

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
NOTICE OF PREPARATION OF A DRAFT ENVIRONMENTAL IMPACT REPORT
AND NOTICE OF PUBLIC SCOPING MEETING FOR THE PROPOSED KAMMERER
ROAD/HIGHWAY 99 SPHERE OF INFLUENCE AMENDMENT (LAFC#07-15)**

March 7, 2016

TO: Responsible Agencies, Trustee Agencies, and Interested Persons

RE: Notice of Preparation of a Draft Environmental Impact Report (“Draft EIR”) for the Proposed Kammerer Road/Highway 99 Sphere of Influence Amendment and Notice of Environmental Impact Report Scoping Meeting (LAFC#07-15)

In accordance with the provisions of the California Environmental Quality Act (“CEQA”), the Sacramento Local Agency Formation Commission (LAFCo) has determined that the proposed Kammerer Road/Highway 99 Sphere of Influence Amendment (SOIA) will require preparation of an Environmental Impact Report (“EIR”).

LAFCo will be the lead agency for preparation of the EIR. The applicants are Kamilos Companies, LLC and Feletto Development Company. The purpose of the Notice of Preparation is to provide an opportunity for public agencies, interested parties, and the public to comment on the scope and proposed content of the EIR.

PUBLIC SCOPING MEETING

A public scoping meeting on the Draft EIR will be held on Tuesday, March 22nd, 2016 from 4:00 p.m. to 6:00 p.m. in the Valley Oak Ballroom at the Wackford Community & Aquatic Complex. The address of this facility is 9014 Bruceville Road, Elk Grove, CA 95758. The scoping meeting will have an “open house” format. Therefore, participants can attend at any time during this 4:00 p.m. to 6:00 p.m. window.

The purpose of the Draft EIR scoping meeting is to solicit the views of interested parties requesting notice, responsible agencies, agencies with jurisdiction by law, trustee agencies, involved federal agencies, and LAFCo, as to the appropriate scope and content of the Draft EIR. Specifically, input will be solicited regarding: the scope and focus of EIR analysis; ideas for feasible mitigation to reduce environmental effects; alternatives to the proposed SOI Amendment that could reduce environmental effects; and interested agencies, groups, or individuals that should be notified regarding the project.

WRITTEN COMMENTS

This Notice of Preparation (“NOP”) initiates the CEQA scoping process. The comment period for this NOP will run from March 7th to April 8th, 2016. Please provide your written comments to the address shown below by 4:00 p.m. on April 8, 2016. For public agencies, please provide the name of a contact person in your agency. Comments in response to this Notice of Preparation and questions should be addressed to:

Sacramento Local Agency Formation Commission
1112 I Street, Suite 100
Sacramento, CA 95814-2836
Attn: Mr. Don Lockhart, Assistant Executive Officer, AICP
Phone: (916) 874-2937
Fax: (916) 854-2939
E-mail: Don.Lockhart@SacLAFCo.org

Documents related to this SOIA request and EIR will be available for review on LAFCo's website at: <http://www.saclafco.org>

FOCUS OF INPUT

LAFCo relies on responsible and Trustee agencies to provide information relevant to the analysis of resources falling within the jurisdiction of such agencies. LAFCo encourages input for the proposed SOI Amendment EIR, with a focus on the following topics:

- ▶ **Scope of Environmental Analysis.** Guidance on the scope of analysis for this EIR, including identification of specific issues that will require closer study due to the location, scale, and character of the SOI Amendment request;
- ▶ **Mitigation Measures.** Ideas for feasible mitigation, including mitigation that could potentially be imposed by LAFCo and that would avoid, eliminate, or reduce potentially significant or significant impacts;
- ▶ **Alternatives.** Suggestions for alternatives to the SOI Amendment request that could potentially reduce or avoid potentially significant or significant impacts; and
- ▶ **Interested Parties.** Identification of public agencies, public and private groups, and individuals that LAFCo should notice regarding this SOI Amendment request and the accompanying EIR.

PROJECT DESCRIPTION

The project is a landowner initiated proposal to amend the City of Elk Grove Sphere of Influence (SOI); the Sacramento Area Sewer District (SASD) SOI; and the Sacramento Regional County Sanitation District (SRCSD) SOI. The affected territory includes a 1,156-acre area that abuts the southern portion of the City's existing jurisdictional boundary (see Exhibit 1).

Land Use Scenario

There are no changes to land uses proposed as part of this Sphere of Influence Amendment application. However, LAFCo must make certain findings with respect to land use, proposed land use, service needs within the SOIA area and within the current City limits. These findings include the need for urban services and orderly growth along with preservation of agricultural lands. Therefore, in order to facilitate environmental analysis for this Sphere of Influence Amendment request, the applicant has developed a potential proposed land use scenario and holding capacity. The applicant estimates that the project site could accommodate development that could provide 18,000 to 20,000 jobs in office, industrial, and commercial settings. Development could include a significant employment component near the Grant Line Road/SR 99 interchange and along the Kammerer Road (future Capital SouthEast

Connector) corridor. Additionally, for the purposes of analysis, the applicant has identified that the project site could accommodate the development of a broad array of housing types, with a total of 4,000 to 5,000 dwelling units.

The project is a proposed Sphere of Influence Amendment. It does not include any land use plan or, related pre-zoning entitlement requests. Similarly, the project does not include any indication of any timeline of an annexation request, development or phasing for future development. LAFCo will assume certain time frames for development consistent with state law.

Authority for Sphere of Influence Change Requests

This amendment requires approval by the Sacramento Local Agency Formation Commission (LAFCo), which has sole discretion on the establishment and amendment of sphere boundaries. LAFCo is charged with oversight of changes in governmental organization and has the authority to consider:

- ▶ Annexations to, or detachments from cities or districts;
- ▶ The formation or dissolution of districts;
- ▶ The incorporation or disincorporation of cities;
- ▶ The consolidation or reorganization of cities or districts;
- ▶ The establishment of subsidiary districts; and
- ▶ The development of, and amendments to, Spheres of Influence.

LAFCo has the authority to approve, modify and approve or disapprove applications, and to impose mitigation measures and conditions of approval. Per statute, LAFCo shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.

PROJECT LOCATION

The proposed SOI Amendment Area (also known as the “project site”) is within unincorporated Sacramento County and is primarily used for extensive dry farmed and irrigated croplands and vineyard operations. The area currently consists of approximately 1,156 acres of agricultural land west of State Route 99, south of Kammerer Road, and east of McMillan Road (see Exhibits 1 and 2).

The project site is just south of, and adjacent to Kammerer Road, which is part of the alignment of the Capital SouthEast Connector, an on-going project to construct a 35-mile multi-lane, limited access roadway that would ultimately connect Interstate 5 in the Elk Gove area, with U.S. Highway 50, in El Dorado County. The Grant Line Road/State Route (SR) 99 interchange is located just northeast of the project site and was constructed in 2008 to accommodate 8-lanes of traffic. The project site is located adjacent to, and west of SR 99. Existing development within the City of Elk Grove and east of SR 99 includes commercial, rail-served industrial, including the Suburban Propane refrigerated storage facility, the Cosumnes CSD fire training center, and recreational facilities. The recently approved 1,200-acre mixed-use Southeast Policy Area (SEPA) lies directly to the north in the City of Elk Grove.

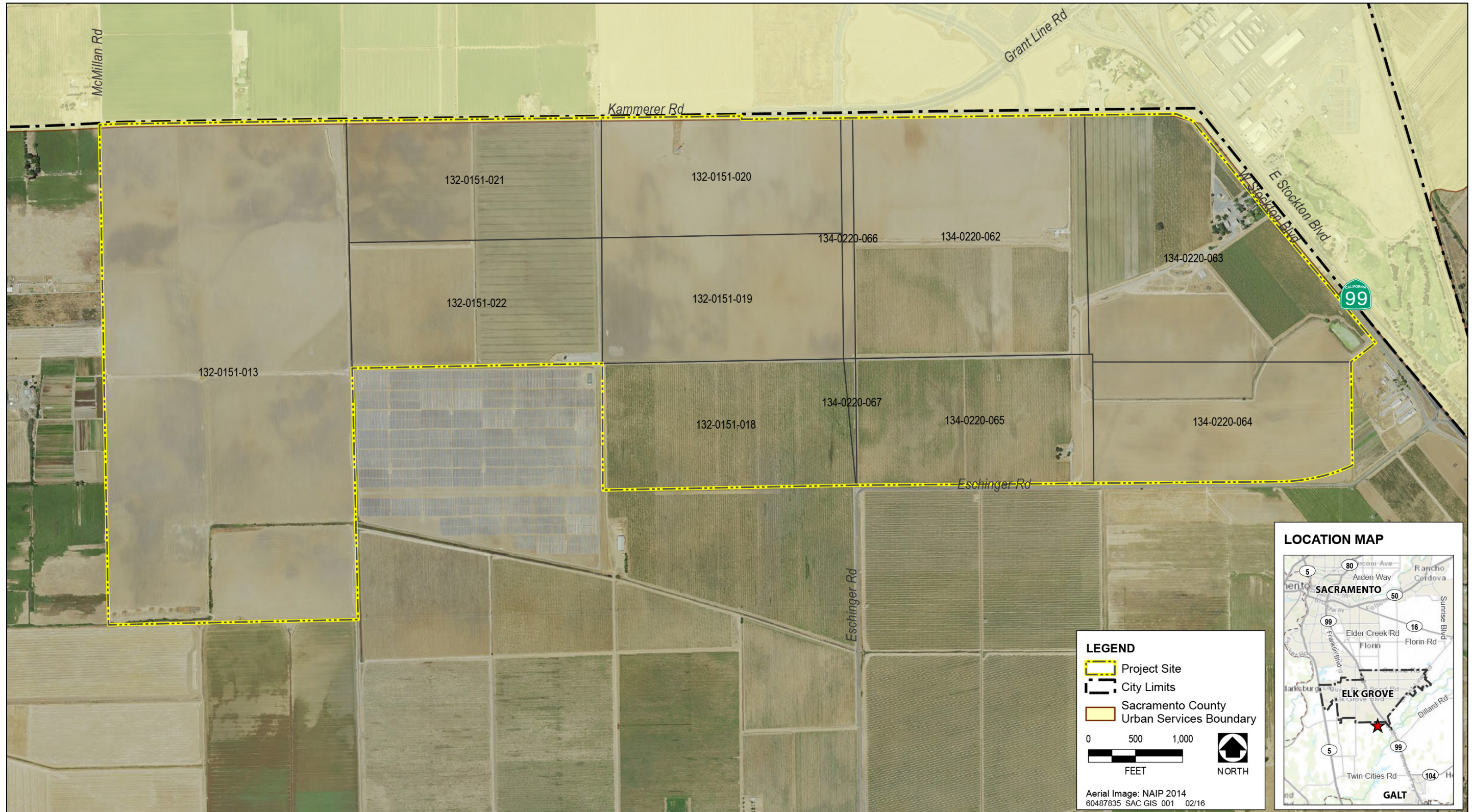


Exhibit 1. Location of Proposed Sphere of Influence Amendment Area.

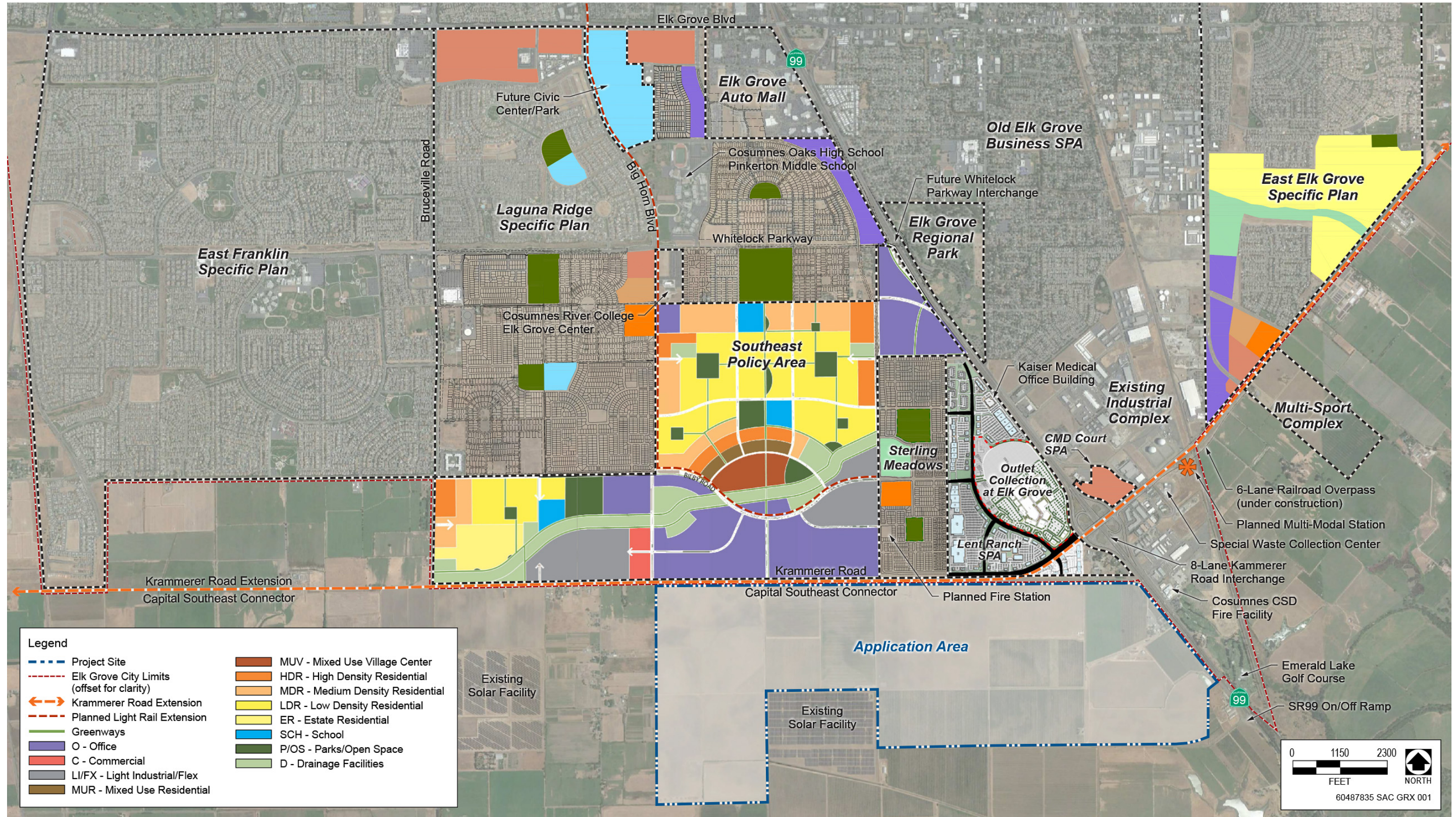


Exhibit 2. Regional Location Map.

South of the project site is Eschinger Road and an area developed with agricultural operations and solar energy generation facilities. Agricultural operations are located west of the project site. At the western edge of the project site, just north of Kammerer Road, is McMillan Road, a private road.

PROJECT BACKGROUND

In 2008, the City of Elk Grove applied to Sacramento LAFCo for a Sphere of Influence Amendment (LAFC#04-08) to the south and east of its current boundary consisting of approximately 10,536 acres, which was subsequently closed and a new application (LAFC#09-10) was submitted by the City for 7,869 acres, including the area addressed by the current SOI Amendment request. The City withdrew this application in 2013.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) includes provisions for amending spheres of influence. A SOI is defined by Government Code Section 56425 as a plan for the probable physical boundary and service area of a local governmental agency, including areas adjacent to the existing service area of a jurisdiction where services might reasonably be expected to be provided in the next 20 years.

This SOI Amendment would allow the City of Elk Grove and other service providers to plan for future urbanization, but it does not authorize changes in land use or governance. Lands within an amended SOI Area would not be under the City's jurisdiction until future development applications are received and requests for annexation of those parcels are approved by Sacramento LAFCo. The proposed project does not include an annexation request. There will not be any change to the land use or taxation jurisdiction in the event of the approval of the proposed SOI Amendment.

POTENTIAL ENVIRONMENTAL EFFECTS

Sacramento LAFCo has reviewed the proposed SOI Amendment request, as required by Section 15060 of the CEQA Guidelines, and has determined that an EIR should be prepared. As required by CEQA, the EIR will describe existing conditions and evaluate the potential environmental effects of the proposed project and a reasonable range of alternatives, including the no-project alternative. It will address direct, indirect, and cumulative effects. The EIR will identify feasible mitigation measures, if available, to reduce potentially significant impacts.

Although the SOIA proposal would not construct or develop any infrastructure or structures that could result in direct physical impacts, the project could result in indirect effects associated with probable future urbanization of the area. The EIR will provide a description of the possible future adverse physical effects associated with land use change in the proposed SOI Amendment Area. At this time, LAFCo has determined that there may be environmental effects in the following areas.

Aesthetics

The EIR will conceptually describe potentially impacts associated with this possible future land use change, including, but not limited to the placement of structures, light, and glare, and the surrounding land uses. Visual resources include any scenic vistas, views of scenic resources, and visual character either on-site or from the surrounding area.

Agriculture

The EIR will describe the project area's existing agricultural lands, as defined by GC 56016, surrounding agricultural land uses, and the regulatory setting. The agricultural resources section will identify any land designated as Prime Farmland, as defined by GC 56064, Unique Farmland, or Farmland of Statewide Importance by California's Department of Conservation Farmland Mapping and Monitoring Program ("farmland" as defined by CEQA), and any lands under a Williamson Act contract, or within a Farmland Security Zone, will be mapped and described.

Air Quality

The EIR will identify potential air quality impacts related to potential future land use change in the proposed SOI Amendment Area, including impacts related to criteria air pollutant emissions and toxic air contaminants.

Biological Resources

The EIR will include a review of documentation pertinent to the biological resources in the proposed SOI Amendment Area. This will include reviewing documentation pertaining to habitat requirements for special-status species potentially occurring near the SOI Amendment Area, the species data provided by U.S. Fish and Wildlife Service (USFWS) and California Department of Fish and Wildlife (CDFW), and both the California Native Plant Society's (CNPS) Inventory of Rare and Endangered Plants of California and the California Natural Diversity Database (CNDDDB). The EIR will also review the species and community accounts prepared in support of the South Sacramento Habitat Conservation Plan (SSHCP). The EIR will evaluate the potential of the proposed SOI Amendment Area to support special-status plants, animals, and habitats considered sensitive, rare, threatened, or endangered.

Cultural Resources

LAFCo will review existing documentation of cultural resources in the vicinity of the proposed SOI Amendment Area. An updated record search will be provided via the North Central Information Center. The EIR will briefly summarize potential impacts related to cultural resources associated with possible future land use change.

Energy

The energy section of the EIR will include a description of the current utility provider(s) in the proposed SOI Amendment Area for electricity and natural gas. The EIR analysis will very briefly and conceptually evaluate how the potential future development could increase energy demand and cite relevant policies and standards that address this topic.

Geology and Soils, Minerals, Paleontology

The EIR team will evaluate the potential project impacts on geology and soils through site research and reconnaissance, and through review of applicable plans and policies. The EIR will document geologic formations and assess their sensitivity for containing significant fossils. Since there is no land use plan, the EIR will not analyze any impacts associated with the location of any particular buildings or uses in any particular location.

Greenhouse Gas Emissions

The greenhouse gas (GHG) section of the EIR will include a description of the current science surrounding climate change. The existing setting section will also include a summary of the applicable regulatory framework, and benefits of existing regulations for GHG emissions reduction. The EIR will generally describe potential short- and long-term GHG emissions impacts based on land use assumptions developed for the purpose of analysis.

Hazards and Hazardous Materials

The EIR team will review the U.S. Environmental Protection Agency's Envirofacts database to determine if the proposed SOI Amendment Area is located on or near hazardous material sites. The EIR will summarize the types of activities and hazardous materials that would be used within the SOI Amendment Area and evaluate the potential impacts of these activities. Effects related to the provision of emergency response services, as well as impacts related to fire hazards, will also be addressed. There is no land use plan, thus the EIR will not analyze any impacts associated with the location of any particular buildings or uses in any particular location.

Hydrology and Water Quality

The EIR will include a hydrology and water quality impact assessment that focuses on temporary, short-term construction-related effects on water quality from storm water runoff and permanent changes to storm water drainage and quality from maintenance (i.e., fertilizer application). The EIR will briefly describe existing drainage and water quality conditions of the SOI Amendment Area based on existing information and studies. Since there is no land use plan, the EIR will not analyze any impacts associated with the location of any particular buildings, parking lots, or other impervious surfaces in any particular location.

Land Use and Planning

This EIR section will address potential conflicts with existing, adopted land use and natural resource plans, such as adopted City and County General Plans. This section will address potential impacts on Open Space resources as defined by California Government Code Section 56059 (65560) that are located within or adjacent to the project area. The CEQA document would include a consistency evaluation with not only the SACOG Blueprint, but also the Metropolitan Transportation Plan/Sustainable Communities Strategy, and LAFCo regulations. Since the project does not include any land use plan, the analysis of policy consistency will necessarily be conceptual, but will be based upon probable land use scenarios.

Noise

The noise analysis will include a description of the existing noise environment in and near the proposed SOI Amendment Area, based on existing documentation and reconnaissance-level data. Nearby existing, noise-sensitive receptors and noise sources (e.g., SR 99) will be identified and discussed. The EIR will provide a comparison of future potential construction noise and operational noise with existing ambient noise levels. Noise impacts will be conceptually described. It is too early in the entitlement process to prepare transportation analysis that would support traffic noise estimates along any particular roadway.

Population, Employment, Housing and Environmental Justice

This section would briefly explain the nature of proposed SOI Amendment Area and that there is not information available to discuss the presence and potential loss of affordable housing. Land use assumptions developed for the purpose of analysis will be compared to the assumptions contained in SACOG's Metropolitan Transportation Plan/Sustainable Communities Strategy. As required in the Sacramento LAFCo Municipal Service Review Guidelines, the evaluation will address Environmental Justice - the extent to which the project will promote environmental justice (the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services).

Public Services and Recreation

This EIR section will very briefly and conceptually analyze the increase in demand on public services including schools, fire protection, law enforcement, water, groundwater, storm drainage, park and recreation, and any other affected services, and whether development in the proposed SOI Amendment Area would result in the need to provide new facilities, the construction of which could result in environmental impacts. Under Sacramento LAFCo's CEQA requirements, this evaluation should address whether any physical facilities would need to be improved, constructed or expanded to serve the project, including those outside of the project site, whose construction potentially could have environmental effects.

Transportation/Traffic

The EIR will summarize any available data on traffic patterns and levels of service in areas that could be affected by the potential development of the proposed SOI Amendment Area. Existing transit, bicycle and pedestrian facilities serving the proposed SOI Amendment will be catalogued. Planned improvements identified in current documents will be noted. Existing transit services will be described. The EIR will identify future traffic conditions and improvements in the vicinity of the proposed SOI Amendment Area based on existing documentation, such as the City's General Plan and SACOG's Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS). The EIR will conceptually describe transportation-related impacts associated with development of the proposed SOI Amendment Area. The analysis will identify future traffic conditions and improvements in the vicinity of the SOIA Amendment Area based on existing documentation, such as the City's General Plan and SACOG's Metropolitan Transportation Plan/Sustainable Community Strategy (MTP/SCS), and any available information associated with the Capitol SouthEast Connector. The analysis will conceptually describe transportation-related impacts associated with possible development of the project, using information generated through air quality modeling of the land use holding capacity assumptions (which also produces trip generation information). As there is no land use plan, it is not possible to estimate traffic generated within the proposed SOI Amendment Area along any particular transportation facility.

Utilities and Service Systems

This section of the EIR will conceptually describe whether the project would require new utilities (e.g., wastewater disposal), resulting in environmental impacts and potential effects on wastewater or solid waste facilities. Since there is no land use plan, it is not possible to evaluate increase in utility demand in any particular location, but the EIR will qualitatively describe future public utility demands associated with development of the proposed SOI Amendment Area. The EIR will not include a water supply assessment, since no specific land use change is proposed.

Alternatives

The EIR will identify and evaluate a reasonable range of alternatives that will meet the basic objectives for the proposed SOI Amendment, while attempting to avoid or substantially lessen some or all of the significant environmental effects.

CEQA-Mandated Sections

The EIR will evaluate cumulative impacts, discuss potential growth-inducing impacts, and summarize significant and unavoidable environmental effects.