SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

1112 I Street, Suite #100 Sacramento, California 95814 (916) 874-6458

March 6, 2002

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: PROPOSED RANCHO CORDOVA INCORPORATION (12-97)

[CEQA: Environmental Impact Report]

RECOMMENDATION

Receive and file this staff report; continue this matter to the next Commission hearing on the date of April 3, 2002.

DISCUSSION

On February 6, 2002, your Commission approved a tentative boundary and Sphere of Influence for the proposed incorporation of Rancho Cordova. Your Commission directed staff to update the Environmental Impact Report and Comprehensive Fiscal Analysis as well as draft Terms and Conditions, based on the approved boundary of February 6, 2002.

Staff has met with the incorporation proponents and the County of Sacramento to discuss the terms and conditions. Draft terms and conditions have not yet been finalized because the updated Comprehensive Fiscal Analysis has not been completed. However, a preliminary revised CFA has been drafted, which indicates that the update will be similar to Project Alternative No. 1. Therefore, I anticipate that Fiscal Analysis will satisfy most of the concerns raised by the County of Sacramento and that the process of negotiating the terms and conditions of the LAFCo Resolution approving the incorporation will be worked out between your Executive Officer, attorneys for the County of Sacramento and Commission Counsel at the earliest possible date.

Economic & Planning Systems hopes to finalize the CFA update by Friday, <u>March 8, 2002</u>. All parties will then be able to begin to negotiate a mitigation agreement on revenue neutrality.

Delay of the CFA update creates a very tight timeline for your Commission's ability to fulfill all the necessary requirements prior to calling the election. It may be difficult for County staff to take draft terms and conditions to the Board of Supervisors for approval prior to your Commission's April 3rd hearing. Moreover, the delay of the CFA update does not allow for ANY OTHER delay in the process in order for the proponents to have a November 2002 election date.

I have reviewed possible options to meet this tight timeline, including the need to call a special meeting on **Thursday**, **April 18**, **2002**, **5:30 P.M.**, ¹ Board Chambers.

PROJECT SCHEDULE

March 6, 2002	Commission update and status report.
April 3, 2002	If complete, review draft terms and conditions; resolutions; certify EIR. (If necessary, EIR could be certified in May.) If not complete, continue to April 18, 2002.
April 18, 2002	Special Meeting; address language, any problems the Commission may have, in draft terms and conditions.
May 1, 2002	Approve Proposed Incorporation Adopt Resolutions for Approval of Proposed Incorporation, Findings of Fact and Statement of Overriding Consideration, Mitigation Monitoring Program, Environmental Impact Report, etc. Adopt a Resolution calling the election.
June 5, 2002	End of 30-day Request for Reconsideration period.
June 14, 2002	Maps and legal descriptions must be delivered to Registrar of Voters.
July 3, 2002	Cancel Commission meeting.
August 7, 2002	Finalize ballot language.
August 9, 2002	Deliver ballot language to Registrar of Voters.

_

¹ Please make a note of this date in your calendar. Board Chambers are available and have been scheduled for a possible LAFCo meeting. To use any other date for a special meeting during the month of April may require moving to another site for the Commission hearing.

California Environmental Quality Act

Environmental Impact Report for the Proposed Incorporation of Rancho Cordova

Environmental Science Associates (ESA) has provided the attached letter pertaining to your Commission's tentatively approved boundary for the proposed city and related impacts. ESA concludes that your Commission boundary, as well as any further minor adjustments your Commission may make, will not result in any significant changes or the need for additional mitigation measures beyond those described in the Draft Environmental Impact Report prepared for the proposal. The Mitigation Measures are still applicable.

Outstanding Issues of the Proposed Incorporation

Water Availability

Commission Counsel is preparing a draft Finding that will be presented at the next Commission meeting for discussion.

Boundary Adjustment Request

Charles Fite has submitted a request for the exclusion of his property from the proposed city. This area is shown on the attached map and is generally located east of Bradshaw Road, north of Highway 50, south of Folsom Boulevard, and west of Routier Road. In addition, another small area is located east of Routier Road and north of Old Placerville Road. (Map attached.)

Warehouse Ministries has also verbally requested exclusion of its property from the proposed city. This area is within the Fite property area and includes commercial, business park, and industrial uses but not residential areas. The primary concern of this request is the potential loss of identity due to a change of address from a Sacramento zip code to a Rancho Cordova address should the incorporation be approved by the electorate.

I do not recommend your Commission make these boundary adjustments for three reasons. (1) The change of address for any business within the proposal area is only a possibility; more importantly, the issue of address changes are beyond the purview of LAFCo. Such a decision will only be made by the US Postal Service and at the request of residents within the territory they propose for an address change. (2) To adopt this adjustment would create an even more irregular boundary that will be difficult to serve. (3) I would consider it extremely inappropriate to act on this request, at this late date, because such action might delay the proponents' request for a November election based on the fact that removal of this territory could require a review of the Comprehensive Fiscal Analysis and issues of revenue neutrality.

SUMMARY OF LAFCO BOUNDARY MODIFICATIONS IN COMPARISON TO PROPOSAL SUBMITTED BY THE PROPONENTS

There have been a number of boundary changes to the original petition submitted by the proponents. The boundary adjustments have been made for a number of reasons. These changes have resulted in a very irregular boundary for the proposed city. I have summarized these Commission adjustments for your brief review.

Territory Excluded from the Original Petition

Sunrise Boulevard and Folsom Boulevard Corridor

This exclusion was necessary to achieve a mitigation payment that can be secured by property taxes. The County of Sacramento believes that this is the only means to secure payment.

Mather Air Field

This area, along with the former McClellan AFB, is currently in a joint Mather-McClellan Redevelopment Area. There are many highly complex issues involved in Mather's status as a Redevelopment Area. The area is undergoing a lengthy military base conversion, negotiated with the federal government by the County of Sacramento, and is operated by the County of Sacramento. County officials believe very strongly that Mather should be excluded from the proposed city because of future plans for a regional park and the development of County owned and operated property.

Portion of Aerojet Properties

This territory was excluded based on a request from Aerojet and from the City of Folsom. The territory is used for Aerojet plant operations. Irregular boundaries have been created for the future city of Rancho Cordova because the boundary follows a "carve-out" area of property that can be urbanized. Much of the remainder of Aerojet properties is not yet contamination free and future land use issues are dependent upon future solutions to contamination at ground level.

Gold River

These neighborhoods were excluded at the request of residents regarding community identity.

<u>Territory South of Folsom Boulevard, East of Mayhew,</u> North of Highway 50 and West of Bradshaw

Staff recommended exclusion of this peninsula in order to create a more logical boundary.

Territory Carved out by LAFCo and Replaced in Boundary

Mobile Home Park at Sunrise and Highway 50

At the request of a petition submitted by the residents, the Mobile Home Park was included in the proposed city. This area was originally excluded by staff from the proposed city to create a more identifiable boundary for the city and because it could be identified as part of Gold River.

Sunrise-Douglas Area

The shape of the boundary for the proposed city of Rancho Cordova----which has resulted from a great deal of boundary tweaking and many inclusion/exclusion discussions----is, to make an understatement, highly irregular. The territory of the proposed city is approximately 40 percent of the territory originally submitted by the proponents' petition. The proposal boundary contains an area west of Sunrise Boulevard that is already urbanized and contains an area east of Sunrise Boulevard which the new city can use for potential future growth. A significant portion of the Sunrise-Douglas area is in the process of obtaining development entitlements for new residential development. Development of the area east of Sunrise Boulevard is problematic for many reasons. Traffic, water supply and water contamination issues are involved. However, I believe LAFCo can assume that the water supply issues for this territory will be solved if not in the immediate future, then in the near future. If the Board of Supervisors approves the SunRidge Specific Plan, it must approve a water supply to serve the area as part of the approval process. If water entitlements are not available, I do not believe development entitlements can be approved, based on current state law, and the area cannot be urbanized by either a new city or the County of Sacramento until a water source becomes available.

Sacramento County Water Agency has developed a plan to import water from an off-site location. At this time, the water plan will only be able to serve a portion of the Sunrise-Douglas Community Plan territory. The territory was recommended for inclusion by your Commission because of community identity issues and future potential growth for Rancho Cordova.

Sunrise Douglas Community Plan and SunRidge Specific Plan

According to Sacramento County Planning staff, this project is proceeding through the County's Planning process. Planning staff has provided many reports to the Board of Supervisors on issues that have been raised by the Board of Supervisors.

No date has been set for a formal approval hearing by the Board of Supervisors. County Planning Department staff has indicated that the earliest formal approval hearings could begin in late April and continue into May and June. This timeline may be impacted by a number of factors, including summer recess by the Board of Supervisors. In addition, certain approvals require a 30-day waiting period between actions. Thus, the issue of

water availability may not be resolved prior to your Commission's approval of the proposed incorporation and calling the election.

Area or Size of Proposal Boundary Compared to Proponents' Petition

For your information, I have prepared the following comparison of areas which have been examined as alternatives during the process of the Rancho Cordova incorporation proposal. The proponents' proposal boundary contained an estimated 66.3 square miles, or 42,432 acres. The proposal boundary adopted by your Commission contains an area of approximately 27.8 square miles, or approximately 17,800 acres. This is approximately a 60 percent reduction in the area proposed for incorporation compared to the original petition boundary.

Aerojet properties and the surrounding area, excluded from the proponents' boundary, contains about 21.0 square miles, or 13,440 acres. The Mather exclusion contains 15.5 square miles, or approximately 8,500 acres.

The Sphere of Influence territory along Sunrise Boulevard and Folsom Road is approximately 1.3 square miles, or approximately 832 acres.

The attached (colored) map showing areas numbered 1-6 gives the square mile/ acreage for each of the components of the proponents' petition boundary considered by your Commission.

Area 1	21.0 square miles	13,440 acres
Area 2	10.3 square miles	6,592 acres
Area 3	15.5 square miles	9,920 acres
Area 4	13.3 square miles	8,512 acres
Area 5	4.2 square miles	2,688 acres
Area 6	1.3 square miles	832 acres

It is my recommendation that your Commission make no change to the boundary called by motion and approved at the February 6, 2002 hearing. Your Commission will receive the updated Comprehensive Fiscal Analysis as soon as it is completed. I shall make every effort to present your Commission all of the necessary draft Resolutions, including terms and conditions, approving the proposal for adoption at the April 3, 2002 Commission hearing, or at the special meeting scheduled for April 18, so that final approval can be made on May 1, 2002. Following the timeline outlined is necessary to meet a November election date.

Respectfully,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage Executive Officer

PB:Maf Attachments

(RC 3-6-03)