now requesting to develop this property with a 115,960± square foot retail center, therefore the proposal requires a PUD Schematic Plan Amendment (see Exhibit 5A). The future development of this retail center will be required to comply with the approved Coral Business Center PUD guidelines.

Development Agreement: The originally approved Development Agreement for this site was approved as part of City Agreement 86201, but it has since expired. Therefore, the applicant is proposing a new Development Agreement for the project site.

ENTITLEMENT REVIEW:**Site Plan and Design Review**

The Natomas Fountains project is subject to the requirements of the Shopping Center zone (17.216 – Article V) and the Architectural Design and Site Development Standards (17.600) in the Planning and Development Code, and the Coral Business Center PUD guidelines and the Neighborhood Commercial Corridor Design Principles.

The proposal requires an entitlement for Site Plan and Design Review of the proposed commercial development. At this time, the applicant is requesting schematic approval of the proposed commercial development. This includes overall approval of the access points into the development, the overall layout of the development, and schematic approval of the proposed building elevations. Future development of the commercial buildings, will require a separate application for Site Plan and Design Review and will be conditioned to be consistent with this approval.

The applicant is requesting schematic approval of the site plan and building design of their proposed shopping center on 12.54± acres. The proposal consists of ten retail/commercial buildings (115,960± square feet) on approximately 12.54 acres in the proposed Shopping Center (SC) PUD zone. The buildings range in size from 6,000 to 28,980 square feet (see Table 2 below).

Building	Square Footage
A	18,000 SF
B	13,200 SF
C	28,900 SF
D	10,000 SF
E	10,000 SF
F	6,000 SF
G	7,200 SF
H	7,200 SF
I	7,150 SF
J	8,230 SF
Total	115,960 SF

ACCESS, CIRCULATION, AND PARKING

Vehicular Circulation and Parking: Currently access to the site is provided from the east at the existing driveway at the signalized intersection of Gateway Park Boulevard and North Freeway Boulevard and a right-in/right-out driveway on Truxel Road at the existing commercial development to the south. There is also an existing driveway that provides access only to the RD-1000 levees, at the southwest corner of the project site. The applicant is not proposing to replace the RD-1000 driveway with a right-in / right-out driveway on Truxel Road.

The project site is located within the Urban Parking District which requires a minimum of 1 vehicle parking space per 2,000 gross square feet of building for retail stores, commercial services, and restaurant uses. With 115,960± proposed square feet of commercial uses, the proposal would require a minimum of 58 vehicle parking spaces. The applicant is currently proposing approximately 525 vehicle parking spaces. Staff supports the increase in the number of parking spaces above the minimum required because the location is more suburban in nature. The proposal will also be required to comply with the bicycle parking requirements of the Sacramento City Code, which for this development proposal, would require a minimum of 12 long-term bicycle parking spaces and 58 short-term bicycle parking spaces.

Pedestrian Circulation: There are existing attached and portions of separated sidewalks along Truxel Road and Gateway Park Boulevard, adjacent to this project site and the existing commercial development to the southeast. The applicant is proposing pedestrian connections into the site adjacent to the proposed driveway on Truxel Road, adjacent to the existing driveway on Gateway Park Boulevard, and at least three connections from the existing shared driveway separating this project site from the existing commercial project site to the southeast. Access to the future off-street bike trail that will run along the east side of the East Main Drainage Canal (on the west side of the project site) will be provided at the west side of the new driveway on Truxel Road.

BUILDING DESIGN, SIGNAGE, FENCING, AND LANDSCAPING

The applicant is schematically proposing retail and restaurant buildings with a variety of stucco, stone, metal, glass and decorative wood finishes with off-white and a mix of earth tones and a variety of awning colors. The buildings will all be one-story with a variety of building / parapet heights, not to exceed 40 feet in height.

The Coral Business Center PUD guidelines and Shopping Center (SC) zone allow for the following setbacks:

Table 3: Setback Requirements	
From:	Required (minimum):
Gateway Park Boulevard (PUD Guidelines)	Minimum of 25'0" and a maximum of 50'0". May vary to accommodate future I.O.D. easements.
Truxel Road (PUD Guidelines)	Buildings located along Truxel Road shall also be located outside the Regional Transit I.O.D. that parallels Truxel Road.
Rear-Yard Setback (S.C.C. 17.216)	No minimum rear-yard setback unless adjacent to R- or OB-zoned lot.
Interior Side-Yard Setback (S.C.C. 17.216)	No minimum interior side-yard setback unless adjacent to R- or OB-zoned lot.
Levee Setback (S.C.C. 17.216)	A minimum 50-foot setback is required from the landslide toe of any flood control levee for development five acres or greater in size. No primary or accessory structures may encroach into the setback area.

The proposal meets the minimum setback requirements for the Coral Business Center PUD guidelines and the SC zone. Staff has evaluated the schematic proposal and confirmed that the proposal will meet all other applicable PUD guideline standards.

The Coral Business Center PUD guidelines require a minimum 25' landscape setback along Truxel Road and Gateway Park Boulevard, which the applicant has provided. The final landscaping and fencing will be required to comply with the applicable Coral Business Center PUD guidelines and Planning and Development Code requirements.

Required Findings of Fact

In evaluating site plan and design review proposals of this type, the City Council is required to make the following findings:

1. The design, layout, and physical characteristics of the proposed development are consistent with the general plan and any applicable specific plan or transit village plan;

The proposed development is consistent with the goals and policies of the proposed general plan land use designation of Regional Commercial Center. The schematic retail center development proposal is compatible with the surrounding non-residential developments.

2. The design, layout, and physical characteristics of proposed development are consistent with all applicable design guidelines and with all applicable development standards or, if deviations from design guidelines or development standards are approved, the proposed development is consistent with the purpose and intent of the applicable design guidelines and development standards;

The proposed commercial development is consistent with the Coral Business Center PUD guidelines, the Sacramento City Code development standards for commercial development, and the Neighborhood Commercial Corridor Design Principles in that the proposed project will maintain the character and quality of this commercial neighborhood, consistent with the goals of the design principles.

3. All streets and other public access ways and facilities, parking facilities, and utility infrastructure are adequate to serve the proposed development and comply with all applicable design guidelines and development standards;

The project has been analyzed by City departments and it is determined that as proposed and conditioned, all streets and other public access ways and facilities, parking facilities, and utility infrastructure are adequate to serve the proposed development and comply with all applicable design guidelines and development standards.

4. The design, layout, and physical characteristics of the proposed development are visually and functionally compatible with the surrounding neighborhood;

The proposed development is visually and functionally compatible with the surrounding commercial and industrial neighborhood in that: the project will work in conjunction with the existing commercial development to the southeast and their shared access points and internal driveways; and the

proposal is consistent with the building height, scale and layout of the surrounding commercial developments.

5. The design, layout, and physical characteristics of the proposed development ensure energy consumption is minimized and use of renewable energy sources is encouraged;

The proposed development will ensure energy consumption is minimized and use of renewable energy sources is encouraged in that staff recommends that the project, to the extent possible, incorporate green building methods in the construction of the proposed structures.

6. The design, layout, and physical characteristics of the proposed development are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance.

The proposed development is not detrimental to the public health, safety, convenience, of welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance in that: 1) the proposed development is compatible with other uses found in the surrounding neighborhood, 2) the project will provide more than adequate parking for the proposed customers; and 3) the proposed improvements to the surrounding streets and traffic signals will further improve the flow of traffic in the area.

Staff finds that the schematic retail and restaurant buildings are generally consistent with all applicable General Plan policies, Planning and Development Code requirements, the Coral Business Center PUD Guidelines, and the Neighborhood Commercial Corridor Design Principles. Staff has analyzed the schematic project and concluded that commercial building plans meet or exceed all standard requirements as shown on the plans attached and/or finalized in the conditions of approval. The applicant will be required to submit subsequent entitlement applications for Site Plan and Design Review for the development of the commercial buildings, to be consistent with this schematic design.

Urban Forest – Tree Permit

The removal of private trees greater than 24 inches in diameter and trees in the public right-of-way require a tree removal permit per the recently adopted changes to the city code, which became effective on September 4, 2016. The project proposes to remove six City street trees to make way for a deceleration lane for the new driveway off Truxel Road (see Exhibit 6E) at the southwest corner of the project site. All of these City street trees are less than 24 inches in diameter. The applicant is currently working with city staff from the Urban Forestry Section of Public Works to establish a replacement plan for the removal of the trees. The resulting replacement plan consists of a fee for the removal of the trees and a landscape plan that is summarized below:

- Six new trees adjacent to the new sidewalk
- Six new trees in the right-of-way area along Truxel Road
- In lieu fees

RESOLUTION NO. 2016-

Adopted by the Sacramento City Council

ADOPTING THE MITIGATED NEGATIVE DECLARATION AND THE MITIGATION MONITORING PROGRAM FOR THE NATOMAS FOUNTAINS PROJECT (P16-012)

BACKGROUND

A. On October 20, 2016, the City Planning and Design Commission conducted a public hearing on, and forwarded to the City Council, a recommendation to approve with conditions the Natomas Fountains project (P16-012).

B. On _____, 2016, the City Council conducted a public hearing, for which notice was given pursuant Sacramento City Code Section 17.812.010(A)(2)(a) and (b) (publication, posting, and mail)] and received and considered evidence concerning the Natomas Fountains.

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

Section 1. The City Council finds as follows:

A. The Project initial study determined, based on substantial evidence, that the Project is an anticipated subsequent project identified and described in the 2035 General Plan Master EIR; that the Project is consistent with the 2035 General Plan land use designation and the permissible densities and intensities of use for the project site; that the discussions of cumulative impacts, growth inducing impacts, and irreversible significant effects in the Master EIR are adequate for the Project; and that the Project would not have additional potentially significant environmental effects not previously examined in the Master EIR. Mitigation measures from the Master EIR were applied to the Project as appropriate, and revisions to the Project made by or agreed to by the Project applicant before the proposed mitigated negative declaration and initial study were released for public review were determined by City's Environmental Planning Services to avoid or reduce the potentially significant effects to a less than significant level, and, therefore, there was no substantial evidence that the Project as revised and conditioned may have a significant effect on the environment. A Mitigated Negative Declaration (MND) for the Project was then completed, noticed and circulated in accordance with the requirements of the California Environmental Quality Act (CEQA), the State CEQA Guidelines and the Sacramento Local Environmental Procedures as follows:

1. On August 17, 2016 a Notice of Intent to Adopt the MND (NOI) dated August 17, 2016 was circulated for public comments for 30 days. The NOI was sent to those public agencies that have jurisdiction by law with respect to the proposed project

and to other interested parties and agencies. The comments of such persons and agencies were sought.

2. On August 17, 2016 the NOI was published in the *Sacramento Bulletin*, a newspaper of general circulation, and the NOI was posted in the office of the Sacramento County Clerk.

Section 2. The City Council has reviewed and considered the information contained in the MND, including the initial study, the revisions and conditions incorporated into the Project, and the comments received during the public review process and the hearing on the Project. The City Council has determined that the MND constitutes an adequate, accurate, objective and complete review of the environmental effects of the proposed project.

Section 3. Based on its review of the MND and on the basis of the whole record, the City Council finds that the MND reflects the City Council's independent judgment and analysis and that there is no substantial evidence that the Project will have a significant effect on the environment.

Section 4. The City Council adopts the MND for the Project.

Section 5. Pursuant to CEQA section 21081.6 and CEQA Guidelines section 15074, and in support of its approval of the Project, the City Council adopts a Mitigation Monitoring Program to require all reasonably feasible mitigation measures, including mitigation measures from the Master EIR as appropriate, be implemented by means of Project conditions, agreements, or other measures, as set forth in the Mitigation Monitoring Program.

Section 6. Upon approval of the Project, the City Manager shall file or cause to be filed a Notice of Determination with the Sacramento County Clerk and, if the project requires a discretionary approval from any state agency, with the State Office of Planning and Research, pursuant to section 21152(a) of the Public Resources Code and section 15075 of the State EIR Guidelines adopted pursuant thereto.

Section 7. Pursuant to Guidelines section 15091(e), the documents and other materials that constitute the record of proceedings upon which the City Council has based its decision are located in and may be obtained from, the Office of the City Clerk at 915 I Street, Sacramento, California. The City Clerk is the custodian of records for all matters before the City Council.

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Exhibit A: Mitigation Monitoring Program

**Natomas Fountains (P16-012)
Mitigation Monitoring Plan**

In January 1989, Assembly Bill 3180 went into effect requiring the City to monitor all mitigation measures applicable to this project and included in the Mitigated Negative Declaration. For this project, mitigation reporting will be performed by the City of Sacramento in accordance with the monitoring and reporting program developed by the City to implement AB 3180.

This Mitigation Monitoring Plan is being prepared for the Community Development Department, Environmental Planning Services, 300 Richards Boulevard, 3rd Floor, Sacramento, CA 95811, pursuant to the California Environmental Quality Act, Public Resources Code Section 21081.

Project Name (number): Natomas Fountains (P16-012)

Project Location: The proposed Natomas Fountains project would be developed on a 12.54-acre parcel of undeveloped land located in Sacramento's North Natomas neighborhood. The project site is generally bounded by the Raley's Natomas Distribution Center to the north, Gateway Park Boulevard to the east, the East Drainage Canal and Truxel Road to the west, and an existing retail center, situated at the northern corner of the Truxel Road and Gateway Park Boulevard intersection. The assessor's parcel number (APN) for the project site is 225-0160-094.

Project Description: The proposed Natomas Fountains project would develop up to 115,960 square feet of retail and restaurant space and up to 525 on-site parking spaces on previously undeveloped land.

**MITIGATION MONITORING PLAN CHECKLIST FOR
NATOMAS FOUNTAINS (P16-012)**

Mitigation Measure	Reporting Milestone	Reporting / Responsible Party	VERIFICATION OF COMPLIANCE	
			Initials	Date
Aesthetics				
<p>Mitigation Measure 1-1: Avoidance and Minimization Measures for Reflective Surfaces.</p> <p>The project applicant shall ensure that buildings do not use reflective glass that exceeds 50 percent of any building surface and on the ground three floors, use mirrored glass, or use black glass that exceeds 25 percent of any surface of a building.</p>	Prior to issuance of building permit.	Sacramento Community Development Department and Project applicant		
Biological Resources				
<p>Mitigation Measure 3-1(a): Avoidance and Minimization Measures for Giant Garter Snake.</p> <p>Giant garter snake shall be protected during construction by implementing the following measures:</p> <ul style="list-style-type: none"> No more than 24-hours prior to the commencement of construction activities, a preconstruction survey shall be conducted to survey for giant garter snakes by a USFWS-approved biologist. The biologist shall provide the USFWS with a written report that adequately documents the monitoring efforts within 24-hours of commencement of construction activities. The project site shall be re-inspected by the monitoring biologist whenever a lapse in construction activity of two weeks or greater has occurred. Construction activity within 200 feet from giant garter snake habitat (e.g., East Drainage Canal) shall be conducted between May 1 and September 30. This is the active period for the snake and direct mortality is lessened as snakes are expected to actively move and avoid danger. If it appears that construction activity may go beyond September 30, the City shall contact the USFWS as soon as possible, but not later than September 15 of the year in question, to determine if additional measures are necessary to minimize take. Construction activities within 200 feet from the banks of aquatic snake habitat will 	Prior to and during construction activities.	City of Sacramento Community Development Department and CDFW and Project applicant		

Mitigation Measure	Reporting Milestone	Reporting / Responsible Party	VERIFICATION OF COMPLIANCE	
			Initials	Date
<p>be avoided during the snake's inactive season. If this is not feasible, the City shall consult with USFWS to determine measures to avoid impacts to giant garter snake. If project activities are approved to continue into the inactive season, a USFWS-approved biologist shall inspect construction-related activities daily during this period for unauthorized take of federally listed species or destruction of their habitat. The biologist shall be available for monitoring throughout all phases of construction that may result in adverse effects to the giant garter snake.</p> <ul style="list-style-type: none"> A Worker Environmental Awareness Training Program for construction personnel shall be conducted by the USFWS-approved biologist for all construction workers, including contractors, prior to the commencement of construction activities. The program shall provide workers with information on their responsibilities with regard to the snake, an overview of the life-history of this species, information on take prohibitions, protections afforded this animal under FESA, and an explanation of the relevant terms and conditions of project permits. As needed, training shall be conducted in Spanish for Spanish language speakers. 				
<p>Mitigation Measure 3-1(b): Avoidance and Minimization Measures for Nesting Birds.</p> <p>For any construction activities that will occur between February 1 and August 31, the applicant shall conduct pre-construction surveys in suitable nesting habitat within 500 feet of the construction area for nesting raptors and migratory birds. Surveys shall be conducted by a qualified biologist.</p> <p>If active nest are found during the survey, the applicant shall implement appropriate mitigation measures to ensure that the species will not be adversely affected, which will include establishing a no-work buffer zone, as approved by CDFW, around the active nest. Measures may include, but would not be limited to:</p> <ul style="list-style-type: none"> Maintaining a 500 foot buffer around each active raptor nest. No construction activities shall be permitted within this buffer. For migratory birds, a no-work buffer zone shall be established, approved by CDFW, around the active nest. The no-work buffer may vary 	Prior to and during construction	City of Sacramento Community Development Department and CDFW and Project applicant		

Mitigation Measure	Reporting Milestone	Reporting / Responsible Party	VERIFICATION OF COMPLIANCE	
			Initials	Date
<p>depending on species and site specific conditions, as approved by CDFW.</p> <ul style="list-style-type: none"> Depending on conditions specific to each nest, and the relative location and rate of construction activities, it may be feasible for construction to occur as planned within the buffer without impacting the breeding effort. In this case (to be determined on an individual basis), the nest(s) shall be monitored by a qualified biologist during construction within the buffer. If, in the professional opinion of the monitor, the project would impact the nest, the biologist shall immediately inform the construction manager. The construction manager shall stop construction activities within the buffer until the nest is no longer active. 				
<p>Mitigation Measure 3-1(c): Avoidance and Minimization Measures for Burrowing Owl.</p> <p>Pre-construction surveys for burrowing owls shall be conducted by a qualified biologist (as approved by CDFW) within 30 days prior to the start of work activities at the project site. If construction activities are delayed for more than 30 days after the initial preconstruction survey, then a new preconstruction survey shall be conducted. All surveys shall be conducted in accordance with the Staff Report on Burrowing Owl Mitigation.</p> <p>If burrowing owls are discovered in the project site vicinity during construction, the CDFW-approved project biologist shall be notified immediately. Occupied burrows shall not be disturbed during the nesting season (February 1 through August 31) unless a qualified biologist approved by the CDFW verifies through non-invasive methods that either: (1) the birds have not begun egg-laying and incubation; or (2) that juveniles from the occupied burrows are foraging independently and are capable of independent survival.</p> <p>Occupied burrows during the nesting season shall be avoided by establishment of a no-work buffer of 250-foot around the occupied/active burrow. Where maintenance of a 250-foot no-work buffer zone is not practical, the City shall consult with the CDFW to determine appropriate avoidance measures. Burrows occupied during the breeding season (February 1 to August 31) will be closely monitored by the biologist until the young fledge/leave the nest. The onsite biologist shall have the authority to stop work if it is determined that construction related activities are disturbing the owls.</p>	Prior to and during construction	City of Sacramento Community Development Department and CDFW and Project applicant		

Mitigation Measure	Reporting Milestone	Reporting / Responsible Party	VERIFICATION OF COMPLIANCE	
			Initials	Date
<p>If approved by CDFW, the biologist may undertake passive relocation techniques by installing one-way doors in active and suitable burrows (that currently do not support eggs or juveniles). This would allow burrowing owls to escape but not reenter. Owls should be excluded from the immediate impact zone and within a 160 foot buffer zone by having one-way doors placed over the entrance to prevent owls from inhabiting those burrows.</p> <p>CULTURAL RESOURCES</p>				
<p>Mitigation Measure 4-1: Unanticipated Discovery Protocol for Archaeological Resources and Human Remains.</p> <p>If prehistoric or historic-period archaeological resources, including those considered tribal cultural resources, are encountered during project implementation, all construction activities within 100 feet shall halt and the City shall be notified. Prehistoric archaeological materials might include obsidian and chert flaked-stone tools (e.g., projectile points, knives, scrapers) or toolmaking debris; culturally darkened soil ("midden") containing heat-affected rocks, artifacts, or shellfish remains; and stone milling equipment (e.g., mortars, pestles, handstones, or milling slabs); and battered stone tools, such as hammerstones and pitted stones. Historic-period materials might include stone, concrete, or adobe footings and walls; filled wells or privies; and deposits of metal, glass, and/or ceramic refuse. An archaeologist meeting the U.S. Secretary of the Interior's Standards (SOIS) for Archeology shall inspect the findings within 24 hours of discovery. If the City determines that the resource qualifies as a historical resource or a unique archaeological resource (as defined pursuant to the CEQA Guidelines) and that the project has potential to damage or destroy the resource, mitigation shall be implemented in accordance with PRC Section 21083.2 and CEQA Guidelines Section 15126.4. Consistent with CEQA Guidelines Section 15126.4(b) (3), mitigation shall be accomplished through either preservation in place or, if preservation in place is not feasible, data recovery through excavation. If preservation in place is feasible, this may be accomplished through one of the following means: (1) modifying the construction plan to avoid the resource; (2) incorporating the resource within open space; (3) capping and covering the resource before building appropriate facilities on the resource site; or (4) deeding resource site into a permanent conservation easement. If avoidance or preservation in place is not feasible, an archaeologist meeting the SOIS for Archeology shall prepare and implement a detailed treatment plan to recover the scientifically</p>	<p>Prior to and during construction activities.</p> <p>Include historic and archaeological resources discovery, identification, and notification guidelines on Grading and Construction Plans.</p> <p>Report discovery of human remains during construction.</p>	<p>City of Sacramento Community Development Department</p> <p>and</p> <p>Project applicant</p>		

Mitigation Measure	Reporting Milestone	Reporting / Responsible Party	VERIFICATION OF COMPLIANCE	
			Initials	Date
<p>consequential information from and about the resource, which shall be reviewed and approved by the City prior to any excavation at the resource site. Treatment of unique archaeological resources shall follow the applicable requirements of PRC Section 21083.2. Treatment for most resources would consist of (but would not be limited to) sample excavation, artifact collection, site documentation, and historical research, with the aim to target the recovery of important scientific data contained in the portion(s) of the significant resource to be impacted by the project. The treatment plan shall include provisions for analysis of data in a regional context, reporting of results within a timely manner, curation of artifacts and data at an approved facility, and dissemination of reports to local and state repositories, libraries, and interested professionals.</p> <p>In the event of discovery or recognition of any human remains during project implementation, project construction activities within 100 feet of the find shall cease until the Sacramento County Coroner has been contacted to determine that no investigation of the cause of death is required. The Coroner shall contact the NAHC within 24 hours if the Coroner determines the remains to be Native American in origin. The NAHC will then identify the person or persons it believes to be the most likely descendant (MLD) from the deceased Native American (PRC Section 5097.98), who in turn would make recommendations to the City for the appropriate means of treating the human remains and any associated funerary objects (CEQA Guidelines Section 15064.5[d]).</p>				
<p>Mitigation Measure 4-2: Pre-construction Worker Paleontological Resources Sensitivity Training.</p> <p>Prior to start of earth moving activities, a qualified paleontologist, defined as a paleontologist meeting the Society of Vertebrate Paleontology (SVP) Standards (SVP, 2010) shall be retained to conduct pre-construction worker paleontological resources sensitivity training. This training shall include information on what to do in case an unanticipated discovery is made by a worker, which fossil types may be discovered during project-related excavations, and laws protecting paleontological resources. All construction personnel shall be informed of the possibility of encountering fossils, and instructed to immediately inform the construction foreman if any bones or other potential fossils are unexpectedly unearthed in an area where paleontological monitoring is not required. The applicant shall ensure that construction personnel are made available for and attend the training and retain documentation demonstrating attendance.</p>	<p>Prior to and during construction activities.</p>	<p>City of Sacramento Community Development Department</p> <p>and</p> <p>Project applicant</p>		

Mitigation Measure	Reporting Milestone	Reporting / Responsible Party	VERIFICATION OF COMPLIANCE	
			Initials	Date
<p>Mitigation Measure 4-3: Paleontological Monitoring (Compliance with the SOI Standards)</p> <p>A paleontological monitor working under the direct supervision of the qualified paleontological Principal Investigator, shall monitor all ground-disturbing activity below 4 feet. The location, duration, and timing of monitoring shall be determined by the qualified paleontologist in consultation with the City, and shall be based on a review of geologic maps and grading plans. During the course of monitoring, if the paleontologist can demonstrate, based on observations of subsurface conditions, that the level of monitoring should be reduced or discontinued, the paleontologist, in accordance with the SVP guidelines, may adjust the level of monitoring to circumstances, as warranted. Should additional data become available, such as geotechnical boring information, which includes more information on the depth of fill and the depth of young alluvium, monitoring depths may be adjusted, as recommended by a qualified paleontologist, in coordination with the City.</p> <p>The paleontological monitor shall have authority to temporarily divert excavation operations away from exposed fossils to collect associated data and recover the fossil specimens if deemed necessary.</p> <p>Following the completion of monitoring, the paleontologist shall prepare a report documenting the absence or discovery of fossil resources onsite. If fossils are found, the report shall summarize the results of the inspection program, identify those fossils encountered, recovery and curation efforts, and the methods used in these efforts, as well as describe the fossils collected and their significance. A copy of the report shall be provided to the City and to an appropriate repository.</p>	<p>Prior to and during construction activities.</p> <p>At the conclusion of ground disturbing activity the qualified paleontological monitor will prepare and submit monitoring report.</p>	<p>City of Sacramento Community Development Department</p> <p>and</p> <p>Project applicant</p>		

Mitigation Measure	Reporting Milestone	Reporting / Responsible Party	VERIFICATION OF COMPLIANCE	
			Initials	Date
<p>Mitigation Measure 4-4 (Documentation / Recordation and Dissemination)</p> <p>In the event of unanticipated discovery of paleontological resources in locations or at depths not subject to paleontological monitoring, the contractor shall cease ground-disturbing activities within 50 feet of the find until it can be assessed by the qualified paleontologist. The qualified paleontologist shall assess the find, implement recovery measures if necessary, and determine if paleontological monitoring is warranted once work resumes.</p>	During construction	City of Sacramento Community Development Department and Project applicant		
NOISE				
<p>Mitigation Measure 8-1: Noise Impact Avoidance and Minimization Measures</p> <p>In order to avoid noise-sensitive hours of the day and night, construction contractors shall comply with the following:</p> <ul style="list-style-type: none"> • Construction activities shall be limited to City of Sacramento construction exempt hours between 7:00 a.m. and 6:00 p.m. Monday through Saturday, and between 9:00 a.m. and 6:00 p.m. on Sundays. • All internal combustion engines shall be equipped with suitable exhaust and intake silencers that are in good working order. • Quieter "sonic" pile-drivers shall be used, unless engineering studies are submitted to the City that show this is not feasible, based on geotechnical considerations. 	During construction	City of Sacramento Community Development Department and Project applicant		
Transportation and Circulation				
<p>Mitigation Measure 13-1: Fair Share Cost of Roadway Improvements</p> <p>The project applicant shall pay their fair share cost of the following improvements:</p> <ul style="list-style-type: none"> • Restripe eastbound approach at Gateway Park Boulevard/North Freeway Boulevard 	Prior to issuance of building permit	City of Sacramento Community Development Department		

Mitigation Measure	Reporting Milestone	Reporting / Responsible Party	VERIFICATION OF COMPLIANCE	
			Initials	Date
<p>intersection to consist of one left-turn lane, one through lane, and one right-turn lane.</p> <ul style="list-style-type: none"> Coordinate traffic signal at Gateway Park Boulevard/North Freeway Boulevard intersection such that the westbound left-turn is coordinated with the westbound left-turn at Truxel Road/Gateway Park Boulevard. Signal coordination should be maintained along Truxel Road between intersections 5, 6, and 7. Realign/restripe the southbound departing lanes from the Gateway Park Boulevard/North Freeway Boulevard intersection such that both westbound left turn lanes from North Freeway Boulevard become left-turn lanes approaching Truxel Road (refer to Figure 11 for illustration of improvements). This figure indicates that a modest amount of median reconfiguration may be necessary to accommodate this improvement, but no additional right-of-way is needed. Modify the southbound Truxel Road approach at Gateway Park Boulevard to construct a dedicated U-turn lane (refer to Figure 13-1 for illustration of improvements). The proposed sketch in Figure 13-1 shows that a 200-foot U-turn lane could be provided without requiring any additional right-of-way. However, it would require a decrease in the northbound left-turn lane storage (355 to 210 feet) for the Natomas Marketplace North Entrance. Signal poles are currently positioned in the median nose and would need to be maintained along with a pedestrian refuge area. The design concept on Figure 13-1 accomplishes this. 		and Project applicant		

ORDINANCE NO. 2016-

Adopted by the Sacramento City Council

AN ORDINANCE RELATING TO THE APPROVAL OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SACRAMENTO AND ETHAN CONRAD FOR PROPERTY LOCATED IN NORTH NATOMAS, WEST OF THE INTERSECTION OF GATEWAY PARK BOULEVARD AND NORTH FREEWAY BOULEVARD, SACRAMENTO, CA.

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

- Section 1. This Ordinance incorporates, and by this reference makes part hereof, that certain Development Agreement, by and between the City of Sacramento and Ethan Conrad, a copy of which is attached.
- Section 2. The City Council enacts this ordinance against the following background:
- A. The agreement is consistent with the proposed city general plan and the goals, policies, standards and objectives of any applicable specific or community plan.
 - B. The project should be encouraged in order to meet important economic, social, environmental or planning goals of any applicable specific or community plan.
 - C. The project would be unlikely to proceed in the manner proposed in the absence of a Development Agreement.
 - D. The landowner will incur substantial costs in order to provide public improvements, facilities or services from which the general public will benefit.
 - E. The landowner will participate in all programs established and/or required under the general plan or any applicable specific or community plan and all of its approving resolutions (including any mitigation monitoring plan), and has agreed to financial participation required under any applicable financing plan and its implementation measures, all of which will accrue to the benefit of the public.
 - F. The landowner has made commitments to a high standard of quality and has agreed to all applicable land use and development regulations.
- Section 3. The attached Development Agreement is hereby approved, and the Mayor is authorized to execute the Development Agreement on behalf of the City

of Sacramento after the effective date of this Ordinance. This approval and authorization is based upon the Mitigated Negative Declaration and Mitigation Monitoring Program which is the subject of a separate resolution adopted by City Council prior to or concurrent with the adoption of this Ordinance.

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Exhibit A: Development Agreement

No Fee Required: Recording benefits the City of Sacramento, a government entity.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

City Clerk
City of Sacramento
915 I Street, Fourth Floor
Sacramento, CA 95814

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**NORTH NATOMAS
DEVELOPMENT AGREEMENT**



**Natomas Fountains | Coral Business Center
P16-012**

Ethan Conrad

North Natomas Development Agreement
Form Revised 12/20/02; JPC Reformatted 8/28/08 & Rev. 10/11/16

FOR CITY CLERK USE ONLY

City Agreement No. _____

Ordinance No. _____

Date Adopted: _____

NORTH NATOMAS DEVELOPMENT AGREEMENT

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North Natomas Development Agreement
Form Revised 12/20/02; JPC Reformatted 8/28/08 & Rev. 10/11/16

FOR CITY CLERK USE ONLY

City Agreement No. _____

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Date Adopted: _____

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FOR CITY CLERK USE ONLY

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Date Adopted: _____

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Execution Page for Lender

LIST OF EXHIBITS

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- Exhibit "B" Landowner's Development Plan
- Exhibit "C" Special Conditions
- Exhibit "D" Assignment and Assumption Agreement
- Exhibit "E" North Natomas Land Acquisition Program
- Exhibit "F" Protest Waiver Provisions Agreed to by Landowner
- Exhibit "G" Irrevocable Offer of Dedication Form
- Exhibit "H" Map and Categorical Listing of Land and Infrastructure

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FOR CITY CLERK USE ONLY

City Agreement No. _____

Ordinance No. _____

Date Adopted: _____

**DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF SACRAMENTO
AND
[Name]**

This Development Agreement (hereinafter "Agreement") is made and entered into this [redacted] day of [redacted], 2016, by and between the CITY OF SACRAMENTO, a municipal corporation (hereinafter the "CITY"), and **Ethan Conrad, an unmarried man** (hereinafter the "LANDOWNER").

RECITALS

- A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risks of development, the Legislature of the State of California adopted section 65864 et seq. of the Government Code which authorizes any city, county, or city and county to enter into a development agreement with an applicant for a development project, in order to establish certain rights and obligations of the parties relative to the Property.
- B. LANDOWNER owns a legal or equitable interest in those certain parcels of real property (hereinafter the "Property"), described in Exhibit "A" attached hereto and incorporated herein by this reference, which are located within the CITY. The Property consists of lands designated as Assessor Parcels No. **225-0160-094-0000**. LANDOWNER seeks to develop the Property consistent with CITY's General Plan, the 1994 North Natomas Community Plan and the Planning and Development Code (Sacramento City Code title 17) as they exist on the Effective Date.
- C. The City Council has held duly noticed public hearings on the CITY's General Plan, the 1994 North Natomas Community Plan and the Environmental Impact Reports prepared therefor. At the conclusion of these hearings, the City Council, on January 19 1988, certified the Environmental Impact Report on the City General Plan Update as adequate and complete, and on May 3, 1994, certified the Environmental Impact Report on the 1994 North Natomas Community Plan Update as being adequate and complete.

The City Council on January 19, 1988, after making specific findings and adopting a Statement of Overriding Considerations, approved a revised General Plan by Resolution No. 88-058. The City Council on May 3, 1994, after making specific findings and adopting a Statement of Overriding Considerations, approved the 1994 North Natomas Community Plan by Resolution No. 94-259 (hereinafter the "NNCP").

FOR CITY CLERK USE ONLY

City Agreement No. _____

Ordinance No. _____

Date Adopted: _____

The City Council on August 9, 1994, after a duly noticed public hearing, approved the North Natomas Finance Plan to provide a plan for the financing of the Infrastructure and public improvements needed to successfully implement the NNCP over time.

The City Council on March 3, 2015, after a duly noticed public hearing, certified the Master EIR for the Sacramento 2035 General Plan by Resolution No. 2015-0060, and adopted the 2035 General Plan, which includes the North Natomas Community Plan Area, by resolution No. 2015-0061 (hereinafter the "General Plan"). The uses allowed under the General Plan, NNCP, and the applicable ordinances provide for a balanced mix of residential housing and employment opportunities as well as provide for the protection of major open space and recreational resources.

- D. CITY and LANDOWNER desire to enter into a development agreement pursuant to the provisions of Government Code section 65865 et seq. in order to provide for the orderly development of the Property, in accordance with the goals set forth in Government Code section 65865, the General Plan and the NNCP.
- E. The coordinated and orderly development of the Property, and LANDOWNER's commitment to the implementation of the North Natomas Finance Plan in order to assure the timely and properly-phased construction of all required Infrastructure and facilities, are essential to the proper implementation of the General Plan and the NNCP.
- F. LANDOWNER desires to facilitate implementation of the General Plan, the NNCP and the North Natomas Finance Plan, and LANDOWNER therefore agrees to develop the Property in a manner consistent with the policies of the General Plan, the NNCP, the North Natomas Finance Plan and the Special Conditions, provided that LANDOWNER is assured that no subsequent changes in the General Plan, the NNCP, the North Natomas Finance Plan, the Zoning Ordinance or the Special Conditions shall apply to the Property during the term of this Agreement.
- G. The City Council, on March 7, 1995, adopted the Procedural Ordinance, by which CITY will, inter alia, consider, adopt, amend and subsequently review the development agreements by and between CITY and a given landowner.
- H. Development of the Property, in accordance with the conditions of this Development Agreement, will provide orderly growth and development of the Property in accordance with the requirements, policies, goals, standards, and objectives of the General Plan and the NNCP. At the same time, it will assure that LANDOWNER is committed to funding its appropriate share of the cost of Infrastructure and other facilities which are the subject of the North Natomas Finance Plan, and that the funding for acquisition and construction of those facilities will be available to CITY as and when required under the Infrastructure phasing program.

- I. An integral part of the North Natomas Finance Plan is the North Natomas Land Acquisition Program (“NNLAP”), with the associated Land Acquisition Fee (“LAF”). The NNLAP is designed to provide a means for transfer to or acquisition by CITY, or such other public agency as is appropriate, of certain lands within the NNCP area (as those lands are specified in the NNLAP) which are designated to be held publicly. Such lands are identified under the North Natomas Finance Plan. The purpose of the NNLAP is to provide a method whereby all of such lands will be transferred or acquired with funds from the private development community without cost to the CITY general fund, or any of its other funds, and at the time when needed. The purpose of the LAF is to provide a means, through the fee program, of equalizing the cost of the NNLAP among the various landowners within the NNCP area, inasmuch as certain landowners will be required to relinquish land to public ownership in amounts in excess of their fair share as defined by the North Natomas Financing Plan. The LAF also provides a means for reimbursing landowners who have advanced funds to CITY for the purpose of acquiring land required for Infrastructure, where eminent domain or other procedures are needed, or where it is otherwise required to enable a particular landowner to develop its property. One of the purposes of this Agreement is to provide LANDOWNER’s commitment to the provisions of the NNLAP and the LAF.
- J. This Agreement is voluntarily entered into by LANDOWNER in order to assure the implementation of the General Plan, the NNCP and the North Natomas Finance Plan, and is made in consideration of the rights conferred and the procedures specified herein for the development of the Property. This Agreement is voluntarily entered into by CITY in the exercise of its legislative discretion in order to assure the implementation of the General Plan, the NNCP, and the North Natomas Finance Plan and in consideration of the agreements and undertakings of LANDOWNER hereunder. But for LANDOWNER’s contribution to and participation in programs to mitigate the impacts of the development of the Property and the cumulative impacts of development in the NNCP area, and to the implementation of the North Natomas Financing Plan, the CITY would not approve development of the Property.
- K. The authority for this Agreement is contained in the City Charter of CITY, the Procedural Ordinance, other applicable CITY ordinances, resolutions and procedures and Government Code section 65864 et seq.
- L. CITY and LANDOWNER have taken all actions mandated by and have fulfilled all requirements set forth in the Procedural Ordinance for the adoption of this Agreement by the City Council.
- M. The City Council has reviewed and approved this Agreement. It finds that this Agreement is consistent with the General Plan, the NNCP, the North Natomas Finance Plan, and all other applicable CITY ordinances, rules and regulations. The implementation of this Agreement is in

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the best interest of CITY and the health, safety and welfare of its residents. The environmental impacts of the development contemplated herein were adequately considered in the environmental documentation prepared by CITY and adoption of the ordinance and approval of this Agreement complies in all respects with the California Environmental Quality Act.

AGREEMENT

NOW, THEREFORE, in further consideration of the above recitals, all of which are expressly incorporated into this Agreement, and the mutual promises and covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

I. DEFINITIONS

The terms set forth below, unless the context otherwise requires, shall have the meanings prescribed, for purposes of this Agreement.

- **Adopting Ordinance:** the ordinance pursuant to which the City Council approves this Agreement.
- **Allocation Procedures:** those procedures set forth in section 5.H. of this Agreement, whereunder the various uses and densities are distributed to and among the various parcels, or portions of them, comprising the Property.
- **Annual Review:** the process, and procedures therefor, whereby CITY reviews, pursuant to Government Code section 65865.1, the nature and extent of compliance by LANDOWNER with all of the terms and conditions of this Agreement, which process and procedures are as specified in the Procedural Ordinance, and in section 17 of this Agreement.
- **Assessment:** a special assessment levied on real property within the North Natomas Community Plan area, for the purpose of financing Infrastructure and/or public facilities, or maintenance thereof, in accordance with the California Streets and Highways Code, the California Government Code, and/or the Sacramento City Code.
- **Assessment District Policy Manual:** the document entitled "City of Sacramento Policy and Procedures for Use of Special Assessment and Mello-Roos Community Facilities District Financing for Infrastructure and Public Facilities," as adopted by the City Council on June 29, 1993 (Resolution 93-381), as said document may be amended from time to time.
- **Assignee:** a third Person executing an Assumption Agreement prepared in accordance with the format prescribed in Exhibit D.

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- **Assignment:** the sale or other transfer by LANDOWNER of all or part of its right, title and interest in the Property and in this Agreement to another Person, in accordance with the terms and conditions of this Agreement.
- **Assumption Agreement:** the agreement prescribed in Exhibit D, whereby an Assignee undertakes to perform all obligations, and other terms and conditions of this Agreement, as a condition of release of the Assignee’s predecessor in interest from the responsibility for performance of such obligations and other terms and conditions, with respect to the portion of the Property assigned to the Assignee.
- **CEQA:** the California Environmental Quality Act, set forth at California Public Resources Code section 21000 et seq., as amended from time to time.
- **CITY:** the City of Sacramento.
- **City Agency:** the Redevelopment Agency of the City of Sacramento, and the Housing Agency of the City of Sacramento.
- **City Council:** the Council of the City of Sacramento.
- **Comprehensive Drainage Plan:** the Drainage System for North Natomas, prepared by the City of Sacramento, Borcalli & Associates, Ensign & Buckley, or other consulting firm, and adopted by the City Council, as it may be amended from time to time.
- **Comprehensive Flood Management Plan:** that plan required to be prepared, and to be adopted by the City Council, pursuant to the CITY’s floodplain policy adopted by Resolution No. 93-696.
- **Dedication:** the transfer of real property, or a defined interest therein, to CITY or another public agency, free of all encumbrances and other matters affecting the title except as may otherwise be agreed to by CITY or such other public agency, and at no cost to CITY or such other public agency, as specifically set forth in the NNLAP, within the North Natomas Finance Plan, as it may exist from time to time.
- **Deed of Trust:** a real property security device whereby the debtor (trustor) conveys title to real property to a trustee as security for a debt owed to the creditor (beneficiary).
- **Default:** a failure of performance, or unreasonable delay in performance, by either party to this Agreement, of any of its terms, conditions, obligations or covenants. Default shall include, but not

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be limited to failure to comply with all provisions of the North Natomas Finance Plan and/or failure to pay any fee, tax or assessment enacted pursuant to that Plan.

- **Development:** the use(s) to which the Property will be put, the buildings and improvements to be constructed on it, and the construction activities incident thereto, together with the process of obtaining all required land use entitlements.
- **Development Agreement:** this Agreement.
- **Development Plan:** LANDOWNER's plan for development of the Property, as set forth in Exhibit B. Where LANDOWNER, at the time of execution of this Agreement, does not propose a specific development project, the Development Plan shall be deemed to be development consistent with the Land Use and Development Regulations.
- **Drainage Phasing Plan:** that portion of the Comprehensive Drainage Plan which identifies the sequence of construction of the Drainage System.
- **Drainage System:** that drainage system set forth in the Comprehensive Drainage Plan, as that plan may exist from time to time.
- **Drainage Sub-basin:** the individual drainage sub-areas identified in the Comprehensive Drainage Plan.
- **Effective Date:** the date on which this Agreement has been approved by the City Council.
- **General Plan:** the General Plan of the City of Sacramento, as adopted by the City Council on March 3, 2015, as said plan may be amended from time to time.
- **Habitat Conservation Plan:** that plan, which must be adopted and implemented by the City Council, pursuant to which measures are taken to implement the provisions of the federal and state Endangered Species Acts, and pursuant to which incidental take permits will be issued to the City of Sacramento, to Landowner, or to others under said Acts.
- **Infrastructure:** all public facilities and improvements needed to serve urban development, as identified in the NNCP and the North Natomas Finance Plan, or in subdivision maps, parcel maps, or as may otherwise be constructed and conveyed to CITY or another public agency, including but not limited to street and freeway improvements, drainage improvements, sanitary sewer improvements and water storage and transmission facilities.

- **Interim Drainage:** temporary surface water drainage to be provided to the North Natomas area by RD-1000, and/or any phase of the Drainage System, and/or any drainage project resulting in the removal of land within the North Natomas Finance Plan Area from a 100-year floodplain, pursuant to a plan approved by that agency and the City Council for the initial phase of development within North Natomas, until such time as the Drainage System is constructed and operational, all pursuant to the RD-1000 Agreement.
- **Irrevocable Offer of Dedication:** an unconditional and irrevocable offer by LANDOWNER to transfer real property to CITY in accordance with the provisions of the NNLAP and/or any condition of any land use entitlement applicable to the Property, in the form specified in Exhibit G.
- **Land Acquisition Program (NNLAP):** the plan, also called the North Natomas Land Acquisition Program, which as an integral part of the North Natomas Finance Plan, is designed to provide a means for transfer to or acquisition by CITY, or such other public agency as is appropriate, of all lands within the North Natomas Community Plan area which are designated to be held publicly, at no cost to CITY. A copy of the plan is attached hereto as Exhibit E and incorporated herein by this reference.
- **Land Acquisition Fee (LAF):** the fee/reimbursement program, which is an integral part of the North Natomas Finance Plan, and which is designed to equalize the cost of the NNLAP among the various landowners within the North Natomas Finance Plan area.
- **Land Use and Development Regulations:** the General Plan, the North Natomas Community Plan, the CITY's Subdivision Map Act Ordinance, and Zoning Ordinances, together with any other CITY ordinance, or resolutions, rules, regulations and official policies as they exist on the Effective Date, which govern or regulate land use and/or development in the North Natomas Community Plan area.
- **Lender:** a Person (or a successor in interest to such person) who has advanced funds to, or who is otherwise owed money by a debtor, where the obligation is embodied in a promissory note or other evidence of indebtedness, and where such note or other evidence of indebtedness is secured by a Mortgage or Deed of Trust.
- **Mortgage:** a contract by which the mortgagor (debtor) as owner hypothecates or pledges real property, or otherwise grants a security interest therein to a Lender (mortgagee), to secure performance under a promissory note or other evidence of indebtedness, and where the holder of the mortgage is granted a power of sale.

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- **North Natomas Community Plan (NNCP):** the Community Plan for development of the North Natomas area, as adopted by the City Council on May 3, 1994, as said plan exists on the Effective Date. The NNCP includes, without limitation, a Land Use Diagram and Policy Statements.
- **North Natomas Finance Plan:** the plan, as it may be amended from time to time, which establishes methods for financing required Infrastructure and public facilities through a combination of land transfers, dedications, contributions, fees, assessment districts, community facilities districts, and other measures.
- **North Natomas Finance Plan Area:** the lands within the area covered by the North Natomas Finance Plan, and which are obligated thereby, as that area may exist from time to time.
- **Parties:** the City of Sacramento and LANDOWNER.
- **Person:** any person, firm, association, organization, partnership, business trust, corporation or company.
- **Planning and Development Code:** the Planning and Development Code of the City of Sacramento, as that Code exists on the Effective Date.
- **Procedural Ordinance:** Ordinance No. 95-012, adopted by the City Council on March 7, 1995, and which sets forth procedures for execution, approval, implementation, amendment, and related matters, with respect to development agreements for lands within the NNCP area.
- **Project:** part or all of the elements set forth in LANDOWNER's Development Plan.
- **Project Review:** CITY's actions in reviewing any project proposed by LANDOWNER with respect to the Property, including but not limited to review of all required land use entitlement applications.
- **Property:** the real property owned by LANDOWNER, as set forth in Exhibit A.
- **Protest Waiver:** the agreement set forth in Exhibit F, executed by LANDOWNER pursuant to this Agreement, or in connection with the conditions of any required entitlement.
- **Purchaser:** an assignee.
- **Reconfiguration:** the reconfiguration, adjustment or alteration of property lines through parcel or subdivision mapping, or lot line adjustment.

- **RD-1000 Agreement:** any agreement which governs the terms and conditions under which Interim Drainage, if applicable, will be provided to the Property.
- **Reimbursement:** the reimbursement of monies to a Person who has advanced funds for Infrastructure required for development of the Property, or who has advanced funding for Infrastructure or other improvements which are required by the NNCP, the North Natomas Finance Plan, or other document, and which have benefit to land beyond the Property, in accordance with a reimbursement agreement approved by CITY. Any such agreement will be limited to the portion of the funding advanced which is in excess of the allocable share of the cost of the Infrastructure or improvement attributable to the Property.
- **Reimbursable Infrastructure Costs:** those costs paid by LANDOWNER, and which are identified as reimbursable pursuant to CITY’s Assessment District Policy Manual (as defined in section 8.D.(1) of this Agreement).
- **Special Conditions:** those conditions, terms and requirements specified in Exhibit C.
- **Special Permit:** any discretionary permit required pursuant to the Land Use and Development Regulations, and issued by CITY for development of the Property, upon proper application therefor by LANDOWNER.
- **Term:** the length of this Agreement in terms of time, as specified in section 3, or as that time may be extended pursuant to any applicable provision of this Agreement.
- **Transfer:** an assignment.
- **Transferee:** an assignee.
- **Zoning:** the division of the City of Sacramento into districts, and the application of zoning regulations thereto, which include (without limitation) regulation of the height or bulk of buildings (structural and architectural design) and the use to which the land and buildings within prescribed districts may be put, all as specified in the Zoning Ordinance.

II. TERMS AND CONDITIONS OF AGREEMENT

1. **Property Description and Binding Covenants.** The Property is that certain real property owned by LANDOWNER and described in Exhibit “A.” The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to the benefit of, the parties and, subject to section 4 below, to their successors-in-interest.

2. **Interests of Landowner.** LANDOWNER represents that LANDOWNER owns a legal or equitable interest in the Property and that all other Persons holding legal or equitable interests in the Property, including **Central Valley Community Bank** (the Lender), have executed and are bound by this Agreement.

3. **Term.**

A. **Initial Term.** The term of this Agreement shall commence on the Effective Date and shall extend for a period of fifteen (15) years thereafter, unless it is sooner terminated or modified by the mutual consent of the parties.

B. **Renewal Options.** Subject to the provisions of this subsection, LANDOWNER shall have the right to renew this Agreement on its same terms and conditions, taking into account any amendments hereto mutually agreed upon after the Effective Date. The term of this Agreement shall mean and include the initial term, plus any renewal periods. The specific conditions for exercise of the renewal options are as follows:

(1) On the Exercise Date, LANDOWNER shall not be in default in any material respect under this Agreement, including any amendments hereto. For purposes of this subsection, "Exercise Date" shall mean the date that LANDOWNER or LANDOWNER's successor in interest gives written notice of intention to exercise the option to renew this Agreement, in accordance with the provisions of section 20 hereof.

(2) The option to renew shall be exercisable by giving CITY written notice of LANDOWNER's intention to exercise the option on or before the Exercise Date, which notice shall be given not later than one hundred eighty (180) days prior to expiration of the initial term or any renewal term.

(3) LANDOWNER shall be limited to three (3) renewal periods of five (5) years each; the parties specifically intend that under no circumstances shall the term of this Agreement extend beyond thirty (30) years, unless this Agreement is amended in accordance with the procedures set forth herein for Agreement amendments.

4. **Assignment.** LANDOWNER shall have the right to sell, assign, or transfer its interests under this Agreement as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided, however, that LANDOWNER shall notify CITY of such sale, assignment or transfer by providing written notice thereof to CITY in the manner provided in this Agreement. LANDOWNER shall remain obligated to perform all terms and conditions of this Agreement, unless such purchaser,

assignee or transferee, to the satisfaction of and in a form acceptable to the City Attorney, executes and delivers to CITY an express agreement to assume all of the obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred. The execution of such an assumption agreement shall relieve LANDOWNER of the obligations expressly assumed only if (a) LANDOWNER is not in default under this Agreement at the time of the assignment or transfer; and (b) LANDOWNER has provided CITY with notice of said assignment or transfer in the manner provided hereunder. Any such assumption agreement with respect to LANDOWNER's obligations under this Agreement shall be deemed to be to the satisfaction of the City Attorney if executed in the form of the Assignment and Assumption Agreement attached hereto as Exhibit "D" and incorporated herein by this reference, or such other form as shall be proposed by LANDOWNER and approved by the City Attorney prior to the effective date of the assignment.

Any purchaser, assignee, or transferee shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, only with respect to the Property, or such portion thereof, sold, assigned, or transferred to it. Any such purchaser, assignee, or transferee shall observe and fully perform all of the duties and obligations of LANDOWNER under this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred.

5. Development of the Property.

A. Permitted Uses and Development Standards. Subject to the Special Conditions set forth in Exhibit C, attached hereto and incorporated herein by this reference (herein the "Special Conditions"), any reserved discretionary approvals specified in this Agreement, and all other terms and conditions of this Agreement, LANDOWNER may develop the Property in accordance with and subject to the terms and conditions specified in the Land Use and Development Regulations in effect on the Effective Date, or, where applicable, the Development Plan, as set forth in Exhibit B, attached hereto and incorporated herein by this reference. Specifically, the permitted uses, density or intensity of use, height or size of buildings and provisions for reservation and dedication of land for public purposes shall be as set forth in the Development Plan.

B. Discretionary Approvals.

(1) Project Review. Development of the Property is subject to all required discretionary approvals. In reviewing and approving applications for special permits and other discretionary approvals, CITY may exercise Project Review and may attach such conditions and requirements as are consistent with the policies, goals, standards and objectives of the General Plan, the NNCP and the North Natomas Finance Plan,

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and as may be necessary to comply with all applicable legal requirements and policies of CITY pertaining to such reserved discretionary approvals.

(2) Rezoning of the Property. Upon proper and complete application by LANDOWNER, CITY agrees to rezone the Property in accordance with the provisions of the NNCP in effect on the Effective Date.

C. Development Timing. This Agreement contains no requirement that LANDOWNER must initiate or complete development of any phase of the development of the Property or any portion thereof within any period of time set by CITY. It is the intention of this provision that LANDOWNER be able to develop the Property in accordance with LANDOWNER's own schedule; provided, however, that to the extent that phasing is required by the NNCP, or by the Special Conditions, such provisions shall govern. No future modification of the Sacramento City Code or any ordinance or regulation which limits the rate of development over time shall be applicable to the Property. However, nothing herein shall be construed to relieve LANDOWNER from any time conditions in any permit or subdivision map approval or to excuse the timely completion of any act which is required to be completed within a time period set by any applicable code or permit provisions.

D. Special Conditions. Development of the Property shall be subject to the Special Conditions, as specified in Exhibit C.

E. Land Use and Development Regulations.

(1) Subject to the Special Conditions specified in Exhibit C, development of the Property shall be subject to the Land Use and Development Regulations applicable to such development on the Effective Date.

(2) Except as otherwise provided in this Agreement, to the extent any future changes in Land Use and Development Regulations adopted by CITY purport to be applicable to the Property but are inconsistent with the terms and conditions of this Agreement, including subsection 5E(1) above, the terms and conditions of this Agreement shall prevail, unless the parties or their successors in interest mutually agree to amend or modify this Agreement in accordance with the provisions for modification hereinafter set forth.

(3) To the extent that any future changes in the Land Use and Development Regulations adopted by CITY are applicable to the Property and are not inconsistent with the terms and conditions of this Agreement or are otherwise made applicable

by other provisions of this Agreement, such future changes shall be applicable to the Property.

- (4)** Nothing in this Agreement shall preclude the application to development of the Property of changes in the Land Use and Development Regulations, the terms of which are specifically mandated by changes in state or federal laws or regulations. In the event state or federal laws or regulations enacted after the effective date of this Agreement or action by any governmental jurisdiction other than CITY prevent or preclude compliance with one or more provisions of this Agreement or require changes in permits, maps or plans approved hereunder by CITY, this Agreement shall be modified, extended or suspended as may be necessary to comply with such state or federal laws or regulations or the regulations of such other governmental jurisdiction.
- (5)** To the extent that any actions of federal or state agencies (or actions of regional and local agencies, including CITY, required by federal or state agencies or actions of CITY taken in good faith in order to prevent adverse impacts upon CITY by state or federal actions) have the effect of preventing, delaying or modifying development of the NNCP area or any area therein, CITY shall not in any manner be liable for such prevention, delay or modification of said development. Such actions may include, but are not limited to, flood plain or wetlands designations and actions of CITY or regional agencies as a result thereof and the imposition of air quality measures or sanctions and actions of CITY or regional and local agencies as a result thereof. In such a situation, CITY's actions shall not be arbitrary or capricious, and the parties shall meet and endeavor to achieve solutions which preserve the integrity of the NNCP, while to the extent feasible allow development of the Property in the manner contemplated by this Agreement.
- (6)** Nothing herein shall be construed to limit the authority of CITY to enact amendments to the Land Use and Development Regulations, or enact other ordinances or resolutions, which have the legal effect of protecting persons or property from conditions which create a health, safety or physical risk.
- (7)** Building codes, ordinances and regulations relating to construction standards or permits shall apply as of the time of grant of each applicable construction permit.
- (8)** No modification of CITY's ordinances, resolutions, policies, rules or regulations adopted after the Effective Date, which purport to limit the rate of development over time or to govern the sequence of development of land within the NNCP area, shall apply to the Property. The provisions of this subsection apply to modifications adopted or imposed by the City Council, or through the initiative or referendum

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process; provided, however, nothing in this subsection shall limit the ability of CITY to act in accordance with the provisions of subsections 5E(4), 5E(5) and 5E(6) of this Agreement.

- F. CITY Review of Applications.** Consistent with the standards set forth in section 15 of this Agreement, nothing contained in this Agreement shall preclude CITY from its right and responsibility to review applications for entitlements submitted by LANDOWNER in accordance with its normal and usual procedures and practices, as they may exist at the time the application is accepted as complete, or is otherwise deemed complete by operation of law.

- G. Extension of Entitlements.** Pursuant to Government Code section 66452.6 all vesting tentative subdivision maps, master parcel tentative maps, parcel maps, subdivision tentative maps, planned unit development permits, special permits, or any other maps, rezonings or land use entitlements of potentially limited duration previously, contemporaneously or subsequently approved for the Property subject to this Development Agreement, shall be valid for a minimum term equal to the full term of this Agreement (including the initial term, and any renewal period resulting from exercise by LANDOWNER of the options provided for in section 3 hereof), or for a period of thirty-six (36) months, whichever is longer, but in no event for a shorter period than the maximum period of time permitted by the Subdivision Map Act or Government Code for such land use entitlements. The provisions of section 25 of this Agreement relating to estoppel certificates shall apply to any request made by LANDOWNER to CITY with respect to the life of any entitlement covered by this subsection. Nothing in this section shall be construed to, or operate to extend the term of this Agreement.

- H. Allocation Procedures for Building Square Footage.** Procedures for allocating the uses or densities approved for the Property among the various parcels and/or portions thereof, and for resolution of any disputes regarding such allocations, shall be as follows:
 - (1) Allocation.** Unless otherwise identified in the Development Plan, which is attached as Exhibit B to this Agreement, the allocation of building square footage shall be as identified in subsequent entitlements for the Property, including but not limited to parcel maps, subdivision maps, PUD schematic plans and development guidelines. The appropriate entitlement to address the allocation of building square footage shall be determined by City. Allocations for residential development shall be determined in the subdivision mapping process, unless CITY determines that some other method is appropriate under the circumstances.

 - (2) Dispute Resolution.** Where a dispute exists between LANDOWNER, and/or any successor or successors in interest, with respect to any matter involving allocation of building square footage for or on the Property, such dispute shall be resolved by arbitration, utilizing the commercial arbitration procedures of the American Arbitration Association,

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or some other alternative dispute resolution procedure mutually agreed upon by the parties involved in the dispute. In no case shall CITY be a party to such dispute, or to the dispute resolution procedures. All of the provisions of this Agreement relating to indemnification and defense of CITY, and payment of CITY costs, shall apply to all disputes relating directly or indirectly to allocation.

6. Fees, Charges, Assessments and Taxes.

A. City Fees. All applications for CITY approvals, permits and entitlements shall be subject to the application fees, processing fees, mitigation fees and other development fees within the control of the CITY that are in force and effect as of the date that the application or other request for approval is filed.

B. Levies Imposed by Other Jurisdictions. LANDOWNER shall be responsible for:

- (1) all fees, charges, assessments, special taxes or levies of any sort imposed by any other state or local agency, including but not limited to the Sacramento Area Flood Control Agency, in the future as a charge for mitigation measures imposed for the purpose of mitigation of environmental impacts associated with the provision of flood control improvements and measures for the NNCP area;
- (2) all fees, charges, assessments, special taxes or levies of any sort associated with the financing of the construction and implementation of said flood control improvements and measures;
- (3) all special benefit assessments, special taxes or levies of any sort associated with construction of or maintenance of public improvements, where the Property is located within a district formed for that purpose by any agency other than CITY;
- (4) any fees or other charges required by RD-1000 to be paid to it in implementation of the RD-1000 Agreement; and
- (5) ad valorem real estate taxes, and utility fees.

In the event that any of the fees, charges, assessments, special taxes or levies covered by this subsection B are imposed by or with the assistance of CITY, LANDOWNER shall nevertheless be responsible therefor. Nothing in this Agreement shall be construed to limit LANDOWNER’s right to protest, in accordance with applicable provisions of law: the formation of any district included within the provisions of this subsection or to protest the amount of any assessment levied by or on behalf of such district on the Property or

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any portion thereof; or to protest the nature and amount of any tax, fee, assessment or charge imposed pursuant to this subsection.

C. Implementation of the North Natomas Finance Plan. The North Natomas Finance Plan establishes a method for financing of required Infrastructure and public facilities through a combination of land transfers, dedications and contributions, fees, assessment districts, community facilities districts and other sources, so that the land within the North Natomas Finance Plan Area pays for its share of the cost of such Infrastructure and facilities. The plan also recognizes that there is a regional cost associated with certain portions of Infrastructure and facilities, and that that share will ultimately have to be paid from other sources, even though developers within the area, including LANDOWNER, acknowledge that they may have to participate in funding regional costs on a fair share basis. LANDOWNER shall participate in the North Natomas Finance Plan, as made applicable to the development of the Property, and shall faithfully and timely comply with each and every provision thereof, including but not limited to the>NNLAP, the Land Acquisition Fee, assessments, special taxes, and other development fees and exactions set forth therein. Without limiting the foregoing, applications for special permits, subdivision maps or other land use entitlements and building permits may be made subject to LANDOWNER’s participation in and compliance with the plan. Failure to so participate shall be an event of default to which the default provisions of this Agreement and the Procedural Ordinance shall apply. For purposes of this Agreement “participate” and “participation” shall mean payment of all monies required by virtue of the North Natomas Finance Plan, and performance of all obligations imposed thereby.

D. LANDOWNER’s Waivers. LANDOWNER hereby agrees to the provisions of Exhibit F, which (without limitation) contains a comprehensive waiver of protest rights with respect to CITY’s establishment and implementation of development and impact fees; CITY’s actions in forming assessment districts and community facilities districts, and in levying assessments and taxes pursuant thereto; and CITY’s actions in implementing any provision of the North Natomas Finance Plan. As set forth in Exhibit F, LANDOWNER reserves the right to protest the actual amount of the fee, assessment or tax levy, or other CITY charge imposed on or allocated to the Property pursuant to the Finance Plan.

7. Reconfiguration of Parcels. LANDOWNER shall have the right to file applications with CITY for subdivision, lot line adjustment, or for master parcelization of all or part of the Property, for the purpose of reconfiguration of the Property. Such applications shall be processed and determined in accordance with the provisions of section 5, and all other applicable provisions of this Agreement. Where reconfiguration requires a Special Permit, or a P.U.D. designation, or other entitlement applicable to the Property or portion thereof which is subject to the

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application, CITY reserves the right to require such entitlements as a condition of granting the application.

8. Infrastructure.

- A. Construction by CITY.** To the extent that funds are available to CITY pursuant to the North Natomas Finance Plan, and to the extent that any required real property has been transferred to CITY pursuant to the>NNLAP, or has been obtained by CITY through its power of eminent domain, which CITY agrees to utilize, where required, and subject to LANDOWNER's compliance with the terms of this Agreement and all of the terms and conditions of any entitlement applicable to the Property, CITY agrees to use its best efforts to bring about the construction of the Infrastructure required to implement the Development Plan (Exhibit B). Provided, however, that CITY's obligations hereunder shall be limited to those items of Infrastructure which, under the North Natomas Finance Plan, are to be constructed by CITY or under CITY's direction and control; where Infrastructure is to be constructed by LANDOWNER, either pursuant to conditions of approval or otherwise, the provisions of this subsection shall not apply.
- B. Construction by LANDOWNER.** When required by conditions of approval, and in accordance with CITY specifications and standards in effect as of the date of construction, LANDOWNER shall diligently construct Infrastructure required for implementation of the Development Plan (Exhibit B). LANDOWNER shall further comply with all required funding requirements specified in the North Natomas Finance Plan, and the real property transfer provisions of the>NNLAP.
- C. Drainage Infrastructure.** As of the Effective Date, it is contemplated that permanent drainage for the Property, and the entire North Natomas Finance Plan Area, will be provided by the Drainage System. It is further contemplated that Interim Drainage for the Property and the>NNCP area will be provided pursuant to the RD-1000 Agreement or some other arrangement which has been implemented by CITY. Construction of the Drainage System will require land transfers to CITY pursuant to the>NNLAP, or acquisition of required land by CITY through the use of eminent domain procedures, and funding for the required improvements, all on a timely basis and in accordance with the North Natomas Finance Plan, and subject to the provisions of the RD-1000 Agreement (or such other arrangement which has been implemented by CITY), together with the Drainage Sub-basin agreement, or substitute therefore, as specified in the Special Conditions. In recognition of the need for retention of flexibility and CITY discretion with respect to decisions relating to the ultimate solution to drainage for the>NNCP area, and the need for unconditional provision of financing by LANDOWNER and other owners of land in the

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North Natomas Finance Plan Area through the mechanisms specified in the North Natomas Finance Plan, the parties agree as follows:

- (1) Establishment of Financing Mechanisms.** CITY shall, as soon as feasible following the adoption of the North Natomas Finance Plan by the City Council, establish public financing mechanisms as identified in the North Natomas Finance Plan, applicable to lands within the NNCP area which will benefit from the Drainage System.
- (2) Issuance of Bonds.** Decisions as to whether to issue bonds pursuant to such financing mechanisms, and the timing and manner of issuance thereof, shall be within the sole and exclusive discretion of CITY; provided, however, that CITY shall exercise its discretion in a good faith manner, so as to provide for timely construction of Infrastructure in order not to stop or slow development.
- (3) Linkage of Development to Completion of Drainage System.** CITY has established a performance standard that requires (inter alia) that the Drainage System be completed and in operation no later than the point in time when building permits have been issued for fifty percent (50%) buildout of the North Natomas Finance Plan Area, as measured by developable acreage as defined in the North Natomas Finance Plan. In the event that a different phasing plan is adopted and implemented by CITY, LANDOWNER shall comply with all provisions of such a plan, and shall execute any agreement or other document, or participate in any mechanism as is required by CITY to implement such a plan.

D. Infrastructure Financing Proceedings.

- (1) LANDOWNER-Initiated Proceedings.** In the event that LANDOWNER desires to initiate proceedings for the formation of an assessment district, community facilities district, or other similar form of improvement financing mechanism to fund the construction of Infrastructure required by conditions of approval or otherwise, LANDOWNER shall file an application with CITY for that purpose in accordance with CITY’s Assessment District Policy Manual, as same may be amended from time to time, or such other policy document as may after the Effective Date be adopted by the City Council as a substitute therefor. CITY agrees to diligently process any such application, provided that such application:
 - (a)** is complete and is accompanied by payment of CITY fees applicable on the date of filing of the application;

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- (b) otherwise complies with the Land Use and Development Regulations and applicable law, as it exists on the date of the application, including but not limited to the Assessment District Policy Manual;
- (c) is consistent with CITY's policies and procedures;
- (d) provides for a value to lien ratio and other financial terms that are reasonably acceptable to CITY;
- (e) provides for all funding requirements established by CITY for the purpose of payment of the costs of outside consultants needed, in CITY's sole discretion; and
- (f) provides that the specific consultants (e.g., bond counsel, financial advisors, underwriters, or other consultants as may be necessary under the circumstances) shall be selected by CITY in its sole discretion.

Notwithstanding any other provision of this Agreement, CITY agrees that upon request made by LANDOWNER, CITY will consider making exceptions to the Assessment District Policy Manual, to allow for alternative methods of financing in-tract improvements, including but not limited to formation of assessment districts or similar financing mechanisms, where such alternatives are contemplated by the North Natomas Finance Plan, including any amendments thereto. Provided, however, that CITY reserves its discretion to condition use of any such alternatives on satisfaction of performance preconditions (including but not limited to drainage capacity), and to consider underwriting considerations and criteria, together with the manner in which such alternatives further the overall implementation of the North Natomas Finance Plan. Further, CITY may in its reasonable discretion deny any such request upon grounds, including but not limited to consistency of application of its policies and the potential for establishing negative precedent.

- (2) **Proceedings Initiated by CITY.** In the event that pursuant to the North Natomas Finance Plan, CITY in its discretion determines that a particular financing mechanism, including but not limited to an assessment district, a community facilities district, a fee district, a development fees procedure, or any similar mechanism, is required in order to implement the North Natomas Finance Plan, LANDOWNER's participation obligations set forth hereunder (including but not limited to Exhibit C), in the North Natomas Finance Plan, or in any condition of approval, shall apply.

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- (3) **Maintenance Districts.** LANDOWNER may, following the procedures specified in subsection 8D(1) above, request that CITY establish one or more maintenance districts for the purpose of financing the maintenance of landscaping or other public improvements, whereunder lands benefitting from the improvements and their maintenance are assessed for a proportionate share of the maintenance cost.

E. Reimbursement to LANDOWNER.

- (1) **From Financing Proceeds.** Subject to Chapter X of the North Natomas Finance Plan, where LANDOWNER has provided advance funding for public Infrastructure required by the North Natomas Finance Plan or has constructed such Infrastructure under the direction and control of CITY, LANDOWNER shall be reimbursed for Reimbursable Infrastructure Costs at such time as CITY has established a permanent financing mechanism in the form of an assessment district, community facilities district, or other similar mechanism through which permanent public financing for such improvements is established. Those items qualifying as Reimbursable Infrastructure Costs shall be determined pursuant to CITY policies in existence at the time of establishment of the permanent financing mechanism. CITY agrees to entertain reasonable requests from LANDOWNER for exceptions to such policies; provided, however, that CITY may, in its reasonable discretion, deny any such request upon grounds, including but not limited to consistency of application of its policies and the potential for establishing negative precedent. Nothing in this Agreement shall authorize reimbursement of any cost which, in the opinion of CITY's bond counsel, is not permissible for purposes of establishing or retaining tax free status of any bonds issued, or contemplated to be issued by CITY.
- (2) **Reimbursement From Others Benefitted.** In any case where CITY requires or permits LANDOWNER to plan, design, construct, or fund the planning, design or construction of improvements required for development by the North Natomas Finance Plan, in excess of or beyond those required for development of the Property, or, where required by the North Natomas Finance Plan, to make dedications, provide mitigation or incur costs in connection with public improvements or the planning of the North Natomas area in excess of or beyond those required for development of the Property, and the provisions of the preceding subsection do not apply, CITY shall utilize its best efforts to require that all other Persons benefitted by the improvements shall reimburse (through fee districts, agreements, conditions of approval, or otherwise) LANDOWNER for such Person's proportionate share of such costs as determined in accordance with the North Natomas Finance Plan, or by CITY. For purposes of this Agreement, the term

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“in excess of or beyond those required for development of the Property” shall mean requirements which exceed LANDOWNER’s fair proportionate share, as determined in accordance with the provisions of the North Natomas Finance Plan and any associated documents or studies.

Such reimbursement shall be subject to the limitations specified in the preceding paragraph (including those provisions relating to consideration by CITY of exceptions to its policies), relating to CITY policy and Reimbursable Infrastructure Costs. Reimbursement shall be limited to that amount which exceeds LANDOWNER’s appropriate share of the cost, determined in accordance with principles established in the North Natomas Finance Plan, and any associated documents or studies.

- (3) Reimbursement of Planning, Engineering and Staff Costs.** In accordance with the provisions of the North Natomas Finance Plan, and as soon as feasible following City Council adoption of the said Plan, CITY shall enact a fee ordinance which imposes a fee upon NNCP area landowners, including LANDOWNER, to pay the planning, engineering, staff and related costs (including but not limited to CITY staff and related costs), as specified in the North Natomas Finance Plan, and which relate to development of the NNCP, the Finance Plan, the general form of the Development Agreement, the Comprehensive Drainage Plan, and all related documents. The fee shall be spread across lands within the NNCP area in the same fashion as the public facilities fees. Credits shall be given to those landowners who have paid some or all of their share of the said costs, for the amounts so paid. The fee shall be payable prior to issuance of the first discretionary entitlement for the land as to which an application has been filed with CITY.

9. LANDOWNER Obligations.

- A. Transfer of Land to CITY.** As set forth elsewhere in this Agreement, LANDOWNER has agreed to transfer lands needed for Infrastructure or public facilities to CITY, or to such other public agency as is appropriate, pursuant to the provisions of the NNLAP. Set forth in Exhibit H, attached hereto and incorporated herein by this reference, is a map depicting the currently contemplated approximate location and amount of land which LANDOWNER will be required to transfer to CITY, together with a categorical listing of the types of Infrastructure and public facilities which are covered by the terms of this subsection. LANDOWNER shall transfer the said required lands to CITY, utilizing the Irrevocable Offer of Dedication form set forth in Exhibit G, attached hereto and incorporated herein by this reference, at such time as is:

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- (1) required pursuant to a condition or term of any entitlement for use or development of the Property; or
- (2) requested by CITY, where LANDOWNER has not applied for an entitlement for use or development of the Property, but the land is needed, in CITY's sole discretion, for purposes of construction of Infrastructure or public facilities.

In the event that, at the time of the required transfer to CITY, the location of, or the quantity of land required for the Infrastructure or public facilities has changed from that depicted on Exhibit H, to such a significant degree or extent that the location or quantity is inconsistent with both the NNCP as it exists on the effective date of this Agreement, and the North Natomas Finance Plan, the parties shall meet and negotiate, and in good faith endeavor to reach agreement on any amendments to this Agreement needed to allow development of the Property in a reasonable manner, taking into account the changes in Infrastructure and public facilities. If agreement is reached between the parties, the procedures specified herein and in the Procedural Ordinance shall apply to amendments to this Agreement. If agreement is not reached, either party shall have the right to terminate this Agreement by providing the other party sixty (60) days notice.

B. Development Timing. LANDOWNER shall have no obligation to initiate or commence development of any particular phase of the Property within any period of time.

10. Litigation/Indemnification.

A. Challenge to Agreement or Entitlements.

(1) In the event of any action instituted by a third party challenging the validity of any portion of this Agreement, including but not limited to, the proceedings taken for its approval (including the requirements of the California Environmental Quality Act – "CEQA") or any other act undertaken by the parties hereto in furtherance of this Agreement or its terms, or any action instituted by a third party challenging the validity of any of the entitlements specified herein (including CEQA challenges), the parties agree to cooperate in the defense of the action. In all such litigation brought to contest the validity of this Agreement or such entitlements, the following shall apply:

(a) City may, in its sole discretion, either defend such litigation or tender its defense to LANDOWNER.

(b) In the event that CITY determines to defend the action itself, LANDOWNER shall be entitled, subject to court approval, to join in or intervene in the action

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on its own behalf, or to advocate in favor of validity of this Agreement or any challenged entitlement. In such a case, each party shall bear its own attorney fees and costs.

(c) In the event that CITY determines to tender the defense of the action to LANDOWNER, LANDOWNER shall defend the action on its behalf and on behalf of CITY, and shall bear all attorney fees and costs associated with such defense from and after the date of the tender. Provided, however, that CITY may at any time after the tender elect to assume representation of itself; in that event, from and after the date CITY gives notice of its election to do so, CITY shall be responsible for its own attorney fees and costs incurred thereafter.

(2) If, in such litigation, a final judgment or other final order is issued by the court which has the effect of invalidating or rendering ineffective, in whole or in part, any provision of this Agreement or the Agreement itself, or any entitlement issued during the term of this Agreement and pursuant to its terms, the following shall apply:

(a) if the judgment or order includes a provision for attorney fees and/or costs of the successful party or parties, LANDOWNER shall pay the entire cost thereof, without right of offset, contribution or indemnity from CITY, irrespective of anything to the contrary in the judgment or order. Provided, however, that if the litigation relates entirely, solely and exclusively to a challenge to the NNCP in general, or to the North Natomas Finance Plan in general, separate and apart from this Agreement or any entitlement relating to the Property, and if LANDOWNER is named or becomes a party in such litigation, LANDOWNER and CITY shall bear the cost of the successful party's attorney fees and/or costs in the manner specified in the court's judgment.

(b) CITY and LANDOWNER shall meet and endeavor, in good faith, to attempt to reach agreement on any amendments needed to allow development of the Property to proceed in a reasonable manner, taking into account the terms and conditions of the court's judgment or order. If agreement is reached, the procedures for amending this Agreement as specified herein, and in the Procedural Ordinance, shall apply. If agreement is not reached, either party shall have the right to terminate this Agreement by giving the other party sixty days' notice of termination.

(c) In the event that amendment is not required, and the court's judgment or order requires CITY to engage in other or further proceedings, CITY agrees to comply with the terms of the judgment or order expeditiously.

B. Indemnification. LANDOWNER agrees to defend and indemnify CITY, its elective and appointive boards, commissions, officers, agents and employees against any liability for damage or claims for damage for personal injury, including death, or property damage, arising out of or relating in any way to actions or activities to develop the Property, undertaken by LANDOWNER or LANDOWNER's contractors, subcontractors, agents or employees.

11. Effect of Subsequent Laws.

A. Laws of Other Agencies.

- (1) If any public agency, other than CITY, adopts any new law, regulation, ordinance or imposes any new condition (herein referred to collectively as "the New Law") after the date of this Agreement, which prevents or precludes either the CITY or LANDOWNER, or both, from complying with one or more provisions of this Agreement, then immediately following the enactment of the New Law the parties shall meet and confer in good faith to determine whether the New Law applies to the Property, and whether suitable amendments to this Agreement can be made, in order to maintain LANDOWNER's right to develop the Property in a reasonable manner pursuant to Exhibit B.
- (2) In the event that the parties, after having engaged in good faith negotiations, are unable to agree on such amendments, the parties shall consider whether suspension of the term of this Agreement is appropriate, and if so, what the terms and conditions of any such suspension should be. In the event that the parties, after having engaged in good faith negotiations are unable to agree on the suspension issues, either party shall have the right to terminate this Agreement by giving the other party sixty (60) days' written notice of termination.
- (3) LANDOWNER or CITY shall have the right to institute litigation relating to the New Law, and raise any issues relating to its validity. If such litigation is filed, this Agreement shall remain in full force and effect until final judgment is issued. Provided, however, that if any action that CITY would take in furtherance of this Agreement would be rendered invalid, facially or otherwise, by the New Law, CITY shall not be required to undertake such action until the litigation is resolved, or the New Law is otherwise determined invalid, inapplicable, or is repealed. In the event

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that such judgment invalidates the New Law, or determines that it does not affect the validity of this Agreement, this Agreement shall remain in full force and effect, and its term shall be extended by the amount of time between the effective date of the New Law, and the effective date of the judgment. In the event that such judgment determines that the validity of this Agreement is, directly or indirectly affected by the New Law, the provisions of subsections 11A(1) and 11A(2) above shall apply.

B. Laws Passed by CITY. Subject to the provisions of section 5 of this Agreement, neither the CITY nor any CITY Agency shall enact any initiative, ordinance, policy, resolution, general plan amendment or other measure that relates to the density or intensity of development on the Property, or the rate, timing or sequencing of the development or the construction on the Property on all or any part thereof, or that is otherwise in conflict, either directly or indirectly, with this Agreement.

12. Enforced Delay; Extension of Times of Performance. In addition to other specific provisions of this Agreement, performance by either party hereunder shall not be deemed in default where delay or inability to perform is due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, enactment of conflicting state or federal laws or regulations, new or supplementary environmental laws or regulations, litigation instituted by third parties challenging the validity of this Agreement or any of the vested entitlements described in section 5 of this Agreement. Upon request of either party to the other, a written extension of time for such cause shall be granted for the period of the enforced delay, or longer as may be mutually agreed upon.

13. Legal Actions; Applicable Law; Attorney Fees.

A. Legal Actions. In addition to any other rights or remedies, either party may institute legal action to cure, correct, or remedy any default by any other party to this Agreement, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation hereunder. Notwithstanding any other provision of law, or of this Agreement, in no event shall LANDOWNER or CITY, its officers, agents or employees be liable in damages for any breach, default or violation of this Agreement, it being specifically understood and agreed that the parties' sole legal remedy for a breach, default or violation of this Agreement shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.

B. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California. LANDOWNER agrees and acknowledges that CITY has approved and entered into this Agreement in the sole exercise of its legislative discretion

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and that the standard of review of the validity and meaning of this Agreement shall be that accorded legislative acts of CITY.

C. Attorney Fees. In any arbitration, quasi-judicial, administrative or judicial proceeding (including appeals), brought by either party hereto to enforce or interpret any covenant or any of such party’s rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing party shall be entitled to reasonable attorneys’ fees and all costs, expenses and disbursements in connection with such action, including the costs of reasonable investigation, preparation and professional or expert consultation, which sums may be included in any judgment or decree entered in such action in favor of the prevailing party. For purposes of this section, and any other portion of this Agreement relating to attorney fees, reasonable attorneys fees of the City Attorney’s Office shall be based on comparable fees of private attorneys practicing in Sacramento County.

14. Amendment of Agreement. This Agreement may be amended from time to time only by the mutual written consent of the parties, in accordance with the provisions of Government Code sections 65867 and 65868. In addition, all of the provisions of the Procedural Ordinance relating to the need for amendment, and the manner thereof, shall apply. Upon request of a party, this Agreement shall be amended to include the terms and conditions of any discretionary entitlement granted with respect to the Property after the Effective Date.

15. CITY’s Good Faith in Processing. Subject to the provisions of section 5B hereof, and LANDOWNER’s compliance with each and every term and condition of this Agreement and all of its exhibits, CITY agrees that it will accept in good faith for processing, review, and action, all complete applications for master parcel maps, zoning, planned unit development designation, planned unit development guidelines, schematic plans, special permits, building permits, parcel maps, subdivision maps, or other entitlements for use of the Property in accordance with the General Plan, the NNCP and this Agreement.

CITY shall inform the LANDOWNER, upon request, of the necessary submission requirements for each application for a permit or other entitlement for use in advance, and shall review said application and shall schedule the application for expeditious review by the appropriate authority.

16. Default, Remedies, Termination.

A. General Provisions. Subject to any extensions of time by mutual consent of the parties, and subject to the cure provisions set forth herein, any failure or unreasonable delay by either party to perform any material term or provision of this Agreement shall constitute a default.

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- (1) **LANDOWNER Default.** In addition to any other remedy specified herein, in the event that notice of default has been given in accordance with this section, wherein a default by LANDOWNER is alleged, CITY shall not be obligated to issue any building permit, or grant any entitlement as to which an application has been filed.
- (2) **CITY Default.** In addition to any other remedy specified herein, in the event that notice of default has been given in accordance with this section, wherein a default by CITY is alleged, any resulting delays in LANDOWNER's performance caused by CITY's default shall not constitute a LANDOWNER default, or be grounds for termination or cancellation of this Agreement.
- (3) **Successors in Interest.** Where the Property, following the Effective Date, has been lawfully conveyed in whole or in part to one or more successors in interest, in such a manner as to invoke the provisions of section 4 of this Agreement, and one or more of such successors in interest is in default with respect to the portion of the Property owned by it, neither LANDOWNER nor any other non-defaulting successor in interest shall be liable for the default, if the provisions of section 4 have been complied with, and in accordance with the terms and conditions of that section.

B. Cure of Default. In the event of an alleged default or breach of any terms or conditions of this Agreement, the party alleging such default or breach shall give the other party notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured and a reasonable period of time in which to cure, that shall in no event be less than thirty (30) days. During any such period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

C. Remedies After Expiration of Cure Period. After notice and expiration of the thirty (30) day period, if the alleged default has not been cured in the manner set forth in the notice, the other party may at its option:

- (1) institute legal proceedings to obtain appropriate judicial relief, including but not limited to mandamus, specific performance, injunctive relief, or termination of this Agreement; or
- (2) give the other party notice of intent to terminate this Agreement pursuant to Government Code section 65868 and the Procedural Ordinance. In the event that such notice is given, CITY shall schedule the matter for public hearing before the City Council to review the matter and make specific written findings regarding the

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alleged default. Where LANDOWNER is the party alleged to be in default, LANDOWNER shall be afforded a reasonable opportunity to respond to all allegations of default at such public hearing. CITY shall provide LANDOWNER at least thirty (30) days prior written notice of such public hearing, as well as provide LANDOWNER copies of all CITY staff reports prepared in connection therewith at least five (5) days prior to the hearing.

17. Annual Review.

- A. General Provisions.** In accordance with Government Code section 65865.1, and the Procedural Ordinance, CITY shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith compliance by LANDOWNER with the terms of this Agreement. Failure of CITY to conduct an annual review shall not constitute a waiver by CITY or LANDOWNER of the right to conduct future annual review or to otherwise enforce the provisions of this Agreement, nor shall a party have or assert any defense to such enforcement by reason of any such failure. The failure of CITY to undertake such review, shall not, in itself, invalidate the terms of this Agreement or excuse any party hereto from performing its obligations under this Agreement.
- B. Scope of Review.** The annual review shall be limited in scope to compliance with the terms and conditions of this Agreement.
- C. Proceedings.** The procedures specified in the Procedural Ordinance for conduct of the annual review by the City Manager, and by the City Council, shall apply to each annual review of this Agreement. At least ten (10) days prior to the commencement of any annual review, CITY shall deliver to LANDOWNER a copy of any public staff reports and other documents to be used or relied upon in conducting the review. LANDOWNER shall be permitted an opportunity to respond to CITY's evaluation of LANDOWNER's performance by written and oral testimony at the public hearing to be held before the City Council, if LANDOWNER so elects.

At the conclusion of the annual review, CITY shall make written findings and determinations on the basis of substantial evidence, as to whether or not LANDOWNER or its successors have complied in good faith with the terms and conditions of this Agreement.

- D. Failure of Compliance.** Any determination of failure of compliance shall be subject to the notice requirements and cure periods set forth in section 16 of this Agreement. If termination is proposed, it shall apply solely with respect to that portion of the Property (if less than all) affected by the failure to show good faith compliance. If modification of

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the Development Agreement is proposed, the modification shall pertain solely to the provisions hereof as applicable to that portion of the Property (if less than all) affected by the condition that has prompted the proposed modification.

18. Termination upon Completion of Development.

- A. General Provisions.** This Agreement shall terminate as to each parcel of property contained within the Property when that parcel of property has been fully developed and all of LANDOWNER’S obligations in connection therewith are satisfied, as reasonably determined by CITY. CITY shall, upon written request made by LANDOWNER to CITY’S Department of Planning and Development, determine if the Agreement has terminated, with respect to any parcel, and shall not unreasonably withhold termination as to that parcel if LANDOWNER’S obligations therewith are satisfied. CITY shall be entitled to receive payment of a fee commensurate with the cost of processing the request and making such a determination, including but not limited to CITY’s administrative and legal expenses. Upon termination of this Agreement, CITY shall upon LANDOWNER’s request record a notice of such termination in a form satisfactory to the City Attorney that the Agreement has been terminated. The aforesaid notice may specify, and LANDOWNER agrees, that termination shall not affect in any manner any continuing obligation to pay any item specified by this Agreement, by the North Natomas Financing Plan or any of the measures implementing said plan, and shall have the effect as set forth in section 18C.
- B. Multi-family and Single Family Residential Projects.** This Agreement shall automatically terminate and be of no further force and effect as to any single family residence or multi-family building, and the lot or parcel upon which said residence or building is located, when it has been approved by CITY for occupancy.
- C. Effect of Termination On Landowner Obligations.** Termination of this Agreement as to the Property or any portion thereof shall not affect any of the LANDOWNER’s obligations to comply with CITY’s General Plan, the NNCP, and all entitlements issued for the Property, nor shall it affect any other covenants of this Agreement specified in this Agreement to continue after the termination of this Agreement, including but not limited to those specified in sections 6 and 10 and subsection 13C.

19. No Joint Venture, Partnership, or Other Relationship. Nothing contained in this Agreement or in any other document executed in connection with this Agreement shall be construed as creating a joint venture or partnership between CITY and LANDOWNER. No relationship exists as between LANDOWNER and CITY other than that of a governmental entity regulating the development of private property, and the owners of such private property.

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20. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the CITY and LANDOWNER or LANDOWNER's assigns and successors, and to Lender, if applicable. Notice shall be effective on the date delivered in person, or the date when received if such notice was mailed to the address of the other party as indicated below:

Notice to the CITY: City of Sacramento
915 I Street
Sacramento, California, 95814
ATTN: City Manager

Notice to the LANDOWNER: Ethan Conrad
1300 National Drive, Suite 100
Sacramento, CA 95834

Notice to Lender: Central Valley Community Bank
2339 Gold Meadow Way, Suite 100
Gold River, CA 95670
Attention: Bradley Wible
Vice President – Commercial Banking

Any party may change the address to which notices are to be mailed by giving written notice of such changed address to each other party in the manner provided herein.

21. Severability. If any provision of this Agreement is held invalid, void or unenforceable but the remainder of the Agreement can be enforced without failure of material consideration to any party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the parties, utilizing the procedures specified herein and the Procedural Ordinance. Provided, however, that if such holding affects a material provision of this Agreement, LANDOWNER shall have the right in its sole discretion to terminate this Agreement upon providing written notice of such termination to CITY; provided further, however, that in the event LANDOWNER so elects to terminate, such election shall not affect in any manner the terms and conditions of any entitlement theretofore granted by CITY with respect to the Property, or any portion thereof.

22. Recording. The City Clerk shall cause a copy of this Agreement to be recorded with the Sacramento County Recorder no later than ten (10) days following execution of this Agreement by CITY, which execution will take place no sooner than the effective date of the ordinance approving this Agreement.

23. Reimbursement to CITY. LANDOWNER agrees to reimburse the CITY for reasonable and actual expenses incurred by CITY that relate directly to CITY’S review, consideration and execution of this Agreement. Such expenses include but are not limited to recording fees, publishing fees and any special meeting costs, staff time (including review by the City Attorney), and notice costs. Such expenses shall be paid by LANDOWNER within thirty (30) days of receipt of a detailed written statement of such expenses.

24. Provisions Relating to Lenders.

A. Lender Rights and Obligations.

(1) Prior to Lender Possession. No Lender shall have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of LANDOWNER or LANDOWNER’S successors in interest, but shall otherwise be bound by all of the terms and conditions of this Agreement, which pertains to the Property or such portion thereof in which it holds an interest. Nothing in this section shall be construed to grant to a Lender rights beyond those of LANDOWNER hereunder, or to limit any remedy CITY has hereunder in the event of default by LANDOWNER, including but not limited to termination and/or refusal to grant entitlements with respect to the Property.

(2) Lender in Possession. A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of LANDOWNER, and which remain unpaid as of the date such Lender takes possession of the Property or portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive entitlements with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of LANDOWNER hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of the LANDOWNER hereunder or entitled to enforce the provisions of this Agreement against CITY unless and until such Lender or successor thereof qualifies as a recognized assignee under the provisions of section 4 of this Agreement.

B. Notice of LANDOWNER’S Default Hereunder. If CITY receives notice from a Lender requesting a copy of any notice of default given LANDOWNER hereunder and specifying

the address for service thereof, then CITY shall deliver to such Lender, concurrently with service thereon to LANDOWNER, any notice given to LANDOWNER with respect to any claim by CITY that LANDOWNER has committed a default, and if CITY makes a determination of non-compliance, CITY shall likewise serve notice of such non-compliance on such Lender concurrently with service thereof on LANDOWNER.

C. Lender’s Right to Cure. Each Lender shall have the right (but not the obligation) during the same period of time available to LANDOWNER to cure or remedy, on behalf of LANDOWNER, the default claimed or the areas of non-compliance set forth in CITY’s notice. Such action shall not entitle a Lender to develop the property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of LANDOWNER hereunder.

D. Other Notices Given By City. A copy of all notices given by CITY pursuant to the terms of this Agreement shall be sent to Lender at the address provided in section 20 hereof.

25. Estoppel Certificate. Either party may, at any time, and from time to time, deliver written notice to the other party requesting such other party to certify in writing that, to the knowledge of the certifying party, (i) this Development Agreement is in full force and effect and a binding obligation of the parties, (ii) this Development Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Development Agreement, or if in default, describing therein the nature and amount of any such defaults. A party receiving a request hereunder shall execute and return such estoppel certificate, or give a written detailed response explaining why it will not do so, within thirty (30) days following the receipt of each such request. Each party acknowledges that such an estoppel certificate may be relied upon by third parties acting in good faith. A certificate provided by CITY establishing the status of this Agreement with respect to the Property or any portion thereof shall be in recordable form and may be recorded at the expense of the recording party.

26. Construction. All parties have had the opportunity to be represented by legal counsel of their own choice in the preparation of this Development Agreement and no presumption or rule that “an ambiguity shall be construed against a drafting party” shall apply to the interpretation or enforcement of any provision hereof. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend or affect the meaning of the provision to which they pertain.

27. Counterparts. This Agreement may be executed in any number of counterparts and shall be deemed duly executed when each of the parties has executed such a counterpart.

28. Time. Time is of the essence of each and every provision hereof.

FOR CITY CLERK USE ONLY

Ordinance No. _____

City Agreement No. _____

Date Adopted: _____

- 29. Limitation of Actions.** No court action shall be filed by a party to this Agreement on the ground of default or breach of its terms unless such action is filed within one hundred eighty (180) days from the date of discovery by the aggrieved party of the facts underlying the claim of breach or default.
- 30. No Third Parties Benefitted.** No Person who is not a qualified successor or assign of a party hereto pursuant to section 4 of this Agreement, or who has not become a party by duly adopted amendment hereof may claim the benefit of any provision of this Agreement.
- 31. Effect of Agreement upon Title to Property.** In accordance with the provisions of Government Code section 65868.5, from and after the time of recordation of this Agreement, the Agreement shall impart such notice thereof to all persons as is afforded by the recording laws of the State of California. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the parties to this Agreement.
- 32. Covenant of Good Faith.** CITY and LANDOWNER agree that each of them shall at all times act in good faith in order to carry out the terms of this Agreement.
- 33. Exhibits:** The following are the exhibits to this Agreement:
- A Legal Description of the Property
 - B Landowner’s Development Plan
 - C Special Conditions
 - D Assignment and Assumption Agreement
 - E North Natomas Land Acquisition Program
 - F Protest Waiver Form
 - G Irrevocable Offer of Dedication Form
 - H Map and Categorical Listing of Land and Infrastructure
- 34. Entire Agreement.** This Agreement, together with its Exhibits A to H, inclusive, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement. This Agreement is specifically intended by the parties hereto to supersede all prior development agreements, if any, for the Property which may exist between CITY and LANDOWNER. The provisions of subsection 10B of this Agreement, relating to indemnification and defense of CITY, its officers, employees and agents, shall be applicable to any claim whatsoever against CITY, its officers, employees and agents, arising out of or in any way relating to any prior development agreement relating to the Property.

FOR CITY CLERK USE ONLY

Ordinance No. _____

City Agreement No. _____

Date Adopted: _____

35. City Attorney Costs. Landowner shall pay to the City of Sacramento the sum of \$1,500.00 as and for reimbursement of the costs of the City Attorney in preparation and processing of this Agreement.

>>> Signature Page Follows <<<

DRAFT

FOR CITY CLERK USE ONLY

City Agreement No. _____

Ordinance No. _____

Date Adopted: _____

IN WITNESS WHEREOF, the CITY and LANDOWNER have executed this Development Agreement as of the date first set forth above.

CITY OF SACRAMENTO

ETHAN CONRAD

By: _____
Signature

Signature

Print Name

Date: _____, 2016

Print Title

Date: _____, 2016

Attest
Sacramento City Clerk

Approved as to Form
[Name]

By: _____
Signature

By: _____
[Name]

Attorneys for **Ethan Conrad**

Approved as to Form
Sacramento City Attorney

By: _____
Signature

(ATTACH APPROPRIATE ACKNOWLEDGMENT)

FOR CITY CLERK USE ONLY

Ordinance No. _____

City Agreement No. _____

Date Adopted: _____

EXECUTION PAGE FOR LENDER

Central Valley Community Bank, a California corporation (herein "LENDER") owns an equitable interest in the Property described in Exhibit "A" of this Agreement as the beneficiary of that certain deed of trust dated December 23, 2013, and recorded on December 27, 2013, in Book 20131227, Page 0917, of Official Records, Sacramento County, California.

LENDER hereby executes this Agreement and agrees to be bound by the terms and condition hereof, subject to the limitations set forth in section 24 hereof.

LENDER requests that it be provided with copies of all notices mailed to LANDOWNER pursuant to the terms of this Agreement and that said copies be addressed as follows:

Central Valley Community Bank
2339 Gold Meadow Way, Suite 100
Gold River, CA 95670
Attn: Bradley Wible, Vice President – Commercial Banking

Dated: _____, 2016

LENDER:

Signature

Print Name

Print Title

(ATTACH APPROPRIATE ACKNOWLEDGMENT)

EXHIBIT A

DESCRIPTION OF LANDOWNER'S PROPERTY

Real property in the City of Sacramento, County of Sacramento, State of California, described as follows:

PARCEL 4, AS SHOWN AND DESIGNATED ON THAT CERTAIN MAP ENTITLED "FINAL MAP OF CORAL BUSINESS CENTER SUBDIVISION NO. 99-072", FILED ON MAY 05, 2005 IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY IN BOOK 240 OF MAPS, AT PAGE 9.

APN: 225-0160-094

DRAFT

EXHIBIT B

LANDOWNER'S DEVELOPMENT PLAN

ATTACHED:

- **Exhibit B-1** (Figure 5 | General Plan Land Use Designation for Natomas Fountains)
- **Exhibit B-2** (Figure 6 | Zoning for Natomas Fountains)
- **Exhibit B-3** (A8 | Schematic Site Plan for Natomas Fountains)

DRAFT

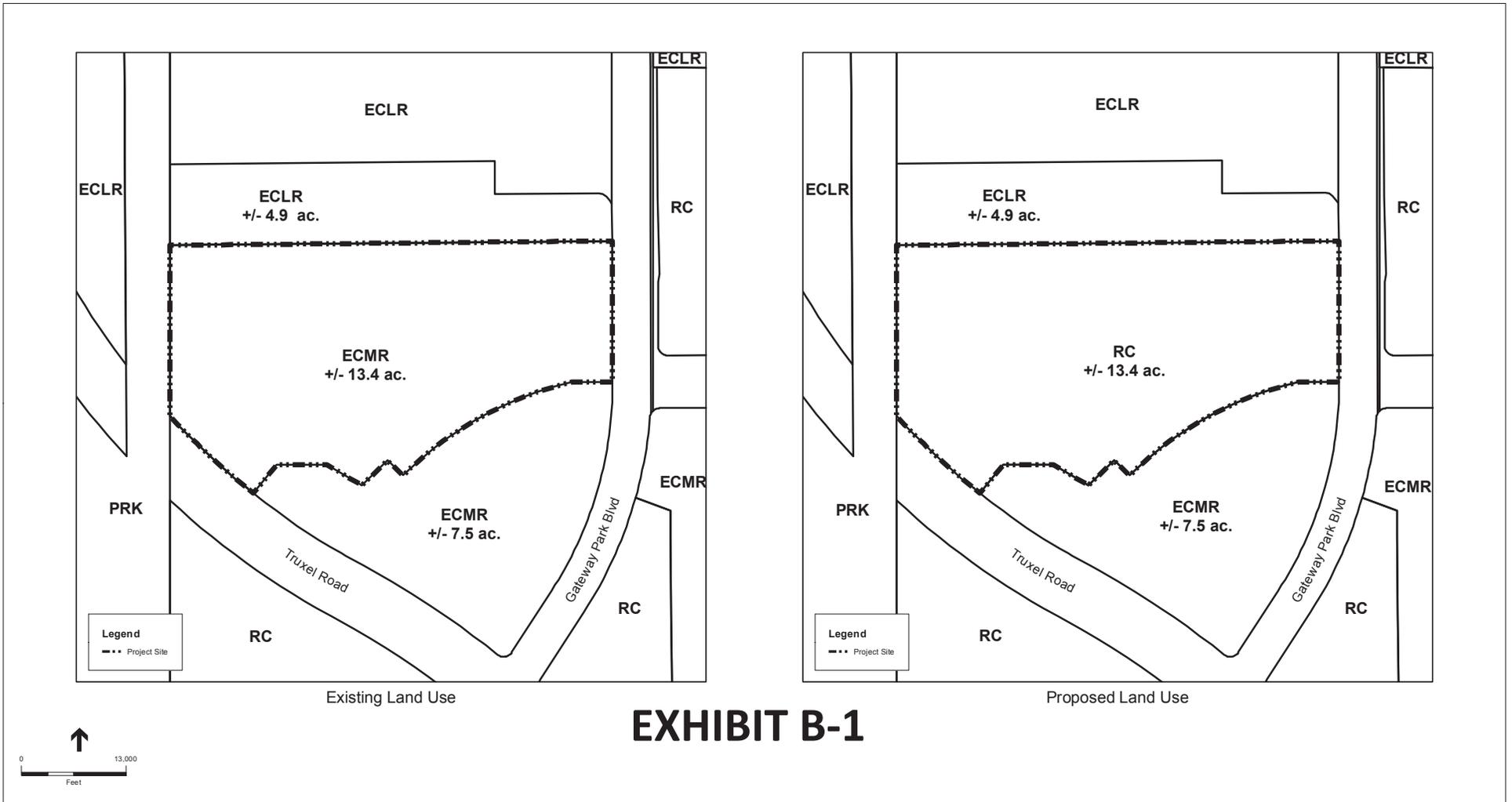


EXHIBIT B-1

SOURCE: City of Sacramento, 2016; ESA, 2016

SUMMARY TABLE					
LAND USE CODE	LAND USE	EXISTING	PROPOSED	DIFFERENCE	
RC	Regional Commercial	0.0	13.4	+13.4	
ECMR	Employment Center Mid-rise	20.9	7.5	-13.4	
ECLR	Employment Center Low-rise				
TOTAL		25.8	25.8		

Natomas Fountains . 150409
Figure 5
 General Plan Land Use Designation

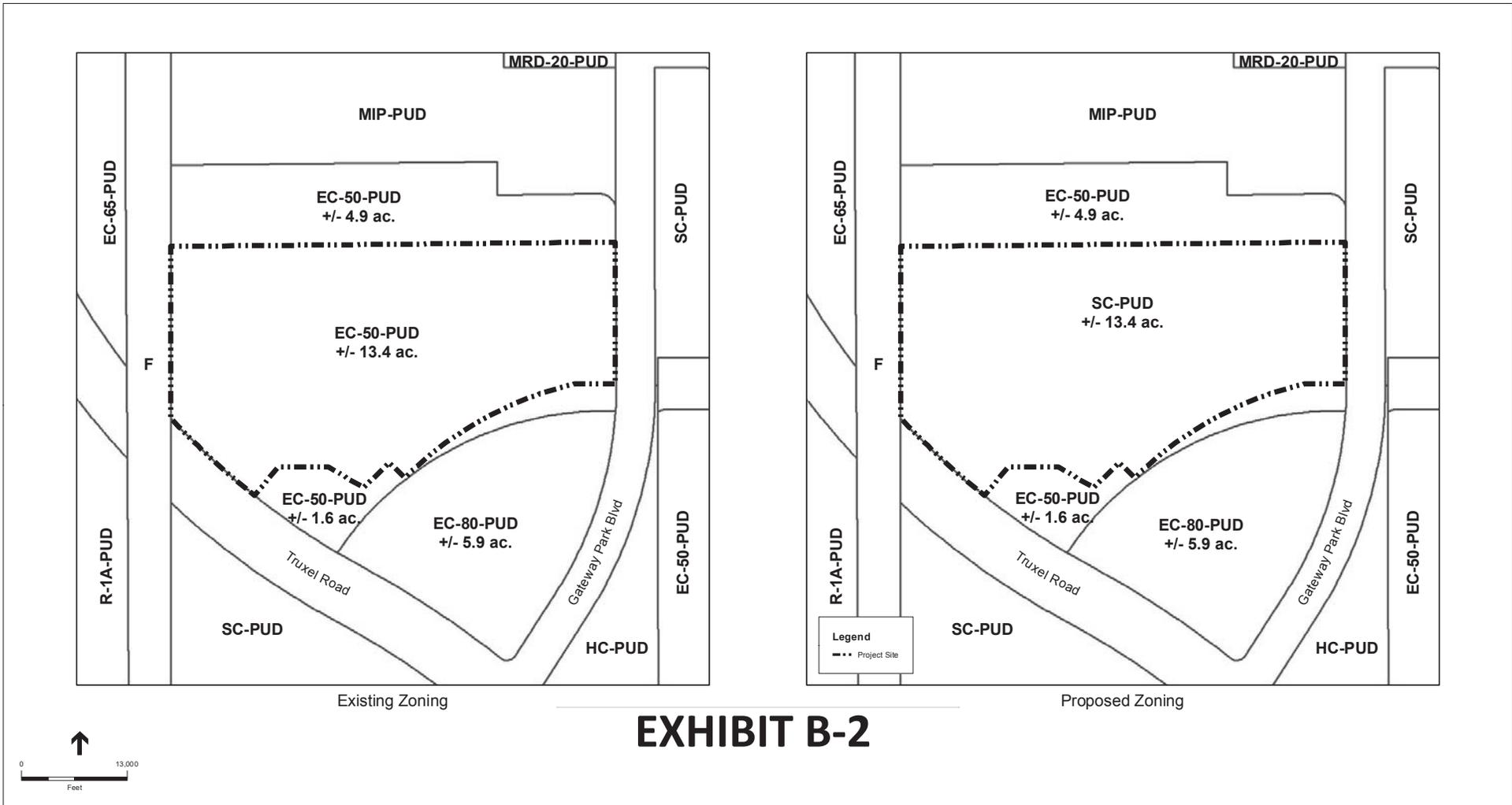


EXHIBIT B-2

SOURCE: City of Sacramento, 2016; ESA, 2016

Natomas Fountains - 150409

SUMMARY TABLE		EXISTING	PROPOSED	DIFFERENCE
SC-PUD	Shopping Center - Planned Unit Development	0.0	13.4	+13.4
EC-50-PUD	Employment Center - Planned Unit Development	19.9	6.5	-13.4
EC-80-PUD	Employment Center - Planned Unit Development	5.9	5.9	0.0
TOTAL		25.8	25.8	

Figure 6
Zoning

EXHIBIT C

SPECIAL CONDITIONS

I. PURPOSE AND INTENT

The definitions applicable to the body of the Agreement shall apply to this Exhibit C.

In order to achieve its objectives, and in order to obtain from each LANDOWNER and developer, all required contributions, fees, land transfers, agreements, and other mechanisms required to implement its terms, the NNCP provides that all rezoning and development shall occur through the planned unit development process. Development agreements should be entered into with LANDOWNERS whenever feasible under the circumstances.

Under no circumstances can development of the Property proceed without satisfaction of the conditions specified in this exhibit. These Special Conditions shall constitute binding and legally enforceable obligations of LANDOWNER and its successors and assigns, and binding and legally enforceable requirements and conditions for the development of the Property, in addition to other obligations, requirements and conditions imposed during the rezoning, special permit, subdivision map and other land use entitlement processes.

II. LANDOWNERS' OBLIGATIONS

A. Mitigation Monitoring; Habitat Conservation Plan.

1. **Mitigation Monitoring.** When required in order to obtain entitlements, LANDOWNER shall execute a mitigation monitoring agreement, and such other agreements as may be necessary in CITY's judgment in order to implement any mitigation measure relating to the NNCP and any mitigation monitoring plans applicable to the Property, and shall fully cooperate with CITY in implementing any mitigation monitoring plan adopted as part of the approval process for development of the Property.
2. **Habitat Conservation Plan.**
 - a. In the event that a Habitat Conservation Plan has been adopted by CITY, LANDOWNER shall be obligated to undertake and exercise one of the following options:
 - (i) participate in that Plan by payment of the fees applicable to LANDOWNER and/or the Property or provide required proportionate land dedications, at the time specified in the Plan for payment of fees or dedication of required proportionate lands; or

- (ii) obtain and present to CITY a duly issued, executed and effective incidental take permit issued by federal and state agencies charged with implementation of the provisions of federal and state Endangered Species Acts, which would allow development of the Property; or
- (iii) obtain and present to CITY a duly issued, executed, and effective form of document from said federal and state agencies that development of the Property may proceed without the need for an incidental take permit; or
- (iv) participate in such other plan or program which has been approved by said federal and state agencies; or
- (v) take any other action required by CITY in its sole discretion, relating to satisfaction of all applicable laws, including but not limited to CEQA and the federal and state Endangered Species Acts, where none of the provisions of subsections (i), (ii), (iii) or (iv) are applicable.

b. The Natomas Basin Habitat Conservation Plan Fee is payable by Landowner at the time of and as a condition of issuance of a grading or building permit. The fee is, at the time of execution of this Agreement, the sum of **\$32,259 per acre** of the Property subject to the grading or building permit **if land is dedicated or the sum of \$21,009 per acre of the Property subject to the grading or building permit if land is not dedicated**. In addition to the payment of that sum, Landowner shall be subject to the provisions of any “catch-up fee” ordinance, resolution, rule or regulation in effect at the time of issuance of the grading or building permit. The requirement specified in this subsection 2b shall be included in each entitlement issued with respect to the Property. Landowner understands and agrees that the provisions of Government Code sections 66000 through 66025, as those sections are amended, renumbered or reconstituted, shall not apply to the fees covered by this subsection 2b.

B. **Agreements with Other Agencies.** As required by CITY, LANDOWNER shall enter into agreements with other affected agencies, including but not limited to:

1. Appropriate sanitation districts, including but not limited to Sacramento County Regional Sanitation District, for provision of facilities, payment of fees and charges, and payment (if applicable) of any proportionate share of penalties imposed by the Environmental Protection Agency; and
2. Reclamation District 1000, if in CITY’s sole and exclusive discretion and judgment such an agreement is in fact required, or any other agreement which is required in

CITY's sole and exclusive discretion and judgment for the implementation of Interim Drainage or the Drainage Plan.

- C. **Drainage Sub-basin Agreement.** LANDOWNER shall enter into an agreement with each of the other landowners within the Drainage Sub-basin within which the Property lies, which provides the manner in which the Infrastructure required for development of all of the lands within said Drainage Sub-basin shall be constructed and financed. As an alternative form of compliance with this provision, LANDOWNER may enter into an agreement with CITY, satisfactory to the City Attorney, which provides that LANDOWNER shall finance all costs associated with the Infrastructure required for development of all of the undeveloped lands within said Drainage Sub-basin. Any such agreement shall additionally provide for reimbursement in accordance with the terms of this Agreement, and the North Natomas Finance Plan, for LANDOWNER's payment of Infrastructure costs in excess of or beyond those required for development of the Property, as that term is defined in Section 8 of this Agreement. As a further alternative, CITY may impose a Drainage Sub-basin assessment district for purposes of financing the required Infrastructure. The provisions of subsection 6D of this Agreement shall apply in such a case.
- D. **Inclusionary Housing Requirements.** CITY has enacted a mixed income housing policy ("Policy"), as set forth in title 17, chapter 17.190 of the Sacramento City Code. If and to the extent that the Property is subject to the Policy, certain project entitlements for the Property will contain conditions which implement the Policy, including but not limited to conditions requiring an inclusionary housing plan ("IHP") and an inclusionary housing agreement ("IHA"). The IHP for the property, where the Policy is applicable, is attached to this Exhibit C as **Exhibit C-1**, and incorporated herein by this reference. The requirements specified in the IHP shall be implemented by LANDOWNER, and LANDOWNER shall execute the required IHP.

III. **CONDITIONS OF DEVELOPMENT; SPECIAL FINDINGS REQUIRED**

- A. In addition to other findings and conditions as may be deemed applicable, no special permit, subdivision map or other land use entitlement for the Property shall be approved unless the approving body either: (1) makes the following findings; or (2) expressly waives such findings, in whole or in part, as not applicable to the Property and stating the reasons therefor with such waiver and the reasons therefor appear in the record or document of approval. These findings are:
1. The approval of the proposed project is consistent with the policies, goals, standards and objectives of the NNCP and other relevant factors and circumstances, including but not limited to:
 - a. The adequacy of the required interim and permanent Infrastructure needed to support the project planned for the Property;

- b. The extent of participation required of LANDOWNER under the North Natomas Finance Plan has been secured;
 - c. The extent to which LANDOWNER has complied with the provisions of the>NNLAP.
 - d. The extent to which LANDOWNER has complied with the provisions of the Policy.
 2. The North Natomas Finance Plan has been adopted by the City Council.
 3. All transfers of land, owned by or under the control of LANDOWNER, which are specified in the>NNLAP as being necessary for public purposes, have been transferred to CITY or to the appropriate public agency. For this purpose, a transfer will be deemed to occur upon delivery to CITY of an Irrevocable Offer of Dedication in form and manner approved by the City Department of Public Works and the City Attorney. These dedications include, but are not limited to streets, utilities, drainage facilities and public transit.
 4. LANDOWNER has, where applicable, demonstrated that the proposed project as designed meets or exceeds the jobs to housing ratio of the>NNCP, either actually or through the medium of the Housing Trust Fund, or through assisting housing starts in North Sacramento, or a combination thereof.
 5. LANDOWNER has entered into all agreements required pursuant to sections IIA, IIB, and II.C above.
 6. Appropriate environmental review of the proposed project has been completed, and any suggested mitigation measures resulting therefrom have been included in the approval of the project to the extent feasible.
- B. In the event that any of the special findings required herein cannot be made and are not waived, approval may nevertheless be given to the proposed project if all of the following conditions can be satisfied with respect to each such special finding not made:
 1. Practicable and feasible requirements or mitigation measures can be imposed upon the project, the implementation of which would allow such special finding to be made;
 2. The applicant has agreed to be bound (through written agreement satisfactory to the City Attorney) by and to implement such requirements or mitigation measures, and has posted such security for compliance therewith as may be required by the City Manager; and

3. It is in the public interest and consistent with the policies, goals, standards and objectives of the Community Plan for the project to be approved with such requirements and mitigation measures.

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EXHIBIT D

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (herein “this Agreement”) is entered into this ____ day of _____, 20[], by and between _____ (herein “LANDOWNER”) and _____ (herein “ASSIGNEE”).

RECITALS

- A. LANDOWNER has entered into a Development Agreement (herein “the Development Agreement”) dated _____, with the City of Sacramento, pursuant to which LANDOWNER agreed to develop certain property more particularly described in the Development Agreement (herein “the Property”) in the North Natomas Community Plan Area subject to certain conditions and obligations set forth in the Development Agreement.
- B. LANDOWNER has assigned its interests under the Development Agreement to ASSIGNEE under a written agreement dated _____, as to that portion of the Property identified and incorporated herein by this reference (herein the “Assigned Parcel(s)”).
- C. ASSIGNEE desires to assume all of LANDOWNER’s rights and obligations and other terms and conditions under the Development Agreement with respect to the Assigned Parcel(s).

AGREEMENTS

NOW, THEREFORE, LANDOWNER AND ASSIGNEE HEREBY AGREE AS FOLLOWS:

1. ASSIGNEE hereby assumes all of the burdens and obligations of LANDOWNER under the Development Agreement, and agrees to observe and fully perform all of the duties and obligations of LANDOWNER under the Development Agreement, and to be subject to all of the terms and conditions thereof, with respect to the Assigned Parcel(s), it being the express intention of both LANDOWNER and ASSIGNEE that, upon the execution of this Agreement, ASSIGNEE shall become substituted for LANDOWNER as the “LANDOWNER” under the Development Agreement with respect to the Assigned Parcel(s).
2. ASSIGNEE understands and agrees that this Agreement is subject to section 4 of the Development Agreement. Section 4 reads as follows:

Assignment. LANDOWNER shall have the right to sell, assign, or transfer its interests under this Agreement as part of a contemporaneous and related sale, assignment or transfer of its interests in the Property, or any portion thereof, without the consent of CITY; provided, however, that LANDOWNER shall notify CITY of such sale, assignment or transfer by providing written notice thereof to

CITY in the manner provided in this Agreement. LANDOWNER shall remain obligated to perform all terms and conditions of this Agreement, unless such purchaser, assignee or transferee, to the satisfaction of and in a form acceptable to the City Attorney, executes and delivers to CITY an express agreement to assume all of the obligations and other terms and conditions of this Agreement with respect to the Property or such portion thereof sold, assigned or transferred. The execution of such an assumption agreement shall relieve LANDOWNER of the obligations expressly assumed only if (a) LANDOWNER is not in default under this Agreement at the time of the assignment or transfer; and (b) LANDOWNER has provided CITY with notice of said assignment or transfer in the manner provided hereunder. Any such assumption agreement with respect to LANDOWNER's obligations under this Agreement shall be deemed to be to the satisfaction of the City Attorney if executed in the form of the Assignment and Assumption Agreement attached hereto as Exhibit "D" and incorporated herein by this reference, or such other form as shall be proposed by LANDOWNER and approved by the City Attorney prior to the effective date of the assignment.

Any purchaser, assignee, or transferee shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, only with respect to the Property, or such portion thereof, sold, assigned, or transferred to it. Any such purchaser, assignee, or transferee shall observe and fully perform all of the duties and obligations of LANDOWNER under this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned, or transferred.

4. At the request of the City, ASSIGNEE agrees to enter into a separate development agreement with respect to the Assigned Parcel(s).
5. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, successors and assigns.
6. ASSIGNEE agrees that it has read, and has sought and received all required legal and other expert consultation with regard to the Development Agreement, and fully understands all of its terms and conditions. ASSIGNEE further agrees that: (i) LANDOWNER has furnished ASSIGNEE with a copy of the North Natomas Community Plan, the Comprehensive Drainage Plan, the North Natomas Finance Plan, the RD-1000 Agreement (where applicable), the Habitat Conservation Plan, and all other documents and materials containing or relating to terms and conditions of development in the NNCP area; (ii) ASSIGNEE has read and understands all of the terms and conditions of said documents and materials; and (iii) with such knowledge and understanding, which includes the nature and extent of the fees, taxes, assessments and other financial mechanisms and obligations inherent in such documents and materials, nevertheless has voluntarily, freely and knowingly assumed and agreed to perform all of obligations and requirements, and be bound by all of the provisions of such documents and materials.

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

By: _____
"ASSIGNEE"

DRAFT

EXHIBIT E

NORTH NATOMAS LAND ACQUISITION PROGRAM (NNLAP)

ATTACHED:

Exhibit E-1

Excerpt from the North Natomas Final Nexus Study and Financing Plan 2008 Update (approved by Resolution No. 2009-341 on May 26, 2009). The excerpt consists of pages 6-1 through 6-7 and 6-9 through 6-14 from Part 6, which is titled "North Natomas Land Acquisition Fees"; and Appendix E, titled "Land Acquisition Program Support Tables," consisting of pages E-1 through E-5.

Exhibit E-2

Excerpt from the Hearing Report for the NNLAP 2005 Update dated May 9, 2005. The excerpt consists of the following 11 pages from Part I, which is titled "North Natomas Public Facilities Land Acquisition Fee": Title Page, Table of Contents, List of Maps and Tables, Pages I-3 and I-4, Map of LAP Reimbursement Areas (rev. August 2002), Page I-6, Table 2, Table 3, Page I-9, Table 4.

Exhibit E-3

Excerpt from the North Natomas Nexus Study 2002 Update dated August 7, 2002. The excerpt consists of the following 12 pages from Part I, which is titled "North Natomas Land Acquisition Fees": Pages VI-1 and VI-2, Map of LAP Reimbursement Areas (rev. August 2002), Pages VI-5 through VI-13.

Exhibit E-4

Excerpt from the North Natomas Financing Plan 1999 Update (dated August 17, 1999). The excerpt consists of the following 15 pages from the section titled "Public Land Acquired Through the NNLAP": Page V-3, Pages V-5 through V-17, Page V-19.

Exhibit E-1

NORTH NATOMAS

Final Nexus Study and Financing Plan 2008 Update

Updated by City Council
Resolution No. 2009-341
May 26, 2009

Updated by City Council
Resolution No. 2005-584
August 2, 2005

Updated by City Council
Resolution No. 2002-373
June 11, 2002

Updated by City Council
Resolution No. 99-471
August 17, 1999

Adopted by City Council
Resolution No. 95-619
October 31, 1995

CITY OF SACRAMENTO



6. NORTH NATOMAS LAND ACQUISITION FEES

Reader's Note

The North Natomas Land Acquisition Program (NNLAP) is adjusted annually through a separate procedure. Per the City, the NNLAP was most recently updated November 23, 2008. This 2008 Nexus Study Update makes no changes to the program except to reflect the current fees, shown in **Table 6.1a**.

Support documentation for the NNLAP is included in **Appendix E**. For the reader's convenience, the following section and **Appendix E** are directly reproduced from the 2005 Nexus Update and provides the basis for the NNLAP. Except for **Table 6-1a**, all costs and numbers are shown in 2005 numbers.

[Note: The following chapter reprinted from 2005 Nexus Study Update]

Table 6-1a
North Natomas Nexus Study Update 2008
Land Acquisition Fees (2008\$) [1]

Land Use	2008 Public Facilities Land Acquisition Fee	2008 Regional Park Land Acquisition Fee
	[2]	[2]
<i>Fee Effective</i>	<i>11/23/2008</i>	<i>11/23/2008</i>
RESIDENTIAL	<i>Fee per Unit</i>	
<i>Single-Family Attached/Detached</i>		
Rural Estates	\$0	\$0
Lot Size > 5,000 sq. ft.	\$6,301	\$1,766
Lot Size 3,250 - 5,000 sq. ft.	\$5,185	\$1,445
Lot Size < 3,250 sq. ft.	\$4,070	\$1,124
Age-Restricted Single-Family	\$7,487	\$2,109
<i>Multifamily (>2 attached units)</i>		
8-12 units per net acre	\$3,310	\$1,128
12-18 units per net acre	\$2,412	\$832
> 18 units per net acre	\$1,514	\$536
Age-Restricted Apartments	\$1,520	\$528
Age-Restricted Congregate Care	\$803	\$277
NONRESIDENTIAL	<i>Fee per Net Acre</i>	
Convenience Commercial	\$34,360	\$11,899
Community Commercial	\$34,360	\$11,899
Village Commercial	\$34,360	\$11,899
Transit Commercial	\$34,360	\$11,899
Highway Commercial	\$34,360	\$11,899
Regional Commercial	\$34,360	\$11,899
EC Commercial	\$34,360	\$11,899
EC 30 - Office	\$34,360	\$11,899
EC 40 - Office	\$34,360	\$11,899
EC 50 - Office/Hospital	\$34,360	\$11,899
EC 65 - Office	\$34,360	\$11,899
EC 80 - Office	\$34,360	\$11,899
Light Industrial with <20% Office	\$34,360	\$11,899
Light Industrial with 20%-50% Office	\$34,360	\$11,899
Arena	\$25,062	\$11,899
Stadium	\$21,000	\$11,899

"land_fees08"

[1] Fees provided by City of Sacramento. Land Acquisition Fees are before credits for land dedicated.

[2] Based on the Appraisal Report for North Natomas (2008) prepared by Clark-Wolcott, Inc.

[Reader's Note: This text was reproduced from the 2005 Nexus Study Update]

This section of the report presents information regarding the PFLAF and the RPLAF, each of which are part of the>NNLAP. Previously, both of these fees were included and updated in the Nexus Study Report. Several factors over the last 3 years, however, required that these fees be updated separately. In particular, the City issued bonds to fund the remaining cost to acquire the 200-acre regional park site. As a result, the RPLAF was updated in the fall of 2004 based on the final bond principal amount. This chapter summarizes the 2004 update to the RPLAF.

The PFLAF has been updated each year on July 1 independently of the Nexus Study based on the North Natomas Public Land Acquisition Value (PLAV). The annual update is performed to ensure PFLAF rates keep pace with escalating land values. As the update for 2005 has already taken place, this chapter will only recap the most recent update.

For a complete description of the>NNLAP, see **Chapter V** of the North Natomas Financing Plan 1999 Update.

RPLAF

In 2003, the City and the owners of the regional park land reached an agreement for the acquisition of the park land and the RPLAF was updated accordingly. In 2004, the City issued bonds making the final costs of the park land a known value. **Table 6-1** summarizes the total regional park land acquisition cost of \$22.8 million in 2004 dollars. Sources of funding for this cost include \$14.8 million in bond proceeds, approximately \$3.0 million in available cash, and approximately \$5.0 million in fee credits supplied to the landowners. After adding a portion for the underwriter's discount and reserve funds, the final bond cost totaled approximately \$15.7 million. Using this value as a basis, the RPLAF was calculated to be \$10,600 per acre (assuming an annual average inflation rate of approximately 2 percent). **Table 6-2** shows the RPLAF on a per unit basis for residential land use types and a per-acre basis for nonresidential land use types.

Because the calculation of the RPLAF accounted for an average annual inflation factor, the RPLAF will be escalated annually. Using the change in the San Francisco Consumer Price Index (CPI) for all urban consumers from April 1 of the previous year to April 1 of the current year, the RPLAF will be escalated by a minimum of 2 percent annually, or more as dictated by the CPI. The escalation will be effective 60 days from the date of adoption of this study and will take place every July 1 thereafter.

PFLAF

As discussed above, the PFLAF has been updated separately from this Nexus Study 2005 Update report. The following sections are taken from the *North Natomas Public Facilities Land Acquisition Fee Update 2005*, dated May 9, 2005 and adopted on May 24, 2005.

Purpose of the PFLAF

Development of the Finance Plan Area will require a significant amount of land for public uses including open space, drainage system, roadways, interchanges, transit facilities, parks, civic

**Table 6-1
North Natomas Nexus Study Update 2008
Regional Park Land Acquisition Cost (2004\$)**

Item	Lewis	Lennar	Alleghany	Total
Cash Compensation	\$800,000	\$10,023,806	\$8,790,959	\$19,614,765
Fee Credit Compensation	\$594,574	\$3,000,000	\$1,100,000	\$4,694,574
Total Compensation	\$1,394,574	\$13,023,806	\$9,890,959	\$24,309,339
Staff/Miscellaneous Costs				\$128,632
Subtotal Regional Park Land Cost				\$24,437,971
Less Conveyance to Natomas USD				(\$1,611,418)
Total Regional Park Cost				\$22,826,553
<u>Sources of Funds</u>				
Bond Proceeds				\$14,750,000
Cash				\$3,381,979
Fee Credits to Owners				\$4,694,574
Total				\$22,826,553
<u>Bond Principal Detail</u>				
Regional Park Cost Funded				\$14,750,000
Underwriter's Discount & Reserve Funds				\$938,466
Total Bond Amount				\$15,688,466

"park cost"

Source: City of Sacramento

Table 6-2
North Natomas Nexus Study Update 2008
Land Acquisition Fees (2008\$) [1]

Land Use	2008 Public Facilities Land Acquisition Fee	2008 Regional Park Land Acquisition Fee
	[2]	[2]
RESIDENTIAL	<i>Fee per Unit</i>	
<i>Single-Family Attached/Detached</i>		
Rural Estates	\$0	\$0
Lot Size > 5,000 sq. ft.	\$5,628	\$1,762
Lot Size 3,250 - 5,000 sq. ft.	\$4,176	\$1,441
Lot Size < 3,250 sq. ft.	\$2,724	\$1,120
Age-Restricted Single-Family	\$5,727	\$2,104
<i>Multifamily (>2 attached units)</i>		
8-12 units per net acre	\$2,724	\$1,120
> 12-18 units per net acre	\$2,133	\$827
> 18 units per net acre	\$1,542	\$533
Age-Restricted Apartments	\$1,520	\$525
Age-Restricted Congregate Care	\$795	\$275
NONRESIDENTIAL	<i>Fee per Net Acre</i>	
Convenience Commercial	\$34,360	\$11,871
Community Commercial	\$34,360	\$11,871
Village Commercial	\$34,360	\$11,871
Transit Commercial	\$34,360	\$11,871
Highway Commercial	\$34,360	\$11,871
Regional Commercial	\$34,360	\$11,871
EC Commercial	\$34,360	\$11,871
EC 30 - Office	\$34,360	\$11,871
EC 40 - Office	\$34,360	\$11,871
EC 50 - Office/Hospital	\$34,360	\$11,871
EC 65 - Office	\$34,360	\$11,871
EC 80 - Office	\$34,360	\$11,871
Light Industrial with <20% Office	\$34,360	\$11,871
Light Industrial with 20%-50% Office	\$34,360	\$11,871
Arena	\$34,360	\$11,871
Stadium	\$34,360	\$11,871

"land_fees"

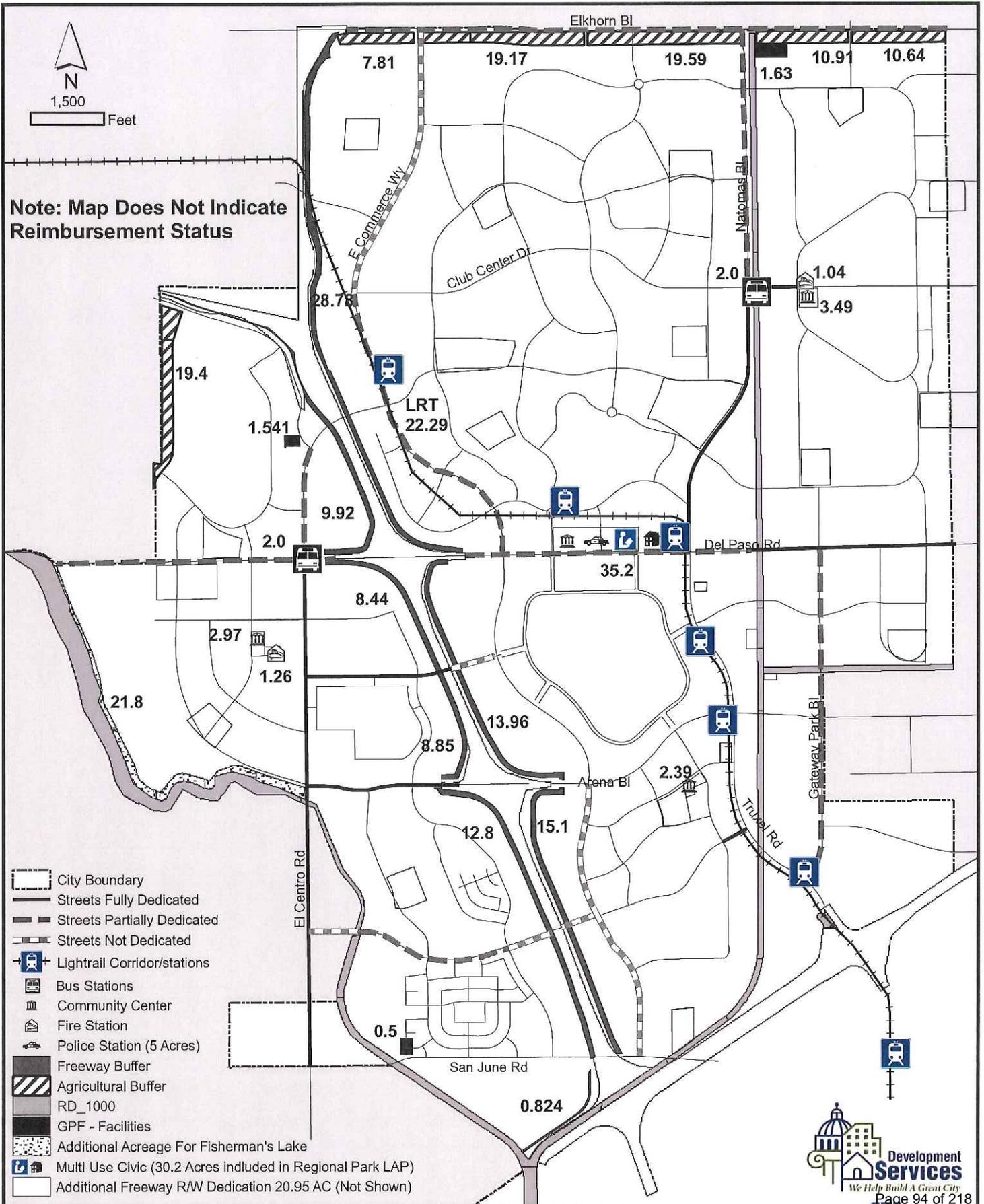
[1] Land Acquisition Fees are before credits for land dedicated.

[2] Based on the Appraisal Report for North Natomas (2008) prepared by Clark-Wolcott, Inc.

MAP 3

LAP Reimbursement Areas

Revised: June 2005



approximately 2.9 acres of off-street bikeway right-of-way in the program. Acreage estimates for off-street bikeways are shown in the upper section of **Table E-3** in **Appendix E** [in the Nexus Study 2005 Update].

RD-1000 Easement

The City estimates approximately 35.9 acres of drainage property dedications should be included in the PFLAF. This amount excludes approximately 9.1 acres of drainage property that was acquired through CFD No. 97-01. Drainage property dedications are shown in **Table E-4** in **Appendix E** [in the Nexus Study 2005 Update].

Street Overwidth Right-of-Way

The portion of streets that are oversized for regional traffic is included in the>NNLAP as a communitywide expense. To the extent that water and sewer trunk lines cannot be located under roadways, additional right-of-way for utility easements will be required. No estimate has been made for this acreage as it is anticipated to be insignificant.

The standard street dedication is 25 feet from the face of curb. Excess dedication is counted from the 25-foot point to the center of the road. **Table 6-3** shows the calculation of excess dedication for 4, 6, and 8 lane roads. Total overwidth costs for each section of road are shown in **Table E-5** in **Appendix E** [in the Nexus Study 2005 Update].

AD 88-03 Land

Most property owners in Quadrant 1 are included in AD 88-03 which primarily funded roadway improvements plus some freeway, landscaping, and drainage improvements. In addition, right-of-way and road overwidth right-of-way were acquired by the District for construction of roadway and freeway improvements. Although this land has already been acquired, the>NNLAP will include this acreage to treat AD 88-03 lands the same as other public lands.

Reimbursement to the AD 88-03 participants for this land will be valued at the current acquisition cost when an eligible property owner’s tentative map is processed. The following summarizes the acreage acquired under AD 88-03 that is included in the>NNLAP.

Oversized street width right-of-way	39.05 acres
Light Rail right-of-way	3.71 acres
Freeway off-ramp right-of-way	0.83 acres
Total	43.59 acres

The Calculation of AD 88-03 reimbursements in 1993 dollars is shown in **Tables C-1** and **C-2** in **Appendix C**.

**Table 6-3
North Natomas Nexus Study Update 2008
Right-of-Ways and Overwidths**

Roadway Section	Street Type	Full Section R-O-W <i>a</i>	Half Section				Full Section Overwidth <i>g=f x 2</i>	
			Total R-O-W Including Setback <i>b = a / 2</i>	Less Setback <i>c</i>	North Natomas FOC [2] to center of R-O-W [1] <i>d = b - c</i>	City's FOC Dedication of R-O-W [3] <i>e</i>		Overwidth <i>f = d - e</i>
A	4 Lane Divided	100	50	13	37	25	12	24
B	6 Lane Divided	136	68	14	54	25	29	58
C	8 Lane Divided	158	79	14	65	25	40	80
D	Modified 4 Lane West Side	92	50	16	34	25	9	Total Overwidth [4] 43
	East Side		42	8	34	25	9	
E	Modified 6 Lane West Side	114	61	16	45	25	20	Total Overwidth [4] 65
	East Side		53	8	45	25	20	

"row"

[1] R-O-W = Right of Way.

[2] FOC = Face of Curb.

[3] The City's dedication from the face of the curb is 25 feet.

[4] Modified 4 Lane is Truxel Road from Elkhorn Boulevard to North Loop Road.

Modified 6 Lane is Truxel Road from North Loop Road to Street I.

Setback depends on which side of the street you are on. Modified lanes have a bike path on one side not included in the R.O.W.

6-10

Public Land Not Acquired through the PFLAF

The NNLAP excludes these "normal" dedications:

- Neighborhood and community parks dedicated under the Quimby Act;
- Roadway right-of-way dedications through standard requirements; and
- Landscaping easements dedicated under the Subdivision Map Act.

These dedications are handled through standard City processing of development applications.

The PFLAF also excludes land required for drainage including detention basins, pump stations, and trunk lines. This land will be purchased from the drainage fees or other drainage financing mechanisms. School sites are not included as public land because they are acquired directly by the school districts.

Public Facilities Land Acquisition Cost

The acquisition cost per acre is based on the 2005 update of the North Natomas Valuation Study completed by Clark-Wolcott, Inc. This study determined the PLAV, which is based on a 3-year weighted average. **Table 6-4** summarizes the updated PLAV.

Table 6-4
Calculation of PLAV
North Natomas Public Facilities Land Acquisition Fee 2005

Value	Value
Weighted Average Unit Value	
November 1, 2004	\$362,993
November 1, 2003	\$157,999
November 1, 2002	\$132,232
Weighted Average	\$217,741
Weighted Average with Admin. & Contingency	\$236,745
<i>"PLAV"</i>	

Source: Summary Appraisal Report for North Natomas
 Financing Plan Area prepared by Clark-Wolcott, Inc.

Acreage for the public land listed in the previous section, the acquisition cost per acre, and the total acquisition cost are shown in **Table 6-5**.

**Table 6-5
North Natomas Nexus Study Update 2008
Estimated Public Land Acquisition Cost**

Public Facilities Land Acquisition Category	Acreage Calculations	Acreage	Acquisition Cost/Acre	Total Acquisition Cost
	[1]		[2]	[3]
Public Lands			\$324,766	
Freeway Interchange and Overcrossings	Table B-3	39.4	\$324,766	\$12,802,705
Freeway Buffer	Table E-2	100.3	\$324,766	\$32,562,324
Agricultural Buffer	Table E-2	109.3	\$324,766	\$35,503,392
Open Space	Table E-2	1.6	\$324,766	\$513,130
Community Centers [4]	Table E-2	8.9	\$324,766	\$2,890,415
Police Substation	Table E-2	5.0	\$324,766	\$1,623,829
Fire Stations	Table E-2	2.3	\$324,766	\$746,961
General Public Facilities - Utilities	Table E-2	5.8	\$324,766	\$1,870,976
Bus Transit Centers	Table E-2	4.0	\$324,766	\$1,299,063
LRT Right-of-Way	Table E-3	22.3	\$324,766	\$7,239,861
Off-Street Bikeways	Table E-3	2.9	\$324,766	\$939,477
RD-1000 Easement [5]	Table E-4	35.9	\$324,766	\$11,651,537
Overwidth Street Right-of-Way	Table E-5	78.1	\$324,766	\$25,369,231
Subtotal Public Lands		415.7		\$135,012,901
TOTAL Finance Plan Area Developable Acres		4,243.8		

"land value"

Source: City of Sacramento Real Estate, Ensign and Buckley, City of Sacramento Public Works, City of Sacramento Neighborhoods, Planning and Development Services Department GIS, Clark-Wolcott, Inc., and EPS.

- [1] See Appendices B and E.
- [2] Reflects uniform cost basis for all acquisitions regardless of the use of the site. The estimated per-acre cost is based on the North Natomas Valuation Study appraisal by Clark-Wolcott Inc. and does not necessarily reflect each individual's fair market value. See Table 6-4.
- [3] Acquisition cost does not include contingency or administration costs.
- [4] Does not include the community center in the Regional Park.
- [5] North Natomas Comprehensive Drainage property dedications calculated in February 1999 and updated in June 2002.

**Table 6-6
North Natomas Nexus Study Update 2008
Estimated Land Acquisition Fees**

Land Acquisition	Estimated Acquisition Cost	Plus Administration	Plus Land Value Contingency	Total Cost Basis for Fee	Land Acquisition Fees [1]
		3.0%	5.0%		
Public Facilities Land Acquisition [2]	\$135,012,901	\$4,050,387	\$6,750,645	\$145,813,933	<i>per net acre</i> \$34,360

"NNLAF_units"

[1] See Table 3-4 for acreage assumptions.

[2] Public Facilities Land acquisition fee per net acre before credits.

6-14

APPENDIX E:
Land Acquisition Program
Support Tables

Tables E-1 through **E-5** are support tables for the Land Acquisition Program Fees discussed in **Chapter 5**.

Acreage estimates are taken from the maps created by the City of Sacramento December 2001. Also included is a table of acreage of General Public Facilities in each Quadrant. A detailed map is being prepared by the City, which will show the location of all land identified in the NNLAP.



Table E-1	Estimated Public Land Acquisition Cost	E-1
Table E-2	Public Land Acquisition Acreage	E-2
Table E-3	Public Land Acquisition Acreage for Off-Street Bikeways and LRT	E-3
Table E-4	North Natomas Comprehensive Drainage (40AD) Property Dedications	E-4
Table E-5	Overwidth Right-of-Way Cost	E-5

**Table E-1
North Natomas Public Facilities Land Acquisition Fee 2005
Estimated Public Land Acquisition Cost**

Public Facilities Land Acquisition Category	Acreage Calculations [1]	Acreage	Acquisition Cost/Acre [2]	Total Acquisition Cost [3]
Public Lands	Appendices B and E		\$217,741	
Freeway Interchange and Overcrossings	Table B-3	39.4	\$217,741	\$8,583,581
Freeway Buffer	Table E-2	100.3	\$217,741	\$21,831,624
Agricultural Buffer	Table E-2	109.3	\$217,741	\$23,803,483
Open Space	Table E-2	1.6	\$217,741	\$344,031
Community Centers [4]	Table E-2	8.9	\$217,741	\$1,937,898
Police Substation	Table E-2	5.0	\$217,741	\$1,088,707
Fire Stations	Table E-2	2.3	\$217,741	\$500,805
General Public Facilities - Utilities	Table E-2	5.8	\$217,741	\$1,254,408
Bus Transit Centers	Table E-2	4.0	\$217,741	\$870,965
LRT Right-of-Way	Table E-3	22.3	\$217,741	\$4,854,012
Off-Street Bikeways	Table E-3	2.9	\$217,741	\$629,878
RD-1000 Easement [5]	Table E-4	35.9	\$217,741	\$7,811,850
Overwidth Street Right-of-Way	Table E-5	78.1	\$217,741	\$17,008,967
Subtotal Public Lands		415.7		\$90,520,209
TOTAL Finance Plan Area Developable Acres		4,230.8		

"land value"

Source: City of Sacramento Real Estate, Ensign and Buckley, City of Sacramento Public Works, City of Sacramento Neighborhoods, Planning and Development Services Department GIS, Clark-Wolcott, Inc., and EPS.

- [1] Source from the North Natomas Nexus Study 2005 Update, Appendices B and E.
- [2] Reflects uniform cost basis for all acquisitions regardless of the use of the site. The estimated per-acre cost is based on the North Natomas Valuation Study (dated March 2005) appraisal completed by Clark-Wolcott Inc. and does not necessarily reflect each individual's fair market value.
- [3] Acquisition cost does not include contingency or administration costs.
- [4] Does not include the community center in the Regional Park.
- [5] North Natomas Comprehensive Drainage property dedications calculated in February 1999 and updated in June 2002.

**Table E-2
North Natomas Public Facilities Land Acquisition Fee 2005
Public Land Acquisition Acreage**

Public Land Use	Quadrant 1	Quadrant 2	Quadrant 3	Quadrant 4	Total
Freeway Buffer [1]	29.14	28.78	9.92	32.42	100.26
Agricultural Buffer [2]	-	48.53	19.40	21.80	89.73
Ag Buffer /Detention Basin 2 [3]	-	19.59	-	-	19.59
Subtotal Agricultural Buffer	0.00	68.12	19.40	21.80	109.32
Open Space [4]	-	-	-	1.58	1.58
Community Centers [5]	2.30	3.60	-	3.00	8.90
Police Substation	-	5.00	-	-	5.00
Fire Stations	-	1.00	-	1.30	2.30
Public Utilities	-	3.72	1.54	0.50	5.76
Bus Transit Centers	-	2.00	2.00	-	4.00
TOTAL	31.44	112.22	32.86	60.60	237.13

"lap_acres"

- [1] Quadrant 4 acreage includes 0.824 acres for the difference between the price paid for easement on parcel 225-0220-026 (\$61,363) and the current acquisition price (\$86,914) over approximately 2.803 acres.
- [2] The agricultural buffer for Quadrant 2 includes 3.72 acres originally identified as a public utility site for a water tank. The land acquisition for the water tank is outside of the agricultural buffer.
- [3] Ag Buffer/Detention Basin 2 was defined as Agriculture Buffer along Elkhorn Boulevard in the 1994 Finance Plan and remains classified as part of the LAP.
- [4] Open space is a 1.58 acre parcel south of the trailer park.
- [5] Includes three community centers, the fourth is included as part of the Regional Park.

Source: City of Sacramento Neighborhoods, Planning and Development Services Department GIS.

**Table E-3
North Natomas Public Facilities Land Acquisition Fee 2005
Public Land Acquisition Acreage Off-Street Bikeways and LRT**

Item	Length (Linear Feet)	Width (Linear Feet)	Acres
<u>Off-Street Bikeways</u>			
Bikeway Trails			
Bikeway Trails	122,432	16	44.97
East Side Truxel Road Trails	5,976	8	1.10
Total Bikeways			46.07
Bikeways Within Existing Easements [1]			43.18
Bikeways in Not Within Existing Easements			
Bikeway along West Drain Canal	19,452	5	2.23
Bikeway around Arena Commons			0.66
Total Bikeways Not Within Existing Easements (Bikeways included in Land Acquisition Program)			2.89
<u>Light Rail</u>			
Total Light Rail Right-Of-Way	24,285	40	22.30
Portion of Right-Of-Way in Regional Park			2.90
Subtotal Light Rail Right-Of-Way			19.40
Light Rail Stations [2]			
Walk on Station #1 - Type 9	420	60	0.58
Walk on Station #2 - Type 9	420	60	0.58
Walk on Station #3 - Type 10	420	60	0.58
Walk on Station #4 - Type 10	420	60	0.58
Additional Light Rail Station [3]	420	60	0.58
Subtotal Light Rail Stations			2.89
Total Light Rail in Land Acquisition Program			22.29

"bikes and LRT"

- [1] Only approximately 3 of the 46 acres of off-street bikeways need to be acquired through the land acquisition program. The majority are located in other easements (RD-1000 or Regional Sanitation) or parks.
- [2] The Regional Transit D-N-A LRT master plan identified five light rail stations within the North Natomas Community Plan. One of the five identified stations (the Type 12 park and ride station) will be located on land already owned by the City (City Stadium site) and therefore does not require inclusion into the NNPLAP.
- [3] Although the RT DNA LRT master plan identified five stations, the North Natomas Community Plan has identified six stations. Land acquisition for the sixth station is included in the NNPLAP.

Source: EPS, Ensign and Buckley, and the City of Sacramento

Table E-4
North Natomas Public Facilities Land Acquisition Fee 2005
North Natomas Comprehensive Drainage (40AD)
Property Dedications

APN	Property Owner @ Acquisition	New Property Owner/ Transfer Date	Size Sq. Ft.	Size Acres	Acquisition Price	Price Per Acre
Dedicated:						
201-0310-017	Northpointe		25,122	0.577		
201-0310-018	Northpointe		30,501	0.700		
201-0320-022	Northpointe*			0		
201-0320-023	Borden Ranch*			0		
225-0050-017	Northpointe	Lennar Natomas LLC - 2/2/98	37,103	0.852		
225-0060-018	Northpointe	Lennar Natomas LLC - 2/2/99	10,092	0.232		
225-0060-024	Goldenland Partnership		65,682	1.508		
201-0310-012	Lewis Homes		80,297	1.843		
201-0310-011	Lewis Homes		83,480	1.916		
201-0310-025	Lewis Homes		66,708	1.531		
201-0310-026	Winncrest Homes	Lennar Renaissance, Inc.- 1/7/99	121,962	2.800		
225-0040-003	Winncrest Homes	Lennar Natomas LLC - 2/2/99	78,521	1.803		
225-0040-004	Winncrest Homes	Lennar Natomas LLC - 2/2/99	77,244	1.773		
225-0040-005	Winncrest Homes	Lennar Natomas LLC - 2/2/99	80,187	1.841		
225-0070-054	Sac Properties Holdings		90,566	2.079		
225-0070-070	Sanwa Bank	AAC Arena LLC - 10/28/98	78,219	1.796		
225-0150-038&050	Alleghany Properties		146,202	3.356		
225-0150-048	Alleghany Properties		100,434	2.306		
225-0150-047	Alleghany Properties		40,353	0.926		
225-0030-011&046	Adams Farms	Phoenix LLC - 6/16/98 (both)	107,594	2.470		
225-0140-028	Gateway Truxel Partners	Gateway West LLC - 11/27/96	161,735	3.713		
Lot A - Village 4A [1]	River West		31,744	0.729		
Lot D - Village 4B [1]	River West		49,049	1.126		
Total Dedicated			1,562,795	35.877		
Acquired:						
225-0080-002,003, 015,016,017,&018	Tsakopoulos				see note [2]	
225-0180-002	County of Sac/Witter				see note [2]	
225-0180-004	Alleghany Properties				see note [2]	
225-0220-026	Witter				see note [2]	
Total Acquired			-	-	\$0	
TOTAL			1,562,795	35.88	\$0	

Note: * = construction easement only

"prop dedication"

Source: City of Sacramento Real Estate.

[1] Property dedication included based on a City memorandum to River West Development dated October 16, 2001.

[2] This property was acquired through Community Facilities District No. 97-01.

Table E-5
North Natomas Financing Plan Update 1999
Overwidth Right-of-Way Cost

Segment Number	Roadway Section	Street Name	From	To	Lanes	Length (ft)	Full Section		Total Overwidth Credit
							Overwidth	Acres	
New or Final Improved Segments:									
1	A	Snowy Egret Way	El Centro Road	Duckhorn Drive	4	2,300	24	1.3	\$275,926
2	A	Club Center Drive	Truxel Road	Danbrook Drive	4	1,010	24	0.6	\$121,167
3	A	Del Paso Road	City Limit on West	El Centro Road	4	3,000	24	1.7	\$359,903
4	B	Del Paso Road	El Centro Road	SB Ramp of I-5	6	650	58	0.9	\$188,449
5	B	Del Paso Road	NB Ramp of Interstate-5	Truxel Road	6	6,850	58	9.1	\$1,985,965
6	B	Del Paso Road	Truxel Road	East Drain Canal	6	1,360	58	1.8	\$394,294
7	B	Del Paso Road	East Drain Canal	City Limit on East	6	4,110	58	5.5	\$1,191,579
8	A	East Commerce Way	Club Center Drive	Elkhorn Boulevard	4	5,690	24	3.1	\$682,616
9	B	East Commerce Way	Club Center Drive	Del Paso Road	6	6,560	58	8.7	\$1,901,888
10	B	East Commerce Way	Araan Boulevard	Natamas Crossing Blvd.	6	2,770	58	3.7	\$803,084
11	A	East Commerce Way	Natamas Crossing Blvd.	San Juan Road	4	3,120	24	1.7	\$374,299
12	A	El Centro Road [1]	Del Paso Road	Arena Boulevard	4	0	0	0.0	\$0
13	A	El Centro Road [1]	Arena Boulevard	San Juan Road	4	0	0	0.0	\$0
14	B	Elkhorn Boulevard	Highway 99	City Limit on East	6	12,150	58	16.2	\$3,522,551
15	A	Gateway Park Blvd.	Del Paso Road	North Market Drive	4	3,470	24	1.9	\$416,288
16	A	Gateway Park Blvd.	Arena Boulevard	Truxel Road	4	3,390	24	1.9	\$406,690
17	A	Natomas Crossing Blvd.	Duckhorn Drive	El Centro Road	4	4,180	24	2.3	\$501,465
17a	A	Natomas Crossing Blvd.	Duckhorn Drive	Interstate-5	4	1,100	24	0.6	\$131,964
18	A	Natomas Crossing Blvd.	Natamas Crossing Blvd.	East Commerce Way	4	880	24	0.5	\$106,572
19	A	Natomas Crossing Blvd.	Truxel Road	Innovator Drive	4	3,120	24	1.7	\$374,299
20	A	Arena Boulevard	El Centro Road	Duckhorn Drive	4	2,170	24	1.2	\$260,330
21	B	Arena Boulevard	Duckhorn Drive	Interstate-5	6	0	58	0.0	\$0
22	C	Arena Boulevard	Interstate-5	East Commerce Way	8	0	80	0.0	\$0
23	D	Natomas Boulevard	Elkhorn Boulevard	Club Center Drive	4*	5,290	43	5.2	\$1,137,044
24	E	Natomas Boulevard	Club Center drive	North Park Drive	6*	2,000	65	3.0	\$649,825
25	B	Natomas Boulevard	North Park Drive	Del Paso Road	6	3,790	58	5.0	\$1,098,804
26	n/a	El Centro Road Bridge Crossing	Bridge Crossing No. B8 [2]			500	50	0.6	\$124,966
Total New or Final Improved Segments:									
							78.1		\$17,008,967
Existing or Partially Improved Roadway Segments with New Landscaping									
							<i>Already Dedicated</i>	<i>Already Dedicated</i>	<i>Already Dedicated</i>
							0	0.0	\$0
							0	0.0	\$0
							0	0.0	\$0
							0	0.0	\$0
							0	0.0	\$0
							0	0.0	\$0
							0	0.0	\$0
Total Existing or Partially Improved Segments:									
							0.0		\$0
TOTAL ROADWAY R-O-W ACQUISITION COSTS:									\$17,008,967

* indicates modified roadways. *overwidth row*

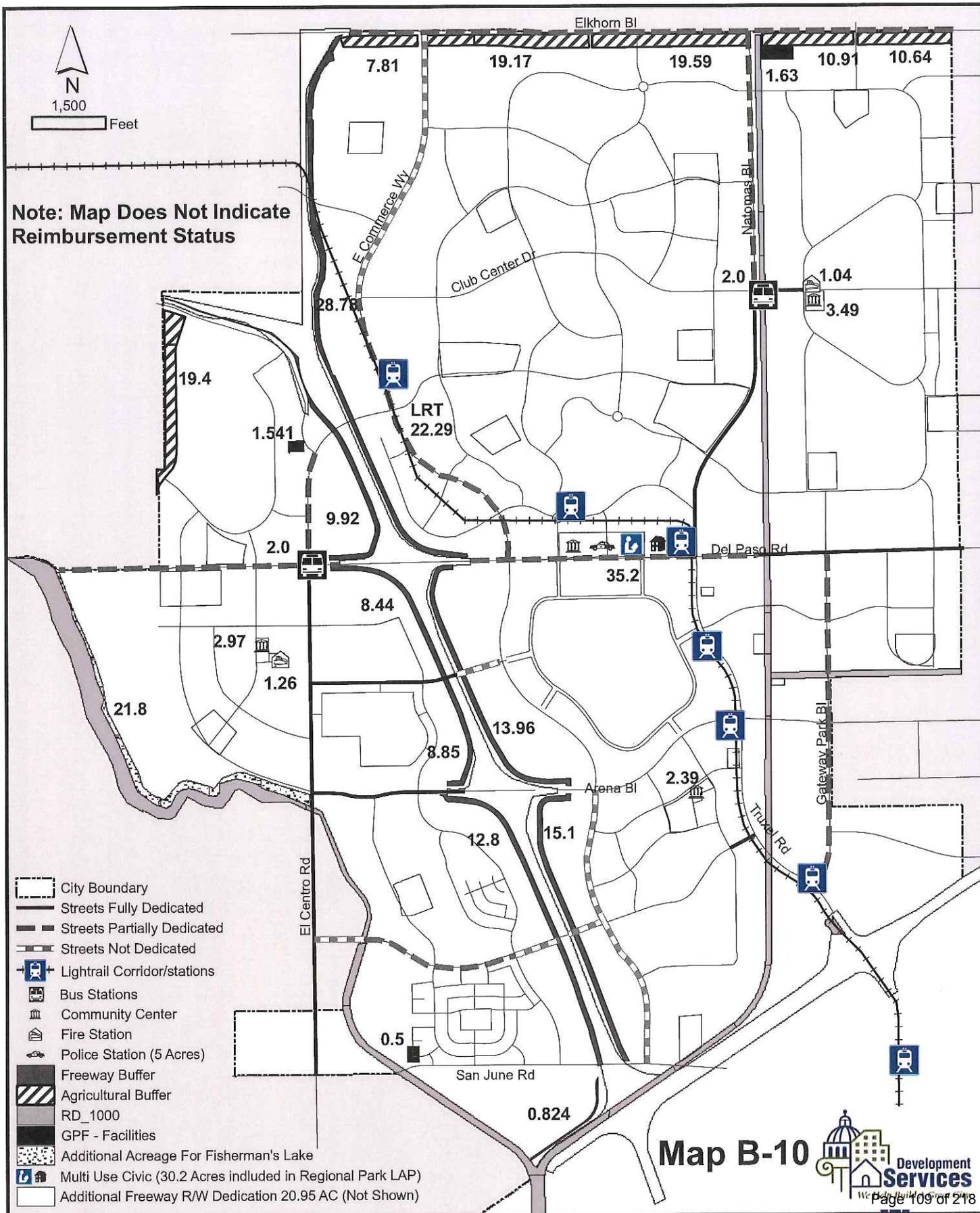
[1] The right-of-way for these segments has already been acquired by the City.

[2] Right-of-way outside of existing right-of-way for El Centro Road due to bridge crossing realignment. See Figure B-58 for bridge detail.

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LAP Reimbursement Areas

Revised: June 2005



Map B-10



Exhibit E-2



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

HEARING REPORT

NORTH NATOMAS PUBLIC FACILITIES LAND ACQUISITION FEE UPDATE 2005

Prepared for:

City of Sacramento

Prepared by:

Economic & Planning Systems, Inc.

May 9, 2005

EPS #14567

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I. NORTH NATOMAS PUBLIC FACILITIES LAND ACQUISITION FEE

This report presents the information necessary to update the Public Facilities Land Acquisition Fee (PFLAF) for 2005, which is a part of the North Natomas Land Acquisition Program (NNLAP). This update represents the normal annual PFLAF update for 2005. This report will be incorporated into **Chapter VI** of the North Natomas Nexus Study 2005 Update when it is completed.

The PFLAF 2005 update is based on the updated Public Land Acquisition Value (PLAV) as determined by the North Natomas Valuation Study prepared by Clark-Wolcott, Inc. The Valuation Study was completed in March 2005 and established an updated PLAV of \$217,741 effective November 1, 2004.

For a complete description of the NNLAP, please refer to **Chapter V** of the North Natomas Financing Plan 1999 Update (Financing Plan or Finance Plan) and **Chapter VI** of the North Natomas Nexus Study 2002 Update.

PURPOSE OF THE PFLAF

Development of the North Natomas Finance Plan Area will require a significant amount of land for public uses including open space, drainage system, roadways, interchanges, transit facilities, parks, civic facilities, schools, and buffers to other land uses. Much of the land is provided through normal land dedication in the land development process. However, the quantity of land in North Natomas for public use is unusual because of the large area being planned for development and the amount of land required for mitigation of various development impacts.

To ensure that no participating landowners are required to dedicate more than their fair share of land for public use and that public lands are available when needed by the City of Sacramento (City), the City will acquire land through normal dedications and through the PFLAF. Landowners dedicating less than their fair share of public land will be required to pay the PFLAF at building permit. Landowners providing more than their fair share of public land would be reimbursed through PFLAF fees paid.

PUBLIC LAND ACQUIRED THROUGH THE PFLAF AND LAND ACQUISITION COST

PUBLIC LAND ACQUIRED THROUGH THE PFLAF

Lands included in the>NNLAP are considered to be of general benefit to all developable land uses in the Finance Plan area. **Map 1** shows the public land to be acquired through the>NNLAP:

- Freeway, Habitat, and Agricultural Buffers
- Open Space
- Civic Lands including two fire stations, a library, a police substation, three community centers, other cultural and entertainment uses, and civic utilities such as water facility sites
- Light Rail Right-of-Way
- Off-Street Bikeways
- RD-1000 Easement for drainage
- Street Oversizing Right-of-Way
- A.D. 88-03 Land Reimbursements

PUBLIC LAND NOT ACQUIRED THROUGH THE PFLAF

The>NNLAP excludes "normal" dedications including these:

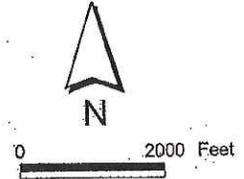
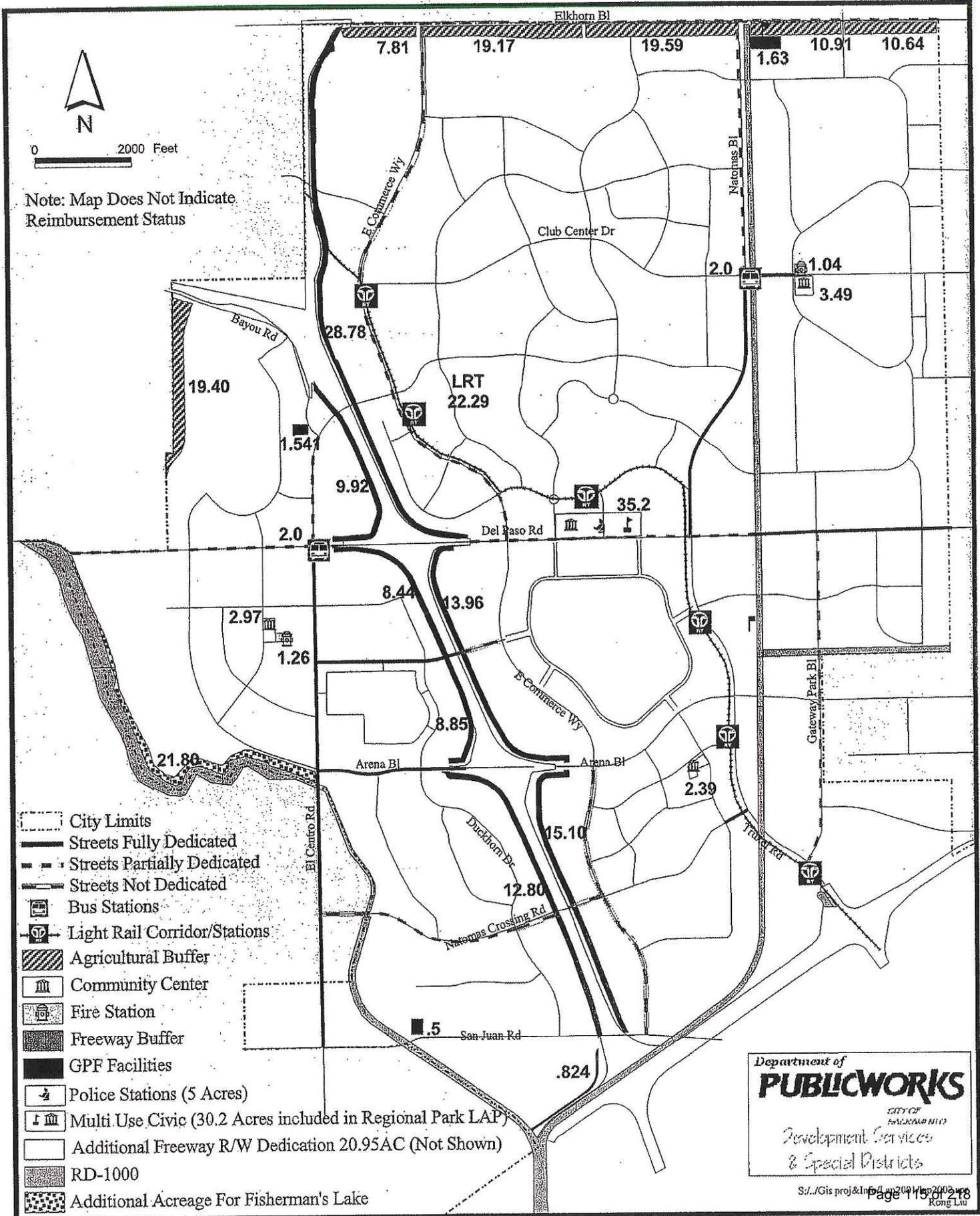
- neighborhood and community parks dedicated under the Quimby Act
- roadway right-of-way dedications through standard requirements
- landscaping easements dedicated under the Subdivision Map Act

These dedications are handled through standard City processing of development applications.

The>NNLAP also excludes land required for drainage including detention basins, pump stations, and trunk lines. This land will be purchased from the drainage fees or other drainage financing mechanisms. School sites are not included as public land because they are acquired directly by the school districts.

LAP Reimbursement Areas

Revised: August 2002



Note: Map Does Not Indicate Reimbursement Status

- City Limits
- Streets Fully Dedicated
- Streets Partially Dedicated
- Streets Not Dedicated
- Bus Stations
- Light Rail Corridor/Stations
- Agricultural Buffer
- Community Center
- Fire Station
- Freeway Buffer
- GPF Facilities
- Police Stations (5 Acres)
- Multi Use Civic (30.2 Acres included in Regional Park LAP)
- Additional Freeway R/W Dedication 20.95AC (Not Shown)
- RD-1000
- Additional Acreage For Fisherman's Lake

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PUBLIC FACILITIES LAND ACQUISITION COST

The acquisition cost per acre is based on the 2005 update of the North Natomas Valuation Study completed by Clark-Wolcott, Inc. This study determined the PLAV, which is based on a 3-year weighted average. **Table 1** summarizes the updated PLAV.

Table 1
Calculation of Public Land Acquisition Value
North Natomas Public Facilities Land Acquisition Fee 2005

Value	Value
Weighted Average Unit Value	
November 1, 2004	\$362,993
November 1, 2003	\$157,999
November 1, 2002	\$132,232
Weighted Average	\$217,741
Weighted Average with Admin. & Contingency	\$236,745

"PLAV"

Source: Summary Appraisal Report for North Natomas Financing Plan Area prepared by Clark-Wolcott, Inc.

Acreage for the public land listed in the previous section, the acquisition cost per acre, and the total acquisition cost are shown in **Table 2**.

The cost of land acquired by the PFLAF equals the acquisition-cost per acre (PLAV) multiplied by all of the public land subject to acquisition by the NNLAP (excluding the regional park) divided by the total net acres in the Finance Plan Area. As shown in **Table 3**, the total estimated acquisition cost for public land is approximately \$97.8 million including administration and contingency.

LAND USE ASSUMPTIONS

The PFLAF will be levied on a per-unit basis for residential development and on a per-net acre basis for nonresidential development for all land uses in the Finance Plan Area. As was the NNLAP when created, this PFLAF update will retain the methodology of allocating total NNLAP costs to all participating land uses.

Table 2
North Natomas Public Facilities Land Acquisition Fee 2005
Estimated Public Land Acquisition Cost

Public Facilities Land Acquisition Category	Acreage Calculations [1]	Acreage	Acquisition Cost/Acre [2]	Total Acquisition Cost [3]
Public Lands	Appendices B and E		\$217,741	
Freeway Interchange and Overcrossings	Figure B-4	39.4	\$217,741	\$8,583,581
Freeway Buffer	Figure E-2	100.3	\$217,741	\$21,831,624
Agricultural Buffer	Figure E-2	109.3	\$217,741	\$23,803,483
Open Space	Figure E-2	1.6	\$217,741	\$344,031
Community Centers [4]	Figure E-2	8.9	\$217,741	\$1,937,898
Police Substation	Figure E-2	5.0	\$217,741	\$1,088,707
Fire Stations	Figure E-2	2.3	\$217,741	\$500,805
General Public Facilities - Utilities	Figure E-2	5.8	\$217,741	\$1,254,408
Bus Transit Centers	Figure E-3	4.0	\$217,741	\$870,965
LRT Right-of-Way	Figure E-3	22.3	\$217,741	\$4,854,012
Off-Street Bikeways	Figure E-3	2.9	\$217,741	\$629,878
RD-1000 Easement [5]	Figure E-4	35.9	\$217,741	\$7,811,850
Overwidth Street Right-of-Way	Figure E-5	78.1	\$217,741	\$17,008,967
Subtotal Public Lands		415.7		\$90,520,209
TOTAL Finance Plan Area Developable Acres	Table 3	4,230.8		

"land value"

Source: City of Sacramento Real Estate, Ensign and Buckley, City of Sacramento Public Works, City of Sacramento Neighborhoods, Planning and Development Services Department GIS, Clark-Wolcott, Inc., and EPS.

- [1] Source from the North Natomas Nexus Study 2002 Update, Appendices B and E.
- [2] Reflects uniform cost basis for all acquisitions regardless of the use of the site. The estimated per-acre cost is based on the North Natomas Valuation Study (dated March 2005) appraisal completed by Clark-Wolcott Inc. and does not necessarily reflect each individual's fair market value.
- [3] Acquisition cost does not include contingency or administration costs.
- [4] Does not include the community center in the Regional Park.
- [5] North Natomas Comprehensive Drainage property dedications calculated in February 1999 and updated in June 2002.

Table 3
North Natomas Public Facilities Land Acquisition Fee 2005
Estimated Land Acquisition Fees

Land Acquisition	Estimated Acquisition Cost	Plus Administration 3.0%	Plus Land Value Contingency 5.0%	Total Cost Basis for Fee	Land Acquisition Fees per net acre
Public Facilities Land Acquisition [1]	\$90,520,209	\$2,715,606	\$4,526,010	\$97,761,826	\$23,107

"NNLAF_units"

[1] Public Facilities Land acquisition fee per net acre before credits.

Assumptions for Table 3:	Estimated Net Dev. Acres
Total Developable Acres	
Single-Family Acres (Low Density)	1,355.9
Single-Family Acres (Medium Density)	797.2
Multifamily Acres (High Density)	319.9
Age-Restricted Single-Family	168.7
Age-Restricted Apartments	20.0
Age-Restricted Congregate Care/Assisted Living	10.0
Total Residential	2,671.7
Nonresidential Developable Acres (commercial, office, & lt. industrial)	1,559.1
Total Developable Acres	4,230.8

Retaining the existing methodology will preserve the overall Finance Plan Area ratio of public land to be dedicated to developed land. If the methodology were to be changed to remaining public land and remaining development, the average ratio of public land to developed land may be significantly different from that established when the program began. **Figure III-4** in **Chapter III** of the North Natomas Nexus Study 2002 Update details the Finance Plan Area land use assumptions.

NEXUS FINDINGS

As discussed previously, the NNLAP was originally contained in the North Natomas Financing Plan 1999 Update. The developers in North Natomas have agreed, through a development agreement, that they will adhere to policies included in the Financing Plan. Therefore, the developers have agreed to the NNLAP and both fees included in the program—the PFLAF and the Regional Park Land Acquisition Fee (RPLAF), which was updated by the City in March 2003 and again for 2004. As a result, this report does not include nexus findings for the PFLAF.

FEE CALCULATION

The PFLAF is based on the average cost per acre to acquire land for public facilities. As shown in **Table 3**, the average cost to acquire land for public facilities is \$23,107 per acre. **Table 4** shows the PFLAF and for each land-use type. The fees are shown per unit for all residential land uses and per net acre for all nonresidential land uses.

Table 4
North Natomas Public Facilities Land Acquisition Fee 2005
Land Acquisition Fees [1]

Land Use	2005 Public Facilities Land Acquisition Fee [2]
RESIDENTIAL	
	Fee per Unit
<i>Single-Family Attached/Detached</i>	
Rural Estates	\$0
Lot Size > 5,000 sq. ft.	\$3,446
Lot Size 3,250 - 5,000 sq. ft.	\$2,836
Lot Size < 3,250 sq. ft.	\$2,226
Age-Restricted Single-Family	\$4,096
<i>Multifamily (>2 attached units)</i>	
8-12 units per net acre	\$2,226
> 12-18 units per net acre	\$1,622
> 18 units per net acre	\$1,018
Age-Restricted Apartments	\$1,022
Age-Restricted Congregate Care	\$535
NONRESIDENTIAL	
	Fee per Net Acre
Convenience Commercial	\$23,107
Community Commercial	\$23,107
Village Commercial	\$23,107
Transit Commercial	\$23,107
Highway Commercial	\$23,107
Regional Commercial	\$23,107
EC Commercial	\$23,107
EC 30 - Office	\$23,107
EC 40 - Office	\$23,107
EC 50 - Office/Hospital	\$23,107
EC 65 - Office	\$23,107
EC 80 - Office	\$23,107
Light Industrial with <20% Office	\$23,107
Light Industrial with 20%-50% Office	\$23,107
Arena	\$23,107
Stadium	\$23,107

[1] Land Acquisition Fees are before credits for land dedicated.

[2] Based on the North Natomas Valuation Study (dated March 2005)
 prepared by Clark-Wolcott, Inc.

Exhibit E-3

VI. NORTH NATOMAS LAND ACQUISITION FEES

This section of the report presents the information necessary to update the Public Facilities Land Acquisition Fee (PFLAF) and the Regional Park Land Acquisition Fee (RPLAF), each of which are part of the North Natomas Land Acquisition Program (NNLAP). The Nexus Study 2002 Update marks the first time the NNLAP fees have been included in the Nexus Study Report. Previously the NNLAP fees were part of the North Natomas Financing Plan 1999 Update; however, as the North Natomas Financing Plan is not currently being updated, the NNLAP fees have been included in this report. For a complete description of the NNLAP, see Chapter V of the North Natomas Financing Plan 1999 Update. (See Exhibit E-3.)

METHODOLOGY

FACILITIES BENEFIT AREA

Development of the North Natomas Finance Plan Area will require a significant amount of land for public uses including: open space, drainage system, roadways, interchanges, transit facilities, parks, civic facilities, schools and buffers to other land uses. These facilities benefit all land uses within the Finance Plan Area regardless of location. Consequently, the Facilities Benefit Area equals the Finance Plan Area. Since the NNLAP facilities benefit the entire Finance Plan Area, the total costs are allocated to all land uses within the Finance Plan Area.

COST ALLOCATION

Lands included in the NNLAP are considered to be of general benefit to all developable land uses within North Natomas. As such, the cost of acquiring these lands is allocated to all private developable land uses.

LAND USE ASSUMPTIONS

The PFLAF and the RPLAF will be levied on a per unit basis for residential development and on a per net acre basis for non-residential development to each land use within the Finance Plan Area. The NNLAP will retain the methodology of allocating total NNLAP costs to all participating land uses.

Retaining the existing methodology will preserve the overall Finance Plan Area ratio of public land to be dedicated to developed land. If the methodology were to be changed to remaining public land and remaining development, the average ratio of public land to developed land may be significantly different than established when the program

began. Figure III-4 of Chapter III details the North Natomas Finance Plan Area land use assumptions.

FACILITY COST ESTIMATES

Figure VI-1 shows a map of the public land to be acquired through the NNLAP with the exception of off-street bike trails and drainage easements. Acreage for the public land, acquisition cost per acre, and the total acquisition cost are shown in Figure VI-2. The acquisition cost per acre is based on the 2001 update of the North Natomas Valuation Study completed by the Clark-Wolcott Company, Inc.

PUBLIC FACILITIES LAND ACQUISITION FEE

The cost of land acquired by the PFLAF equals the acquisition cost per acre multiplied by all of the public land subject to acquisition by the NNLAP (excluding the regional park) divided by the total net acres within the Finance Plan Area. As shown in Figure VI-3, the total estimated acquisition cost for public land is approximately \$39.1 million including administration and contingency. The following paragraphs describe the public land included in the PFLAF.

Freeway and Agricultural Buffers

Open space and land buffers are required throughout the area along the I-5 freeway, as habitat buffers along Fisherman's Lake, as a buffer to agricultural land along the south side of Elkhorn Boulevard and open space along the western City limits. The nature of these buffers and open space are considered beyond "normal" dedications of development setbacks. The acreage estimates for freeway and agricultural buffers are shown in Appendix E, Figure E-1.

Civic Lands

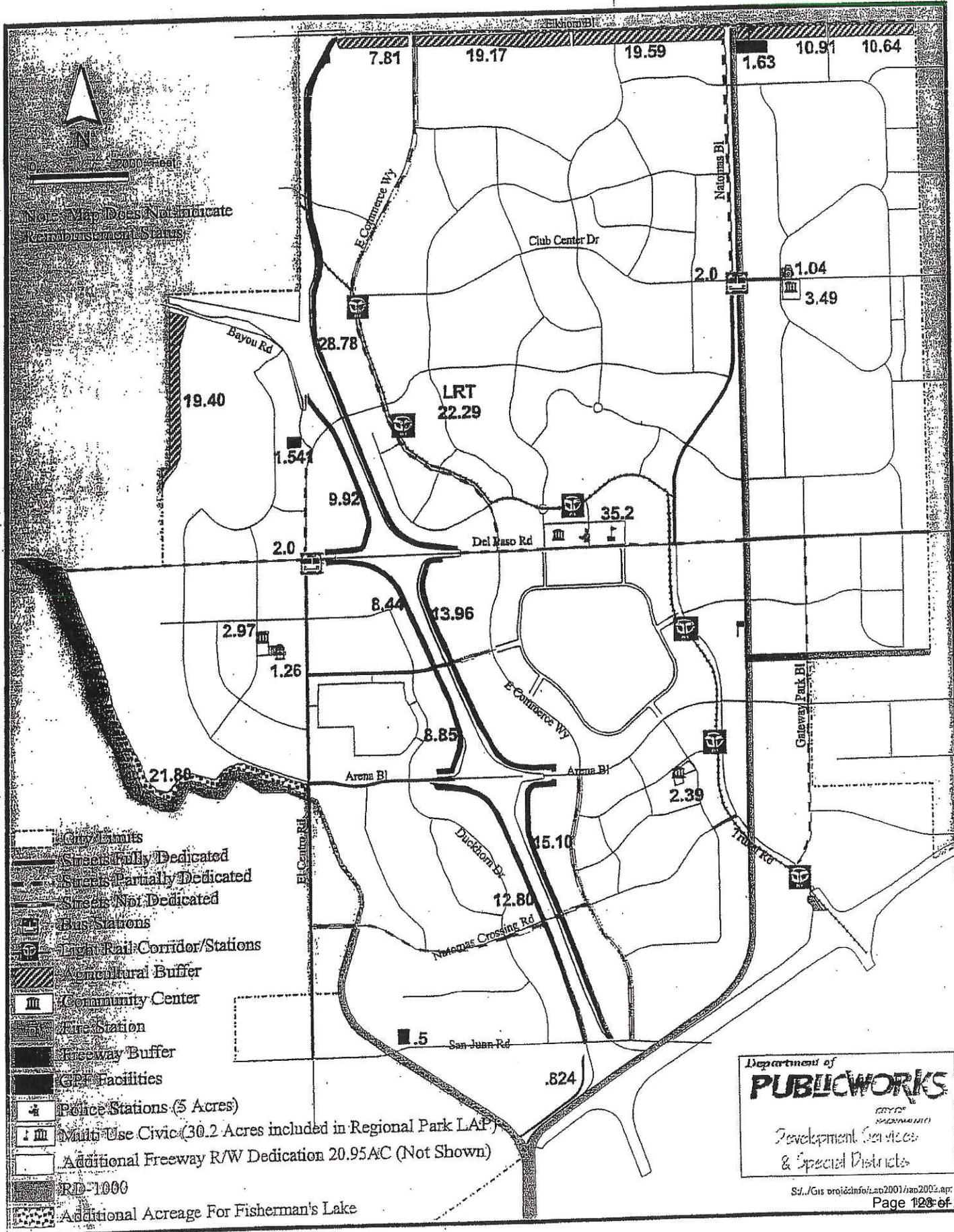
Civic lands include two fire stations, a library, a police substation, three community centers, and other cultural and entertainment uses. Civic lands also include civic utilities such as water facility sites, but do not include private utilities such as SMUD, PG&E, or AT&T Cable which will be purchased by the private user via a negotiated purchase price. The acreage estimates for civic lands are shown in Figures E-1 and E-2.

Light Rail Right-of-Way and Offstreet Bikeways

Approximately 19.4 acres of right-of-way are required for the light rail alignment that is not included as part of the road right-of-way. This total of 19.4 acres to be acquired through the PFLAF excludes approximately 2.9 acres of light rail right-of-way that is within the regional park. Light rail right-of-way acreage within the regional park will be acquired through the RPLAF. In addition to right-of-way for the light rail line, approximately 2.9 acres are required for LRT stations.

LAP Reimbursement Areas

Revised: August 2002



Note: Map Does Not Indicate Reimbursement Status

- City Limits
- Special Fully Dedicated
- Special Partially Dedicated
- Special Not Dedicated
- Bus Stations
- Light Rail Corridor/Stations
- Agricultural Buffer
- Community Center
- Fire Station
- Freeway Buffer
- GPT Facilities
- Police Stations (5 Acres)
- Multi Use Civic (30.2 Acres included in Regional Park LAP)
- Additional Freeway R/W Dedication 20.95AC (Not Shown)
- RD 1000
- Additional Acreage For Fisherman's Lake

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**Figure VI-2
North Natomas Nexus Study Update 2002
Estimated Public Land Acquisition Cost**

Public Facilities Land Acquisition Category	Acreage Calculations	Acreage	Acquisition Cost / Acre [1]	Total Acquisition Cost [2]
Public Lands	Appendices B and E		\$86,914	
Freeway Interchange and Overcrossings	Figure B-4	39.4	\$86,914	\$3,426,237
Freeway Buffer	Figure E-1	100.3	\$86,914	\$8,714,348
Agricultural Buffer	Figure E-1	109.3	\$86,914	\$9,501,438
Open Space	Figure E-1	1.6	\$86,914	\$137,324
Community Centers [3]	Figure E-1	8.9	\$86,914	\$773,535
Police Substation	Figure E-1	5.0	\$86,914	\$434,570
Fire Stations	Figure E-1	2.3	\$86,914	\$199,902
General Public Facilities - Utilities	Figure E-1	5.8	\$86,914	\$500,712
Bus Transit Centers	Figure E-2	4.0	\$86,914	\$347,656
LRT Right-of-Way	Figure E-2	22.3	\$86,914	\$1,937,536
Off-Street Bikeways	Figure E-2	2.9	\$86,914	\$251,423
RD-1000 Easement [4]	Figure E-3	35.9	\$86,914	\$3,118,191
Overwidth Street Right-of-Way	Figure E-4	78.1	\$86,914	\$6,789,328
Subtotal Public Lands		415.7		\$36,132,200
TOTAL Finance Plan Area Developable Acres	Figure VI-3	4,227.9		

"land_value"

- [1] Reflects uniform cost basis for all acquisitions regardless of the use of the site. The estimated per acre cost is based on the updated 2001 appraisal by The Clark-Wolcott Company, Inc., and does not necessarily reflect each individual's fair market value.
- [2] Acquisition cost does not include contingency or administration costs.
- [3] Does not include the community center in the Regional Park.
- [4] North Natomas Comprehensive Drainage property dedications calculated in February 1999 and updated in June 2002.

Source: City of Sacramento Real Estate, Ensign and Buckley, City of Sacramento Public Works, City of Sacramento Neighborhoods, Planning and Development Services Department GIS, and EPS.

Only approximately 2.9 acres of offstreet bikeway right-of-way is not included within existing rights-of-way such as roadway, park, or RD-1000 easements. Consequently, the PFLAF includes the approximately 2.9 acres of offstreet bikeway right-of-way in the program. Acreage estimates for light rail and off-street bikeways are shown in Figure E-3.

RD-1000 Easement

The City of Sacramento estimates approximately 35.9 acres of drainage property dedications should be included within the PFLAF. This amount excludes approximately 9.1 acres of drainage property that was acquired through CFD No. 97-01. Drainage property dedications are shown in Figure E-4.

Street Oversizing Right-of-Way

The portion of streets oversized for regional traffic is included in the>NNLAP as a community-wide expense. To the extent that water and sewer trunk lines cannot be located under roadways, additional right-of-way for utility easements will be required. No estimate has been made for this acreage as it is anticipated to be insignificant.

The standard street dedication is 25 feet from the face of curb. Excess dedication is counted from the 25-foot point to the center of the road. Figure VI-4 shows the calculation of excess dedication for 4, 6, and 8 lane roads. Total overwidth costs for each section of road is shown in Figure E-4.

A.D. 88-03 Land

Most property owners in Quadrant 1 are included in Assessment District 88-03 (A.D. 88-03) which primarily funded roadway improvements plus some freeway, landscaping, and drainage improvements. In addition, right-of-way and road overwidth right-of-way was acquired by the District for construction of roadway and freeway improvements. Although these lands have already been acquired, the>NNLAP will include this acreage to treat A.D. 88-03 lands the same as other public lands.

Reimbursement to the A.D. 88-03 participants for this land will be valued at the current acquisition cost when an eligible property owner's tentative map is processed. The following summarizes the acreage acquired under A.D. 88-03 that is included in the>NNLAP.

Oversized street width right-of-way	39.05 acres
Light Rail right-of-way	3.71 acres
Freeway off-ramp right-of-way	0.83 acres
Total	43.59 acres

The Calculation of AD 88-03 reimbursements in 1993 dollars is shown in Figures C-1 and C-2.

Figure VI-3
North Natomas Nexus Study Update 2002
Estimated Land Acquisition Fees

Land Acquisition	Estimated Acquisition Cost	Plus Administration 3.0%	Plus Land Value Contingency 5.0%	Total Cost Basis for Fee	Land Acquisition Fees <i>per net acre</i>
Public Facilities Land Acquisition [1]	\$36,132,200	\$1,178,224	\$1,963,707	\$39,274,131	\$9,289
Regional Park Acquisition [2]	\$16,083,001	\$524,446	\$874,076	\$17,481,523	\$4,135

"NNLAF_units"

[1] Public Facilities Land acquisition fee per net acre prior to credits.

[2] Estimated acquisition cost is 185.05 acres of regional park multiplied by the public land acquisition cost \$86,914

VI-7

Assumptions for Figures V-5 and V-6:	Estimated Net Dev. Acres
Total Developable Acres Remaining	
Single Family Acres (Low Density)	1,349.1
Single Family Acres (Medium Density)	781.1
Multi-Family Acres (High Density)	325.6
Age-Restricted Single Family	168.7
Age-Restricted Apartments	20.0
Age-Restricted Congregate Care/Assisted Living	10.0
Total Residential	2,654.6
Non-Residential Developable Acres Remaining (commercial, office, & lt. industrial)	1,573.3
Total Developable Acres Remaining	4,227.9

**Figure VI-4
North Natomas Nexus Study Update 2002
Right-of-Ways and Overwidths**

Roadway Section	Street Type	Full Section R-O-W	Half Section				Full Section Overwidth	
			Total R-O-W Including Setback	Less Setback	North Natomas FOC [2] to center of R-O-W [1]	City's FOC Dedication of R-O-W [3]		Overwidth
		<i>a</i>	$b=a/2$	<i>c</i>	$d = b-c$	<i>e</i>	$f = d-e$	$g=fx2$
A	4 Lane Divided	100	50	13	37	25	12	24
B	6 Lane Divided	136	68	14	54	25	29	58
C	8 Lane Divided	158	79	14	65	25	40	80
D	Modified 4 Lane West Side East Side	92	50	16	34	25	9	Total Overwidth [4] 43
			42	8	34	25	9	
E	Modified 6 Lane West Side East Side	114	61	16	45	25	20	Total Overwidth [4] 65
			53	8	45	25	20	

"ROW"

[1] R-O-W = Right of Way

[2] FOC = Face of Curb.

[3] The City's dedication from the face of the curb is 25 feet.

[4] Modified 4 Lane is Truxel Road from Elkhorn Boulevard to North Loop Road.

Modified 6 Lane is Truxel Road from North Loop Road to Street I.

Setback depends on which side of the street you are on. Modified lanes have a bike path on one side not included in the R.O.W.

17-8

REGIONAL PARK LAND ACQUISITION FEE

The cost of acquiring the regional park has not been determined at this time. Negotiations between the City and the property owners will ultimately determine the regional park acquisition cost.

For purposes of the Nexus Study 2002 Update, the cost of land funded by the RPLAF equals the acquisition cost per acre multiplied by all of the regional park land subject to acquisition by the RPLAF (excluding land acquired through other sources such as the Natomas Unified School District, drainage fees or CFD No. 4, Quimby dedications, or the PFLAF) divided by the total net acres within the Finance Plan Area.

As shown in Figure VI-3, the total estimated acquisition cost for regional park land is approximately \$17.4 million including administration and contingency. The following describes the regional park land included in the RPLAF.

Regional Park Land

As shown in Figure VI-5, the total regional park area identified in North Natomas includes approximately 224.5 acres. The RPLAF will fund acquisition for a portion of this total not dedicated to the City or funded via other funding sources.

The total regional park area is approximately 224.5 acres. The RPLAF will acquire 185.1 acres, which equals the total 224.5 acres adjusted by the following:

- Less 32.8 acres for a portion of a high school site that will be acquired by the Natomas Unified School District;
- Less 6.7 acres of detention basin acquired through CFD No. 4;
- Less 9.4 acres of land dedicated by Lennar Communities;
- Plus an estimated 9.4 acres for the portion of the east-west drainage channel within the regional park. The estimated acreage is for the drainage channel portion that is beyond land required for channel to serve the 10 year storm event, but within channel land required to serve the 100 year event.

Figure VI-6 details the estimated acreage requirements for various components of the 201.2 acre regional park, including conjunctive uses. The regional park is designed to serve not only North Natomas residents but residents throughout the City and County. The regional park could include group competition areas, individual competition areas, picnic areas, an amphitheater, a village green and botanical gardens, a family entertainment area, and other amenities.

Figure VI-5
 North Natomas Nexus Study Update 2002
 Estimated Regional Park Acres

Item	Regional Park Acreage Funded
Regional Park Land Owned by:	
Lewis Investment Company	
Parcel A-1	9.48
Parcel A-2	3.77
Parcel A-3	2.93
Subtotal	16.19
Lennar Winncrest, LLC	
Parcel B-1	95.02
Parcel B-2	1.00
Parcel B-3	3.29
Subtotal	99.31
Alleghany Properties, Inc.	
Parcel C-1	102.37
Parcel C-2	6.66
Subtotal	109.02
Total Regional Park Land	224.52
	see note [1]
<i>Less High School Site (Portion of Parcel C-1)</i>	<i>(32.82)</i>
<i>Less Portion in Detention Basin (Parcel C-2)</i>	<i>(6.66)</i>
<i>Less Community Park Acres (Dedicated by Lennar)</i>	<i>(9.40)</i>
Net Regional Park Acres	175.65
<i>Plus East-West Drainage Channel Acreage [2]</i>	<i>9.40</i>
Total Acres Funded by the RPLAF	185.05

reg park acres

- [1] The total regional park acreage funded by the RPLAF includes the total regional park site adjusted as follows:
- a) less 32.8 acres for the high school which will be funded by the Natomas USD.
 - b) less 6.7 acres for a portion of the detention basin funded through CFD No. 4
 - c) less 9.4 acres for land dedicated as Community Park acreage by Lennar Communities
 - d) plus 9.4 acres (estimated) for a portion of the east-west drainage channel not funded through another funding source. See Footnote [2]
- [2] Amount estimated based on acreage in drainage channel that is outside of the 10 year storm event flood protection. This amount will need to be acquired through the RPLAF.

Figure VI-6
North Natomas Regional Park Acquisition Analysis
Detailed Regional Park Acreage Estimates

Item	Acreage
Regional Park Acreage in>NNLAP [1]	151.9
Regional Park	25.0
Regional Civic	2.9
Light Rail	2.1
Library	3.1
Community Center	185.0
Total Regional Park Acreage in>NNLAP	185.0
Conjunctive Use Acreage	10.0
High School Joint Use	7.1
Detention Basin 1 Joint Use	17.1
Total Conjunctive Use Acreage	24.2
Total Regional Park Acres - Including Conjunctive Use	202.1

"reg_prk_dtl"

Source: City of Sacramento and EPS.

[1] Acreages estimated based on City of Sacramento GIS map dated January 2002.

NEXUS FINDINGS

As discussed previously, the>NNLAP was originally contained in the North Natomas Financing Plan 1999 Update. The developers in North Natomas have agreed, through a development agreement, that they will adhere to policies included in the Financing Plan. Therefore, the developers have agreed to the>NNLAP and both fees included in the program. As a result, this report does not include nexus findings for the>PFLAF and the>RPLAF.

FEE CALCULATION

The>PFLAF and the>RPLAF are based on the average cost per acre to acquire land for public facilities and the regional park. As shown in Figure VI-3, the average cost per acre to acquire public facilities land is \$9,289 per acre and the average cost per acre to acquire regional park land is \$4,135. Figure VI-7 shows the>PFLAF and the>RPLAF for each land uses type. The resulting fees are shown per unit for all residential land uses and per net acre for all non-residential land uses.

Figure VI-7
 North Natomas Nexus Study Update 2002
 Land Acquisition Fees [1] [2]

Land Use	2002 Public Facilities Land Acquisition Fee	2002 Regional Park Land Acquisition Fee
RESIDENTIAL		
<i>Fee per Unit</i>		
<i>Single-Family Attached / Detached</i>	\$0	\$0
Rural Estates	\$1,378	\$614
Lot Size > 5,000 sq. ft.	\$1,128	\$502
Lot Size 3,250 - 5,000 sq.ft.	\$877	\$390
Lot Size < 3,250 sq. ft.	\$1,647	\$733
Age-Restricted Single Family		
<i>Multi-Family (>2 attached units)</i>	\$877	\$390
8-12 units per net acre	\$647	\$288
> 12-18 units per net acre	\$417	\$186
> 18 units per net acre	\$411	\$183
Age-Restricted Apartments	\$215	\$96
Age-Restricted Congregate Care		
NON-RESIDENTIAL		
<i>Fee per Net Acre</i>		
Convenience Commercial	\$9,289	\$4,135
Community Commercial	\$9,289	\$4,135
Village Commercial	\$9,289	\$4,135
Transit Commercial	\$9,289	\$4,135
Highway Commercial	\$9,289	\$4,135
Regional Commercial	\$9,289	\$4,135
EC Commercial	\$9,289	\$4,135
EC 30 - Office	\$9,289	\$4,135
EC 40 - Office	\$9,289	\$4,135
EC 50 - Office/Hospital	\$9,289	\$4,135
EC 65 - Office	\$9,289	\$4,135
EC 80 - Office	\$9,289	\$4,135
Light Industrial with <20% Office	\$9,289	\$4,135
Light Industrial with 20%-50% Office	\$9,289	\$4,135
Arena	\$9,289	\$4,135
Stadium		

"land_fees"

[1] Land Acquisition Fees are prior to credits for land dedicated.
 [2] Based on final November 2001, North Natomas Valuation Study prepared by Clark-Wolcott, Inc.

Exhibit E-4

PUBLIC LAND ACQUIRED THROUGH THE>NNLAP

Lands included in the>NNLAP are considered to be of general benefit to all developable land uses within North Natomas. As such, the cost of acquiring these lands is allocated to all private developable land uses. Figure V-1 shows a map of the public land to be acquired through the>NNLAP with the exception of off-street bike trails and drainage easements. Acreage for the public land, acquisition cost per acre, and the total acquisition cost are shown in Figure V-2. The acquisition cost per acre is based on the November 1998 update of the North Natomas Valuation Study completed by Tom Clark.

The types of land acquired by the program are described as either Public Land or Regional Park Land, as defined below. As such, the Land Acquisition Fee consists of both the Public Facilities Land Acquisition Fee and the Regional Park Land Acquisition Fee. The City will maintain the map showing all land to be acquired through the>NNLAP.

"Public land" means the property acquired through this program for public facilities for the North Natomas Financing Plan Area, excluding the Regional Park Land, under the North Natomas Land Acquisition Program. All Public Land is required as a condition of allowing development to proceed in the area in order to facilitate the installation of infrastructure and other public facilities required to meet the needs and address the impacts caused by such development. All Public Land is to be dedicated, transferred to, or acquired by the City without cost to the City. The following paragraphs describe the Public Land included in the>NNLAP.

Freeway and Agricultural Buffers

Open space and land buffers are required throughout the area along the I-5 and I-80 freeways, as habitat buffers along Fisherman's Lake, as a buffer to agricultural land along the south side of Elkhorn Boulevard and open space along the western City limits. The nature of these buffers and open space are considered beyond "normal" dedications of development setbacks.

Civic Lands

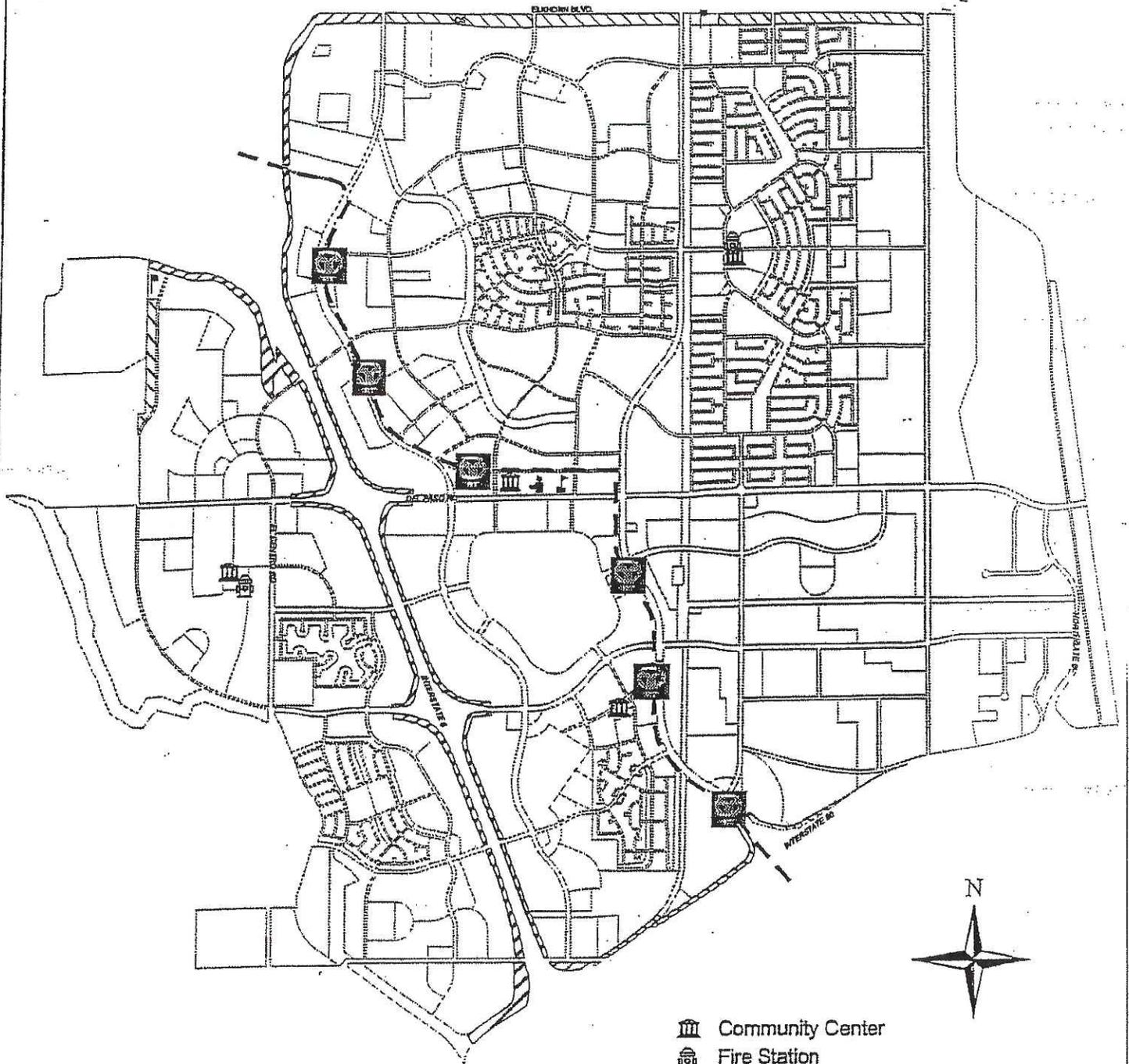
Civic lands include two fire stations, a library, a police substation, three of the four community centers, and other cultural and entertainment uses. Civic lands also include civic utilities such as pump station sites, but do not include private utilities such as SMUD, PG&E, or Comcast Cable which will be purchased by the private user via a negotiated purchase price. Acreage estimates are shown in Figure F-1.

Light Rail Right-of-Way

Approximately 19.4 acres of right-of-way are required for the light rail alignment that is not included as part of the road right-of-way. Approximately 2.9 acres lie within the regional park. An additional 1.65 acres is required for LRT stations. The acreage estimates for light rail and off-street bikeways are shown in Figure F-2.

Figure V-1

Public Land Acquisition



JUNE 1999

-  Community Center
-  Fire Station
-  Library
-  Police Station
-  Water
-  Light Rail Station
-  Light Rail line
-  Freeway Buffer
-  Agriculture Buffer

V-5 1

0

1 Miles



Figure V-2
North Natomas Financing Plan Update 1999
Estimated Public Land Acquisition Cost

Public Facilities Land Acquisition Category	Acreage Calculations	Acreage	Acquisition Cost / Acre	Total Acquisition Cost
			(1)	
Public Lands	Appendices B and F		\$71,845	
Freeway Interchange and Overcrossings	Figure B-4	39.4	\$71,845	\$2,832,202
Freeway Buffer	Figure F-1	122.7	\$71,845	\$8,811,789
Agricultural Buffer	Figure F-1	105.2	\$71,845	\$7,555,939
Open Space	Figure F-1	1.6	\$71,845	\$113,515
Community Centers (2)	Figure F-1	8.9	\$71,845	\$639,421
Police Station	Figure F-1	5.0	\$71,845	\$359,225
Fire Stations	Figure F-1	2.3	\$71,845	\$165,244
General Public Facilities - Utilities	Figure F-1	8.7	\$71,845	\$623,615
LRT Right-of-Way	Figure F-2	21.1	\$71,845	\$1,512,545
Off-Street Bikeways	Figure F-2	2.9	\$71,845	\$207,832
RD-1000 Easement (3)	Figure F-3	43.2	\$71,845	\$3,100,830
Overwidth Street Right-of-Way	Figure F-4	84.2	\$71,845	\$6,047,086
Subtotal Public Lands		445.0		\$31,969,242
TOTAL Finance Plan Area Developable Acres	Figure V-5	4,945.8		

land_value

- (1) Reflects uniform cost basis for all acquisitions regardless of the use of the site. The estimated per acre cost is based on the final appraisal November 1998 by Tom Clark, and does not necessarily reflect each individual's fair market value.
- (2) Does not include the community center in the Regional Park.
- (3) North Natomas Comprehensive Drainage property dedications calculated in February 1999.

Source: City of Sacramento Real Estate, Ensign and Buckley, City of Sacramento Public Works, City of Sacramento Neighborhoods, Planning and Development Services Department GIS, and EPS.

RD-1000 Easement

Approximately 43.2 acres of drainage property dedications was estimated by the City of Sacramento in February 1999. Dedications are shown in Figure F-3.

Street Oversizing Right-of-Way

The portion of streets oversized for regional traffic is included in the NNLAP as a community-wide expense. To the extent that water and sewer trunk lines cannot be located under roadways, additional right-of-way for utility easements will be required. No estimate has been made for this acreage although it is anticipated to be insignificant.

The standard street dedication is 25 feet from the face of curb. Excess dedication is counted from the 25-foot point to the center of the road. Figure V-3 shows the calculation of excess dedication for 4, 6, and 8 lane roads. Total overwidth costs for each section of road is shown in Figure F-4.

If a property owner is required to provide the land for the roadway on the other side of the centerline, that entire section of right-of-way land would be considered excess dedication and would be subject to acquisition through the NNLAP such as the half section of Truxel north of Del Paso alongside the drainage canal.

A.D. 88-03 LAND

Most property owners in Quadrant 1 are included in Assessment District 88-03 (A.D. 88-03) which primarily funded roadway improvements plus some freeway, landscaping and drainage improvements. In addition, right-of-way and road overwidth right-of-way was acquired by the District for construction of roadway and freeway improvements. Although these lands have already been acquired, the NNLAP will include this acreage to treat A.D. 88-03 lands the same as other Public Lands. Reimbursement to the A.D. 88-03 participants for this land will be valued at the current Public Land Acquisition Value when an eligible property owner's tentative map is processed. The following summarizes the acreage acquired under A.D. 88-03 that is included in the NNLAP.

Oversized street width right-of-way	39.05 acres
Light Rail right-of-way	3.71 acres
Freeway off-ramp right-of-way	0.83 acres
Total	43.59 acres

Calculation of AD 88-03 reimbursements in 1993 dollars are shown in Figures F-5 and F-6.

Figure V-3
 North Natomas Finance Plan Update 1999
 Right-of-Ways and Overwidths

Roadway Section	Street Type	Full Section R-O-W	Half Section				Full Section Overwidth	
			Total R-O-W Including Setback	Less Setback	North Natomas FOC (2) to center of R-O-W (1)	City's FOC Dedication of R-O-W (3)		Overwidth
		<i>a</i>	<i>b=a/2</i>	<i>c</i>	<i>d = b-c</i>	<i>e</i>	<i>f = d-e</i>	<i>g=fx2</i>
A	4 Lane Divided	100	50	13	37	25	12	24
B	6 Lane Divided	136	68	14	54	25	29	58
C	8 Lane Divided	158	79	14	65	25	40	80
D	Modified 4 Lane West Side	92	50	16	34	25	9	Total Overwidth (4) 43
	East Side		42	8	34		9	
E	Modified 6 Lane West Side	114	61	16	45	25	20	Total Overwidth (4) 65
	East Side		53	8	45		20	

"R-O-W"

- (1) R-O-W = Right of Way
- (2) FOC = Face of Curb.
- (3) The City's dedication from the face of the curb is 25 feet.
- (4) Modified 4 Lane is Truxel Road from Elkhorn Boulevard to North Loop Road.
 Modified 6 Lane is Truxel Road from North Loop Road to Street I.
 Setback depends on which side of the street you are on. Modified lanes have a bike path on one side not included in the R.O.W.

8-1

REGIONAL PARK

North Natomas includes approximately 184.8 acres of dedicated regional park and conjunctive civic uses. Approximately 10 acres of the 202 acre park is defined as joint use with the high school and will be acquired by Natomas Unified School District through the school fee and 7.1 acres of detention basin will be acquired with proceeds from the drainage fees. Acquisition costs of the regional park land will be spread to all of the developable property in North Natomas. The share of the land acquisition fee necessary to acquire the regional park will not be subject to the reimbursement calculation described below, but will be collected in full from every project.

PUBLIC LANDS NOT INCLUDED IN THE>NNLAP

This program excludes "normal" dedications such as:

- Neighborhood and community parks dedicated under the City's Quimby Act Ordinance
- Road right-of-way required by standard dedication requirements.
- Landscaping easements dedicated under the Subdivision Map Act.

These dedications are handled through standard City processing of development applications.

The>NNLAP also excludes public land required for drainage including detention basins, pump stations, and trunk lines. This land will be purchased from the drainage fees or other drainage financing mechanisms applicable to each drainage basin. School sites are not included as public land because they are acquired directly by the school districts.

PRIVATE DEVELOPABLE LANDS SUBJECT TO THE>NNLAP

The North Natomas Land Acquisition Program is based on the participation of private developable lands towards the acquisition of the necessary public lands identified in the North Natomas Community Plan. For the>NNLAP, private developable lands consist of residential, employment center, commercial, light industrial and sports complex land use categories defined in the Community Plan and identified as land use cells on the Composite Plan Map.

For purposes of the calculating the "fair share" acreage contribution and the calculation of fees and reimbursements for a project, acreage for these private developable land use designations subject to the program are defined as the Net Acres. Net Acres refer to the property within the North Natomas Finance Plan Area that is available after the dedication of all public uses and rights-of-way. For purposes of calculating the Public Facilities Land Acquisition Fee and Estimate of Land Value, Total Net Acres refer to the summation of all of the Net Acres in the Finance Plan Area.

ESTABLISHMENT OF THE PUBLIC LAND ACQUISITION VALUE

Each year, the Public Land Acquisition Value will establish the value of Public Land to be acquired through the North Natomas Land Acquisition Program. It will be established through the following steps.

- Step 1. **Estimate of Land Value.** At the beginning of each year an appraiser will provide the City of Sacramento an "estimate of land value" (not a complete narrative appraisal) as of November 1 of the preceding year for each North Natomas Community Plan land use designation. The "estimate of land value" will assume that the land is readily developable with an approved tentative map. The value of land to be acquired would be based on the value per acre and defined as the fee simple value less estimated Mello-Roos bond debt, assessment fees, and development costs associated with land development. The land value established by the City for a calendar year would be based on an adjusted three-year average of the "estimate of land value." The value established would be based on each individual parcel likely to develop in the next several years, not a discounted cash flow of all developable property in North Natomas.

The initial "estimate of land value" was based upon an appraiser's estimate of value for each land use designation for the North Natomas Community Plan in 1995 excluding the value of improvements assuming North Natomas property is ready for development and all entitlement restrictions have been removed. This study is the North Natomas Valuation Study for the City of Sacramento prepared by Thomas Clark Co., Inc. updated November 1998.

- Step 2. **Public Land Acquisition Value - Three-Year Weighted Average.** Based on the estimate of land value for each land use designation and the amount of acreage in each developable land use designation, a weighted average of estimated land value for the current year would be calculated. This value would be averaged with the two prior year's average of estimated land values to arrive at the three-year weighted average land value. This amount shall be named the Public Land Acquisition Value (PLAV).
- Step 3. **Adjustments to PLAV for Administration and Contingency.** The PLAV must be adjusted to account for the 7.5 percent allowance for administration and contingency. To establish the adjusted PLAV, divide the PLAV by 0.925. Dividing the PLAV by 0.925 accounts for administration and contingency allowances as follows:
- 5 percent of total cost basis for contingency for land acquired through condemnation and other contingencies.
 - 2.5 percent of total cost basis for administration and the cost of the annual land value estimate update.

CALCULATION OF PUBLIC FACILITIES LAND ACQUISITION FEE

The Public Facilities Land Acquisition Fee is a function of the Public Lands included in the>NNLAP, the value assigned to each type of land, and the amount of developable land uses. The types of land included in the Public Facilities Land Acquisition Program were discussed above.

The Public Facilities Land Acquisition Fee charged to development projects would equal the adjusted Public Land Acquisition Value established for the calendar year multiplied by all of the public land subject to acquisition by the>NNLAP (excluding the regional park) divided by the Total Net Acres within the North Natomas Finance Plan Area. The fee would be adjusted annually using the updated Public Land Acquisition Value. The acres of land acquired by the>NNLAP and Total Net Acres used to calculate the fee would not change from year to year unless new public land became subject to acquisition and/or the Community Plan was amended with a change to the amount of Total Net Acres of Public Land.

Figure V-4 shows the calculations used to arrive at the estimated Base Public Facilities Land Acquisition Fee based on an initial weighted average PLAV of \$71,845 per acre. The total cost of Public Lands divided by the estimated Total Net Acres in the Finance Plan Area result in a Public Facilities Land Acquisition Fee of \$8,185 per Net Acre.

Figure V-5 shows the Public Facilities Land Acquisition Fee by residential and non-residential land use. For all residential land uses within the Finance Plan Area, the fee is calculated on a per unit basis based on lot size. For all non-residential land uses, the fee is calculated on a Net Acre basis. As is also shown in Figure V-5, the Regional Park Acquisition Fee is calculated in the same manner.

Below is an example of how the fee will be updated by the three-year weighted average estimate of land value.

**Figure V-4
North Natomas Financing Plan Update 1999
Estimated Land Acquisition Fees**

Land Acquisition	Estimated Acquisition Cost	Plus Administration 2.5%	Plus Land Value Contingency 5.0%	Total Cost Basis for Fee	Land Acquisition Fees <i>per net acre</i>
Public Facilities Land Acquisition [1]	\$31,969,242	\$864,034	\$1,728,067	\$34,561,342	\$8,185
Regional Park Acquisition [2]	\$13,276,956	\$358,837	\$717,673	\$14,353,466	\$3,399

"NNLAF_units"

[1] Public Facilities Land acquisition fee per net acre prior to credits.

[2] Estimated acquisition cost is 184.8 acres of regional park multiplied by the public land acquisition cost \$71,845

V-12

Assumptions for Figures V-5 and V-6:	Estimated Gross Dev. Acres	Estimated Net Acres
Total Developable Acres		
Single Family Acres (Low Density)	1,902.3	1,559.9
Single Family Acres (Medium Density)	911.3	774.6
Multi-Family Acres (High Density)	389.4	338.8
Total Residential	3,203.1	2,673.3
Non-Residential (commercial, office, & lt. industrial)	1,742.7	1,549.4
Total Developable Acres	4,945.8	4,222.7

Figure V-5
 North Natomas Financing Plan Update 1999
 Land Acquisition Fees [1]

Land Use	1999 Fee Update [2]	
	Public Facilities Land Acquisition Fee	Regional Park Acquisition Fee
RESIDENTIAL	<i>Fee per Unit</i>	
<i>Single Family Attached / Detached</i>		
Rural Estates	\$0	\$0
Lot Size > 5,000 sq. ft.	\$1,218	\$506
Lot Size 3,250 - 5,000 sq.ft.	\$961	\$399
Lot Size < 3,250 sq. ft.	\$749	\$311
<i>Multi-Family (>2 attached units)</i>		
8-12 units per net acre	\$749	\$311
> 12-18 units per net acre	\$516	\$214
> 18 units per net acre	\$328	\$136
NON-RESIDENTIAL	<i>Fee per Net Acre</i>	
Convenience Commercial	\$8,185	\$3,399
Community Commercial	\$8,185	\$3,399
Village Commercial	\$8,185	\$3,399
Transit Commercial	\$8,185	\$3,399
Highway Commercial	\$8,185	\$3,399
Regional Commercial	\$8,185	\$3,399
Office - EC 30	\$8,185	\$3,399
Office - EC 40	\$8,185	\$3,399
Office/Hospital - EC50	\$8,185	\$3,399
Office - EC65	\$8,185	\$3,399
Office - EC80	\$8,185	\$3,399
<i>Light industrial</i>		
Light Industrial with <20% Office	\$8,185	\$3,399
Light Industrial with 20%-50% Office	\$8,185	\$3,399
Arena	\$8,185	\$3,399
Stadium	\$8,185	\$3,399

"land_fees"

[1] Land Acquisition Fees are prior to credits for land dedicated.

[2] Based on final November 1998, North Natomas Valuation Study prepared by Tom Clark.

Example

Note: Only two weighted average land value estimates have been done for North Natomas therefore a midpoint value was used to show a 3-year weighted value.

3-Year Weighted Average PLAV

Weighted Average Values of Land	1995	\$72,873	(Actual figure)
	Midpoint	\$71,845	(Example value)
	1999	\$70,816	(Actual figure)
Sum of Weighted Average Values		\$215,534	
Years PLAV averaged over		/ 3	
1999 3-Year Weighted Average PLAV		\$71,845 per acre	

Public Facilities Land Acquisition Fee

1999 3 Year Weighted Average PLAV		\$71,845
Adjustment for Administration & Contingency		/ 0.925
Adjusted 1999 3-Yr. Weighted Avg. PLAV		\$77,670 per acre
Times Acres to be Acquired	(See Figure V-2)	x 445.0
Subtotal	(See Figure V-4)	\$34,561,342
Divided by Finance Plan Area Net Acres	(See Figure V-4)	/ 4,222.7
Public Facilities Land Acquisition Fee		\$8,185 per net acre

The Public Facilities Land Acquisition Fee is charged to all landowners within the North Natomas Finance Plan Area. Landowners receive credit for Public Land dedicated, and may use these credits to reduce the Public Facilities Land Acquisition Fee due at the issuance of building permit, excluding the administrative portion of the fee. If the value of the land dedicated credits exceeds the fees due, landowners may receive reimbursements when Land Acquisition Fee revenues are available from other property owners.

REGIONAL PARK LAND ACQUISITION FEE

A 202 acre regional park site with conjunctive use is planned for the center of the North Natomas development. Acreage calculation from available maps indicates the acreage to be approximately 201.9 acres including the allowance for the conjunctive uses. Excluding acreage funded through other programs (10 acres for the high school and 7.1 acres for drainage basin no. 1); 184.8 acres will be acquired. This is summarized in Figure V-6.

Figure V-6
 North Natomas Financing Plan Update 1999
 Regional Park Acreage

Land Use	Acreage
Regional Park	149.4
Regional Civic	25.0
Light Rail	2.9
Library	2.5
Community Center	5.0
Total Regional Park Acreage in>NNLAP	184.8
High School Joint Use	10.0
Detention Basin 1 Joint Use	7.1
Total Regional Park - All Uses	201.9

reg_prk_acreage

Source: City of Sacramento.

The park is designed to serve not only North Natomas residents but residents throughout the City and County. The regional park could include group competition areas, individual competition areas, picnic areas, an amphitheater, a village green and botanical gardens, a family entertainment area, and other amenities. Figure V-7 shows the location of the Regional Park.

The City of Sacramento's 1989 Park Master Plan includes a policy of (1) providing five acres of regional park land per thousand population in addition to the five acres required for neighborhood and community parks and (2) having a regional park within a 30 minute drive for all residents. Historically, funds for regional parkland acquisitions are provided by the general fund or from voluntary donations, such as Land Park. The City and North Natomas property owners agreed that if North Natomas landowners would acquire the regional park site and dedicate it to the City, the City would be responsible for funding development of the regional park with City-wide sources.

In 1989, the City adopted the citywide Landscaping and Lighting Assessment District (LLAD) No. 2. The district can provide funds for four types of facilities: (1) common facilities, (2) neighborhood street lighting, (3) tree maintenance, and (4) park maintenance and development. Common facilities are spread citywide while the other facilities are spread to specific neighborhoods or zones. Regional park maintenance is part of common facilities funding by the citywide LLAD.

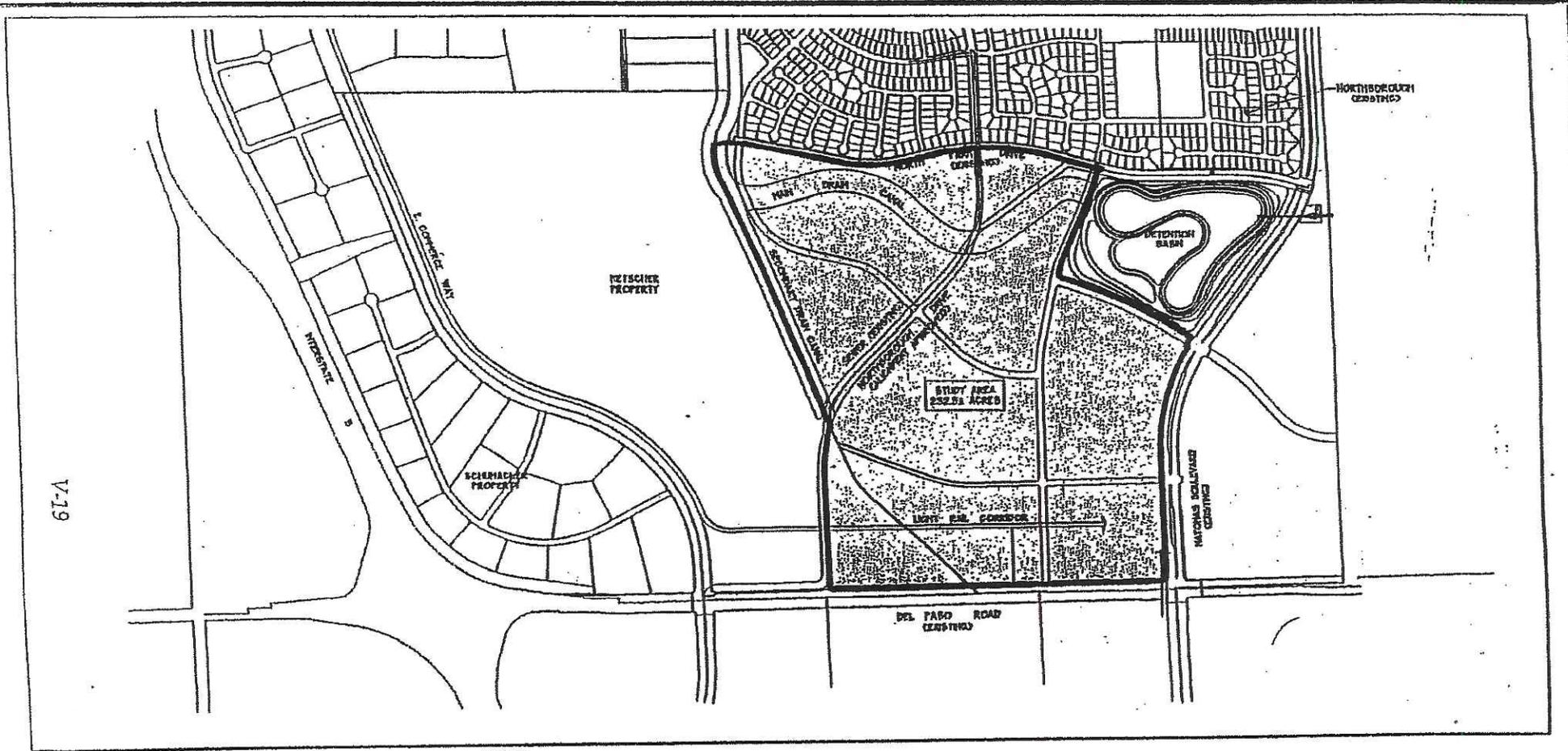
The Land Acquisition Program includes funding for the acquisition of the regional park. This fee will be charged to all development projects and will not be subject to credit calculation, except for those developers who own regional parkland. However, the strategy for funding the acquisition is complicated by the potential for escalating land values if the site cannot be acquired up-front at a fixed price and the difficulty in funding it up-front when large expenditures for backbone infrastructure are necessary and bond capacity is not available. The City must negotiate an agreement with the property owners of the regional park. The City may need to advance funding for the Regional Park Land Acquisition. The funding advance would be repaid through the collection of the>NNLAP fee.

REGIONAL PARK LAND ACQUISITION COST

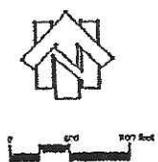
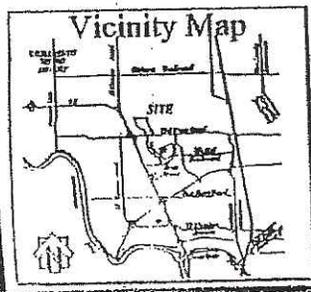
The cost of acquiring the regional park has not been determined at this time. Negotiations between property owners and the City regarding the acquisition will likely take place following adoption of the financing plan. For purposes of discussing the financing strategy for acquiring the regional park, a cost of \$13.3 million has been assumed using \$71,845 per acre for 184.8 acres (see Figure B-65). The Regional Park Land Acquisition Fee per Net Acre is calculated as shown on the following page:

Total Regional Park Land Acquisition Cost	\$13,276,956
Adjustment for Administration & Contingency	/ 0.925
Adjusted Regional Park Land Acquisition Cost	\$14,353,466
Divided by Finance Plan Area Net Acres	/ 4,222.7
Regional Park Land Acquisition Fee	\$3,399 per net acre

The acquisition cost assumptions are preliminary and subject to change. Once the Regional Park Land Acquisition price is known the Regional Park Land Acquisition fee will be modified.



V-19



NOTES:

1. ALL AREAS ARE APPROXIMATE.
2. AREA CALCULATIONS ARE BASED ON VALUES PROVIDED BY THE CITY OF SACRAMENTO PLANNING DEPARTMENT. VALUES VARY FOR COLLECTIVE LINES THAT VARY.
3. INFORMATION UTILIZED IN THE EXHIBIT IS BELIEVED TO BE CURRENT AS OF MAY 24, 1999.
4. THIS EXHIBIT WAS PREPARED FOR LEAD OPERATOR GROUP TO SETTER PERMITS PARAMETERS THAT MAY POSSIBLY AFFECT THE DESIGN OF THE REGIONAL PARK.

OVERALL STUDY CALCULATIONS

STUDY AREA	232.82 AC.
LESS AREA FROM SCHOOL SITE	(100.00 AC.)
LESS ARE TOLDED	(10.00 AC.)
REGIONAL PARK AREA	122.82 AC.

REGIONAL PARK AREA CALCULATIONS

DEVELOPED REGIONAL PARK	187.84 AC.
ADD 100' HIGH DETENTION COLLECTIVE LINE	10.00 AC.
ADD DETENTION BASIN COLLECTIVE LINE	7.11 AC.
TOTAL REGIONAL PARK AREA	204.95 AC.

* AREA INCLUDES LAYOUT, CELEBRITY CENTER, MAIN DRAIN CANAL, FRONT OF SECONDARY DRAIN CANAL, LIGHT RAIL 30' W/4' HO SIDEWALK ROADWAY.

** COLLECTIVE LINE IS BASED ON 20% OF ORIGINAL DETENTION BASIN AREA OF 28.8 AC. ORIGINAL DETENTION BASIN AREA IS 42.0 AC. INCLUDING A POSSIBLE COLLECTIVE LINE OF 20.0 AC.

Figure V-7

Preliminary Regional Park Exhibit

North Natomas Community Plan

City of Sacramento, California
May 24, 1999

WOOD · RODGERS INC.

EXHIBIT F

Protest Waiver Provisions Agreed to by LANDOWNER

LANDOWNER understands and agrees that financing of the Infrastructure, public improvements and facilities (including the land covered by the NNLAP) and other programs required under the NNCP will be accomplished through a variety of financing mechanisms, including but not limited to a combination of special assessment districts, tax districts (such as Mello-Roos Community Facilities Districts) and developer fees, all of which mechanisms are designed to spread the cost of those items in accordance with benefit and other methodologies. LANDOWNER further understands and agrees that an important component of this Agreement is LANDOWNER's advance consent to the formation of, or implementation of any such district or imposition of any such fee, and LANDOWNER's agreement not to protest or contest such formation, implementation or fee imposition.

Accordingly, LANDOWNER agrees for itself, its constituents, successors and assigns that it fully, finally and forever waives and relinquishes any right it may have to protest or contest the formation or implementation of any special assessment or tax district or any similar form of financing mechanism, or any combination thereof, together with any rights it may have to contest the imposition of any developer fee established or imposed pursuant to the North Natomas Finance Plan. Nothing in this Agreement, however, shall prevent LANDOWNER from presenting CITY any information or opinions regarding any financing mechanism CITY may from time to time consider establishing or imposing, which information or opinions relate to the dollar amount of any fees, assessments, taxes or other charges imposed by CITY pursuant to the North Natomas Finance Plan, or which information or opinions relate to the question of consistency of the financing mechanism with the North Natomas Finance Plan. If a financing mechanism is proposed for adoption by CITY, which mechanism both: (i) directly and significantly conflicts with the language and the intent of the North Natomas Finance Plan, as amended; and (ii) directly and significantly conflicts with the North Natomas Nexus Study adopted by the City Council in connection with establishment of development fees for the North Natomas Finance Plan Area, LANDOWNER shall have the right to protest only the actual amount of the directly and significantly conflicting proposed fee, charge, special tax, or assessment proposed to be levied, charged, assessed or taxed against the Property by virtue of the proposed financing mechanism. Provided, however, that LANDOWNER's said right to protest, together with any right to object, shall be waived unless LANDOWNER's protest of objection is made at or before the time of the public hearing wherein the proposed financing mechanism, together with the fee, charge, special tax or assessment is established by the City Council. LANDOWNER's right to judicial challenge of any such mechanism, and the fees, charges, assessments or special taxes imposed or to be imposed in connection therewith, shall be limited to review of the decision of the City Council establishing the said mechanism and the said fees, charges, assessments or special taxes; LANDOWNER shall not have the right, in connection with any land use entitlement proceeding with respect to the Property, to judicially challenge the financing mechanism or the fees, charges, assessments or special taxes as applied to the Property, and waives any statutory or common law right to pay such fees, charges, assessment or special taxes under protest. For purposes of this Agreement, "fees, charges, assessments or special taxes" shall include any monetary exaction or payment required to be paid by LANDOWNER by virtue of or relating to development of the Property.

Without limiting the generality of the foregoing, LANDOWNER for itself, its constituents, successors and assignees specifically, as to the Property, agrees to the following which are adopted by the City Council pursuant to the North Natomas Finance Plan:

- (1) Waives, and hereby grants advance consent to the formation and implementation of any and all special assessment districts, tax districts (such as Mello-Roos Community Facilities Districts), fee districts or other financing mechanisms of a similar nature recommended or established by CITY for the purpose of financing Infrastructure, public improvements and facilities (including land transfers as set forth in the NNLAP). Without limiting the generality of the foregoing, LANDOWNER specifically waives:
 - (i) the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (division 4 of the Streets and Highways Code, beginning at section 2800), together with associated provisions of the California Constitution;
 - (ii) the provisions of any other statute designed to provide a protest or contest procedure in connection with formation and implementation of a district or similar financing mechanism; and
 - (iii) the provisions of any procedure embodied in the Sacramento City Code designed to provide a protest or contest procedure in connection with formation and implementation of a district or similar financing mechanism.

- (2) Waives, and hereby grants advance consent to the formation and implementation of any and all special fees, exactions, development fees, assessments, taxes or other charges established by CITY for the purpose of financing Infrastructure, public improvements and facilities (including land transfers as set forth in the NNLAP). Without limiting the generality of the foregoing, LANDOWNER specifically waives:
 - (i) to the extent applicable, those statutory and constitutional provisions specified in paragraph (1) above; and
 - (ii) the provisions of Government Code section 66000 et seq. or any other provision of law providing a procedure for contest or protest of establishment or imposition of special fees, exactions, development fees, assessments, taxes or other charges of a similar nature.

- (3) Agrees to:
 - (i) affirmatively petition CITY, where applicable, for the formation of all special districts and other financing mechanisms that have been or will be in the future selected or recommended by CITY in order to implement the North Natomas Finance Plan;
 - (ii) execute an irrevocable proxy or proxies when necessary (such as in the formation of, or imposition of taxes relative to, a Mello-Roos Community Facilities District)

authorizing a representative designated by CITY, who will vote in favor of establishing the specific financing mechanism in question; and

- (iii) execute immediately upon presentation any document which is required or convenient for the formation of the district or facilitation of the particular financing mechanism.

LANDOWNER agrees and specifically represents to CITY that it is fully aware of all of its legal rights relative to the waivers, advance consents and other agreements set forth herein, having been fully advised by its own independent attorneys. Having such knowledge and understanding of its rights, LANDOWNER has nevertheless voluntarily entered into this Agreement, of which this Exhibit is a material part. LANDOWNER is aware that CITY is relying on the representations contained in this Exhibit in entering into this Agreement.

DRAFT

EXHIBIT G

IRREVOCABLE OFFER OF DEDICATION FORM

**Recorded for the benefit of the
City of Sacramento (exempt from
fees under Gov. Code, § 6103)**

When recorded return to-

Development Services Department
Attn: Jerry Lovato
300 Richards Blvd., 3rd Floor
Sacramento, CA 95811

IRREVOCABLE OFFER TO DEDICATE

The undersigned hereby certifies that we are the legal owners of, or are parties having an interest in, the hereinafter-described real property; and the undersigned, for themselves and their heirs, successors, and assigns, do hereby irrevocably offer to dedicate to the City of Sacramento, a municipal corporation, [in fee title] [an easement for public road and public utilities on, under, over, and across] the hereinafter-described real property located in the City of Sacramento, County of Sacramento, State of California, described as follows:

SEE EXHIBIT "A," LEGAL DESCRIPTION, AND EXHIBIT "B," PLAT, ATTACHED HERETO AND MADE A PART HEREOF.

Reserving, however, unto the undersigned and their heirs, successors, and assigns any and all present lawful uses of the above-described real property until such time as the City Engineer of the City of Sacramento gives written notice that the above-described real property will be improved for public purposes; and it is also hereby understood and agreed by the undersigned and their heirs, successors, and assigns that any improvements hereinafter placed by them in or upon the above-described real property shall be removed without cost or expense to the City of Sacramento. Until such notice is given by the City Engineer, the undersigned and their heirs, successors, and assigns agree to assume full responsibility or liability for any injury or damage to any person or property on the above-described real property or arising out of its use or occupancy by them. It is also hereby understood that all work to be done in or upon the above-described real property shall be done under permit and done in accordance with plans to be furnished by the principal and approved by the City Engineer of the City of Sacramento, and in accordance with the specifications of the City Engineer of the City of Sacramento.

The dedication offered hereunder shall be complete upon its acceptance by the City Engineer of the City of Sacramento.

Witness _____ hand this _____ day of _____, 20[]

By: _____

By: _____

(ATTACH NOTARY ACKNOWLEDGMENT)

EXHIBIT H

MAP AND CATEGORICAL LISTING OF LAND AND INFRASTRUCTURE

Certain land and infrastructure within the Natomas Fountains project area will be dedicated to the City of Sacramento, including but not limited to the following:

1. A pathway easement along the east drain channel as needed to accommodate a bike path
2. A 10-foot-wide public-utility easement across the north side of the property to cover the existing sewer main that runs from east to west.

3. ***

4. ***

5. ***

DRAFT

RESOLUTION NO.

Adopted by the Sacramento City Council

**AMENDING THE GENERAL PLAN LAND USE MAP FOR APPROXIMATELY
12.54± ACRES OF EMPLOYMENT CENTER MID RISE TO REGIONAL
COMMERCIAL CENTER FOR THE PROPERTY LOCATED WEST OF THE
INTERSECTION OF GATEWAY PARK BOULEVARD AND NORTH FREEWAY
BOULEVARD.
(APN: 225-0160-094-0000) (P16-012)**

BACKGROUND

The City Council conducted a public hearing on _____ concerning the General Plan land use map, and based on documentary and oral evidence submitted at the public hearing, the City Council hereby finds:

- i. The amendment is internally consistent with the goals, policies, and other provisions of the general plan; and
- ii. The amendment promotes the public health, safety, convenience, and welfare of the city; and
- iii. The proposed zoning classification of the subject parcel is consistent with the proposed general plan land use designation.

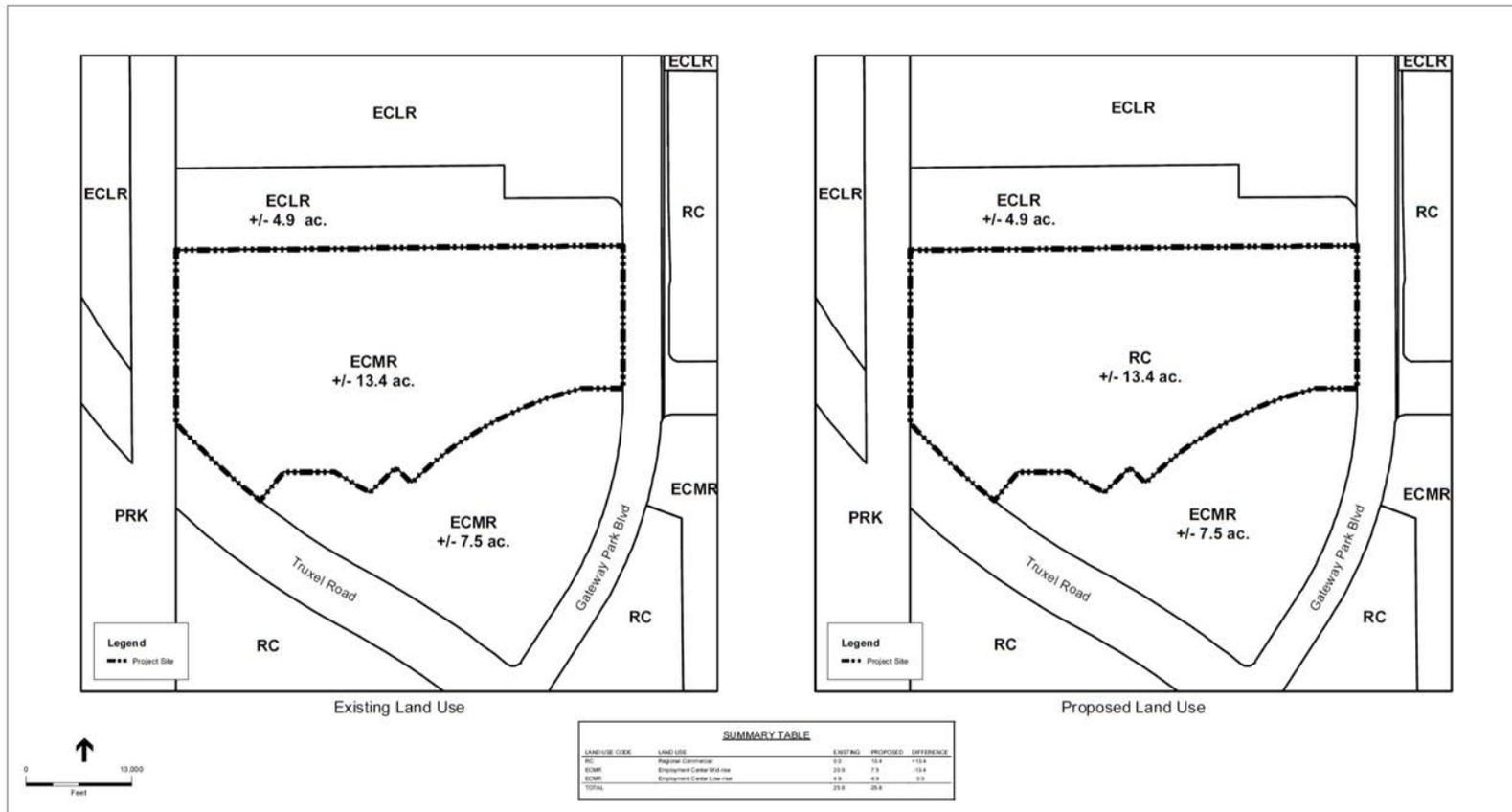
**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

Section 1. The property (APN: 225-0160-094-0000), as described on the attached Exhibit A, within the City of Sacramento is hereby designated on the General Plan land use map as Regional Commercial Center.

Table of Contents:

Exhibit A: General Plan Map Amendment – 1 page

Exhibit A General Plan Amendment Exhibit



SOURCE: City of Sacramento, 2016; ESA, 2016

Natomas Fountains . 150409
Figure 5
 General Plan Land Use Designation

ORDINANCE NO.

Adopted by the Sacramento City Council

**AMENDING TITLE 17 OF THE SACRAMENTO CITY CODE (THE PLANNING AND DEVELOPMENT CODE) BY REZONING CERTAIN REAL PROPERTY FROM EMPLOYMENT CENTER PLANNED UNIT DEVELOPMENT (EC-50-PUD) ZONE TO SHOPPING CENTER PLANNED UNIT DEVELOPMENT (SC-PUD) ZONE WEST OF THE INTERSECTION OF GATEWAY PARK BOULEVARD AND NORTH FREEWAY BOULEVARD (P16-012)
(APN: 225-0160-094-0000)**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

SECTION 1

Title 17 of the Sacramento City Code (Planning and Development Code) is amended by rezoning the property shown in the attached Exhibit A, generally described, known and referred to as Natomas Fountains (APN: 225-0160-094-0000) and consisting of approximately 12.54 acres, from Employment Center Planned Unit Development zone (EC-50-PUD) to Shopping Center Planned Unit Development zone (SC-PUD).

SECTION 2

The City Council approves the Rezoning of the property shown in the attached Exhibit A, by the adoption of this Ordinance, and will be considered to be in compliance with the procedures for the for the rezoning of property described in the Planning and Development code, as amended, based on the following findings of fact:

1. The rezoning is consistent with the proposed Regional Commercial Center general plan land use designation, use, and development standards, and the goals, policies, and other provisions of the general plan;
2. The amendment promotes the public health, safety, convenience, and welfare of the city.

SECTION 3

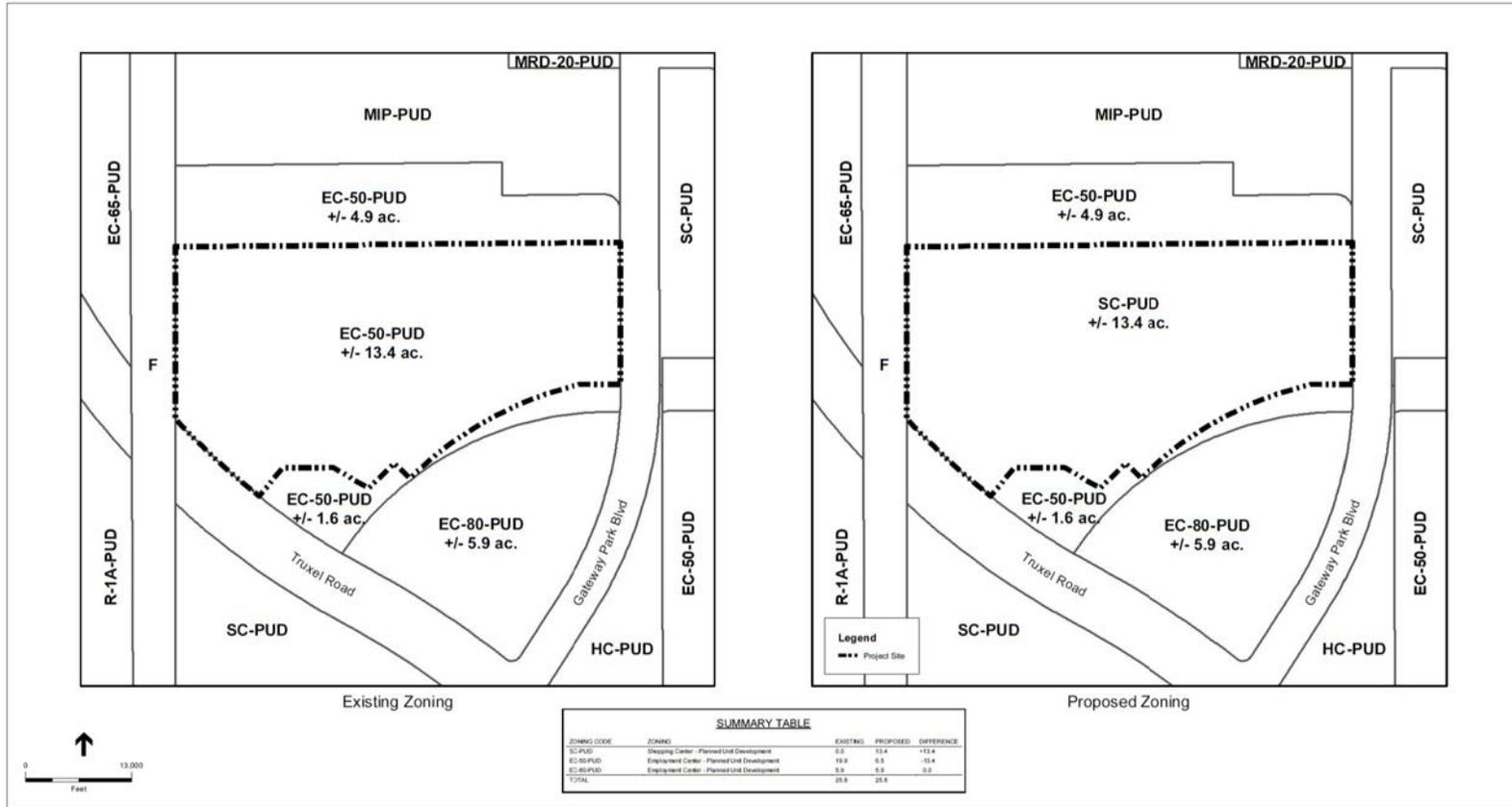
The City Clerk of the City of Sacramento is hereby direct to amend the official zoning maps, which are part of said Ordinance to conform to the provisions of this Ordinance.

Table of Contents:

Exhibit A: Rezone Exhibit – 1 page

Rezone Exhibit

Exhibit A



SOURCE: City of Sacramento, 2016; ESA, 2016

Natomas Fountains - 150409
Figure 6
 Zoning

RESOLUTION NO.

Adopted by the Sacramento City Council

AMENDING THE PLANNED UNIT DEVELOPMENT SCHEMATIC PLAN FOR THE CORAL BUSINESS CENTER PLANNED UNIT DEVELOPMENT. (P16-012)

BACKGROUND

- A. On October 20, 2016, the City Planning and Design Commission conducted a public hearing on, and forwarded to the City Council a recommendation to approve with conditions the Natomas Fountains project.
- B. On _____, the City Council conducted a public hearing, for which notice was given pursuant Sacramento City Code Section 17.812.030(B)(1)(2), and (3) (publication, posting, and mail), and received and considered evidence concerning the Natomas Fountains project.

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

- Section 1. Based on the verbal and documentary evidence received at the hearing on the Natomas Fountains project, the City Council approves the project based on the findings of fact and subject to the conditions of approval as set forth below.
- Section 2. The City Council approves the Planned Unit Development Schematic Plan Amendment to the Coral Business Center Planned Unit Development (PUD) based on the following findings of fact:
 - 1. The proposed amendment to the PUD Schematic Plan is consistent with the proposed Regional Commercial Center land use designation and with the goals and policies of the general plan in that the proposal is a local, city-wide, and regional mixed use center that addresses different community needs and market sectors, and complements and are well integrated with the surrounding neighborhoods.
 - 2. The proposed amendment to the PUD Schematic Plan promotes the public health, safety, convenience and welfare of the city by encouraging a variety of commercial developments that diversify, yet maintain compatibility with, surrounding neighborhoods.

3. The proposed amendment to the PUD Schematic Plan is consistent with the proposed zoning designation of Shopping Center Planned Unit Development for the subject site.

Section 3. Exhibit A is a part of this Resolution.

Table of Contents:

Exhibit A: PUD Schematic Plan Amendment – 1 page

RESOLUTION NO.

Adopted by the Sacramento City Council

ADOPTING FINDINGS OF FACT AND APPROVING THE NATOMAS FOUNTAINS PROJECT LOCATED WEST OF THE INTERSECTION OF GATEWAY PARK BOULEVARD AND NORTH FREEWAY BOULEVARD (P16- 012) (APN: 225-0160-094-0000)

BACKGROUND

A. On October 20, 2016, the Planning and Design Commission conducted a public hearing on, and forwarded to the City Council a recommendation to approve with conditions the Natomas Fountains (P16-012) project.

B. On _____, 2016, the City Council conducted a public hearing, for which notice was given pursuant Sacramento City Code Section 17.812.030(B)(1)(2), and (3) (publication, posting, and mail), and received and considered evidence concerning the Natomas Fountains project.

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

Section 1. Based on the verbal and documentary evidence received at the hearing on the Natomas Fountains project, the City Council approves the project based on the findings of fact and subject to the conditions of approval as set forth below.

Section 2. The City Council approves the Project entitlements based on the following findings of fact:

A. The **Site Plan and Design Review** for the schematic design of an 115,960± square foot retail center on 12.54± acres in the proposed Shopping Center zone within the Coral Business Center Planned Unit Development (SC-PUD) is **approved** based on the following findings:

1. The design, layout, and physical characteristics of the proposed development are consistent with the proposed general plan and any applicable specific plan or transit village plan, in that: the development is consistent with the general plan goals and policies of the Regional Commercial Center designation and the project assists in providing a mix of commercial / retail development and is consistent with the surrounding non-residential developments.
2. The design, layout, and physical characteristics of the proposed development are consistent with the purpose and intent of the applicable design guidelines and development standards, in that: the proposed

commercial development is consistent with the Coral Business Center PUD guidelines, the Sacramento City Code development standards for commercial development, and the Neighborhood Commercial Corridor Design Principles in that the proposed project will maintain the character and quality of this commercial neighborhood, consistent with the goals of the design principles.

3. All streets and other public access ways and facilities, parking facilities, and utility infrastructure are adequate to serve the proposed development and comply with all applicable design guidelines and development standards, in that: project has been analyzed by City departments and it is determined that as proposed and conditioned, all streets and other public access ways and facilities, parking facilities, and utility infrastructure are adequate to serve the proposed development and comply with all applicable design guidelines and development standards.
4. The design, layout, and physical characteristics of the proposed development are visually and functionally compatible with the surrounding neighborhood, in that: the project will work in conjunction with the existing commercial development to the southeast and their shared access points and internal driveways; and the proposal is consistent with the building height, scale and layout of the surrounding commercial developments.
5. The design, layout, and physical characteristics of the proposed development ensure energy consumption is minimized and use of renewable energy sources is encouraged, in that staff recommends that the project, to the extent possible, incorporate green building methods in the construction of the proposed structures.
6. The design, layout, and physical characteristics of the proposed development are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance, in that: 1) the proposed development is compatible with other uses found in the surrounding neighborhood, 2) the project will provide more than adequate parking for the proposed customers; and 3) the proposed improvements to the surrounding streets and traffic signals will further improve the flow of traffic in the area.

B. The **Tree Permit** for the removal of six City street trees and associated replacement plan **is approved** based on the following Findings of Fact:

1. There is a need for the proposed work in order to provide delivery truck access for the proposed retail businesses;

2. The replacement for removal of the six existing Platanus trees can be provided by the applicant through a combination of replacement planting and in lieu fees; and
3. An exhibit provided by applicant proposes removal of trees with a total DSH value of 70 inches.

C. The 200-Year Flood Protection:

1. The project site is within an area for which the local flood management agency has made adequate progress (as defined in California Government Code section 65007) on the construction of a flood protection system that will result in flood protection equal to or greater than the urban level of flood protection in urban areas for property located within a flood hazard zone, intended to be protected by the system, as demonstrated by the SAFCA Urban level of flood protection plan, adequate progress baseline report, and adequate progress toward an urban level of flood protection engineer's report accepted by City Council Resolution No. 2016-0226 on June 21, 2016.

Conditions Of Approval

- B. The Site Plan and Design Review** for the schematic design of an 115,960± square foot retail center on 12.54± acres in the proposed Shopping Center zone within the Coral Business Center Planned Unit Development (SC-PUD) is **approved** subject to the following Conditions of Approval:

Planning:

- B1. A Site Plan and Design Review application and approval will be required prior to development of the proposed buildings. Development of the project site shall substantially conform to the approved plans and shall be consistent with the attached exhibits.
- B2. The applicant shall obtain all necessary building permits and encroachment permits prior to commencing construction. Building permits shall not be issued unless the Final Map has been approved.
- B3. The project shall participate in the North Natomas Financing Plan.
- B4. The applicant / developer shall comply with all mitigation measures in the adopted Mitigation Monitoring Program (refer to Exhibit 1A).
- B5. Prior to issuance of a building permit, the applicant shall be submitted for review and approval of Solid Waste and Planning staff, the number and location

of the trash enclosures. The final layout and elevations of the trash enclosures and the surrounding landscaping shall be approved by Planning and shall comply with all applicable Sacramento City Code requirements.

- B6. Lighting fixtures shall be of high quality decorative design, having color and style which is compatible with the building architecture, and shall be reviewed and approved by Planning, prior to building permit issuance. Lighting levels shall meet the applicable requirements of the Sacramento City Code.
- B7. All signage shall comply with the Coral Business Park PUD guidelines and the Sacramento City Code. The signage shall be high quality design and materials that complement the architecture of the building. No cabinet signs shall be allowed. All future signage shall require a sign permit before fabrication and installation.
- B8. All landscaping shall comply with the Coral Business Park PUD guidelines and the Sacramento City Code. The final landscape plans shall be reviewed and approved by Design Review staff. Automatic irrigation shall be provided for all planting areas.
- B9. All roof-mounted equipment shall be completely screened from view from adjacent streets and public areas and concealed behind parapets or architecturally integrated screens. Ground mounted equipment shall be screened by fences, walls, or landscaping.
- B10. A pedestrian pathway shall be provided to directly connect the future bike trail on the west side of the project site to the end of the sidewalk in front of Building "A", to the satisfaction of the Planning Director.

Fire:

- B11. All turning radii for fire access shall be designed as 35' inside and 55' outside. CFC 503.2.4
- B12. Roads used for Fire Department access shall have an unobstructed width of not less than 20' and unobstructed vertical clearance of 13'6" or more. CFC 503.2.1
- B13. Roads used for Fire Department access that are less than 28 feet in width shall be marked "No Parking Fire Lane" on both sides; roads less than 36 feet in width shall be marked on one side.
- B14. Fire Apparatus access roads shall be designed and maintained to support the imposed loads of fire apparatus and shall be surfaced so as to provide all-weather driving capabilities. CFC 503.2.3

- B15. Provide the required fire hydrants in accordance with CFC 507 and Appendix C, Section C105.

Note: Appendix C, Table C105.1 has been amended by the City of Sacramento so that the required number of hydrants is based on the required GPM of Table B105.1 before any allowed fire sprinkler reduction with modified spacing distances between hydrants.

Police:

- B16. Exterior lighting shall be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature shall be between 2700K and 4100K.
- B17. Parking and bicycle parking shall be illuminated to a maintained minimum of 1.5 foot candles per square foot of parking area at a 20:1 maximum to minimum ratio during business hours.
- B18. Walkways, alcoves and passageways shall be illuminated to a maintained minimum of ¼ foot candles per square foot of surface area at a 2 foot candle average and a 4:1 average to minimum ratio from one-half hour before dusk to one-half hour after dawn.
- B19. Exterior lighting distribution and fixtures shall be approved by the Sacramento Police Department CPTED Sergeant (or designee) prior to issuance of a building permit.
- B20. Exterior lighting shall be designed in coordination with the landscaping plan to minimize interference between the light standards and required illumination and the landscape trees and required shading.
- B21. All light fixtures shall be vandal resistant.
- B22. Exterior lighting shall be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.
- B23. All mature landscaping shall follow the two foot six foot rule. All landscaping shall be ground cover, two feet or less and lower tree canopies of mature trees shall be above six feet. This increases natural surveillance and eliminates hiding areas within the landscape.
- B24. Tree canopies shall not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan shall allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.

- B25. All solid core exterior doors shall be equipped with a 180 degree viewing device to screen persons before allowing entry, and shall remain locked at all times except for emergencies and deliveries.
- B26. No more than 33 percent of the square footage of the windows and clear doors shall be blocked by advertising, signs, shelves or anything else. All advertising, signs, and shelving shall be placed and maintained in a manner that ensures that law enforcement personnel have a clear and unobstructed view of the interior of the premises, including the area in which the cash registers are maintained, from the exterior public sidewalk or entrance to the premises. All signs shall comply with the City Code.
- B27. Exterior trash receptacles shall be of a design to prevent unauthorized removal of articles from the trash bin.

Public Works:

- B28. Pursuant to City Code Section 17.700.060, the applicant shall be required to submit a Transportation System Management Plan and pay all required fees prior to issuance of the building permit. The Transportation System Management Plan shall be subject to review and approval of the City, Department of Public Works.
- B29. Construct standard public improvements as noted in these conditions pursuant to Title 18 of the City Code. Improvements shall be designed to City Standards and assured as set forth in Section 18.04.130 of the City Code. All improvements shall be designed and constructed to the satisfaction of the Department of Public Works. Any public improvement not specifically noted in these conditions shall be designed and constructed to City Standards. This shall include the repair or replacement/reconstruction of any existing deteriorated curb, gutter and sidewalk adjacent to the subject property per City standards to the satisfaction of the Department of Public Works.
- B30. Comply with the requirements included in the Mitigation Monitoring Plan developed by and kept on file in, the Planning Division Office (P16-012)
- B31. The applicant shall pay a fair share contribution in the amount of \$29,366 for the future improvements of Truxel Road at Gateway Park Boulevard in accordance with the Traffic Impact Study prepared for this project dated June 22, 2016, per City standard to the satisfaction of the Department of Public Works.
- B32. The applicant shall pay a fair share contribution in the amount of \$66,891 towards the future improvements at Gateway Park Boulevard/North freeway Boulevard intersection as recommended in the Traffic Impact Study prepared

for this project dated June 22, 2016, to the satisfaction of the Department of Public Works.

- B33. All right-of-way and street improvement transitions that result from changing the right-of-way of any street shall be located, designed and constructed to the satisfaction of the Department of Public Works. The center lines of such streets shall be aligned.
- B34. The applicant shall submit a signal design concept report to the Department of Public Works for review and approval prior to the submittal of any improvement plans involving traffic signal work.
- B35. All new and existing driveways shall be designed and constructed to City Standards to the satisfaction of the Department of Public Works.
- B36. Dedicate additional right-of-way, if needed, and construct a deceleration lane at the proposed driveway along Truxel Road per City standard to the satisfaction of the Department of Public Works.
- B37. The minimum throat distance for the proposed driveway adjacent to Truxel Road is 150-ft (throat distance is that distance a vehicle can move from the public right-of-way into a given site before encountering a conflict with parking stalls, aisles, crosswalks, etc).
- B38. Install a stop sign at the proposed driveway along Truxel Road per City standard to the satisfaction of the Department of Public Works.
- B39. The RD-1000 maintenance road entrance located at the mouth of the Truxel Road driveway shall be designed and constructed with signage and markings prohibiting public entrance per City standard to the satisfaction of the Department of Public Works and RD-1000.
- B40. The applicant shall re-stripe the eastbound approach at the Gateway Park Boulevard / North Freeway Boulevard intersection to consist of one left-turn lane, one through-lane, and one right-turn lane in accordance with the Traffic Impact Study prepared for this project dated June 22, 2016, per City standards to the satisfaction of the Department of Public Works.
- B41. The applicant shall construct a solid median, 2-ft in width and 275-ft in length, at the west leg of the Gateway Park Boulevard / North Freeway Boulevard intersection to limit the west-bound movement to right-in only in accordance with the Traffic Impact Study prepared for this project dated June 22, 2016, per City standard to the satisfaction of the Department of Public Works.
- B42. Reciprocal access easements are required for shared use of the driveways with the adjacent parcel, if not already in place.

- B43. The applicant shall participate in the North Natomas Financing Plan, adopted Resolution No. 94-495 on August 9, 1994, and updated by Resolution No.2002-373 on June 11, 2002, and shall execute any and all agreements, which may be required in order to implement this condition.
- B44. Comply with and meet all the requirements of the Development Agreement for the Coral Business Center (P90-157, P93-179, and P97-026 etc.)
- B45. Comply with the North Natomas Development Guideline and the PUD guidelines and all subsequent PUD Guideline Amendments approved for the Coral Business Center, unless amended with these conditions, to the satisfaction of the Department of Public Works.
- B46. The site plan shall conform to the parking requirements set forth in City Code 17.608.040 (Development standards for off-street parking facilities, Zoning Ordinance).
- B47. Dedicate and construct an off-street bike trail as shown on the site plan and consistent with the City of Sacramento's Bikeway Master Plan. The bike trail shall be at least 10-ft wide with 2-ft shoulders on either side.
- B48. Construct an 8-ft wide off-street bike trail access along Truxel Road with all required signs and markings to the satisfaction of the Department of Public Works.
- B49. The design of walls fences and signage near intersections and driveways shall allow stopping sight distance per Caltrans standards and comply with City Code Section 12.28.010 (25' sight triangle). Walls shall be set back 3' behind the sight line needed for stopping sight distance to allow sufficient room for pilasters. Landscaping in the area required for adequate stopping sight distance shall be limited 3.5' in height at maturity. The area of exclusion shall be determined by the Department of Public Works.

RD-1000:

- B50. The access road for the Reclamation District 1000 (RD1000) easement shall be have striping / signage to reflect that it is not a public entrance, to the satisfaction of RD-1000 and Public Works.
- B51. Levee easements shall be dedicated to RD1000 for widened levee section at access road entrance.
- B52. No permanent or temporary encroachment within the levee section and waterside of the levee is permitted without prior approval of RD1000.

- B53. All work done within RD1000 levee and 10 feet landside of the levee toe shall meet RD-1000 levee standards and the State Urban Levee Design Criteria.
- B54. All landscaping, irrigation and any other site work or improvements located within 50 feet of the toe of the levee shall be required to be reviewed and approved by RD-1000 and the City Department of Utilities, prior any improvements plans and/or building permits being submitted to the City of Sacramento.

Sacramento Area Sewer District (SASD):

- B55. Connection to the SASD sewer system shall be required to the satisfaction of SASD for each of the newly created lot. SASD Design Standards apply to any on-site and off-site sewer construction.
- B56. Each parcel with a sewage source shall have a separate connection to the SASD public sewer system. If there is more than one building in any single parcel and the parcel is not proposed for split, then each building on that parcel shall have a separate connection to a private on-site sewer line or the SASD public sewer line.
- B57. Sewer easements will be required. All sewer easements shall be dedicated to SASD, in a form approved by the District Engineer. All SASD sewer easements shall be at least 20 feet in width and ensure continuous access for installation and maintenance. SASD will provide maintenance only in public right-of-ways and in easements dedicated to SASD.
- B58. Developing this property will require payment of sewer impact fees to both SASD and SRCSD, in accordance with each District's Ordinances. Applicant should contact Permit Services Unit at (916) 876-6100 for sewer impact fee information.

SMUD:

- B59. Dedicate any private drive, ingress and egress easement, or Irrevocable Offer of Dedication and a minimum of 10 feet adjacent thereto as a public utility easement for underground facilities and appurtenances.
- B60. Structural setbacks less than 14-feet from Road R/W shall require the developer to conduct a pre-engineering meeting with all utilities to ensure proper clearances are maintained.
- B61. Building foundations must have a minimum horizontal clearance of 5-feet from any SMUD trench. Developer to verify with other utilities (Gas, Telephone, etc.) for their specific clearance requirements.

- B62. Proposed SMUD facilities located on the customer's property outside of the existing or proposed PUE(s) may require additional PUE and/or a dedicated SMUD easement.
- B63. SMUD equipment shall be accessible to a 26,000-pound SMUD service vehicle in all weather. SMUD equipment shall be no further than 15-feet from a drivable surface. The drivable surface shall have a minimum width of 20-feet.
- B64. There are existing 12 kV underground lines along the east side of the property following Gateway Park Blvd, on the west side of the property following Truxel Road, on the south side of the property between the existing parking lot and existing private roadway and crossing the private road on the south east side of the property approximately 185 feet west of Gateway Park Blvd. These existing underground 12 kV facilities will need to remain in order to maintain existing services not part of development. If requested to relocate, it will be 100% billable to the customer.

SRCSD:

- B65. Developing this property will require the payment of Regional San sewer impact fees. Regional San sewer impact fees shall be paid prior to the filing and recording of the final map or the issuance of building permits, whichever comes first. For questions pertaining to Regional San sewer impact fees, please contact the Sewer Fee Quote Desk at (916) 876-6100.

Utilities:

- B66. All on-site water and storm drainage facilities shall be private facilities maintained by the property owner.
- B67. There is an existing 54-inch drainage main that runs along the west property line of the parcel. Per City Code 13.04.230, no permanent structures (including without limitation trees, continuous footing wall, concrete slabs, tool shed, signage, and similar structures) shall be constructed on top of the City mains or anywhere within the associated utility easements.
- B68. According to Department of Water Resources' *Urban Levee Design Criteria*, a minimum 20-foot-wide zone beyond the landside toe of the levee must remain adequately clear for visibility and access to enable inspection and flood-fighting.
- B69. According to Chapter 17 of City Code, a minimum 20-foot setback from the landside toe of any flood control levee is required for development less than 5 acres in size. A minimum 50-foot setback is required from the landside toe of any flood control levee for development 5 acres or greater in size. No primary or accessory structures may encroach into the levee setback. (Ord. 2013-0020 § 1; Ord. 2013-0007 § 1).

- B70. The applicant shall provide a drainage analysis to meet current requirements. The drainage analysis must be reviewed and approved by the Department of Utilities prior to building permit issuance. The applicant is advised to contact the City of Sacramento Utilities Department Drainage Section (916-808-1400) at the early planning stages to address any drainage related requirements.
- B71. The finish floor shall be above the 100-yr HGL or 1.5-feet above the local controlling overland flow release elevation, whichever is higher or as approved by the DOU.
- B72. This project will disturb more than one acre of land or is part of large common development; therefore, the project is required to comply with the State's "Construction General Permit" (Order 2009-0009 DWQ or most current). To comply with the State Permit, the applicant must file a Notice of Intent (NOI) through the State's Storm Water Multiple Application and Report Tracking System (SMARTS), located online at <http://smarts.waterboards.ca.gov/smarts/faces/SwSmartsLogin.jsp> A valid WDID number must be obtained and provided to the DOU prior to the issuance of any grading permits.
- B73. The applicant must comply with the City of Sacramento's Grading, Erosion and Sediment Control Ordinance. This ordinance requires the applicant to prepare erosion and sediment control plans for both during and after construction of the proposed project, prepare preliminary and final grading plans, and prepare plans to control urban runoff pollution from the project site during construction.
- B74. Post construction, stormwater quality control measures shall be incorporated into the development to minimize the increase of urban runoff pollution caused by development of the area. Since the project is not served by an existing regional water quality control facility, both source control and on-site treatment control measures (e.g., stormwater planters, detention basin, infiltration basin and/or trench, media filters (Austin Sand Filter), multi-functional drainage corridors, vegetated filter strips and/or swales, and proprietary devices) are required. A maintenance agreement is required for all on-site treatment control measures. Contact DOU for a list of accepted proprietary devices if considered for treatment control.
- B75. This project will disturb more than one acre of land or is part of large common development; therefore, the project is required to comply with the State's "Construction General Permit" (Order 2009-0009 DWQ or most current). To comply with the State Permit, the applicant must file a Notice of Intent (NOI) through the State's Storm Water Multiple Application and Report Tracking System (SMARTS), located online at <http://smarts.waterboards.ca.gov/smarts/faces/SwSmartsLogin.jsp> A valid WDID number must be obtained and provided to the DOU prior to the issuance of any grading permits

ADVISORY NOTES:

Fire:

- ADV1. Timing and Installation. When fire protection, including fire apparatus access roads and water supplies for fire protection, is required to be installed, such protection shall be installed and made serviceable prior to and during the time of construction. CFC 501.4
- ADV2. Provide a water flow test. (Make arrangements at the Permit Center walk-in counter: 300 Richards Blvd, Sacramento, CA 95814). CFC 507.4
- ADV3. The furthest projection of the exterior wall of a building shall be accessible from within 150 ft of an approved Fire Department access road and water supply as measured by an unobstructed route around the exterior of the building. (CFC 503.1.1)
- ADV4. Provide appropriate Knox access for site. CFC Section 506
- ADV5. An automatic fire sprinkler system shall be installed in any portion of a building when the floor area of the building exceeds 3,599 square feet. CFC Fire Code Amendments 903.2 (a)
- ADV6. Locate and identify Fire Department Connections (FDCs) on address side of building no further than 50 feet and no closer than 15 feet from a fire hydrant and not more than 30 feet from a paved roadway.
- ADV7. An approved fire control room shall be provided for all buildings protected by an automatic fire extinguishing system. The room shall contain all system control valves, fire alarm control panels and other fire equipment required by the Fire Code Official. Fire Control rooms shall be located within the building at a location approved by the Fire Code Official, and shall be provided with a means to access the room directly from the exterior. Durable signage shall be provided on the exterior side of the access door to identify the fire control room. Fire Control rooms shall not be less than 50 square feet. CFC Amendments 903.4.1.1

Parks:

- ADV8. The applicant will be responsible to pay a Park Development Impact Fee (PIF) prior to issuance of a building permit. The Park Development Impact Fee due for this project is estimated at \$48,705 based upon the City's standard commercial retail rate of \$0.42 per square foot for the 115,960 square foot retail center. The fee will be assessed for each building permit. The fees are adjusted annually on July 1st to keep up with inflation.

Utilities:

- ADV9. The proposed project is located in the Special Flood Hazard Area (SFHA), designated as A99 zone Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRMs). FEMA does not require elevating or flood proofing in A99 zone. City Code Chapter 15.104 Floodplain Management Regulations require that any new construction of and/or substantial improvement to any structure located in A99 zone requires a Hold Harmless Agreement regarding risk of flooding on property.
- ADV10. The proposed development is located within Sacramento Area Sewer District (SASD). Satisfy all SASD requirements.

D. The **Tree Permit** for the removal of six City street trees and associated replacement plan is **approved** subject to the following Conditions of Approval:

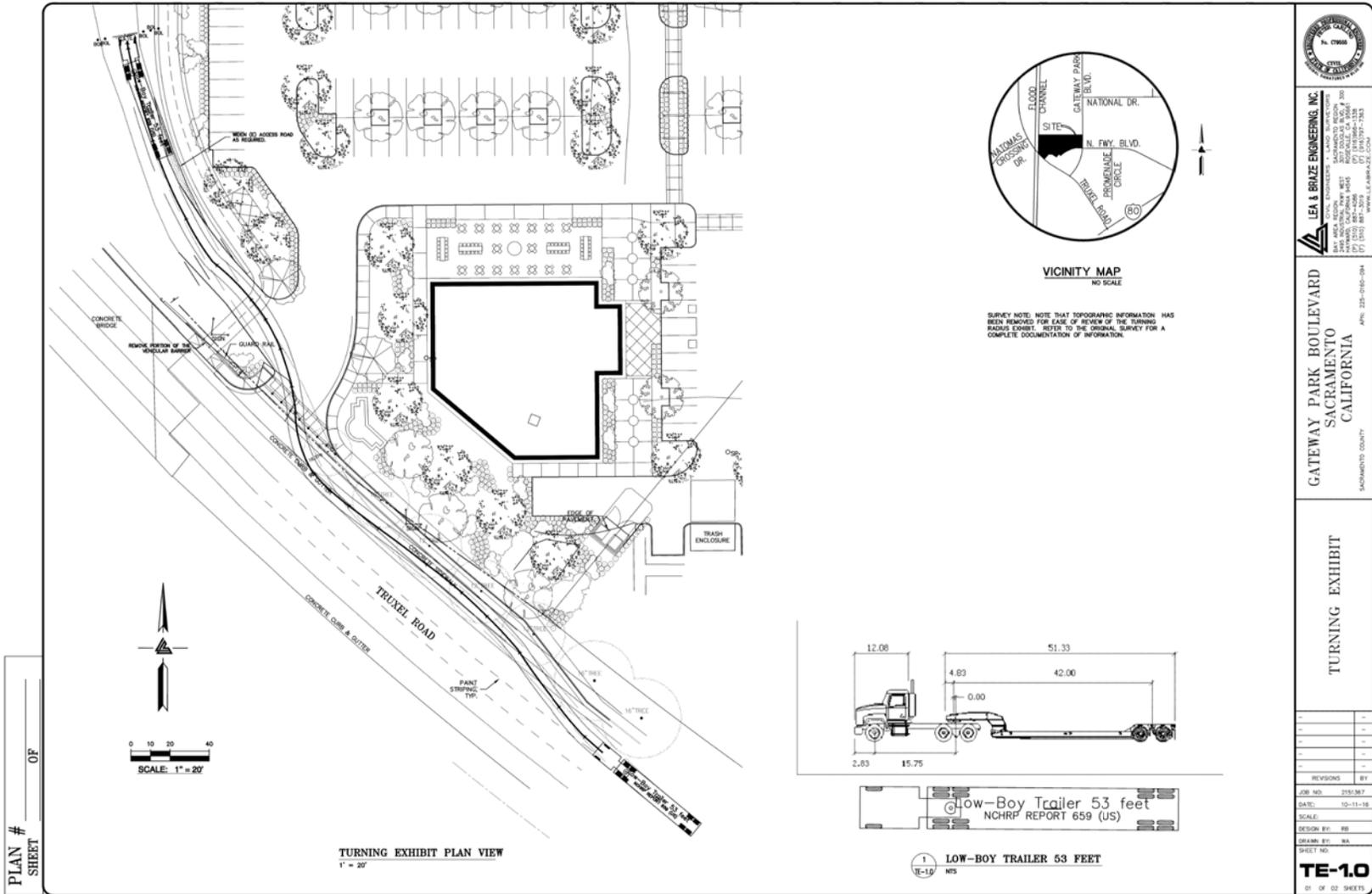
- D1. The applicant shall submit a tree replacement planting plan showing six new 24 inch box valley oak, (*Quercus lobata*) trees six feet from the edge of the new sidewalk in a turf free area at 36' to 40' on center to be reviewed and approved by city Urban Forestry staff.
- D2. The six Platanus trees in the city right of way area along the project site's Truxel Road frontage shall be removed and replaced per the staff approved tree replacement planting plan and the applicant shall submit payment of in lieu fees for 52 DSH inches of tree removal to the City tree replanting replacement fund described in code section 12.56.060.
- D3. Tree removal shall not occur until after the 10-day appeal period for this project has concluded. Contact Duane Goosen at 916-808-6336, before commencement of tree replacement planting.

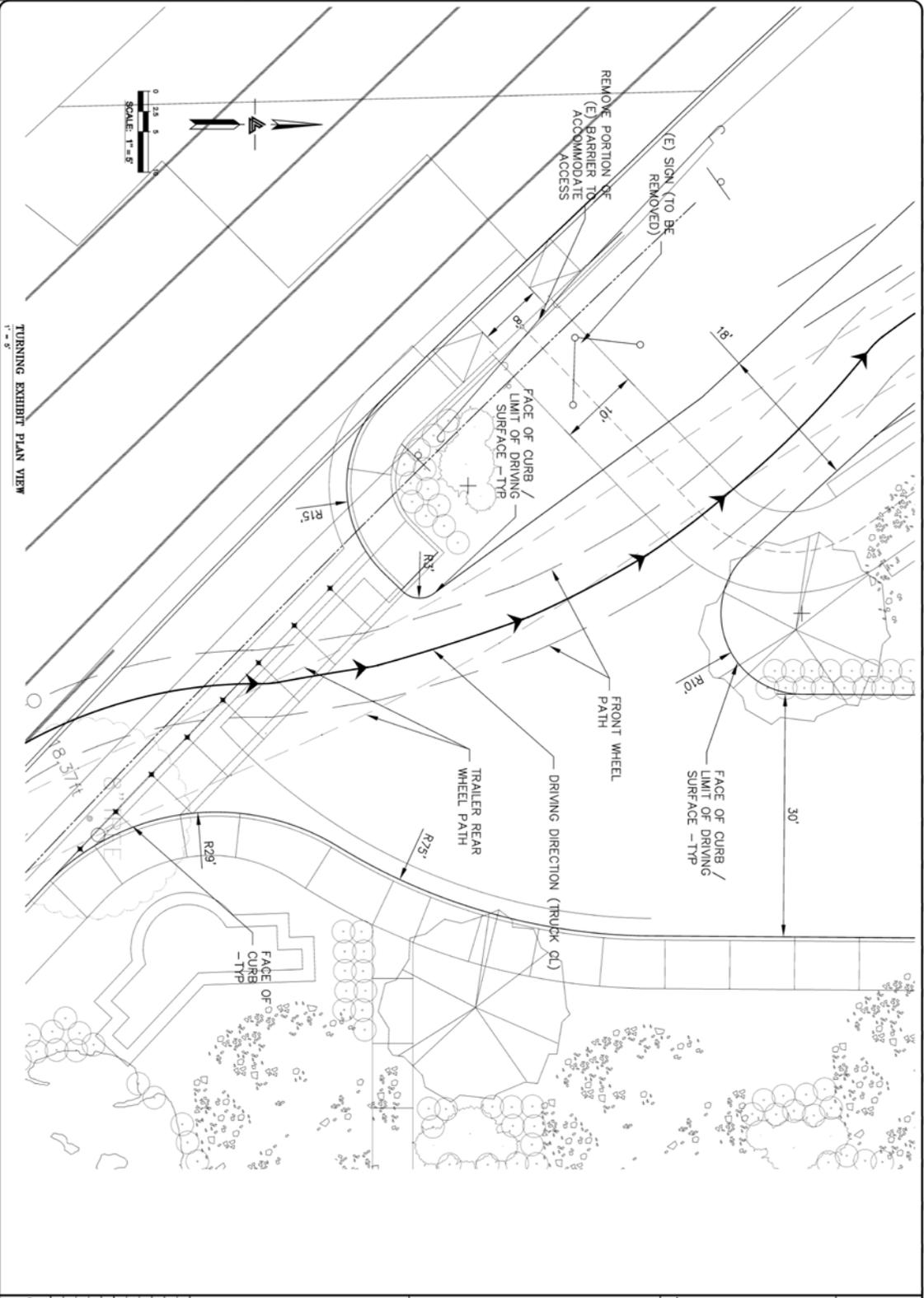
Site Plan

Exhibit A



Exhibit B Turning Exhibits for Proposed Driveway on Truxel Road





TURNING EXHIBIT PLAN VIEW
1" = 5'

TE-2.0
02 OF 02 SHEETS

DATE	10/11/16
SCALE	AS SHOWN
DESIGN BY	MM
CHECKED BY	MM
DRAWN BY	MM
SHEET NO.	02
PROJECT NO.	16-00000
DATE	10/11/16
SCALE	AS SHOWN
DESIGN BY	MM
CHECKED BY	MM
DRAWN BY	MM
SHEET NO.	02
PROJECT NO.	16-00000

**TURNING EXHIBIT
(AREA OF DETAIL)**

**GATEWAY PARK BOULEVARD
SACRAMENTO
CALIFORNIA**
SACRAMENTO COUNTY APL 225-0160-094

LEA & BRAZE ENGINEERING, INC.
CIVIL ENGINEERS • LAND SURVEYORS
SACRAMENTO REGION
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MARIPOSA, CALIFORNIA 95345
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natomas fountains
retail center

DATE: 08/20/2014
PROJECT: NATOMAS FOUNTAINS
SCALE: 1/8" = 1'-0"
DATE: 08/20/2014
PROJECT: NATOMAS FOUNTAINS
SCALE: 1/8" = 1'-0"
DATE: 08/20/2014
PROJECT: NATOMAS FOUNTAINS
SCALE: 1/8" = 1'-0"



conceptual design

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natomas fountains
retail center

DATE: 04/20/14
PROJECT: NATOMAS FOUNTAINS
SCALE: 1/8" = 1'-0"
DESIGNER: PULL ARCHITECTURE, INC.



conceptual design

352 vincent road | san jose, ca 95128 | 415.931.2708 | pullarchitecture.com





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natomas fountains
retail center

DATE: 04/08/2014
PROJECT: 14-001
USER: JLD
SCALE: 1/8"=1'-0"



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330 nassau street | new york, ny 10038 | 212.693.1219 | pullarchitecture.com



Small text block in the top left corner, likely containing project details or a disclaimer.

natomas fountains
retail center

DATE: 08/08/2014
PROJECT: PALM 2014
SCALE: 1/8" = 1'-0"
DRAWN BY: [Name]



conceptual design

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natomas fountains
retail center

DATE: 08/14/2014
PROJECT: NATOMAS FOUNTAINS
SCALE: 1/8" = 1'-0"
DRAWN BY: [Name]



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252 concept road | nashville, TN 37203 | 615.903.1111 | architecture.com



natomas fountains
retail center

DATE	DESCRIPTION
08/27/14	FINAL DESIGN



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352 north rd | nashville, TN 37217 | 615.762.7773 | pull@architecture.com



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natomas fountains
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DATE: 08/08/2012
PROJECT: NATOMAS FOUNTAINS
SCALE: 1/8" = 1'-0"
DATE: 08/08/2012
PROJECT: NATOMAS FOUNTAINS



conceptual design

3352 conceptual | natomas fountains | 30.740.3738 | jacob@pull.com



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natomas fountains
retail center

DATE: 08/20/14
PROJECT: NATOMAS FOUNTAINS
SCALE: 1/8" = 1'-0"
DESIGNER: PULL ARCHITECTURE



conceptual design

2800 Hampton Road | Norfolk, VA 23502 | 757.246.1100



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natomas fountains
retail center

DATE	08/20/14
PROJECT	NATOMAS FOUNTAINS
LOCATION	ATLANTA, GA
ARCHITECT	PULL ARCHITECTURE



conceptual design

252 westwood | north ga 30141 | 404.762.3735 | pullarchitecture.com



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natomas fountains
retail center

DATE: 08/20/14
PROJECT: PULLI 2014
SCALE: 1/8"
DATE: 08/20/14



bollards



pedestrian area light standards



pathway lighting



public transit station



bike racks



benches



plaza chairs



plaza tables



trash & recycling



site amenities

3300 empire road | nashville, tn 37214 | 615.963.3728 | pulliarchitecture.com





TREE PERMIT APPLICATION

PLEASE SEND APPLICATION TO

Email: urbanforestry@cityofsacramento.org

Postal Mail: 5730 24th Street Building 12-A Sacramento, California 95822

For questions please call 311

ALL APPLICATIONS WILL BE CHARGED A FEE OF \$50 TO COVER ARBORIST COSTS
INVOICE WILL BE MAILED TO APPLICANT AFTER PROCESSING

Applicant Information

Name: Ethan Conrad Company: Tree Tech Services (will perform work)
Address: 1300 National Drive, Suite 100 Phone () 916-779-1000
Email: ethan@ethanconradprop.com State Contractor License # 653836

Property Owner Information (if different):

Name: Ethan Conrad Properties Phone () 916-779-1000
Address: 1300 National Drive, Suite 100 Sacramento, CA 95834

Owner/Agent Statement

Property Owner Consent— I am the legal owner of record of the land specified in this application or am authorized and empowered to act as an agent on behalf of the owner of record on all matters relating to this application. I declare that the foregoing is true and correct and accept that false or inaccurate owner authorization may invalidate or delay action on this application.

Signature: [Signature] Date: 9/21/2016

Project Information:

Residential Development Commercial Development Owner-Occupant
Address: NE corner of Truxel Road and Gateway Park Boulevard Other permits applied for? Yes No
List other permits that you have applied for: Entitlement-related

APN: 225-0160-094-0000 Related Project Number:

Type of permit requested: Prune or Removal of a Street Tree Heritage Tree or Parking Lot Tree
Number of Trees: 5 Tree Species and Diameter: Sycamore: One 25" diameter; one 27" diameter; three 32" diameter; all trees

Reason for permit: Tree removal

Applicant Signature: [Signature] Date: 9/21/2016

*****OFFICE USE ONLY*****

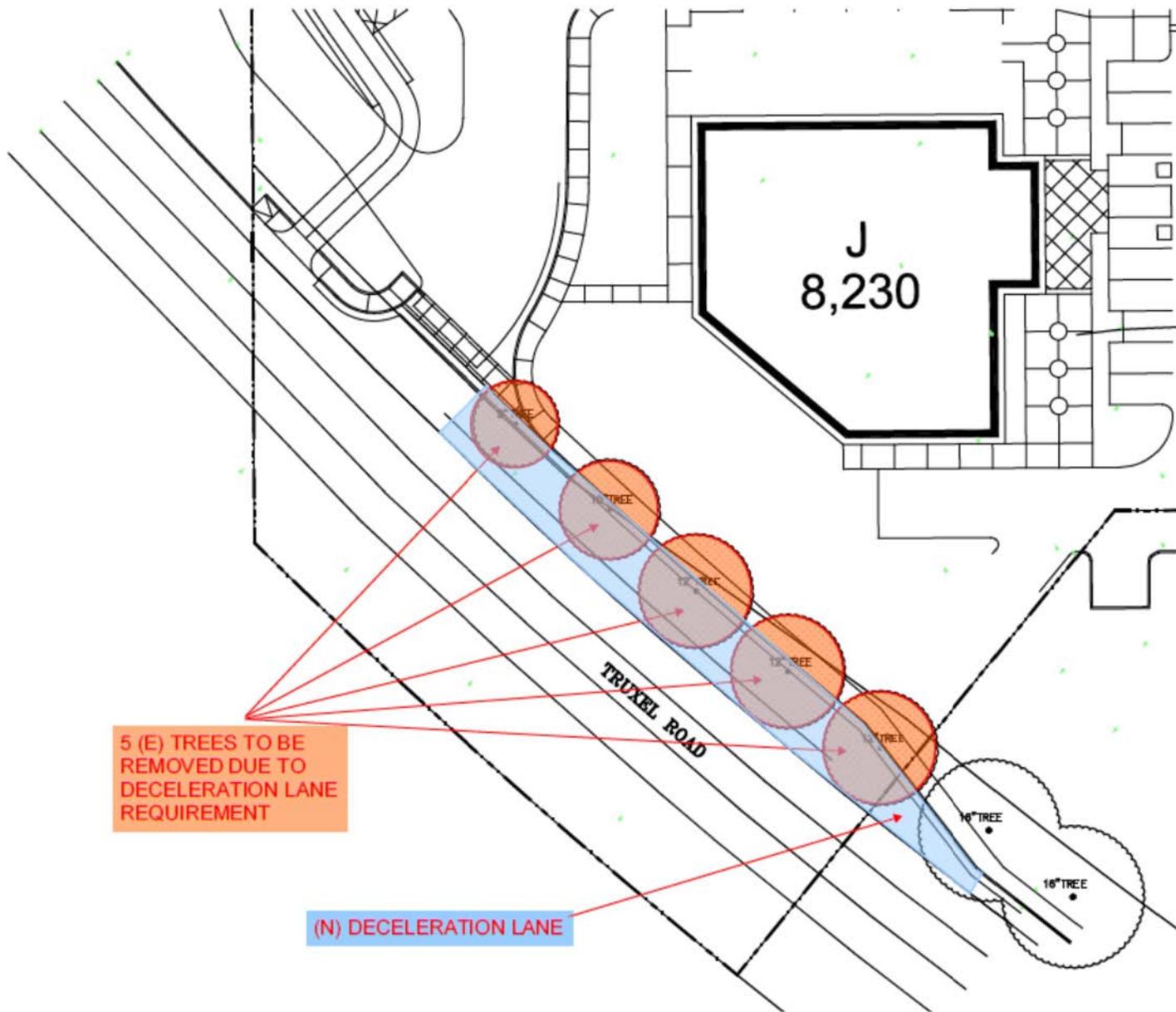
Receipt Number Arborist Report attached? Yes No Site plans attached? Yes No

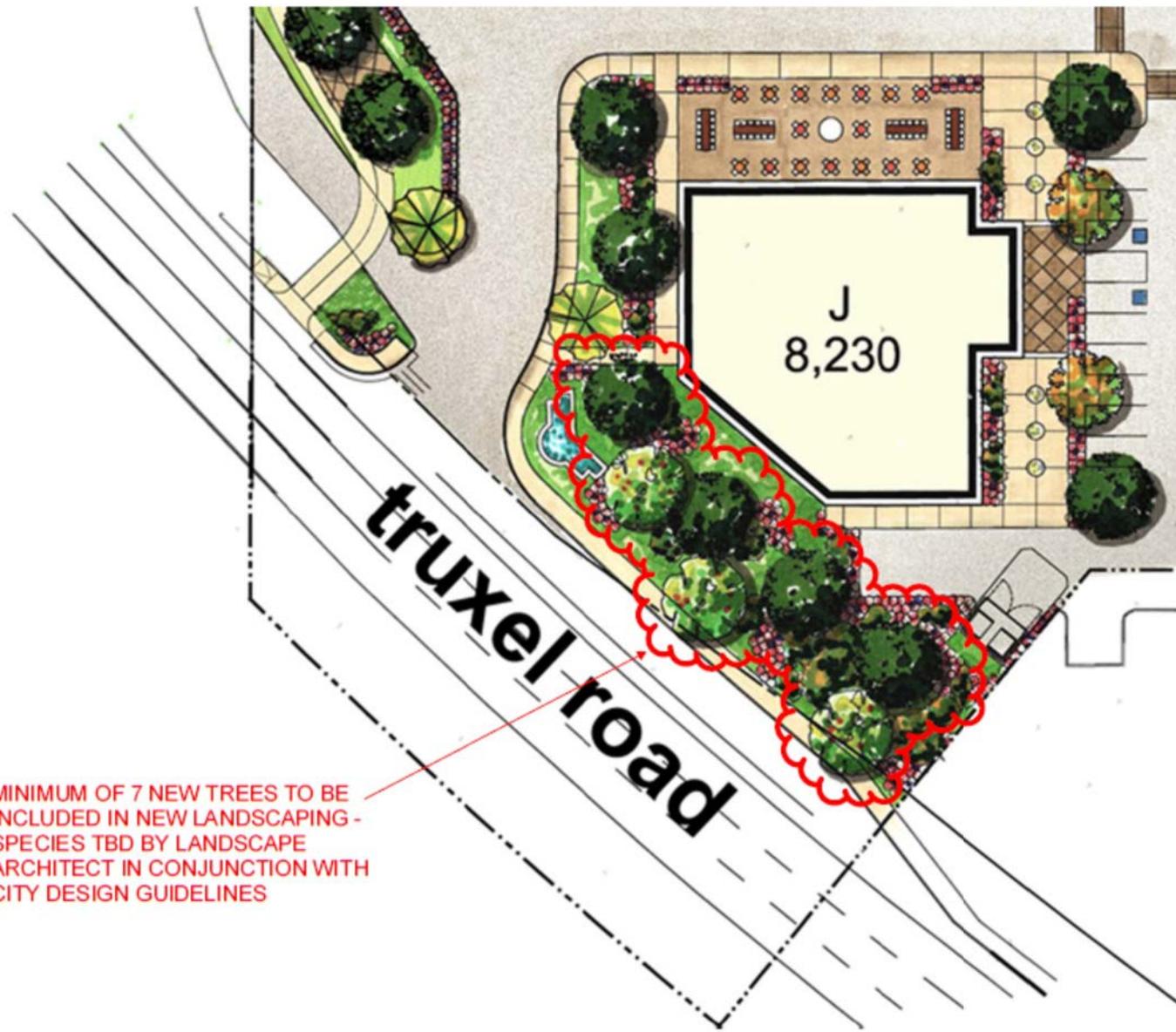
Permit: GRANTED DENIED Work Order Number:

City Arborist comments or conditions:

Authorized Signature: Date:

Exhibit E Tree Replacement Plan Exhibits





MINIMUM OF 7 NEW TREES TO BE INCLUDED IN NEW LANDSCAPING - SPECIES TBD BY LANDSCAPE ARCHITECT IN CONJUNCTION WITH CITY DESIGN GUIDELINES

Land Use Map



P16-012
Aerial / Zoning Map
Natomas Fountains

North Natomas Retail Market Demand Study Update

March 16, 2016

Prepared For Ethan Conrad Properties, Inc.



Introduction

In 1999, the City of Sacramento retained Economics Research Associates (ERA) to report on the likely results of anticipated near-term retail development proposals in its North Natomas community. At that time, North Natomas was experiencing rapid development and was anticipated to represent more than 50 percent of all development in the City within the next 20 to 30 years. With 2,321 residents in 2000, residential development was projected to pace at 1,000 new dwelling units occupied per year, representing 3,000 to 4,000 additional residents annually.¹ North Natomas also had approximately 494,000 square feet (SF) of retail space situated within the Natomas Marketplace retail center. Built in 1997 by Donahue Schriber, and located near the confluence of I-80 and I-50, the Natomas Marketplace was highly successful. The retail center enjoyed an “intercept” position drawing shoppers from within North Natomas, as well as South Natomas, North Sacramento, and around the region.

Since 1999, ERA became part of AECOM and, with its in-house economists, created a full service urban and market economics practice. Ethan Conrad Properties, Inc. (ECP) retained AECOM to provide an update to the prior retail market analysis, providing current demographic information, projections, and an inventory of existing, planned, and proposed development in the regional, local, and North Natomas retail area. The catalyst for the update is recent market and regulatory (non-market) events that interrupted and changed the pace of development starting in 2008, and the developer’s current proposal for additional retail development. The proposed retail development is on a 12.5 acre site located on Truxel Road in North Natomas. The site is currently zoned employment center with a permitted intensity of 50 employees per net acre. All properties in the employment center (EC) zone must also have the planned unit development (PUD) designation. A minimum of 65 percent, and a maximum of 100 percent, of net PUD acreage must be devoted to primary employment-generating uses, such as office, with some geographic area exceptions (the proposed retail site is not within the excepted geographic area). The land use designation allows for a maximum of 10 percent of PUD net acreage for support retail uses. The proposed development application calls for 100 percent retail use with an additional 115,960 SF of retail space within the context of a community retail center.

The goal of this study is to use the updated demographic information, existing, planned, and proposed development, and population and employment projections to determine if the current and future retail demand in North Natomas has the potential to support additional retail development, and to determine whether this site should be developed as retail, commercial, or office. We concluded that the subject property is better suited for retail under current and near-term market conditions.

North Natomas Market Changes – 1994 to Present

Adopted in 1994, the North Natomas Community Plan envisions a well-integrated mixture of residential, employment, commercial, and civic uses with a radial network of connections linking streets and transit routes to activity centers. The Plan includes the Town Center, located in the heart of the community that serves as the hub of the circulation network and include civic and regional park uses, high-density

¹ Retail Market Demand and Allocation in the North Natomas Area of the City of Sacramento, California. March 20, 2000

residential use, and intense employment centers. The Town Center and regional park occupy the half-mile between two community shopping centers (the Natomas Town and Park Place I retail centers) on Del Paso Road. Smaller mixed-use employment centers with supporting retail, residential, and light industrial uses are located along the freeway and planned light rail stations. The far-seeing community plan allocates land uses in such a way as to guide the development of multiple neighborhoods served internally by convenience retail at the community shopping and neighborhood shopping center scales. In the Greater Sacramento retail market, North Natomas is within the Natomas Retail Submarket, consisting of North and South Natomas and retail developments along and just east of Northgate Boulevard in North Sacramento.

In the early 2000s, North Natomas experienced strong growth. According to U.S. Census data, housing in North Natomas grew from 1,102 dwelling units in 2000 to approximately 21,478 units in 2010. This is a growth in housing of 1,849 percent. In conjunction with residential development, retail development also expanded significantly to support the growing population in North Natomas, as well as the surrounding area. To date, approximately 3 million of the 6 million square feet of retail /commercial designated land in North Natomas is built out.²

Over the past 10 years, Natomas experienced two major setbacks to its continued growth as a community and retail market: 1) the Great Recession of 2008, largely precipitated by a housing market crash, and 2) a de facto halt to new building permits over concerns about the true level of flood protection in Natomas. Beginning in summer of 2008 and officially ending in spring of 2009, the recession affected Natomas and the entire U.S. economy well into 2011 and beyond. In late 2008, three years after Hurricane Katrina, the Federal Emergency Management Agency (FEMA) raised standards for levees, which put the Natomas levees, previously deemed adequate, into a substandard classification.

These two events effectively halted all new construction in the Natomas basin starting January 1, 2009 until sufficient progress was made to upgrade the levees and other flood protection facilities to at least FEMA's standards for 100-year flood protection. After completing the majority of the improvements and upon approval for additional funding to finish the project, the building moratorium was lifted in June 2015 and permitting for new development has since resumed.

To limit the number of additional residents exposed to less than 100-year flood protection until the Natomas levee improvement project is completed, the City is taking a measured approach to permit issuance. For residential development, the cap is 1,000 new single-family units and 500 new multifamily units per calendar year. However, there is no limit on commercial development. The following sections present current trends in the regional and local retail markets, contemporary projections, and North Natomas retail demand.

² North Natomas Development Primer. March 3, 2015

Regional Retail Market and Development

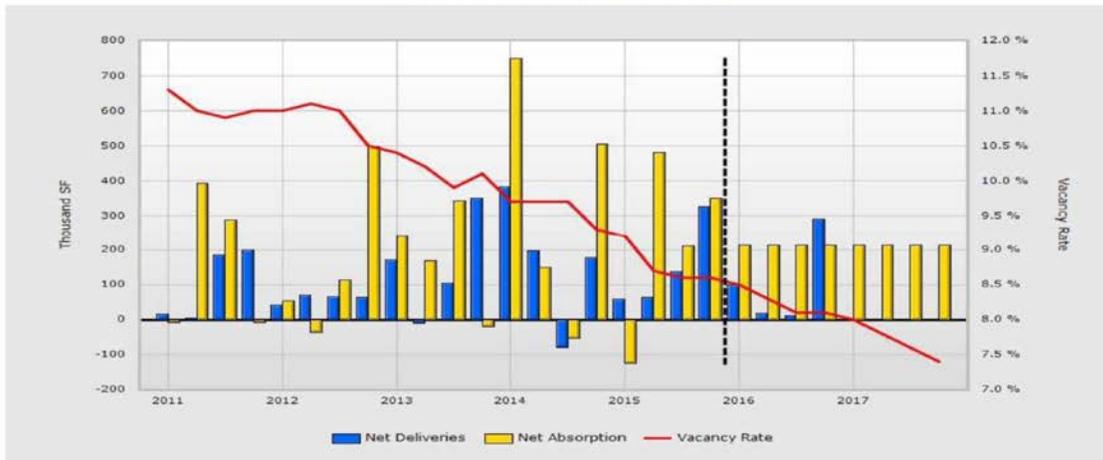
Retail space absorption has been positive over the last year in the Sacramento retail market, which includes El Dorado, Placer, Sacramento, and Yolo Counties. As shown in Table A, the average quoted asking Triple Net (NNN) annual lease rate ended at \$15.99 per square foot per year at the end of the third quarter 2015, dropping from \$16.20 at the end of the fourth quarter 2014.³ This coincides with a decreasing vacancy rate to the current 8.2 percent (Figure A). Lower leasing rates and improving economic conditions have benefitted retail absorption. Future market conditions should also benefit from the resumption of homebuilding in North Natomas. In addition to the existing gross leasable area (GLA), quoted lease rate, and vacancy rate, Table A also provides SF currently under construction within the Sacramento retail market, detailed by submarkets, at the end of third quarter 2015.

Market	Vacancy	Quoted Rate	Existing GLA (SF)	Under Construction (SF)
Sacramento	8.2%	\$15.99	97,809,610	574,678
Sacramento County	8.9%	\$15.80	66,037,869	471,918
Arden/Watt/Howe	8.6%	\$17.17	11,111,928	0
Carmichael	9.8%	\$14.44	2,853,585	0
Downtown/Midtown/E. Sac	4.1%	\$18.24	6,043,264	291,792
Elk Grove	5.3%	\$18.77	5,606,358	0
Folsom	7.6%	\$20.81	5,638,978	33,026
Highway 50 Corridor	14.2%	\$12.78	5,242,286	0
Natomas/Northgate	7.7%	\$20.50	3,824,979	0
Orangevale/Citrus Heights	10.3%	\$15.76	7,989,860	3,100
Rio Linda/N Highlands	11.6%	\$12.52	5,265,733	0
South Sacramento	9.6%	\$15.17	12,460,898	144,000
Placer County	7.2%	\$16.83	19,690,097	72,760
Auburn/Loomis	4.9%	\$15.45	3,400,441	70,760
Lincoln	7.8%	\$21.26	1,620,138	0
Roseville/Rocklin	7.7%	\$16.58	14,669,518	2,000
El Dorado County	6.9%	\$18.12	3,992,670	0
Yolo County	6.1%	\$14.63	8,088,974	30,000
Davis	4.9%	\$20.51	2,191,449	0
West Sacramento	3.4%	\$13.94	2,391,692	0
Woodland	8.7%	\$13.09	3,505,833	30,000

Source: CoStar

³ CoStar Retail Report, Third Quarter 2015, Sacramento Retail Market

Figure A. Sacramento Retail Market



Source: CoStar

Downtown Commons at the former Sacramento Downtown Plaza is forecasted to provide approximately 279,860 SF of rentable building area by first quarter 2017. Depending on the type of future retail development in North Natomas, the downtown retail development may result in some, though likely minimal, competition. Recent deliveries of retail space in the Sacramento Market have been primarily pre-leased, including Bass Pro Shops and Life Time Athletic with a combined 420,000 SF of retail space. As of fourth quarter 2015, 31 percent of space in Downtown Commons has already been pre-leased, including Century Theaters leasing 50,000 SF and PB Social leasing 21,150 SF. Price increases in downtown retail also create a differentiated and stronger sub-market in Natomas.

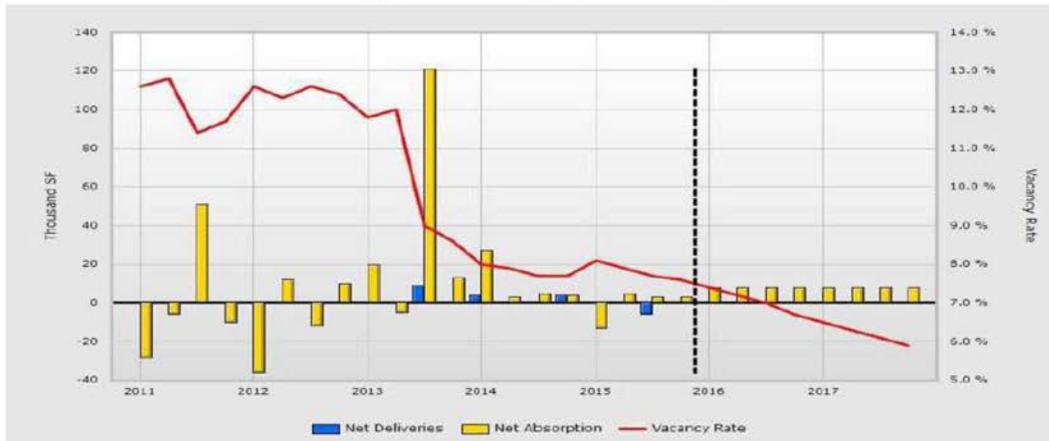
Local Retail Market and Development

At the end of the third quarter 2015, the vacancy rate in the Natomas retail market was 7.7 percent (294,459 SF) with an asking lease rate of \$20.50 (NNN) per square foot per year, increasing from \$19.96 (NNN) at the end of the fourth quarter 2014. As indicated earlier, economic recovery post-recession has been slow. However, as seen in Figure B, there was significant retail space absorption in late 2013, which reduced the vacancy rate below 10 percent. Additionally, without the prospect of new retail projects in Natomas until now, the market was forecasted to see a continued decline in retail vacancy. As shown in Table A there are no retail developments under construction in the Natomas market, although several proposed retail developments in North Natomas have special permit or plan review approval (see Table B) and are more likely to be constructed in the near term. There are other smaller retail projects proposed in South Natomas, including a Ford Dealership (88,000 SF) and Walgreens (15,019 SF).

Additional retail developments are planned for the North Natomas area, although the timing of such development is uncertain. For example, the Natomas Crossing power retail center, located adjacent to I-5 just north of the I-80 interchange, is planned for up to 678,690 SF of retail space. Although City staff recently held a pre-application meeting for development at the intersection of Arena Blvd. and East Commerce Way, there is no specific timeframe for such development. Therefore, properties may be entitled for retail or other commercial projects by the City even when construction is not imminent. There

are a number of other vacant properties with schematic entitlements that could potentially add approximately 2.3 million SF of retail space in North Natomas (see Appendix A). Because the timing and phasing of the Natomas Crossing power center and other smaller retail developments with schematic entitlements only are currently unknown, these properties are not included in our near term analysis of available, and soon-to-be available, retail space.

Figure B. Natomas Retail Market



Source: CoStar

Center/Building Name	Type	Location	Estimated Rentable Building Space (SF)
Bridgecross Plaza*	Neighborhood Center	Bridgecross Way/Honor Parkway	34,000
Commerce Station	Neighborhood Center	4905 E. Commerce Way	66,025
Nations Giant Hamburger	General Retail	3500 Truxel Rd.	14,343
Natomas Park (next phase)	Neighborhood Center	2030-40 Club Center Dr.	20,100
Natomas Landing (next phase)	Strip Center	2550 Arena Blvd.	3,958
North Natomas Town Square	Neighborhood Center	2631 Del Paso Rd.	45,882
Park Place (next phase)	Power Center	Del Paso Road/Natomas Blvd.	23,317
Promenade (next phase)	Power Center	3655, 3663, 3666 N. Freeway Blvd.	35,019
Uno's Chicago Grill	General Retail	4481 E. Commerce	7,300
Westlake Village (next phase)	Neighborhood Center	3501-3561 Del Paso Rd.	34,504
TOTAL			284,448
*Excludes hotels			
Source: Costar, City of Sacramento			

Projections for Natomas Retail Market

Population

As shown in Table C, the North Natomas population grew from 2,321 residents in 2000 to 55,582 residents in 2010. This is a growth in population of nearly 2,300 percent. With Sacramento's population increasing by 59,470 residents between 2000 and 2010, this means that almost all (93.5%) of the growth in the City occurred in North Natomas. During this same timeframe, South Natomas and North Sacramento grew by 13.8 percent (5,283 residents) and 2.2 percent (1,203 residents).

Although the combination of the housing market crash, recession and building moratorium essentially halted new construction in Natomas, the population continued to grow, though at a nominal rate. Continued growth came from both construction of already permitted developments and absorption of existing vacant residential units. For example, at the end of 2008 there were 1,263 vacant residential units out of 14,760 multifamily units (9.1% vacancy) in the Natomas market. Between then and the end of third quarter 2015, the number of vacant multifamily units dropped to 361 (2.6% vacancy). Similarly, the economic recession of 2008 slowed growth across the entire region. As shown in Table C, though not experiencing the burst of development that was seen in North Natomas in the early 2000s, the cities of West Sacramento, Folsom, Rocklin, and Roseville, also with growing retail markets, saw significant growth between 2000 and 2010. Likewise, these cities experienced similar slow growth post-recession.

Based on the more recent annual growth rate, AECOM estimates there are approximately 57,816 residents in North Natomas. As mentioned earlier, the current cap rate on residential development is 1,500 units. If fewer than 1,500 units are issued in the 2015 calendar year, then the remaining number of dwelling units qualifying for building permits will be added to the allowed number for the 2016 calendar year. To project population growth in Natomas, AECOM used this current residential cap, which the City will re-evaluate in 2017, and the Sacramento Area Council of Government's (SACOG) 2035 population projections. In other areas, growth projections used U.S. Census data, SACOG's projection for 2035, and the California Department of Finance (DOF) county projections (2014). In consultation with local jurisdiction planning departments, SACOG constructs a regional forecast for the Metropolitan Transportation Plan/Sustainable Communities Strategy buildout year (currently 2035).

Employees

In addition to the market area residential population, demand for retail floor space should account for employee spending. According to research conducted by the Building Owners and Managers Association of America, office workers spend between 10 and 15 percent of their disposable income near their work. According to the U.S. Census On The Map Tool, in North Natomas there was an estimated 3,470 employees and in South Natomas an estimated 13,226 employees (16,696 total).⁴ Employee growth between 2002 (the earliest data year available) and 2013 was 10.8 percent in North Natomas and 1.8 percent in South Natomas.

⁴ U.S. Census on the Map Tool at <http://onthemap.ces.census.gov/> for primary jobs (public and private sector jobs, one job per worker) using census tract data

Table C. Population Projection										
Area	2000	2010	Annual Growth Rate 2000-2010	2013	Annual Growth Rate 2010-2013	2015	2020	2025	2030	2035
North Natomas Community	2,321	55,582	37.4%	56,912	0.8%	57,816	71,294	76,772	82,672	89,025
South Natomas Community	38,362	43,645	1.3%	44,170	0.4%	44,491	45,300	45,971	46,651	47,342
North Sacramento Community*	54,652	55,855	0.2%	55,747	-0.1%	55,891	56,253	56,618	56,985	57,354
Total	95,375	155,082	5.0%	156,829	0.4%	158,198	172,847	179,361	186,308	193,721
Folsom City	44,940	72,203	4.9%	72,424	0.1%	72,975	74,372	75,796	77,246	78,725
Rocklin City	36,330	56,974	4.6%	58,980	1.2%	60,067	62,873	65,810	68,885	72,103
Roseville City	79,921	118,788	4.0%	124,617	1.6%	127,388	134,586	142,192	150,227	158,717
West Sacramento	31,615	48,744	4.4%	49,529	0.5%	52,221	59,610	68,043	77,670	88,659
Sacramento City	407,018	466,488	1.4%	475,536	0.6%	487,783	519,797	553,912	590,266	629,006
Sacramento County	1,223,499	1,435,207	1.6%	1,462,131	0.6%	1,475,381	1,554,022	1,639,613	1,730,276	1,823,985
<p>U.S. Census (2000, 2010); U.S. Census, ACS (2013); SACOG 2035 projections (May, 2012 and 2013); DOF projections (2014) Notes: Community submarket populations for 2000 and 2010 use census tract data. Census tract boundaries changed between 2000 and 2010. Slight boundary differences occur in small areas in North Natomas; however, the boundaries are similar enough to generalize by community. The consultant used an average household size of 2.78 for North Natomas and 3.31 for South Natomas (U.S. Census 2010)</p>										

North Natomas Retail Demand Methodology and Estimate

The Natomas retail market primarily serves the communities of North Natomas, South Natomas, and North Sacramento. According to the U.S. Census, American Community Survey (ACS) 2013, these communities were estimated to have a combined total of 156,829 residents (Table C). Additionally, North and South Natomas have an estimated 16,696 employees. The industry standard for employee spending near their job is \$5 to \$10 per day. Using an average of \$7.5 and 250 working days per year (five-day workweek and six holidays), the consultant estimated employee spending of \$31,305,000 per year. Using an industry standard of \$500 per SF per year revenue target for businesses, this equates to 62,610 SF for employee retail demand (3.75 SF per employee).

According to CoStar, at the end of 2013 there was approximately 3,822,271 SF of retail GLA in the Natomas retail market. The amount of space occupied was 3,494,461 SF (8.6% vacancy rate). After subtracting retail space for employee spending, the average amount of retail space demanded by residents is 3,431,851 SF. On a per capita basis, the average is 21.88 SF per resident for retail space. The consultants used this per capita average along with the population projection, and an estimate for employee retail square footage to forecast retail square footage demand in the Natomas retail market. As shown in Table D, the projected additional residential population of 35,523 residents in the Natomas retail market in 2035 is expected to demand approximately 777,000 SF of retail space and employees are expected to demand approximately 148,000 SF of retail space.

The vacancy rate is still very high for several retail centers, especially in the Del Paso Marketplace, Park Place II, and Natomas Landing centers, with a 65.5 percent, 30.5 percent, and 56.3 percent vacancy rate, respectively. This equates to 130,991 SF of vacant retail space between these three centers. Two of these centers are located close to the planned heart of the community. The Natomas Town retail center, also in the hub of the community, has a vacancy rate of 9.4 percent. Two power centers, Natomas Marketplace and Promenade, located near I-5 and I-80 have low or healthy vacancy rates, 1.4 percent and 5.7 percent, respectively.

Market Area	Retail Demand (SF)		Total Retail Demand (SF)							
	Population	Population	Population	Population	Population	Population	Population	Population	Population	
	2015	2015-2020	2020	2020-2025	2025	2025-2030	2030	2030-2035	2035	2015-2035
North Natomas	57,816	294,884	71,294	119,873	76,772	129,085	82,672	139,005	89,025	682,846
South Natomas	44,491	17,706	45,300	14,674	45,971	14,892	46,651	15,112	47,342	62,384
North Sacramento	55,891	7,924	56,253	7,975	56,618	8,027	56,985	1,014	57,354	32,006
Employees	17,123	14,288	20,933	23,599	27,226	40,173	37,938	69,756	56,540	147,815
Total Market Area	175,321	333,711	193,730	166,474	206,553	192,540	224,229	232,326	250,261	925,051

Source: AECOM

North Natomas Retail Centers

As a community retail center, the Truxel site would add an additional 115,960 SF of retail space. To assess the need for additional retail space in North Natomas, the consultant isolated both retail centers and general/free-standing retail stores in the Natomas retail market (Figure C). North Natomas has approximately 2,567,000 SF of leasable retail building area. Almost all retail space in North Natomas is located within a retail center, with only 135,047 SF in general retail or free-standing buildings. The vacancy rate for general retail buildings is less than one percent. Table E provides a list of retail centers constructed between 2000 and 2007, as well as the Natomas Marketplace built in 1997. Between 2000 and 2007, North Natomas realized an additional 1,940,675 SF of retail center space in addition to the existing 491,593 SF (Natomas Marketplace). Currently, the average vacancy rate for square footage in retail centers in North Natomas is 10.9 percent (264,456 SF).

Figure C. North Natomas Retail Centers

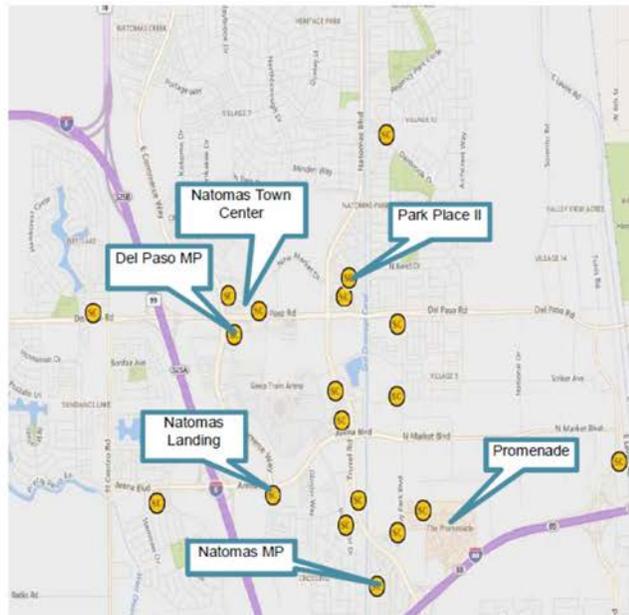


Table E. North Natomas Retail Centers

Center Name	Center Address	Center Type	Center RBA (SF)	Percent Vacant	Percent Vacant 5-Year Average
Natomas Marketplace	3501-3711 Truxel Rd.	Power	491,593	1.4	1.5
Park Place II	4690-4780 Natomas Blvd.	Power	247,730	30.5	22.7
Promenade at Sacramento Gateway	3511-3698 N Freeway Blvd.	Power	703,691	5.7	18.5
Park Place	4640-4726 Natomas Blvd.	Community	122,350	1.7	3.0
Project Meteor (Fry's and Northgate Retail Center)	4100, 4160-4180 Northgate Blvd.	Community	197,000	0	6.8
Natomas Town Center	2751 Del Paso Rd.	Community	122,270	9.2	11.1
Market West Shopping Center	3220-3280 Arena Blvd.	Community	125,158	3.1	9.1
Natomas Village Center	3830 Truxel Rd.	Community	50,175	13.8	18.8
Max Fitness Plaza	4571 Gateway Park Blvd.	Neighborhood	63,500	0	.9
Arena Marketplace II	4251-4271 Truxel Rd.	Neighborhood	49,854	7.3	10.6
Truxel Station	2051-2087 Arena Blvd.	Neighborhood	52,642	3.1	5.1
Del Paso Marketplace	2810 Del Paso Rd.	Neighborhood	52,450	65.5	74.2
Natomas Park Retail Center	2010-2060 Club Center Dr.	Neighborhood	40,721	0	9.7
Westlake Village Shopping Center	3501-3521 Del Paso Rd.	Neighborhood	32,780	3.7	5.8
Macon Centre	3100-3150 Macon Dr.	Strip Center	20,513	24.7	24.7
North Natomas Place	2101-2121 Natomas Crossing Dr.	Strip Center	29,630	5.1	9.7
Gateway Park	4381 & 4391 Gateway Park Blvd.	Strip Center	19,922	0	17.0
Natomas Landing	Arena Blvd @ E. Commerce Way	Strip Center	16,945	56.3	53.5
4000 Truxel	4000 Truxel Rd.	Strip Center	10,000	0	6.3
Total			2,432,268	10.9	

Source: CoStar, City of Sacramento*

Depending on the characteristics of the local real estate market, a healthy vacancy rate can range anywhere from five to 10 percent.⁵

The current vacancy rate in North Natomas (including retail space in free-standing buildings and retail centers) is 10.3 percent. To achieve a healthier vacancy rate would require absorption of approximately 8,873 to 137,518 SF of existing rentable retail space. The proposed retail developments (Table B) together with this amount of retail square footage absorption may not meet the retail demand projection of an additional 500,185 SF for the Natomas retail market between 2020 and 2025. Additional retail space will be required to fulfill retail demand through 2035. Planned development, such as the Natomas Crossing retail center, could meet this demand. However, the timing and phasing of retail sites with schematic entitlements only is unknown, as noted previously.

Other Primary Uses

Office

As currently zoned, the Truxel Road site is designated for employment-generating purposes, including office use. As stated above, according to CoStar, the Sacramento and Natomas retail market vacancy rates fell below 10 percent in late 2013, and based on known construction and the average five-year absorption rate, are expected to continue to decline. At the end of third quarter 2015 the Sacramento Office Market, which includes the Highway 50 Corridor and the Counties of El Dorado, Placer,

Sacramento, and Yolo had an average vacancy rate of 13.4 percent. This is down from a 14 percent vacancy rate at the end of fourth quarter 2014. The average quoted lease rate was \$20.60 per SF at the end of third quarter 2015, with the average quoted asking lease rate in the Sacramento's central business district (CBD) at \$26.87 per SF and in the suburban markets \$19.54 per SF. This is up slightly (\$.42 and \$.11, respectively) from the previous quarter. As of the end of third quarter, the largest office projects under construction were 35,879 SF of pre-leased space in Roseville and 6,000 SF of pre-leased space in South Natomas.

The Natomas/Northgate Office Market ended third quarter 2015 at a higher vacancy rate of 18 percent, declining from 21.1 percent at the end of fourth quarter 2014. As of end of third quarter 2015, the average quoted lease rate was \$19.84 per SF, declining from \$20.20 at the end of the fourth quarter, 2014. At the end of third quarter 2015, the asking rate for Class A space (52.9% of the market) was \$23.42 per SF, for Class B Space (38.2% of the market) \$18.84 per SF, and for Class C (8.9% of the market) \$13.46 per SF. Class A buildings typically use higher quality materials and systems, and have more amenities; therefore, they can typically demand a higher lease rate.

The majority of office space specifically in North Natomas, which includes medical, is in Class A or Class B buildings at 39.8 percent and 54.7 percent of all leasable SF, respectively. Class A space currently has a vacancy rate of 17.4 percent and Class B a vacancy rate of 21.1 percent. The average quoted asking lease rate was \$19.04 at the end of third quarter 2015, decreasing from \$19.15 at the end of 2014. Planning for redevelopment of the 180-acre Sleep Train Arena site in North Natomas is currently underway and will likely consist of employment-generating uses, including office, as well as residential units. Although the vacancy rate is declining, based on known construction and previous five-year

⁵ Nousaine, A.J. and Jolley, G.J. (2012, June), *Estimating Retail Development Capacity: Gap Analysis in Action*, Journal of Extension, 50, 3 (Article 3T0T4, retrieved on October 13, 2015 from <http://www.joe.org/joe/2012june/tt2.php>).

average absorption rate, the office market vacancy rate is not forecasted to fall below 10 percent within the next two years.

Flex Space

Light industrial uses are conditionally permitted on the site subject to design and development standards, including landscaping, setbacks, and allowable uses. Light industrial uses as a component of the primary use are allowed on the site at a proportion not to exceed 20 percent of primary use acreage. Flex space buildings typically have light industrial zoning, are designed to be versatile, and may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution centers. As of the end of third quarter 2015, the vacancy rate for flex space was 19.6 percent, down from 25.5 percent at the end of 2014. For flex space identified as research and development use, the vacancy rate is currently 28.8 percent with an asking lease rate of \$8.99 per SF. Space identified as either light manufacturing or distribution, the vacancy rate is currently 9.9 percent with an asking lease rate of \$7.07 per SF. Although declining, based on known construction and the five-year average absorption rate, flex space in general is not forecasted to fall below 10 percent, although space used for light manufacturing and distribution is already below this threshold.

Summary of Findings and Future Development

Summary

The vacancy rate in the Sacramento retail market has declined to 8.2 percent and the Natomas retail market (North and South Natomas and retail along Northgate Blvd.) has declined from 9 percent at the end of third quarter 2013 to the current 7.7 percent at the end of third quarter 2015. The following are our major findings with respect to the North Natomas retail market:

- Enjoying the “intercept” location position in the late 1990s, the retail development that also occurred in both Roseville/Rocklin and Folsom, as well as in West Sacramento, in the early 2000s represented a competitive redistribution of floor space within the region, which likely diminished to some degree the demand for retail space in North Natomas.
- Almost half of the current land designated for retail use is still undeveloped
- Although the Natomas Marketplace and Promenade, located on I-80, are likely still attracting shoppers outside of the Natomas retail market, they primarily serve the North Natomas, South Natomas and North Sacramento communities.
- The vacancy rate is still high in some retail centers, especially in Del Paso Marketplace, Park Place II, and Natomas Landing, with a 65.5 percent, 30.5 percent, and 56.3 percent vacancy rate, respectively. This equates to 130,991 SF of vacant retail space between these three centers. Two of these centers are located closer to the core of the community.
- Downtown Sacramento will soon see the completion of Golden 1 Center and Downtown Commons, which will bring 291,792 SF of retail space to the market in late 2016. Although downtown is not coterminous with North Natomas, it is located within five miles of the I-80 and I-5 interchange. However, the downtown development is expected to have minimal competition, with

current and future development (e.g., Natomas Crossing power center) in the Natomas retail market.

- Based on the absorption of existing retail space and the expected construction of retail developments that currently have special permit or plan review approval, projected retail demand may not be met sometime between 2020 and 2025.
- With the inclusion of planned retail space (in proposed projects with schematic entitlements only), retail space demand could potentially be met through 2035. However, the timing and phasing of these planned developments is currently unknown.

In addition, e-commerce is expanding. According to Nielsen, shopping centers that serve as activity centers are starting to take shape and are becoming an integral part of a community's social fabric.⁶ However, while consumers still desire a physical place for communal gathering, improving technology has expanded shopping from personal computers to mobile devices. Although retail sales on smartphones only accounted for 3 percent of total e-commerce sales in 2012, the percentage is rapidly rising.⁷

Future Development

The North Natomas Community Plan includes the Town Center, located in the heart of the community, that serves as the hub of the circulation network and include civic and regional park uses, high-density residential use, and intense employment centers. The Plan also allocates land uses to guide the development of multiple neighborhoods with served internally by convenience retail at the community shopping and neighborhood shopping center scales with the intent to reduce the amount of vehicle travel to purchase household goods. However, the later approval of several power centers, starting with the Natomas Marketplace, has somewhat altered this policy.

In addition to power centers, several community and neighborhood centers were built to serve the Natomas neighborhoods as envisioned in the North Natomas Community Plan. Some of these centers have been successful, particularly those with an anchor tenants (e.g., grocery store), such as Park Place, Natomas Town, and Market West retail centers, while others continue to have high vacancy rates. The high vacancy rates is partially due to the housing market crash and recession, and the building moratorium, as much of the retail space was built on the expectation of continued residential development in an around those retail centers. It is also likely a result of the buildout of the power centers, which compete with the community-scale centers. At this juncture, it is unlikely that North Natomas can completely realign with what was initially intended and envisioned for the community.

With the building moratorium in North Natomas now lifted, the City should focus on continued development of a community hub and Town Center that includes retail, civic, employment, high-density residential, as well as recreational amenities. As noted previously, retail centers that combine shopping convenience with activity centers can meet the consumer desire for communal gathering, and are becoming an integral part of the community fabric. In addition to increasing community cohesion, this may also help support existing community-scale retail centers, as well as the Park Place II power retail center located near in the core of the community. As shown in Table F, unlike the power centers located on I-80,

⁶ Nielsen 2014 State of the Shopping Center

⁷ Forrester Research, January 2013

the Park Place II power center has a high vacancy rate of 30.5 percent, with a 22.5 percent five-year average.

With regard to the Truxel Road proposed retail development project, which is located near the two power centers on I-80, its relatively small size would not likely create significant competition. As shown in Table F, the Natomas Marketplace and Promenade both have low vacancy rates. However, the Natomas Village community shopping center, which abuts the site, has a 13.8 percent vacancy rate. However, as previously noted, vacancy rates are declining as the local economy improves, and housing construction has resumed in North Natomas.

Community retail centers typically have an anchor tenant, such as supermarkets, super drugstores, and discount department stores. The more successful community retail centers in North Natomas have an anchor tenant. However, the Natomas Village Marketplace did not include a floorplate for a larger anchor tenant when it was developed, and as such, it lacks this characteristic. The ability of the proposed retail project to attract an anchor tenant would positively impact the leasing prospects, therefore.

In terms of additional retail development, specifically on the Truxel Road site, its relatively small size would likely not detract from the North Natomas Community Plan's goal for community-scale retail development. Although the power centers near the site have low vacancy rates, the smaller Natomas Village retail center that abuts the proposed development has a high vacancy rate, which without an anchor tenant may be difficult to achieve or maintain. The current plan for the Truxel Road retail development is to provide an anchor tenant space with 27,000 SF of space. Sometimes called a "destination" tenant, these tenants usually lease at least 25,000 SF. An anchor tenant may increase additional patronage to the Natomas Village retail center. Situated next to Natomas Village, the site has existing infrastructure that provides two access points from the Natomas area into the proposed development: one from a regional and the other from a local thoroughfare (Truxel Rd. and Gateway Park Blvd.). The site has frontage on both roadways, creating a high level of visibility and access and making the site attractive to local residents and regional visitors that use these routes. The proposed site is also in an existing commercial corridor; however, it does not have the same visibility from I-80.

Based on population growth projections for the Natomas market, there is ample demand to absorb additional retail square footage between 2015 and 2020, and beyond. However, at this juncture, while we can somewhat speculate on the amount of residential development, with the moratorium only recently being lifted it is difficult to predict the pace with any certainty. Other permitted uses of the site, including office and most light industrial still have a higher vacancy rate with square footage that may take longer to absorb relative to retail land use. According to the City, there is a substantial amount of previously designated and planning entitlement approved areas for retail development in the North Natomas Area, that have either been constructed and partially or mostly occupied, or that have not begun construction on it yet. However, in the last year they have mainly received inquiries about hotels, restaurants, and gas stations.

In sum:

- There is growing demand to support a proposed retail development at the Truxel Road site given its location and assuming it can attract an anchor tenant.
- Vacancy rates for these types of centers are below the overall retail vacancy rate.

- The site is within an existing retail triangle, which is currently anchored by two retail power centers with low or healthy vacancy rates.
- There is access into the site from both a regional and local thoroughfare into Natomas, with some frontage on both roadways.
- The proposed project is located in a commercial corridor in a location that can potentially support additional retail.
- Office vacancy rates are high, with less near-term prospects for growing office demand.
- Residential development has resumed near the project site that will increase future retail demand.
- There are no other applications nearby currently in the City's permitting process for similar retail.
- The site is uniquely situated for retail infill given the surrounding growth, particularly the residential development.
- Businesses that are similar, yet complement, the existing retail stores will primarily attract local patrons who are conducting routine shopping trips in the retail area.

Appendix A Vacant Land with Schematic Entitlements Only

APPENDIX A				
Vacant Land with Schematic Entitlements Only				
Project Name	Location/Address	APN	Parcl Size	SF Potential
Greepbriar	Greenbriar	201-0300-various	38.5	346,500
Creekside	Commerce Station	225-0030-057	10.1	90,900
Point West Plaza	4451 El Centro Rd	225-0080-065	41.6	403,489
Natomas Landing	NEC of El Centro Rd and Del Paso Rd	225-0030-033 (P), -036 (P)	18	162,000
Commerce Station	4905 E Commerce Wy	201-0300-016; 225-0030-026, -028, -030; 225-0040-014, -029 to -032, -034, -035	31.75	285,763
Community Commercial	NEC of New Market Dr and Commerce Wy	225-1780-012	2.59	23,310
Transit Commercial	SEC of New Market Dr and Commerce Wy	225-1970-010	4.01	36,090
Town Center - Phase 2	2631 Del Paso Rd	225-1780-010	9.58	86,220
Gateway West	NEC Arena/Duckhorn	225-0310-030 thru 033	5.86	52,740
Natomas Crossing - Area 3	W of Commerce; mostly S of Arena	225-0070-113, -115; 225-0140-065, -067; 225-0150-053, 054, -059; 225-0310-026, -027	75.41	678,690
The Plaza	SEC Arena / Truxel	225-1250-002	6.75	51,000
Gateway West	3580-3600 Duckhorn Dr at Natomas Crossing Dr	225-0140-056, 057	4.19	37,685
Parkview	SWC San Juan/Buchman	225-2170-165	2.55	22,950
Incredible Universe	Northgate Blvd	237-0017-008; 237-0031-049	1.61	14,484
TOTAL				2,291,821
Source: City of Sacramento				

Letter from WalkSacramento dated March 10, 2016



3/10/2016

VIA EMAIL

Arwen Wacht, Associate Planner
City of Sacramento Community Development Department
300 Richards Boulevard, 3rd Floor
Sacramento, CA 95811

RE: Natomas Fountains (P16-012)

Dear Ms. Wacht:

WALKSacramento has reviewed the project routing for Natomas Fountains (P16-012) and we offer the following comments. The Natomas Fountains project requests entitlements for a 115,960 square foot retail center on about 12.5 acres within the Coral Business Center PUD. The Project also proposes to change the zoning from Employment Center to Shopping Center and change the General Plan designation from Employment Center Mid Rise to Regional Commercial Center. Our comments relate to the impact the change in land use could have on walking rates in Natomas and Sacramento, and how the design of the site could impact walking for patrons and employees of the stores.

Development projects that lead to more walking and active travel are critical to our community's future. Human beings need moderate exercise, such as walking, for about 30 minutes a day in order to prevent the development of chronic disease and overweight. Only 30% of the population in the Sacramento region is active at this minimal level, often due to limitations placed by a built environment not suited to walking and other types of physically active travel.

Walking to shopping can contribute to daily physical activity, but the closest residence to the Natomas Fountains proposed site is ¼-mile distant and the trip involves crossing an 11-lane intersection. Considering the limited number of people that would walk to the shopping center and the regional-serving retail uses, Natomas Fountains may have few walking trips from nearby residents.

However, walking to transit can be a large part of one's daily physical activity – a 2005 study found that American transit users spend a median of 19 minutes per day walking to and from transit¹ - and employment uses typically generate more transit riders than shopping centers. The bus stop on Truxel is less than ¼ mile from the furthest point on the Natomas Fountains site and a proposed light rail station for the Green Line to the Airport is just across the street. Transit ridership for the bus stop is already limited

¹ Besser, LM and Dannenberg, AL, *Walking to public transit: steps to help meet physical activity recommendations*, Am J Prev Med. 2005 Nov; 29(4):273-80.

because 8.2 acres of the Coral Business Center PUD was amended to commercial use in 2003 and developed as a shopping center. Amending more of the PUD to commercial eliminates the potential for over six hundred office jobs next to bus and light rail transit and the corresponding public health benefits for commuters walking to transit.

The December 7, 2015 proposed site plan distributed with the project routing has several walkability elements that improve upon the August 7, 2014 preliminary site plan. There is a direct east-west pathway between Pad J and Pad I. Sidewalks have been added on both sides of the driveway from the southern edge of the site to Major C and which intersect with the east-west walkway mentioned above. Also, a sidewalk has been added along the existing drive aisle on the south (effectively the extension of N Freeway Boulevard).

Unfortunately, there are no trees to shade the sidewalk that was added on the south edge. Note that the trees, or columnar shrubs, that currently exist where the sidewalk is proposed do not provide shade. To make this project truly walkable, sidewalks should be shaded by trees.

WALKS Sacramento makes the following recommendations:

1. **Maintain existing zoning** to maximize transit use and walking trips.
2. **Add trees to sidewalk-bisected parking islands** to shade walkways. *
3. **Add trees along existing Coral Business Center driveway at south edge of site** to shade the sidewalk. *
4. **Add raised crosswalk between buildings on either side of the existing Truxel driveway into Coral Business Center and remove the speed bump** to provide direct pedestrian route between shopping center phases and maintain traffic calming. *
5. **Add sidewalk along the north side of the existing driveway into Coral Business Center between the new raised crosswalk and the proposed driveway on the south edge of the site** to provide direct pedestrian route between shopping center phases and maintain traffic calming. *
6. **Add sidewalks from Gateway Park Blvd to the fountains area between Building G and Building H** to provide for a pathway that people will be inclined to use. *
7. **Incorporate windows with views into and out of occupied space on Buildings G and H** to provide eyes on the street.

* See the site plan markup on the following page for locations of recommendations 2-6.



schematic site plan

2023/09/01 10:00 AM

WALKSacramento is working to support increased physical activity such as walking and bicycling in local neighborhoods as well as helping to create community environments that support walking and bicycling. The benefits include improved physical fitness, less motor vehicle traffic congestion, better air quality, and a stronger sense of cohesion and safety in local neighborhoods.

Thank you for your consideration of these comments and recommendations. If you have questions or need additional information, please contact me at (916) 446-9255.

Sincerely,

Chris Holm
Project Manager

Attachment: Development Checklist for Biking and Walking

Applicant response letter to WalkSacramento Comments



October 4, 2016

RE: Natomas Fountains

JOB# PA2014_0024

ATTN: Arwen Wacht

City of Sacramento
Community Development Department
Planning Division
300 Richards Boulevard, Third Floor
Sacramento, CA 95991
(916) 808-1964
AWacht@cityofsacramento.org

Arwen,

On behalf of Ethan Conrad Properties and Pioneer Law Group, I am forwarding the following comments in response to the Walk Sacramento's review of the project. Please feel free to call me if you have any questions, or need additional information.

All written responses shown in **"RED"**

Best regards,

michael g. boskovich



aia | leed ap
ca lic# C-33372



1. **Maintain existing zoning** to maximize transit use and walking trips.
2. **Add trees to sidewalk-bisected parking islands** to shade walkways. *

The use of trees was intentionally avoided at the “pedestrian connection nodes” as shown on plan in order to:

- 1) *... avoid trees under performing and providing less than adequate shade due to the logistics of the planter wells to support larger canopy trees.*
- 2) *... create a “wayfinding” visual queue with a decorative trellis elements that will support a better performing shade structure and pathway lighting, while clearly defining and encouraging people to use the walking path provided.*

3. **Add trees along existing Coral Business Center driveway at south edge of site** to shade the sidewalk. *

Trees added – see (EXHIBIT B)

4. **Add raised crosswalk between buildings on either side of the existing Truxel driveway into Coral Business Center and remove the speed bump** to provide direct pedestrian route between shopping center phases and maintain traffic calming. *

Proposed improvements are outside the property boundary and would be required by adjacent property owner – see (EXHIBIT B)

5. **Add sidewalk along the north side of the existing driveway into Coral Business Center between the new raised crosswalk and the proposed driveway on the south edge of the site** to provide direct pedestrian route between shopping center phases and maintain traffic calming. *

Proposed improvements are outside the property boundary and would be required by adjacent property owner – see (EXHIBIT B)

6. **Add sidewalks from Gateway Park Blvd to the fountains area between Building G and Building H** to provide for a pathway that people will be inclined to use. *

Landscaping and fountains have been intentionally placed to help reduce the constant ambient noise created cars on Gateway Park Blvd, as well as unsightly vehicular traffic. The preferred path of travel from the public right of way is along the fronts of the merchants to create a direct connection between each.



7. Incorporate windows with views into and out of occupied space on Buildings G and H to provide eyes on the street.

Buildings G&H are planned to include a moment frame structure with generous amounts of glass at the building perimeter to connect with the public right of way and adjacent streets – see (EXHIBIT C)

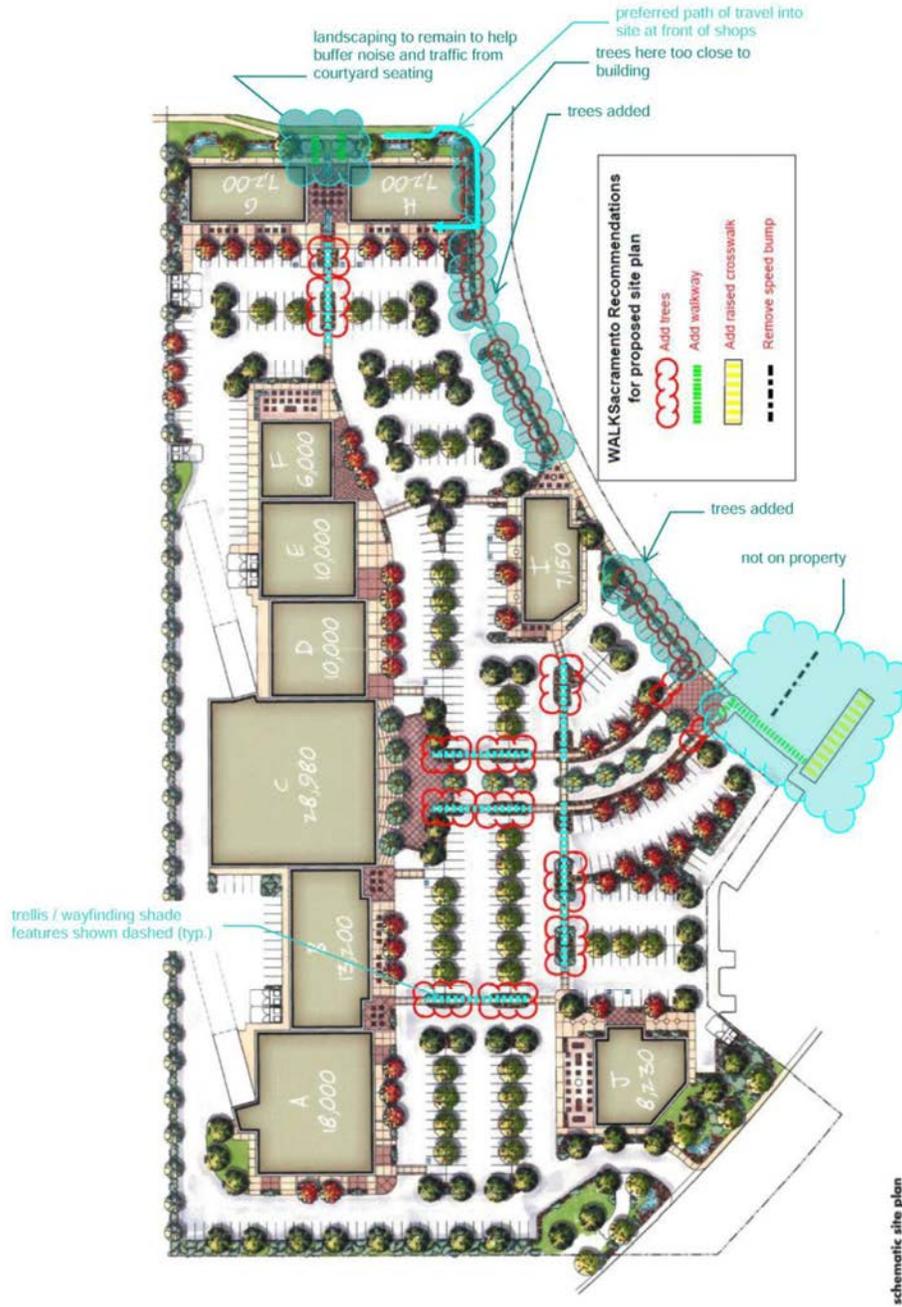
* See the site plan markup on the following page for locations of recommendations 2-6. (EXHIBIT A)

(EXHIBIT A)
Walk Sacramento Plan Mark Up



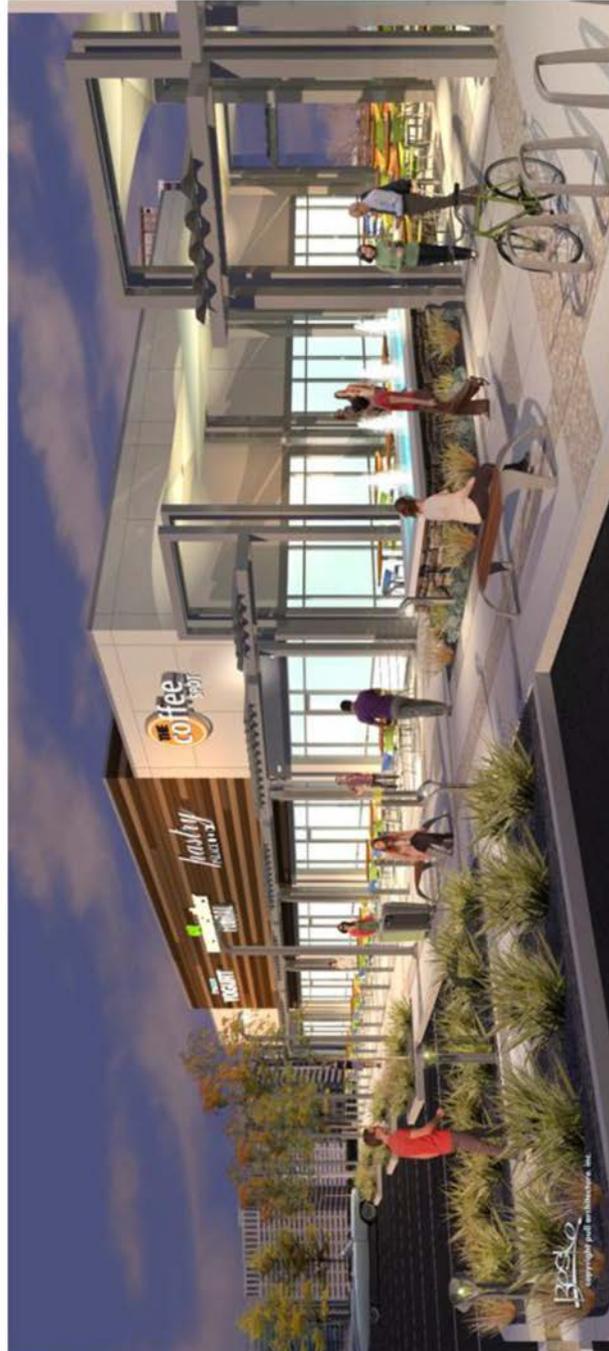


(EXHIBIT B)
Mark Up of EXHIBIT A





(EXHIBIT C)
Building G&H Concept



Letter from North Natomas Transportation Management Association (NNTMA) dated
April 19, 2016



NORTH NATOMAS TRANSPORTATION MANAGEMENT ASSOCIATION
1918 Del Paso Road, Suite 100 | Sacramento, CA 95834 | P: (916) 419-9955 | F: (916) 419-0055

April 18, 2016

Arwen Wacht
Community Development Department
City of Sacramento
300 Richards Blvd., 3rd Floor
Sacramento, CA 95811-0218

Re: Natomas Fountains
File #P16-012

Dear Arwen,

Thank you for the opportunity to comment on the Natomas Fountains proposed project. Please find attached map with our notes within. Last week I met with Ethan Conrad regarding our ideas for bicycle connectivity through Natomas Fountains and he is considering our request.

1. Construct 10'-12' sidewalk on the south side of the development, from Truxel Rd. to Gateway Park Blvd., for pedestrians and cyclists. This also allows access to Sacramento Gateway Shopping Center.
2. Or, construct a bike path on the east side of the East Drain Canal, to connect with a future bridge across the canal and augment the shopping center entrance to accommodate cyclists.

In scenario #2, the city would need to agree to Class 4 bike lanes in both directions, from Natomas Crossing Dr. to the entrance of Natomas Fountains. This bike lane would allow bicyclists from three miles north, an opportunity to stay on a protected bike lane to access the shopping center. This also allows comfortable access to Sacramento Gateway Shopping Center.

If you have any questions, please contact me at 916-419-9955.

Sincerely,

A handwritten signature in black ink that reads "Becky Heieck". The signature is written in a cursive, flowing style.

Becky Heieck
Executive Director
North Natomas Transportation Management Association

notames fontaines
retail center

NO. 1000001107
DATE: 11/10/2014
BY: J. B. B. B.



site context

-  Existing Newly completed Bike Path
-  Bridge + Bike Path, or
-  Class 4 Bike Lanes on Truxel + then turning into development

320 royal rd • rochester ny • 514.252.8128 • submittal.com

pull
architecture
a forest of ideas