

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite 100
Sacramento, California 95814
(916) 874-6458

April 1, 2009

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **REPORT BACK - CITY OF SACRAMENTO SPHERE OF INFLUENCE AMENDMENT - ASPEN 1 - TEICHERT (LAFC 05-08)**
[CEQA: Mitigated Negative Declaration]

CONTACT: Don Lockhart, Assistant Executive Officer (916) 874-2937
[Don.Lockhart@SacLAFCo.org]

RECOMMENDATION

1. Adopt the Negative Declaration for the project cited above and direct the Executive Officer to file the Notice of Determination with the County Clerk Recorder.
2. Approve the *City of Sacramento Sphere of Influence Amendment, with Terms and Conditions*.

MATTERS FOR CONSIDERATION THIS EVENING

The proposal before your Commission this evening consists entirely of the Municipal Services Review, the Negative Declaration and the related Sphere of Influence Amendment for the City of Sacramento.

If your Commission acts in the affirmative on the preceding items, subsequent various related land use entitlements and reorganizations may be considered by the City of Sacramento City Council and your Commission at a later date. ***No reorganization (annexation and related detachments) proposal is before your Commission this evening***

Project Proponent/ Chief Petitioner

City of Sacramento /Scot Mende,
New Growth & Infill Manager
Planning Department
915 I Street, 3rd floor
Sacramento, CA 95814
(916) 808-4756

Teichert Land Co./
Stonebridge Properties LLC
Mike Isle
3600 American River Drive, Suite 160
Sacramento, CA. 95864
(916) 484-3237

Background

This item was previously before your Commission on March 3, 2009, (Staff Report attached.) At that time, after due deliberation, your Commission directed City of Sacramento staff to meet with representatives of Sacramento Metropolitan Fire District, Cordova Recreation & Park District, LAFCo, and the County to discuss possible financial and operational impacts of any future annexation. The proposal was then continued for thirty days, to allow the respective staff to meet.

Property Tax Exchange Discussion

The parties convened on March 17, 2009, and again on March 25. Topics of discussion included:

- The situation of Automatic Aid (boundary drop) equity (i.e., whether Metro Fire responds to more calls within the City than vice-versa) (This discussion acknowledged that the governing 911 Emergency Communication JPA is outside the purview of LAFCo.)
- Recognition that with additional growth (Aspen 1 (City) and Aspen 2+ (unincorporated)) at the edges of City and affected (park and fire) district territories, service demand will increase commensurate with the rate of development.
- Emergency and life safety responses to calls for service will vary depending on which City & Metro fire stations are operational.
- Possible unmet commitments regarding the previous Tax Exchange agreement for the Airgas NCN, Inc. Reorganization, (LAFC 05-02.)
- The districts want a “seat at the table” to discuss a tax sharing agreement

As a result of the cooperative efforts of the interested parties, the following language was agreed to, and is proposed as a Condition of project approval:

1. Prior to LAFCo approval of any application to annex property within the Sphere of Influence Amendment area, the City of Sacramento or other applicants, shall meet and confer with the Cordova Recreation & Park District, the Sacramento Metropolitan Fire District, and any other affected special districts, regarding impacts to the districts and their operations. This process shall identify potential impacts from the proposed annexation upon the districts, including but not limited to fiscal and operational impacts, assessments, bonded indebtedness, loss of property tax revenues and other impacts proposed relating to any proposed changes of organization or services. The process will also identify any unresolved issues carried over from previous annexations (e.g., Airgas). In addition, LAFCo will fully analyze and consider these impacts prior to approval of any annexation to determine appropriate mitigation measures or conditions of annexation.

This language is similar to that which was applied to the City of Folsom SOIA (LAFCo 4-97, Reso. # 1196.)

Sacramento County Department of Transportation Comment

The proposal was previously routed for review and comment to Sacramento County and affected agencies. The County DOT commented that the affected territory includes lands that may be required to accommodate an urban interchange at South Watt Ave. and Jackson Highway, as proposed in the Draft County General Plan Update, currently undergoing CEQA review. Your staff facilitated a discussion between City and County staff.

As a result of the cooperative efforts of the interested parties, the following language was agreed to, and is proposed as a Condition of project approval:

2. Prior to annexation of property within the Sphere of Influence Amendment area, the City of Sacramento, with the cooperation of Sacramento County, shall prepare a plan to address the necessary improvements to the local roadway network of each jurisdiction to mitigate the impacts associated with development within the Sphere of Influence Amendment area as well as accommodate the regional mobility needs associated with the anticipated growth envisioned in the Sacramento County General Plan update. The plan – to be submitted with the annexation application - should include a list of improvements, description of the responsible jurisdiction, phasing plan, and a clearly defined financing mechanism. The plan should consider the County's proposal (that is currently undergoing environmental review) for an urban interchange at Jackson Highway / South Watt Avenue and bus rapid transit on South Watt Avenue and Jackson Highway.

This language is similar to that which was applied to the City of Folsom SOIA (LAFCo 4-97, Reso. # 1196.)

EXECUTIVE OFFICER COMMENTS AND RECOMMENDATIONS:

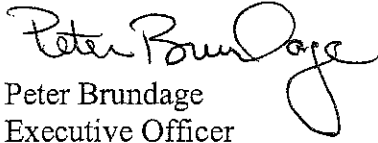
At the direction of your Commission, all affected agencies sat down and discussed their respective concerns. As a result of those discussions, proposed Conditions of project approval were agreed upon. Staff supports the proposed Conditions.

The proposal is consistent with the County of Sacramento General Plan, the City of Sacramento General Plan, the applicable Municipal Service Review prepared for the project and your Commission's Local Policies, Standards, and Procedures. Therefore, I respectfully recommend that the Commission:

1. Adopt the Negative Declaration for the City of Sacramento Sphere of Influence Amendment – Aspen 1 – Teichert and direct the Executive Officer to file the Notice of Determination with the County Clerk Recorder.
2. Approve the *City of Sacramento Sphere of Influence Amendment, subject to Terms and Conditions.*

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION


Peter Brundage
Executive Officer

DL
Attachments
(RB Aspen 1 SOIA 05-08)



PLANNING DEPARTMENT
NEW GROWTH DIVISION

**CITY OF SACRAMENTO
CALIFORNIA**

915 I STREET
NEW CITY HALL
3RD FLOOR
SACRAMENTO, CA 95814

916-808-8368 OFFICE
916-808-5786 FAX

MARCH 25, 2009

Peter Brundage, Executive Director
Sacramento Local Agency Formation Commission
1112 I Street, Suite 100
Sacramento, CA 95814

Subject: Aspen 1 Sphere of Influence Amendment Request (LAFCo 05-08)

Dear Mr. Brundage:

At the LAFCo meeting of March 3, 2009, your Commission directed City of Sacramento staff to meet with representatives of Sacramento Metropolitan Fire District, Cordova Recreation & Park District, LAFCo, and the County to discuss financial and operational impacts of annexation. The parties convened on the date of March 17, 2009, and again on March 25.

The parties discussed:

- The automatic aid (boundary drop) equity (i.e., whether Metro Fire responds to more calls within the City than vice-versa) (This discussion acknowledged that the 911 Emergency Communication JPA is outside the purview of LAFCo.)
- Recognition that with additional growth (Aspen 1 (City) and Aspen 2+ (unincorporated)) at the edges of City and [park and fire] district territories, service demand will increase commensurate with the rate of development.
- Fire's responses to calls for service will vary depending on which City & Metro fire stations are operational.
- Possible unmet commitments regarding the previous Tax Exchange agreement for the Airgas annexation
- The districts want a "seat at the table" to discuss a tax sharing agreement

The City of Sacramento offers the following as a proposed condition of approval:

Prior to LAFCo approval of any application to annex property within the Sphere of Influence Amendment area, the City of Sacramento or other applicants shall meet and confer with the Cordova Recreation & Park District, the Sacramento Metropolitan Fire Protection District, and any other special districts, regarding impacts to the districts and their operations. This process shall identify potential impacts from the proposed annexation upon the districts, including but not limited to fiscal and operational impacts,

assessments, bonded indebtedness, loss of property tax revenues and other impacts proposed relating to any proposed changes of organization or services. The process will also identify any unresolved issues carried over from previous annexations (e.g., Airgas). In addition, LAFCo will fully analyze and consider these impacts prior to approval of any annexation to determine appropriate mitigation measures or conditions of annexation.

In summary, the City values the opportunity to have met directly with the affected parties and explore issues of concern. The City acknowledges that financial and operational impacts need to be addressed with the Plan for Services and Property Tax Exchange Agreement that will accompany a subsequent annexation application.

Sincerely,



Scot Mende, AICP
New Growth & Infill Manager, City of Sacramento Planning Department

Copies sent to:

Donald Lockhart, Sacramento LAFCo
Doug Critchfield, Senior Landscape Architect, Cordova Recreation & Park District
Donald Mette, Fire Chief, Sac Metro Fire
Larry Davis, Director Governmental Affairs, Sac Metro Fire
Rusty Dupray, Captain, Sac Metro Fire
Troy Malaspino, Fire Marshall, City of Sacramento
Leo Baustian, Deputy Fire Chief, City of Sacramento
John Dangberg, Assistant City Manager
Carol Shearly, Planning Director, City of Sacramento
David Kwong, Planning Manager, Development Services Dept., City of Sacramento
Ellen Marshall, Senior Planner, City of Sacramento
Rob Leonard, Director of Intergovernmental Affairs, County of Sacramento
Troy Givans, Senior Planner, County of Sacramento

-----Original Message-----

From: Davis, Larry [mailto:Davis.Larry@smfd.ca.gov]

Sent: Thursday, March 26, 2009 7:54 AM

To: Givans. Troy; Scot Mende; Doug Critchfield; Lockhart. Don; Dupray, Rusty A.; Mette, Don

Cc: Ellen Marshall; John Dangberg; Brundage. Peter

Subject: RE: Aspen 1 SOI Condition

The language is satisfactory to the Sacramento Metropolitan Fire District.

Thanks,

Larry Davis, Director
Governmental Affairs
and Grants Management
Sacramento Metropolitan Fire District
2101 Hurley Way
Sacramento, CA 95825-3208
(916) 566-4313 desk
(916) 708-6377 cell
(916) 566-4158 fax
Davis.Larry@smfd.ca.gov
www.sacmetrofire.ca.gov

-----Original Message-----

From: Givans. Troy [mailto:GivansT@saccounty.net]

Sent: Wednesday, March 25, 2009 11:41 AM

To: Scot Mende; Doug Critchfield; Lockhart. Don; Davis, Larry; Dupray, Rusty A.; Mette, Don

Cc: Ellen Marshall; John Dangberg; Brundage. Peter

Subject: RE: Aspen 1 SOI Condition

This language is satisfactory to the County.

Troy Givans
Department of Economic Development
and Intergovernmental Affairs
Ph: 874-2413 Fx: 874-5885
givanst@saccounty.net

Lockhart, Don

From: Doug [doug@crpd.com]
Sent: Wednesday, March 25, 2009 10:07 AM
To: Lockhart, Don; Givans, Troy; 'Scot Mende'; 'Larry Davis'; 'Rusty A. Dupray'; 'Don Mette'; 'David Edmonds'; 'Kathleen Franklin'
Cc: 'John Dangberg'; Brundage, Peter
Subject: RE: Aspen 1 SOI Condition

I would support a broader approach as well. The Folsom language appears to be inclusive enough for the issues affecting the Parks District.

Doug

-----Original Message-----

From: Don Lockhart [mailto:Donald.Lockhart@SacLAFCo.org]
Sent: Wednesday, March 25, 2009 9:41 AM
To: Givans, Troy; 'Scot Mende'; 'Doug Critchfield'; 'Larry Davis'; 'Rusty A. Dupray'; 'Don Mette'
Cc: 'John Dangberg'; Brundage, Peter
Subject: RE: Aspen 1 SOI Condition

Attached is the language adopted by the Commission for the Folsom SOI. Consideration may want to be given to this more broad approach. Please confirm final language by noon today.
Thank you.

Don Lockhart, AICP

Assistant Executive Officer

Sacramento LAFCo

1112 I Street, Suite 100

Sacramento, CA 95814-2836

916.874.2937

916.874.2939 (FAX)

Don.Lockhart@SacLAFCo.org

ü Please consider the environment before printing this email.

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite 100
Sacramento, California 95814
(916) 874-6458

March 4, 2009

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **CITY OF SACRAMENTO SPHERE OF INFLUENCE**
AMENDMENT - ASPEN 1 - TEICHERT (LAFC 05-08)
[CEQA: Mitigated Negative Declaration]

CONTACT: Don Lockhart, Assistant Executive Officer (916) 874-2937
[Don.Lockhart@SacLAFCo.org]

RECOMMENDATION

1. Adopt the Negative Declaration for the project cited above and direct the Executive Officer to file the Notice of Determination with the County Clerk Recorder.
2. Approve the *City of Sacramento Sphere of Influence Amendment*.

MATTERS FOR CONSIDERATION THIS EVENING

The proposal before your Commission this evening consists entirely of the Municipal Services Review, the Negative Declaration and the related Sphere of Influence Amendment for the City of Sacramento.

If your Commission acts in the affirmative on the preceding items, subsequent various related land use entitlements and reorganizations may be considered by the City of Sacramento City Council and your Commission at a later date. ***No reorganization (annexation and related detachments) proposal is before your Commission this evening***

Project Proponent/ Chief Petitioner

City of Sacramento /Scot Mende,
New Growth & Infill Manager
Planning Department
915 I Street, 3rd floor
Sacramento, CA 95814
(916) 808-4756

Teichert Land Co./
Stonebridge Properties LLC
Mike Isle
3600 American River Drive, Suite 160
Sacramento, CA. 95864
(916) 484-3237

Project Description

The City of Sacramento initiated this request by Resolution # 2007-622, in response to a request of the landowner, Stonebridge Properties (a Teichert subsidiary.) The proposal consists of an Amendment to the approved Sphere of Influence (SOI.) No other Commission actions are requested at this time.

Project Setting

The 34+ acre Aspen 1 property is located south of Jackson Highway (State Route 16) and west of South Watt Avenue. In this area, South Watt Avenue is generally the boundary between the City of Sacramento and unincorporated Sacramento County, with the City west of South Watt and unincorporated territory to the east. The South Watt Avenue realignment in the 1980's resulted in this "island" west of South Watt. The surrounding balance of the landowner holdings in the city limits totals 375+ acres. To the east of S. Watt Ave., the landowner has 200+ acres. There are no development entitlements pending in either the city or county.

Boundary Review

The proposed Aspen 1 SOLA is surrounded on three sides by the City of Sacramento. The affected territory consists of five legal parcels of 34+ acres. However, the project site is anticipated to be included with the balance of landowner holdings already within the City of Sacramento. It would facilitate more efficient service and infrastructure planning west of S. Watt Ave. to have all territory subject to a single land use authority. The proposed boundary would follow the centerline of right-of-way for S. Watt Ave., consistent with the current city limit. This provides for a readily identifiable boundary, and may facilitate cooperation between city and county for future joint roadway maintenance and operations.

Current Land Use

The largely vacant site is at grade, abutting S. Watt Ave., constituting a portion of the eastern edge of surface mining and corp yard operations. There is also a 2400 sq.ft. parcel owned by SRCSD, (Arden Force Main oxygen structure.)

General Plan Designation and Surrounding Land Uses

The County General Plan designates the site Agriculture-Urban Reserve-Aggregate Resource Area. The site is also within the City General Plan planning area, designated Heavy Commercial & Warehouse. The site is surrounded by active aggregate mining operations, and ancillary support uses.

Project Zoning and Proposed Land Uses

The project is zoned M-2 and Industrial Reserve by the County. No change in zoning or rezoning is pending. One objective of this request is to facilitate future master re-use planning (west of S. Watt Ave.) of the overall 409+ acre holdings (375 + 34 acres subject site) under a single land use jurisdiction.

Project Characteristics

Sphere of Influence: The entire project is within the Sphere of Influence and service areas of:

- Sacramento Regional County Sanitation District (SRCSD)
- Sacramento Area Sewer District (formerly CSD No. 1)
- Cordova Recreation & Parks District
- Sacramento Metropolitan Fire District (Metro Fire)

The Assessed Valuation for FY 2007-08: \$116,019

Registered Voters: None/Uninhabited

Property Owner Consent: 100 percent

SUMMARY OF LAFCO SPHERE OF INFLUENCE ANALYSIS

General Sphere of Influence Requirements

1. Prepare Municipal Service Review and render Commission Determinations.
2. As lead agency, conduct adequate review pursuant to the California Environmental Quality Act (CEQA.)
3. City and County “meet and confer” negotiation period regarding the Sphere of Influence boundaries, development standards, and zoning requirements for the areas within the proposed Sphere of Influence. LAFCo is required to give "great weight" if agreement is reached between the City of Sacramento and the County of Sacramento. The two entities have completed their required meet and confer process, and have come to agreement on various matters. The County has presented no objection to the proposed SOIA.

Sphere of Influence Review Requirements per Government Code

Overview

A Sphere of Influence (SOI) is defined as a plan for the probable physical boundaries and service area of a local agency, as determined by your Commission. A primary objective of a SOI review is to surface overall considerations – 1) ultimate boundaries for growth; 2) means, capacity and timing of services availability; 3) means and availability of financing. While various issues may be identified in the SOIA review process, the nuts and bolts solutions to service matters is more fully addressed with the required Plan for Services prepared in conjunction with an annexation proposal.

The intent of proceedings for a Sphere of Influence Amendment is to determine:

- Can the proposed local jurisdiction (service providers) provide efficient and cost-effective services?
- Does the proposed service provider(s) have adequate infrastructure to serve the area?
- Are there any environmental constraints, e.g. the conversion of agricultural land and open spaces to urban development?
- Are the proposed boundaries reasonable and logical?
- Identify any community or economic interests that could be impacted by future annexations

To reiterate, a Sphere of Influence is intended to identify concerns that will need to be addressed in the event an annexation is proposed.

Annexation proceedings evaluate and compare service delivery issues in greater detail. The required Plan for Services will provide a financial plan that provides details for both infrastructure needs as well as operation and maintenance, i.e. service levels and service costs.

At the appropriate time, your Commission will consider the Plan for Services and annexation proposal comprehensively, including but not limited to:

- An enumeration and description of the services to be extended to the affected territory.
- The level and range of those services.
- An indication of when those services can feasibly be extended to the affected territory.

- An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- Information with respect to how those services will be financed.
[Cortese-Knox-Hertzberg (CKH) Sec. 56654]

It should be noted that both state law and Sacramento LAFCo policies favor jurisdictions that provide multiple municipal services.

..the legislature finds and declares that a single multipurpose governmental agency is accountable for the community service needs and financial resources and, therefore may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many limited purpose agencies, especially in rural areas. The Legislature also finds that whether governmental services are proposed to be provided by a single purpose agency, several agencies, or a multipurpose agency, responsibility should be given to the agency that can best provide governmental services. [CKH 56001]

Policy Discussion

In determining the Sphere of Influence of each local agency, the Commission shall consider and prepare a written statement of its determinations with respect to each of the following:

1. The present and planned uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency (or agencies) provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

In conducting a Sphere of Influence Review, the Commission shall comprehensively review all of the following:

- (a) Population, population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area,

and in adjacent incorporated and unincorporated areas, during the next 10 years.

- (b) Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls...

"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.
- (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
- (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- (g) Consistency with city or county general and specific plans.
- (h) The Sphere of Influence of any local agency which may be applicable to the proposal being reviewed.
[Note: CKH does not preclude an overlapping Sphere of Influence. "Overlap" or "overlapping territory" means territory which is included within the boundaries of two or more districts or within one or more districts and a city or cities. cite]
- (i) The comments of any affected local agency.
- (j) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.
- (k) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

- (l) The extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the appropriate council of governments.
- (m) Any information or comments from the landowner or owners.
- (n) Any information relating to existing land use designations.

Your Commission shall consider the SOIA proposal and receive any oral or written testimony. The Commission may approve or disapprove, with or without amendment, wholly, partially, or conditionally, the request.

MUNICIPAL SERVICE REVIEW-GENERAL GUIDELINES

Municipal Service Review Requirements

In order to consider the Sphere of Influence Amendment for the Aspen 1 property, the Commission shall conduct a service review of the municipal services provided in the affected territory. The Commission shall include in the area designated for service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed and shall prepare a written statement of its determination with respect to each of the following:

1. Growth and population projections for the affected area.
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
3. Financial ability of agencies to provide services.
4. Status of, and opportunities for, shared facilities.
5. Accountability for community service needs, including governmental structure and operational efficiencies.
6. Any other matter related to effective or efficient service delivery, as required by commission policy.

The Purpose and Intent of the Municipal Service Review

The MSR is the instrument required to provide information and data to ensure that the Commission has access to all necessary information in a timely manner to make sound conclusions and determinations with respect to municipal services.

Determinations have been included for each of the service items addressed in the Municipal Services Review. The information included in the MSR supports the general determinations stated in the "Determinations" of each section.

Generally, including Aspen 1 within the Sphere of Influence of the City of Sacramento will improve government structure options. Future land uses will share common municipal services currently provided to the city lands adjacent to the project site.

The inclusion of the Aspen 1 site into the SOI will facilitate future comprehensive planning and engineering efforts on the part of the landowner Project Team, City of Sacramento, and LAFCo. Based upon the information contained therein, the extension of service to this project area through the City of Sacramento will provide a well-planned and logical expansion of services currently provided to the existing territory within the City. Similarly, by providing for comprehensive service planning to the project area, the service levels to the existing city will not be negatively affected, and in some cases will be improved through future funding and construction of various proposed infrastructure improvements. In the event of approval of future annexation, the project will participate in funding a fair share fee, user fees, and assessments to support subsequent development the SOI Amendment area.

The City of Sacramento consistently makes every effort to proactively plan to provide for growth. The current General Plan is in the process of being updated, with adoption expected this Spring. The determinations in the MSR quantify the ability of the City to provide for planning for services and financing to meet the needs of the Aspen 1 project through inclusion in the SOI. The MSR determines that there is adequate government structure to provide services and accommodate successful growth.

The City of Sacramento General Plan has been established to accommodate growth in the current SOI. The City has governed the adjacent lands and required infrastructure, finance plans and public services to successfully accommodate planned growth in the area. The Aspen 1 territory has not been included in these urban development plans but will be considered with the proposed SOI Amendment.

Both Cortese-Knox-Hertzberg (CKH) and Sacramento LAFCo Policies find and declare that a full service city is accountable for community service needs and financial resources and, therefore, may be the best mechanism for establishing community service priorities especially in urban areas. Nonetheless, the Legislature recognizes the critical role of many special districts.

Summary of Services and Service Providers

The City of Sacramento is a full service city by Charter. The project applicants have demonstrated the need for the full range of municipal services in order to develop their property. The City of Sacramento has the demonstrated means and capacity to provide public or municipal services as efficiently, effectively, and competitively as the County and special districts.

The City has police protection, fire protection – including hazardous material, emergency medical service and advanced life support capabilities, public works (water, sanitary sewer, storm drainage, flood control, solid waste disposal – including curb-side recycling and green waste pick-up, animal care services), parks, public libraries, land use planning, building permit services, and other miscellaneous services needed to support urbanization. Over the past number of years, some of these services have combined in order to address regional needs. Joint Powers Agreements (JPA) have been created to

provide sanitary sewer service (SRCSD and SASD,) libraries, flood control (SAFCA), and emergency response communication. Generally, these mergers have resulted in improved service levels to meet the needs of a fast growing community. However, several areas or government functions, remain separate and autonomous and continue to be provided by the City, the County and various special districts.

The provision of services is analyzed and discussed extensively in the MSR.

Commission Duties and Responsibilities under Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000

The Commission shall have all of the ... powers and duties ... to review and approve or disapprove, with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the Commission A Commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.

LAFCO STANDARDS AND PROCEDURES RE SPHERES OF INFLUENCE

The proposed Sphere of Influence Amendment for the City of Sacramento is consistent with Sacramento LAFCo Policies, Standards and Procedures. Government Code Section 56425(a) specifies "In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and determine the Sphere of Influence of each local agency within the county."

Findings

The proposed Sphere of Influence Amendment for the Aspen 1 property is consistent with the purpose and responsibility of the Sacramento Local Agency Formation Commission to plan and shape the logical and orderly development, together with coordination of local agencies, in order to provide for the present and future needs of the County of Sacramento and its communities.

A. Present and planned land uses in the area, including agricultural and open space:

A city is a political subdivision under the State of California. The power and authority of a city is derived from the State Constitution and State law. The affected territory includes vacant land consisting of approximately 34+ acres. The Sphere of Influence Amendment (SOIA) area would provide territory needed by the City of Sacramento to provide for the future expansion needs and maintain logical and orderly patterns of development.

B. The present and probable need for public facilities and services in the area:

The SOI is a plan for the future probable physical boundaries and service area for the City of Sacramento. The Commission has the authority to determine the SOI for each local entity – cities and special districts. (The County of Sacramento does not have a SOI.) The purpose of the SOI is to provide for the present and future needs of the community. The SOI may be subject to terms and conditions imposed by LAFCo to ensure the orderly development and planned growth.

The SOI amendment will not require the immediate need for additional public facilities or services. In fact, it would be premature to develop infrastructure for an area that has not been approved for annexation. The purpose of the MSR, SOIA analysis and Negative Declaration is to identify the probable impacts that may result from development.

C. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide:

The City of Sacramento has the present capacity to provide municipal services within the city limits. Approval of the SOIA territory will facilitate and encourage that the City plan for expansion of necessary services prior to any annexation proposal. Upon annexation, the City of Sacramento would be required to provide domestic water, storm water and drainage, solid waste collection and disposal, fire protection and emergency medical services, police protection, parks and recreation, library services, and roads and public transportation. Wastewater collection and treatment would be provided by SASD and SRCSD, in the event of development.

Approval of the SOI Amendment will not change the current service providers, land use designations or land use jurisdiction. At this time minimal services are provided to this site because of its undeveloped state.

D. The existence of any social or economic communities of interest:

Territory within the proposed SOI area is located inside of the Sacramento County General Plan's Urban Service Boundary line (i.e., the ultimate boundary for the delivery of municipal services provided by the County and Special Districts). The City of Sacramento does not have an urban growth boundary beyond its existing corporate boundaries. The City of Sacramento has requested the SOIA to establish an urban growth boundary to accommodate anticipated future growth. Given policies of both jurisdictions, the City of Sacramento is the most logical provider of municipal services to the SOIA area if the area should be annexed to a city. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 promotes the view that urban development should occur within municipal boundaries, i.e., that municipal services are more efficiently provided by a single municipal provider, rather than a myriad of single purpose providers.

The proposed Aspen 1 Sphere of Influence Amendment conforms to the following LAFCo Policies, Standards and Procedures.

1. The proposed SOIA territory does not overlap the Sphere of Influence of any other city.
2. The MSR for the proposed SOIA identifies types and adequacy of municipal services to be provided.
3. The MSR for the proposed SOIA identifies existing land uses and reasonable projection of land uses that may occur.
4. The MSR for the proposed SOIA identifies existing and proposed facilities.
5. The proposed SOIA is consistent with the policies of the General Plan of the City of Sacramento.
6. The SOIA does not split neighborhoods or divide an existing identifiable community, commercial district, or other area having a social or economic identity.
7. The proposed SOIA does not create islands, corridors or peninsulas or distort existing boundaries.
8. The proposed SOIA does not exclusively contain revenue-producing properties.
9. The proposed SOIA does not split parcels or create an area difficult to serve.
10. The proposed SOIA is orderly and is not "leap frog" development in relation to existing development.
11. The proposed SOIA does not pose a threat to public health and safety.

The Aspen 1 property Sphere of Influence Amendment proposal meets these criteria.

This project is consistent with Sacramento LAFCo Policies and Procedures, the County General Plan and the City General Plan.

History of City of Sacramento Sphere of Influence

A Sphere of Influence is defined as the probable physical boundary and service area of a local agency. Land use regulation and service delivery within a Sphere of Influence remains the responsibility of Sacramento County and affected special districts until such

time as the area, or any portion thereof, is annexed to an incorporated city. Currently, the City of Sacramento contains approximately 99 square miles with a population of approximately 450,000 residents. The City of Sacramento's Sphere of Influence was adopted October 21, 1981, over twenty-five years ago. Since that time, there have been relatively few adjustments to the City's Sphere of Influence. There have been relatively few annexations. The Cosumnes River College SOI/ Annexation was completed in 1990. Northgate Market Place Reorganization was completed in 1991. In 1995, the Commission amended the City's Sphere of Influence in a clean-up to include all the territory already within the City's corporate boundary and the territory known as the Natomas Panhandle to be included within the City's Sphere of Influence. Since 1985, there have been 13 annexations, containing approximately 1397 acres of land, to the City of Sacramento. The majority, as well as the largest areas of annexation, occurred prior to the 1970's. Most recently, your Commission approved the 600+ acre Greenbriar SOIA and reorganization in the North Natomas area, in April, 2008.

These past Sphere Amendments in terms of a ninety-nine square mile city are considered to be relatively minor. A majority of the development (build out) during this period occurred in South Sacramento, South and North Natomas as well as the unincorporated area and the cities of Folsom, Elk Grove and Rancho Cordova.

CITY OF SACRAMENTO GENERAL PLAN POLICIES AND OBJECTIVES FOR THE ASPEN 1 PROJECT

The proposed Sphere of Influence Amendment (SOIA) is consistent with the City's General Plan Policies and Smart Growth Principles. General Plan Policy 7 (1-34) states the City should request LAFCo expand the SOI to include "other logical areas outside its current boundaries". Policy 12 of the Smart Growth Principles states it is the "policy of the City to promote sustainable and balanced development that makes efficient and effective use of land resources and existing infrastructure". A modification to the city's Sphere of Influence (SOI) boundary will be required to plan for efficient and effective future growth in the southeastern portion of the city.

The City of Sacramento states the following reasons in support of the Aspen 1 proposal:

- The City of Sacramento seeks to direct orderly growth and to provide an adequate level of service to the residents of the community.
- The City of Sacramento seeks to encourage urban development within the city limits and discourage urban development in the unincorporated area.
- The Sphere of Influence shall include those parcels adjacent to the city limit whose development could have significant visual, traffic, service and environmental impacts on the City of Sacramento so that the City may influence the ultimate development of those parcels.

- The Sphere of Influence Amendment boundary shall include those areas that can be annexed to the City of Sacramento within the next 5 to 15 year period to meet its projected growth trends and development patterns.

Further, the City asserts that municipal services may be extended to the Aspen 1 property, such that current City residents will not be adversely impacted. As previously mentioned, South Watt Avenue is generally the boundary between the City of Sacramento and Sacramento County, with the City west of South Watt and the County to the east. The South Watt Avenue realignment resulted in the Aspen 1 area west of South Watt, creating a pocket of County territory surrounded by the City. The proposed SOI amendment is a clean up issue that would eventually result in South Watt Avenue as the logical City boundary in this area. Additionally, Teichert owns the Aspen 1 territory and several parcels to the west. This SOI amendment would allow for the entire property owned by Teichert to be master planned.

Affected Agencies:

In light of the limited demand, adequate levels of municipal services are currently being provided to this undeveloped site. The following table shows both current service providers, and services that may provided in the event of annexation:

SUMMARY OF SERVICES IN THE SOUTH WATT AREA

Service Provider	Services Provided	Authorized to Provide Service	Service Provider	Provider Post Annexation
County of Sacramento	Solid Waste	X	X	
	Roadway	X	X	
	Public Safety – Sheriff	X	X	
	Animal Control	X	X	
	Code Enforcement	X	X	
	Drainage	X	X	
City of Sacramento	Water			X
	Drainage – pipes, detention basin, pump station			X
	Solid Waste		X	X
	Roadway			X
	Public Safety – Fire Protection			X
	Public Safety – Police			X
	Animal Control			X
	Code Enforcement			X
	Parks and Recreation			X
California American Water Company	Water	X	X	
Sacrament Area Sewer District (SASD)	Wastewater – local conveyance	X	X	X

Sacramento Regional County Sanitation District	Wastewater – wastewater treatment	X	X	X
Sacramento Area Flood Control Agency	Flood Protection	X	X	X
Sacramento Regional Solid Waste Authority	Solid Waste	X	X	X
Sacramento Metropolitan Fire District	Public Safety – Fire Protection	X	X	
Cordova Recreation and Park District	Parks and Recreation	X	X	
Sacramento Public Library Authority	Libraries	X	X	X
Sacramento Municipal Utility District	Electricity	X	X	X
Pacific Gas and Electricity	Natural Gas	X	X	X

* Services contracted to the City of Sacramento

The proposal was routed for review and comment to Sacramento County and affected agencies. The entire project is within the Sphere of Influence and service areas of:

- Sacramento Regional County Sanitation District (SRCSD)
- Sacramento Area Sewer District (formerly CSD No. 1)
- Cordova Recreation & Parks District
- Sacramento Metropolitan Fire District (Metro Fire)

SRCSD does not object to the inclusion of the 2400 sq.ft. parcel and Arden Force Main oxygen structure. Both SRCSD and SASD have the means and capacity to provide services to the site, in the event of development. A sewer study will be required prior to the provision of services.

The County will coordinate joint roadway maintenance efforts in the event of annexation.

Cordova R&P District did not provide any comments.

While Metro Fire has not directly addressed the proposed SOIA, the District has expressed concern about potential loss of revenue, (\$582 annually) while possibly retaining service responsibility in the event of a future reorganization (city annexation and district detachment.) *Typically, the City of Sacramento, as a full service city, proposes to detach territory from affected special districts, concurrent with annexation to the city.*

The District requests that a condition be placed on any future reorganization that “current fire protection and life safety functions and property tax revenue remain intact.” (The respective correspondence from both Metro Fire and the City are attached.)

Also, the District requested a legal opinion regarding the authority of your Commission to impose conditions on a SOIA. Commission Counsel's opinion (attached) notes that your Commission has broad authority to impose conditions on approval of an amendment to the City's SOI.

Property Tax Exchange Agreement Process

The matters before your Commission this evening consists solely of the Municipal Services Review, the Negative Declaration and the related Sphere of Influence Amendment for the City of Sacramento.

No reorganization (annexation and related detachments) proposal is before your Commission this evening. Any such future proposal would be subject to a Property Tax Exchange Agreement.

Discussion

In October, 2003, your staff presented a Policy Discussion paper on the Tax Sharing Agreement Process for city Annexations to your Commission. Sacramento LAFCo adopted staff's recommendation as follows:

LAFCo encourages cities and the County of Sacramento to include special districts as part of the property tax sharing negotiation process in reorganization [annexation/ detachment] proposals in which special districts are affected.

In March, 2004, your Commission approved the Airgas Reorganization [Annexation to City of Sacramento; Detachment from County Service Area No. 1, Sacramento Metropolitan Fire District, Southgate Recreation and Park District, and County Water Agency Zone 40.] Several special districts raised concerns about the property tax sharing negotiation process during that reorganization proceeding.

As a result, representatives of the County of Sacramento and the City of Sacramento requested LAFCo staff to facilitate a meeting between full service cities, special districts and the County of Sacramento to discuss the property tax negotiation process. On October 8, 2004, LAFCo staff met with representatives of the County of Sacramento, the Cities of Folsom and Sacramento and Sacramento Metropolitan Fire District, Southgate Recreation and Park District, and Rio Linda-Elverta Recreation and Park District to discuss the property tax sharing agreement negotiation process.

That meeting served well to clarify for staff of the county and cities their respective roles. County staff agreed to meet with special districts prior to negotiating the property tax sharing agreement with cities. It should be noted regarding special districts that the county has no obligation to conclude a property tax sharing agreement that is necessarily satisfactory to the districts. However, county staff agreed that they will consider special district issues and include their interests in the negotiation process.

Also at the October 8, 2004, each of the parties present agreed to the following process:

- The County of Sacramento will notify special districts whose service area and property tax revenue may be altered as a result of a proposed reorganization (annexation/ detachment).
- Prior to adoption of a Property Tax Agreement between the city and county, the county will meet and confer with the impacted special districts and city in a "meaningful" way to address concerns raised by special districts related to the fiscal and service delivery impacts related to proposed reorganizations. The proposed LAFCo policy exceeds the legal requirement set forth in Revenue and Tax Code Section 99, which governs said Agreements.
- "Meaningful" shall be defined as giving adequate notice to impacted special districts, holding a good faith formal meet and confer process that allows special districts to voice their concerns, issues and/or impacts that affect their district in a reorganization. A meaningful process does not require that a city and/or the county reach an agreement between themselves or with affected special districts.
- The Executive Officer shall not issue a Certificate of Filing until the local agencies included in the property tax revenue exchange negotiation present resolutions adopted by each county and city whereby each county and city agree to accept the exchange of property tax revenue.

LAFCo's Responsibility for the Review of Annexation Proposals

The property tax exchange agreement between a city and county does not diminish LAFCo's responsibility from analyzing the financial and service delivery impacts to special districts and the community during its review of city annexation proposals. The Commission may approve, modify or deny proposals based on financial impacts even if a property tax agreement has been reached between the city and county. Therefore, to the extent possible, the property tax sharing negotiation process should examine the fiscal impacts of proposals that LAFCo will evaluate during its deliberations.

CEQA Discussion

The Sacramento LAFCo is the Lead Agency for the Aspen 1 Sphere of Influence Amendment request of the City of Sacramento. Staff has conducted an Initial Study, and prepared a Negative Declaration for the project (Attached.) The entire proposed SOIA area is currently in the unincorporated area of Sacramento County. Based on existing City and County land use and zoning designations, the area of the SOIA is earmarked for urbanized industrial uses. Ongoing industrial uses would not change with implementation of the SOIA.

The proposed project includes potential future urbanization of the project site in a developed urban area. The proposed project would not result in any degradation of the quality of the environment, nor substantially reduce the habitat of a fish or wildlife species, nor cause a fish or wildlife population to drop below self-sustaining levels, nor threaten to eliminate a plant or animal community, nor reduce the number or restrict the range of a rare or endangered plant or animal nor eliminate important examples of the major periods of California history or prehistory. Therefore, no adverse impacts would result and no mitigation would be necessary.

The project is consistent with the Goals and Policies of Sacramento LAFCo. While the project would indirectly contribute to cumulative impacts associated with increased urban development in the City and region, these impacts have previously been evaluated by the City and considered in development of the City's General Plan.

Because of existing regulation and monitoring of many potential environmental impacts as previously assessed in the City's General Plan EIR, the project would not have the potential to cause substantial adverse effects on human beings.

Any subsequent development proposal, including pre-zoning, will be subject to CEQA review.

EXECUTIVE OFFICER COMMENTS AND RECOMMENDATIONS:

The proposal is consistent with the County of Sacramento General Plan, the City of Sacramento General Plan, the applicable Municipal Service Review prepared for the project and your Commission's Local Policies, Standards, and Procedures. Therefore, I respectfully recommend that the Commission:

1. Adopt the Negative Declaration for the City of Sacramento Sphere of Influence Amendment – Aspen 1 – Teichert and direct the Executive Officer to file the Notice of Determination with the County Clerk Recorder.
2. Approve the *City of Sacramento Sphere of Influence Amendment*.

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage
Executive Officer

DL
Attachments
(Aspen 1 SOIA 05-08)

