

REPORT TO COUNCIL

City of Sacramento

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

Consent
January 23, 2007

Honorable Mayor and
Members of the City Council

**Title: Natomas Joint Vision City-County Memorandum of Understanding (MOU):
Cost Sharing – Open Space Program and Environmental Impact Report**

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

Recommendations: Adopt 1) a **Resolution** approving and authorizing the City Manager to sign the 1st Amendment to the July 2005 Memorandum of Understanding between the County and City of Sacramento for joint funding of the Natomas Joint Vision Open Space Program; 2) a **Resolution** approving and authorizing the City Manager to sign the Memorandum of Understanding between the County and City of Sacramento for joint funding of the Natomas Joint Vision Sphere of Influence (SOI) EIR; and 3) a **Resolution** approving and authorizing the City Manager to sign the Memorandum of Understanding between LAFCo and the City of Sacramento for co-lead status of the SOI EIR.

Contacts: Scot Mende, New Growth Manager, (916) 808-4756; Carol Shearly, Director of Planning, (916) 808-5893

Presenters: N/A

Department: Planning

Division: New Growth

Organization No: 4913

Description/Analysis

Issue: The County is anticipated to be adopting the first two attached MOUs on January 24th. These MOUs would formalize the County's commitment to fund a share of the costs of preparing the Open Space Program and the NJV Sphere of Influence Amendment EIR. The third MOU would formalize LAFCo co-lead status for the preparation of the Sphere of Influence EIR.

Policy Considerations: The attached Resolutions provide for a common definition of open space (consistent with the definition used in the County's updated General Plan) for the purposes of administering the Natomas Joint

Vision MOU. "Open space" for the Greenbriar project will be determined separately as part of the Greenbriar application.

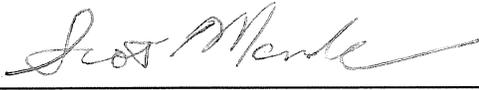
Committee\Commission Action: None

Environmental Considerations: Potential environmental issues related to the City's General Plan Amendment and SOI application for Natomas Joint Vision will be evaluated in the Environmental Impact Report (EIR).

Rationale for Recommendation: The MOUs build upon the collaborative planning process established in the December 2002 Natomas Joint Vision MOU between the City and County to implement land use and open space planning and revenue sharing principles. The attached MOUs provide for County funding a share of the consultant contracts for the Open Space Program and EIR. Attachment 4 provides for LAFCo co-lead status for the preparation of the Sphere of Influence EIR.

Financial Considerations: The attached resolutions and MOUs provide for the County to provide an additional \$82,500 for the NJV Open Space Program consultant contract (Dangermond & Associates), \$13,000 towards the project liaison (John O'Farrell) and \$174,000 towards the SOI-EIR contract (RBF Consulting). The Council action of November 21st anticipated that the County of Sacramento would provide \$82,500 for the Open Space Program and at least \$94,000 in matching funds for their share of the EIR. The attached Resolution provides for a greater share of County funding of the EIR than was assumed on November 21st because the cost of the EIR was higher than originally projected.

Emerging Small Business Development (ESBD): Not Applicable.

Respectfully Submitted by: 
Scot Mende
New Growth Manager

Approved by: 
Carol Shearly
Director of Planning

Recommendation Approved:


Ray Kerridge
City Manager

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ATTACHMENT 1**BACKGROUND – NATOMAS JOINT VISION**Adoption of the 2002 Natomas Joint Vision MOU

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

Open Space Program Funding

The Open Space Program (OSP) is designed to identify mitigation and funding mechanisms to help guide the implementation of open space goals and policies adopted by the City and County in the December 2002 Natomas Joint Vision MOU. The open space program will evaluate the habitat, open space, and agricultural values of the Natomas Joint Vision area while the City’s Municipal Services Review will evaluate the urban values and ability of the City to provide City services and infrastructure to future urban uses in the Natomas Joint Vision area. This combined information will provide a framework for project description and any alternatives in the EIR for the Sphere of Influence and General Plan amendments.

On *September 23, 2004* and *July 1, 2005*, the County and City, respectively, entered into a Cost-Sharing MOU for the Open Space Program, in which the County agreed to contribute up to \$25,000 of the share of cost for the OSP study. This MOU (City Manager Agreement 2005-595) was tied to a prior scope of work. Under the proposed amendment to the OSP Cost-Sharing MOU, the County will reimburse the City for an additional \$82,500 to complete a new scope of work for the Open Space Program study.

On *July 25, 2006*, City Council authorized execution of a professional services agreement with the Dangermond Group in the amount of \$214,915 for the Natomas Joint Vision Open Space Program (OSP). With the additional reimbursement from the County, the City and County are equally sharing the cost of the OSP. The OSP is now moving forward with information gathering and meeting with various agencies to explore the issues and constraints.

Open Space Definition

Open space areas are largely un-fragmented areas of undeveloped land that are set aside primarily to preserve and/or enhance the County’s wildlife habitat, airport protection, agricultural productivity and recreational opportunities. Recreational use of these areas is generally limited so as to conserve sensitive habitat and protect agricultural activities. Similar to other metropolitan regions with open space resources, recreational access is typically limited to non-motorized trail use that is not disruptive to agricultural activities or harmful to sensitive species. Sacramento County has identified

six categories that define valuable open space uses that are important to preserve and protect. All can be effective community separators and most overlap.

- **Habitat:** Natural or actively farmed lands that provide foraging, nesting, and wintering habitat for mammalian, avian, invertebrate, reptile, amphibian and aquatic wildlife species.
- **Natural Resources:** Land of important ecological functions, natural resources, or cultural resources. This includes, but is not limited to forests, farmland, rangeland, fallow fields, rivers and streams, floodplains, wetlands, vernal pools, riparian corridors and native plant communities.
- **Recreation:** Natural areas that provide for passive recreation such as wildlife viewing and pedestrian and bicycle travel, as well as wildlife habitat. It may encompass historic sites, scenic vistas, and trails.
- **Health/Safety (Flooding/Seismic):** Areas that require special management or regulation because of earthquake fault zones, unstable soil areas, high fire risks, floodplains, aircraft safety, high noise levels, and other hazards; and areas for the protection of watershed integrity, water quality and air quality.
- **Agriculture/Rangelands:** Active farms or rangelands used for cultivating the land, producing crops, or raising livestock.
- **River and Stream Parkways:** Areas that are typically linear and follow the natural path of a river or stream. They are primarily used as corridors for pedestrians and bicyclists. Recreational uses focus on education and appreciation for natural resources. Parkways may also provide open space linkages, wildlife corridors and/or act as community separators.

As used in this plan, open space does not include developed agricultural parcels five acres or less in size, required elements within a development such as private park and yard areas, and landscaped or natural areas providing required separation between buildings or incompatible land uses. These examples do not represent all non-open space uses.

Project Liaison

The proposed OSP Cost-Sharing MOU amendment also includes a County expenditure of \$13,000 to reimburse the City for a portion of the cost of a project liaison. The project liaison is a contracted position through the City, who will facilitate completion of the Natomas Joint Vision Program. The contractor for the project liaison is John O'Farrell – formerly Executive Director of LAFCo.

Sphere of Influence Environmental Impact Report

An Environmental Impact Report (EIR) will be prepared to assess the impacts of actions on biological resources related to the existing Natomas Basin Habitat Conservation Plan (NBHCP) and the effects of additional development for the development/preservation balance set out in the NBHCP. The City, County, and LAFCo will use the EIR in their evaluation of the effects of the City Sphere of Influence (SOI) amendment, necessary text and map amendments to both the City and County General Plans, and the Open Space

Program. Attachment 4 facilitates LAFCo and the City as co-lead agencies, with the County as a participating responsible agency.

On November 21, 2006, the City Council authorized execution of a professional services agreement with RBF Consulting in an amount not to exceed \$570,000 for preparation of the EIR and Municipal Services Review (Resolution No. 2006-858). The City has requested the County contribute one-third of the costs up to \$174,000. The Board – on January 24, 2007 – is anticipated to commit to a County contribution of one-third of the amount, up to \$174,000. A copy of the MOU for the EIR is attached (Attachment 3, Exhibit A).

RESOLUTION NO.

Adopted by the Sacramento City Council

**APPROVING A FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO
REGARDING THE PAYMENT OF CONSULTANT COSTS FOR
THE NATOMAS JOINT VISION OPEN SPACE PROGRAM (DANGERMOND OSP
AGREEMENT)**

BACKGROUND

- A. City and County entered into a Memorandum of Understanding, hereinafter referred to as Joint Vision MOU, on December 10, 2002, agreeing to principles of urbanization, open space preservation and revenue sharing for unincorporated Natomas.
- B. City and County propose to jointly prepare an Open Space Program necessary for the implementation of the Joint Vision MOU, and County has previously paid to City the amount of \$25,000 toward the cost of preparation of the Open Space Program.
- C. On July 25, 2006, the City Council authorized execution of a professional services agreement with the Dangermond Group in the amount of \$214,915 for the preparation of the Natomas Joint Vision Open Space Program (Resolution No. 2006-546) (Dangermond OSP Agreement).
- D. City and County entered into a Memorandum of Understanding, dated by the County on September 23, 2004, and by the City (City Manager Agreement 2005-595) on July 1, 2005, agreeing to share cost of consultant services for the preparation of the Open Space Program. City and County now desire to amend this cost-sharing MOU to establish their respective financial contributions to the Dangermond OSP Agreement, to establish a procedure for the City to be reimbursed by the County for County's share of the Dangermond OSP Agreement, to clarify their respective staff support and responsibilities, and add definitions of "open space".

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

Section 1: The City Manager is authorized to execute the attached Memorandum of Understanding with the County for cost sharing of the Natomas Joint Vision Open Space Program (Dangermond OSP Agreement).

Table of Contents:

Exhibit A: 1st Amendment to MOU – Cost-Sharing for NJV Open Space Program

EXHIBIT A

**FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO
REGARDING THE PAYMENT OF CONSULTANT COSTS FOR
THE NATOMAS JOINT VISION OPEN SPACE PROGRAM**

This Memorandum of Understanding ("MOU") is made and entered into on _____ by and between the County of Sacramento, a political subdivision of the State of California, hereinafter referred to as "County", and the City of Sacramento, a charter municipal corporation, hereinafter referred to as "City".

R E C I T A L S

Whereas, City and County entered into a Memorandum of Understanding, hereinafter referred to as Joint Vision MOU, on December 10, 2002, agreeing to principles of urbanization, open space preservation and revenue sharing for unincorporated Natomas; and

Whereas, City and County are jointly preparing an Open Space Program necessary for the implementation of the Joint Vision MOU, and County has previously paid to City the amount of \$25,000 toward the cost of preparation of the Open Space Program; and

Whereas, City has entered into a professional services agreement with the Dangermond Group in the amount of \$214,915 for the preparation of the Natomas Joint Vision Open Space Program (Dangermond OSP Agreement); and,

Whereas, County and City entered into a Memorandum of Understanding, hereinafter referred to as MOU, on September 23, 2004, and July 1, 2005, respectively, agreeing to share cost of consultant services for the preparation of the Open Space Program and desire to establish a procedure for the City to be reimbursed by the County for up to \$25,000; and,

Whereas, City and County desire to formally amend said MOU to increase the County's financial contribution to the Dangermond OSP Agreement, to establish a procedure for the City to be reimbursed by the County for County's share of the Dangermond OSP Agreement, to clarify their respective staff support and responsibilities, and add definitions of "open space".

AGREEMENT

Now, therefore, City and County agree as follows:

1. Cost of the Dangermond OSP Agreement

City acknowledges that it has previously received from County the amount of \$25,000 to be applied toward preparation of the Open Space Program. County shall pay an additional amount up to \$82,500 of the cost of the Dangermond OSP Agreement, plus \$13,000 for project management costs. The City shall pay the remainder of the cost of the Dangermond OSP Agreement. Therefore, County's total contribution to the cost of preparation of the Open Space Program shall be the amount of \$25,000 previously paid to City, plus one-half of the total undisputed invoiced amounts under the Dangermond OSP Agreement up to a maximum of \$82,500, plus \$13,000 for project liaison costs for a total of \$120,500.

2. Staff Support and Responsibilities

City and County staff shall provide support for the preparation of the Open Space Program as described in the Dangermond OSP Agreement Scope of Work (Attachment B). Pursuant to the Joint Vision MOU, the Scope of Work's primary focus will be on the portion of the Natomas Basin within Sacramento County and will include the area known as the "Boot". The Scope of Work may only be amended in writing and signed by both parties. City and County staff will provide for multiple check-in points with City and County elected officials and the consultants preparing City's Municipal Services Review and Environmental Impact Report, as illustrated in the Natomas Joint Vision Coordination flow chart (Attachment C). A copy of the Dangermond OSP Agreement Scope of Work and the NJV Coordination flow chart are attached to this MOU for reference purposes only.

County shall provide data on current and historical assessed land values by assessor's parcel number, entitlements, and updated airport noise contours. GIS data will include necessary supporting data such as metadata and field names.

City and County shall work together to provide direction to the consultant. City shall act as the primary contact for the consultant.

3. Definitions

For the purposes of this MOU the term "open space" will reflect the definition used in County's updated General Plan, a copy of which is attached for reference purposes only (Attachment A). "Open space" for the Greenbriar project will be determined separately as part of the Greenbriar application.

4. Payment of the Consultant by City

Upon receiving periodic invoices from the Dangermond Group for preparation of the Open Space Program, City shall remit payment to the Dangermond Group for the entire invoiced amount.

5. Partial Re-payment of Consultant Cost to City by County

City shall prepare a summary of any invoices from the Dangermond OSP Agreement for the preparation of the Open Space Program and submit them to County at the address listed below:

County of Sacramento
Planning Department
827 7th Street, Room 230
Sacramento, CA 95814
Attn: Mike Miller

County shall, within 120 days of receiving the summary, remit payment according to the schedule below to City at the address listed below:

City of Sacramento
Administrative Officer Planning Department
915 I Street, 3rd floor, New City Hall
Sacramento, CA 95814
Attn: Diane Morrison

Payment will occur in three installments:

1. \$40,500 for Phase I and project liaison costs upon approval of this MOU
2. \$27,500 for Phase II upon completion of final stakeholder information gathering meeting
3. \$27,500 for Phase III upon completion of the second public workshop

6. Amendments.

This MOU may be amended only in writing, signed by both parties.

7. Additional Work or Changes in Work.

This MOU shall apply to all additional work or changes in work that are necessary to complete the Open Space Program. Prior to executing any supplemental agreement or other agreement that will increase the costs associated with the preparation of the Open Space Program, City and County shall confer regarding the necessity of the proposed supplemental agreement or other agreement. Any additional work or changes would require an amendment to this MOU.

8. Notices

Any notice or other correspondence to a party to this MOU shall be deemed given on the date it is placed in the United States mail, first class, postage prepaid, and addressed to the party at the following address:

Notices to City:

Carol Shearly, Director of Planning
Planning Department
New City Hall
915 I Street, 3rd Floor
Sacramento, CA 95814

Notices to County:

Robert Sherry
Planning Director
827 7th Street, Room 230
Sacramento, CA 95814

9. Effective Date

This FIRST AMENDMENT to the MOU shall be effective upon the date it is fully executed by both parties.

10. Reaffirmation

In all other respects, the above referenced MOU, as amended, remains in full force and effect.

IN WITNESS WHEREOF, the parties hereby execute this Memorandum of Understanding as of the date and the year written above.

COUNTY OF SACRAMENTO

CITY OF SACRAMENTO

By: _____
County Executive

By: _____
City Manager

Date: _____

Date: _____

APPROVED AS TO FORM

APPROVED AS TO FORM

By: _____
County Counsel

By: _____
City Attorney

ATTEST

By: _____
City Clerk

RESOLUTION NO.

Adopted by the Sacramento City Council

**APPROVING MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO
REGARDING THE PAYMENT OF CONSULTANT COSTS FOR
THE NATOMAS JOINT VISION SPHERE OF INFLUENCE AMENDMENT EIR
(RBF CONSULTING EIR AGREEMENT)**

BACKGROUND

- A. City and County entered into a Memorandum of Understanding, hereinafter referred to as Joint Vision MOU, on December 10, 2002, agreeing to principles of urbanization, open space preservation and revenue sharing for unincorporated Natomas;
- B. On November 21, 2006, the City Council authorized execution of a professional services agreement with RBF Consulting in an amount not to exceed \$570,000 for preparation of the Sphere of Influence Amendment EIR and Municipal Services Review (Resolution No. 2006-858) necessary for the implementation of the Joint Vision MOU. As the responsible agency, County may rely upon the EIR to adequately address the environmental issues associated with a County General Plan Text Amendment and the Open Space Program (OSP); and,
- C. City and County are similarly interested in the preparation of the EIR, City and County desire to share the costs of consultant services for the preparation of the EIR and desire to establish a procedure for City to be reimbursed by County for up to \$174,000 of this effort.

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

Section 1: The City Manager is authorized to execute the attached agreement with the County for cost sharing of the Sphere of Influence EIR.

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Exhibit A: MOU – Environmental Impact Report

EXHIBIT A

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO
REGARDING THE PAYMENT OF CONSULTANT COSTS FOR
THE PREPARATION OF THE CITY OF SACRAMENTO'S SPHERE OF INFLUENCE
AMENDMENT ENVIRONMENTAL IMPACT REPORT**

This Memorandum of Understanding ("MOU") is made and entered into on _____ by and between the County Of Sacramento, a political subdivision of the State of California, hereinafter referred to as "County", and the City of Sacramento, a charter municipal corporation, hereinafter referred to as "City".

R E C I T A L S

Whereas, City and County entered into an MOU (Joint Vision MOU) on December 10, 2002, agreeing to principles of urbanization, open space preservation and revenue sharing for unincorporated Natomas; and,

Whereas, on November 21, 2006, the City Council authorized execution of a professional services agreement with RBF Consulting in an amount not to exceed \$570,000 for preparation of the Sphere of Influence Amendment EIR and Municipal Services Review (RBF Consulting EIR Agreement). As the responsible agency, County may rely upon the EIR to adequately address the environmental issues associated with a County General Plan Text Amendment and the Open Space Program (OSP) ; and,

Whereas, City and County are similarly interested in the preparation of the EIR, City and County desire to share the costs of the RBF Consulting EIR Agreement and desire to establish a procedure for City to be reimbursed by County for up to \$174,000 of this cost.

A G R E E M E N T

Now therefore, City and County agree as follows:

1. Cost of the Consultant Contract

County shall pay one-third of the cost of the Consultant Contract for the preparation of the EIR, up to a maximum of \$174,000. City shall pay the remainder of the RBF Consulting EIR Agreement.

2. Staff Support and Responsibilities

City and County staff shall provide support for the preparation of the EIR as described in the RBF Consulting EIR Agreement Scope of Work (See

Attachment A). Pursuant to the Joint Vision MOU, the Scope of Work's primary focus will be on the portion of the Natomas Basin within Sacramento County, including the area known as the "Boot". The Scope of Work may only be amended in writing and signed by both parties. City and County staff will provide for multiple check-in points with City and County elected officials and the OSP consultants as illustrated in the Natomas Joint Vision Coordination flow chart. A copy of the NJV Coordination flow chart is attached to this MOU for reference purposes only (See Attachment B).

City and County shall work together to provide direction to the consultant. The City shall act as the primary contact for the consultant.

3. Payment of the Consultant by City

Upon receiving periodic invoices from RBF Consulting for the preparation of the EIR, City shall remit payment to RBF Consulting for the entire invoiced amount.

4. Partial Re-payment of Consultant Cost to City by County

City shall prepare a summary of any invoices from RBF Consulting for the preparation of the EIR and submit them to County at the address listed below:

County of Sacramento
Planning Department
827 7th Street, Room 230
Sacramento, CA 95814
Attn: Mike Miller

County shall, within 120 days of receiving the summary, remit payment according to the schedule below to City at the address listed below:

City of Sacramento
Administrative Officer Planning Department
915 I Street, 3rd floor, New City Hall
Sacramento, CA 95814
Attn: Diane Morrison

County's total obligation pursuant to this MOU is one-third of the total undisputed invoiced amounts, for the preparation of the EIR (not including the preparation of the MSR) up to a maximum of \$174,000.

Payment will occur in three installments:

1. \$58,000 for Phase I upon approval of this MOU
2. \$58,000 for Phase II upon completion of final public scoping meeting
3. \$58,000 for Phase III upon completion of an Administrative Draft EIR

5. Amendments

This MOU may only be amended in writing, signed by both parties.

6. Additional Work or Changes in Work

This MOU shall apply to all additional work or changes in work that are necessary to complete the EIR. Prior to executing any supplemental agreement or other agreement that will increase the costs associated with the preparation of the EIR, City and County shall confer regarding the necessity of the proposed supplemental agreement or other agreement.

7. Notices

Any notice or other correspondence to a party to this MOU shall be deemed given on the date it is placed in the United States mail, first class, postage prepaid, and addressed to the party at the following address:

Notices to the City of Sacramento:

Carol Shearly, Director of Planning
Planning Department
New City Hall
915 I Street, 3rd Floor
Sacramento, CA 95814

Notices to Sacramento County:

Robert Sherry
Planning Director
827 7th Street, Room 230
Sacramento, CA 95814

8. Effective Date of this MOU

This MOU shall be effective upon the date it is fully executed by both parties.

9. Entire Agreement

This MOU and any attachments hereto, constitute the entire understanding between County and City concerning the subject matter contained herein.

IN WITNESS WHEREOF, the parties hereby execute this Memorandum of Understanding as of the date and the year written above.

COUNTY OF SACRAMENTO

CITY OF SACRAMENTO

By: _____
County Executive

By: _____
City Manager

Date: _____

Date: _____

APPROVED AS TO FORM

APPROVED AS TO FORM

By: _____
County Counsel

By: _____
City Attorney

ATTEST

By: _____
City Clerk

RESOLUTION NO.

Adopted by the Sacramento City Council

**APPROVING MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SACRAMENTO AND
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
RELATING TO THE PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT
FOR THE CITY OF SACRAMENTO'S APPLICATION FOR A SPHERE OF
INFLUENCE AMENDMENT IN THE NATOMAS JOINT VISION AREA**

BACKGROUND

- A. City and Sacramento County entered into a Memorandum of Understanding, hereinafter referred to as Joint Vision MOU, on December 10, 2002, agreeing to principles of urbanization, open space preservation and revenue sharing for unincorporated Natomas;
- B. The City Council adopted Resolution 2006-568, on the date of July 25, 2006, initiating an amendment to the City's Sphere of Influence.
- C. City desires to have a single EIR prepared for City's Project and to have LAFCo schedule the public hearing on the Sphere of Influence Boundary Amendment within sixty (60) days of receipt by LAFCo of the Final EIR.

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

Section 1: The City Manager is authorized to execute the attached agreement with Sacramento LAFCo for joint preparation of and co-lead agency status for the Sphere of Influence EIR.

Table of Contents:

- Exhibit A: MOU – LAFCo/City Preparation of an EIR
- Exhibit B: Tentative City-County Natomas Joint Vision Schedule

EXHIBIT A

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
AND THE CITY OF SACRAMENTO
RELATING TO THE PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT
FOR THE CITY OF SACRAMENTO'S APPLICATION FOR A SPHERE OF
INFLUENCE AMENDMENT IN THE NATOMAS JOINT VISION AREA**

This Memorandum of Understanding ("MOU") is made and entered into on _____ by and between the Sacramento Local Agency Formation Commission, a political subdivision of the State of California, hereinafter referred to as "LAFCo", and the City of Sacramento, a charter municipal corporation, hereinafter referred to as "City".

R E C I T A L S

1. The City of Sacramento and the County of Sacramento entered into a Memorandum of Understanding Relating to the City-County Natomas Joint Vision (December 2002) (Joint Vision MOU) that addresses their mutual land use policies and economic interests in accommodating limited long-term development while securing permanent preservation of open space in the Natomas area.
2. The City Council adopted Resolution 2006-568, on the date of July 25, 2006, initiating an amendment to the City's Sphere of Influence.
3. The City of Sacramento's annexation policy is to assist property owners and residents within the City's adopted Sphere of Influence obtain adequate municipal services. In analyzing population data, the City has determined that it is necessary to amend its probable physical boundaries and service area in the Natomas Joint Vision area to accommodate projected future population growth. Therefore, the City has determined to initiate a General Plan Amendment, a General Plan Land Use Map Amendment, an Open Space Program, and a Sphere of Influence Boundary Amendment (including a related Municipal Service Review), consistent with the principles and understandings contained in the Joint Vision MOU (the City's Project). Taken together these actions comprise a "project" within the meaning of and subject to the California Environmental Quality Act (Pub. Res. Code §21000 *et seq.*) (CEQA).
4. LAFCo is the appropriate Lead Agency for the proposed Sphere of Influence Boundary Amendment (Gov. Code § 56425 subd. (a); Pub. Res. Code § 21067; LAFCo Policies, IV.F.1, p. IV-7), and will require that the EIR adequately address the environmental issues associated with this portion of the City's Project. The City

is the appropriate Lead Agency for the remaining elements of the City's Project (General Plan Amendment, General Plan Land Use Plan Amendment, and Open Space Program) and will require the EIR to adequately address the environmental issues associated with these elements of the City's Project. (14 CCR §15051 subd. (b)(2); LAFCo Policies, §IV F.1.d... p. IV-7.)

5. It is well established in the law that a Lead Agency may comply with CEQA by adopting EIR materials provided by another person or public entity as long as the Lead Agency independently reviews, evaluates, and exercises its independent judgment over the documents and the issues they raise and address. (14 CCR §15084 subd. (d) and (e); *Friends of La Vina v. County of Los Angeles* (1991) 232 Cal App 3rd 1446 (disapproved on other grounds in *Western States Petroleum v Superior Court* (1991) 9 Cal.4th 559, 570 fn. 2, 576 fn. 6); *San Franciscans Upholding the Downtown Plan v. City and County of San Francisco* (2002) 102 Cal App4th 656).
6. The City desires to have a single EIR prepared for the City's Project. LAFCo has agreed to a single EIR and the City and LAFCo will cooperate in the preparation of the EIR as authorized by CEQA Guidelines, 14 CCR § 15051 subd. (d). (*Sierra Club v. West Side Irrigation Dist.* (2005) 128 Cal.App.4th 690, 700.) The County, in its role as a Responsible Agency, will also cooperate in the preparation of the EIR.
7. City and LAFCo enter into this Memorandum of Understanding to establish themselves as Co-Lead Agencies for the City's Project and to establish their respective roles and responsibilities relating to the oversight and management of the preparation of the EIR. The purpose of this Memorandum of Understanding is to ensure that the resulting EIR for City's Project adequately addresses the environmental issues of the City's Project as a whole and provides both LAFCo and the City with the information each needs to review, consider, and take action on the City's Project in full compliance with the law.

AGREEMENT

The Sacramento Local Agency Formation Commission and the City of Sacramento agree to the following:

1. Subject to LAFCo concurrence, City may select and contract directly with a consultant to prepare an EIR on City's Project.
2. City and LAFCo shall cooperate and work collaboratively to insure that the EIR fully satisfies LAFCo's requirements for conducting a legally adequate environmental review of the Sphere of Influence Boundary Amendment in accordance with CEQA, the CEQA Guidelines, the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (Gov. Code §56000 et seq.), and LAFCo's locally adopted guidelines. The parties agree to the following protocols for preparation of the EIR:

- A. City, through its staff, shall be the primary contact point for the EIR consultant for purposes of generally directing the work of preparing the EIR and the Municipal Services Review; transmitting, receiving and disseminating reports, studies, drafts, and other documents related to the EIR and the Municipal Services Report; transmitting, receiving and responding to questions, comments, requests for clarification or additional information; scheduling meetings; preparing and conducting all public notices and mailings, and the like, including necessary related administrative oversight.
- B. LAFCo, through its Commission, staff, and independent consultants, shall have final oversight, review, and approval authority over the content of the administrative draft EIR (ADEIR), the draft EIR (DEIR), the final EIR (FEIR) and the Municipal Service Review as they each relate to the Sphere of Influence Boundary Amendment, and shall have Responsible Agency review over the Reorganization (Annexation and related detachments). City, through its staff, shall coordinate and work cooperatively and collaboratively with LAFCo to ensure that LAFCo has sufficient and meaningful opportunity to review, evaluate, and exercise its independent judgment over the content of the EIR as it relates to Sphere of Influence Boundary Amendment, Municipal Service Review and Reorganization (annexation and related detachments). To this end, LAFCo shall have the right to approve all studies, reports, drafts, and other documents prepared for or in connection with the EIR before public release, to edit or request changes to the ADEIR, DEIR, and FEIR and the Municipal Services Review, and request additional work as LAFCo, in the exercise of reasonable judgment and discretion, determines to be necessary to ensure the adequacy and objectivity of the EIR as needed for LAFCo's action as lead agency for the Sphere of Influence Boundary Amendment, Municipal Service Review and Reorganization (annexation and related detachments). At a minimum, City shall notify reasonably in advance (minimum of 72 hours) and give LAFCo the opportunity to attend all meetings with the EIR consultant and shall copy LAFCo of all correspondence between the City and its consultant, except those related solely to contract and billing issues.
- C. City and LAFCo shall each identify and notify the other of their respective staff contacts responsible for implementing this MOU.
- D. City and LAFCo staffs shall hold regular status meetings to discuss the progress of the work in conformance with the agreed schedule.
- E. LAFCo shall schedule and hold at least one public hearing during the DEIR comment period to address comments on and revisions to the DEIR.

3. City and LAFCo understand that City (with costs to be shared by the County, pursuant to a separate MOU with the County) shall be fully and solely responsible for the costs of City's consultant for preparation of the EIR on City's Project and the Municipal Service Review. City shall reimburse LAFCo for the costs incurred by LAFCo for retaining its independent environmental consultant as well as its normal processing fees including, but not limited to consultant fees, staff time, and legal review.
4. City and LAFCo agree to use all reasonable effort and due diligence to process the Project through to the final hearings in a timely fashion to meet City's objective of having LAFCo initiate the hearing on the Sphere of Influence Boundary Amendment within sixty (60) days of receipt by LAFCo of the FEIR. City and LAFCo agree to work cooperatively with each other to develop a Project schedule listing key steps and dates to aid in achieving City's objectives, which schedule shall be attached to and become a part of this MOU (Exhibit B).
5. City and LAFCo agree to the following sequence of actions to be taken to complete processing of City's Project:
 - A. Timely submittal of a LAFCo application for the Sphere of Influence Boundary Adjustment, and completion of FEIR and submittal to LAFCo.
 - B. LAFCo public hearing and exercise of discretionary action on certification of the FEIR, and acceptance of the Municipal Services Report.
 - C. If the Sphere of Influence Boundary Amendment is approved, a City public hearing and action on the General Plan Amendment, the General Plan Land Use Map Amendment, and the Open Space Program
 - D. If the City approves the items in subsection C above, a LAFCo hearing and action on the Sphere of Influence Boundary Amendment

Nothing stated in this MOU is intended, nor shall it be construed, to commit, control, or influence in any manner whatsoever the authority, judgment, or discretion of the LAFCo Commission or the City Council of City in their future hearings on all or any aspect of City's Project and the ultimate decision of each to approve, approve with conditions, or disapprove the Project, in whole or in part, or to require or impose mitigation measures as a result of the environmental review of the City's Project.

This Memorandum of Understanding is entered into as of _____.

SACRAMENTO LAFCo

CITY OF SACRAMENTO

By: _____
Executive Officer

By: _____
City Manager

Date: _____

Date: _____

APPROVED AS TO FORM

APPROVED AS TO FORM

By: _____
LAFCo Counsel

By: _____
City Attorney

ATTEST

By: _____
City Clerk

TENTATIVE CITY-COUNTY NATOMAS JOINT VISION SCHEDULE
(UPDATED 10/25/06)

<u>DATE</u>	<u>EVENT</u>	<u>AGENCY</u>
7/25/06 - 8/06	Direction/Workplan	City/County
10/06 - 11/06	Contract Approval/Initiation	City/County
12/06 - 1/07	1 st OSP Workshop	City/County
2/07 - 3/07	2 nd OSP Workshop (Preliminary alternatives)	City/County
5/07 - 6/07	3 rd OSP Workshop (Preferred alternative review)	City/County
6/07 - 7/07	Distribute NOP/GPA	City/County
8/06 - 9/07	Sphere of Influence Application	City/LAFCo
10/07 - 11/07	4 th OSP Workshop (Responses to 1 st Draft)	City/County
2/08 - 3/08	Publish DEIR/MSR	City/County/LAFCo
5/08 - 6/08	Publish FEIR/MSR	City/County/LAFCo
5/08 - 7/08	Open Space/GPA Hearings	City/County
10/08 - 11/08	SOI Hearings	LAFCo

Work Products (Agencies)

GPA - General Plan Amendments (City/County)

OSP - Open Space Program (City/County)

SOI/MSR - Sphere of Influence/Municipal Service Review (City/LAFCo)

NOP - Notice of Preparation (City/County/LAFCo)

DEIR/FEIR - Draft/Final Environmental Impact Report (City/County/LAFCo)

