

3.3

APPROVED  
BY THE CITY COUNCIL

AUG 7 1997

CITY OF SACRAMENTO  
CALIFORNIA

OFFICE OF THE  
CITY CLERK

1231 I STREET  
ROOM 300  
SACRAMENTO, CA  
95814

DEPARTMENT OF  
PUBLIC WORKS

TRANSPORTATION AND DEVELOPMENT  
DIVISION

PH 916-264-7474  
FAX 916-264-7185

*Hearing Closed  
Anthony Jaller  
Cont. to 8.26.97*

July 22, 1997

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: HEARING TO CONSIDER ADOPTION OF A RESOLUTION ADOPTING THE AMENDED FINANCING PLAN AND DEVELOPER FEES FOR THE WILLOWCREEK AREA**

**LOCATION AND COUNCIL DISTRICT:**

The Willowcreek Fee District is within the South Natomas Community Plan Area in Council District #1. The district is located just west of the Natomas Main Drain Canal and south of Interstate 80 (please see Exhibit A).

**RECOMMENDATION:**

This report recommends that Council adopt the following:

- ▶ Resolution adopting the amended Willowcreek Financing Plan/Nexus study and establishing the developer fee schedule (or rates) amounts.
- ▶ Resolution authorizing the City Manager to execute agreements relative to the Willow Creek Project Area.

**CONTACT PERSON:**

**Ronald Wicky, Special Districts Analyst, 264-5268**  
**Andy Hunt, Senior Engineer, 433-6620**

**FOR COUNCIL MEETING OF:** August 7, 1997

**SUMMARY:**

The Willowcreek Fee District was approved by the City Council on May 13, 1997. This report amends the fee program by adding certain street improvements and certain developer management costs.

City Council  
Hearing to Consider Adoption of a Resolution  
July 22, 1997

**COMMITTEE/COMMISSION ACTION:**

None.

**BACKGROUND INFORMATION:**

On May 13, 1997, the City Council adopted a fee ordinance to establish developer fees in the Willowcreek area. The fee district will distribute the cost of improvements to all developing properties in the district in accordance with the approved "Financing Plan/Nexus" study. Developing property owners will construct these improvements over time and will be reimbursed through fee district revenues. The Swallows Nest Community is not included in this district.

At this time, staff is recommending that the Council amend the fee program to include additional street work and certain developer management costs. The additional street work includes a traffic signal, a one-inch pavement overlay, and street right-of-way acquisition for a total estimated cost of \$345,375. In addition, it has been requested that developer management costs paid to the Taylor & Hooper Law Firm in the amount of \$268,957, be included.

Proposed Developer Management Costs

In January of 1993, developers, representing approximately 54% of the Willowcreek District, retained the Taylor & Hooper Law Firm to manage their interests regarding the Willowcreek Assessment/Fee District Financing Plan. For the past 44 months, Taylor & Hooper have been paid a monthly retainer of \$6,000 by these Willowcreek developers. There has been no contract or agreement with the City to provide these services.

The developers have advised staff that the services were instrumental in forming the Willowcreek Assessment District and obtaining approval of the fee district. Their work has included project management, attendance at meetings, and securing a drainage permit from the U.S. Army Corps of Engineers. They have recently worked with the City Treasurer's Office to gather information for the official statement needed for the bond sale.

Policy Analysis

On June 29, 1993, City Council adopted the City of Sacramento's "Policies and Procedures Manual for Special Assessment Financing." This policy states that developer in-house administrative or overhead expenses are not eligible for reimbursement from assessment

City Council  
Hearing to Consider Adoption of a Resolution  
July 22, 1997

district bond proceeds. The policy also states that if the developer retains its own consultant, all costs associated therewith will be borne exclusively by the developer, without reimbursement from the assessment district or otherwise. The intent of these policy provisions are to protect other property owners from being assessed for the cost of services that may not directly benefit their property.

While the Willowcreek fee district does not involve bond proceeds, it has been the City's practice to only include those soft costs that are directly related to the improvements, such as design, construction inspection, studies, assessment engineering, etc. Costs related to developers' legal fees or managerial efforts that do not result in a definable end product or that are questionable with respect to providing benefit to other properties have not been included in the past. Most other California agencies have taken the same approach with these type of expenses.

Recommendation

In this situation, the developers have requested that the \$268,957 Taylor & Hooper fee be included in the Willowcreek Fee District and that this amount be reimbursed to those developers who paid the cost. To date, approximately 70% of the developing landowners have agreed to this approach; however, the remaining landowners have not responded.

City staff and developer representatives have held numerous meetings to discuss the Taylor & Hooper fee issue and existing City policy. It has been agreed to forward the matter to City Council and to notify all property owners regarding today's meeting. Staff recommends inclusion of the Taylor & Hooper fee under the following conditions:

1. That the firm of Taylor & Hooper file a written certification with the City declaring that all of the services provided were specifically for the planning and implementation of the Willowcreek Assessment/Fee District.
2. That each of the developers (who have agreed to the fee) sign an agreement and acceptance document prepared by the City Attorney's Office.
3. That the reimbursement agreement relevant to the Taylor & Hooper fee specifically indemnify the City if the fee is challenged by other developers.
4. In the event of a challenge, the City may suspend utilization of the Developer Project Management component of the Willowcreek Fee unless and until the challenge is resolved to the City's satisfaction.

City Council  
Hearing to Consider Adoption of a Resolution  
July 22, 1997

It is the staff's position that inclusion of the Taylor & Hooper fee is a one-time exception to adopted City policy and does not set a precedent for other fee districts. All future requests for such policy exceptions will be presented to full City Council prior to district formation.

**FINANCIAL CONSIDERATIONS:**

The following is a summary of the various costs that will be funded through the Willowcreek Fee District. Highlighted in "bold" are the additional items proposed to be added by this report.

Construction Costs

Transportation	
Earthwork	\$ 330,050
Streets	1,109,727
<b>Additional 1" Pavement Overlay</b>	<b>190,181</b>
Traffic Control	57,500
<b>Traffic Signal</b>	<b><u>126,500</u></b>
Subtotal Transportation	\$1,813,958
Drainage System	\$1,150,427
Sanitary Sewer	969,329
Water Distribution	<u>308,171</u>
Subtotal Construction Costs	\$4,241,885

Soft Costs

<b>Right-of-Way</b>	\$ 70,000
Consultant Engineering	494,664
Property Owner Engineering - Spink	394,744
<b>Developer Management Costs</b>	<b>268,957</b>
Construction Staking/Inspection/Material Testing	275,000
Improvement Plan Preparation/Staking/Plan Review	79,000
Fee District Documents and Administration	<u>30,000</u>
Subtotal Soft Costs	\$1,612,365

**NET PROJECT COST** **\$5,854,250**

Based on the above figures, the average fee calculates to approximately \$18,000 per acre. The new costs added approximately \$2,000 per acre to the fees that were adopted on May 13, 1997. All fees are due and payable at the time of building permit issuance.

City Council  
Hearing to Consider Adoption of a Resolution  
July 22, 1997

**ENVIRONMENTAL CONSIDERATIONS:**

The proposed Council action in approving the resolution specified in this report is not a project as defined by CEQA in that the documents only establish a financing mechanism and will have no effect on the environment (CEQA Guidelines Section 15378(b)(5)).


**POLICY CONSIDERATIONS:**

The development fee program has been prepared in accordance with Title 84 of the Sacramento City Code and is only applicable to the Willowcreek Finance Plan area.

**MBE/WBE:**

None, no goods or services are procured with this action.

Respectfully submitted,



Gary Alm, Manager  
Manager, Development Services

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR  
City Manager

Approved:

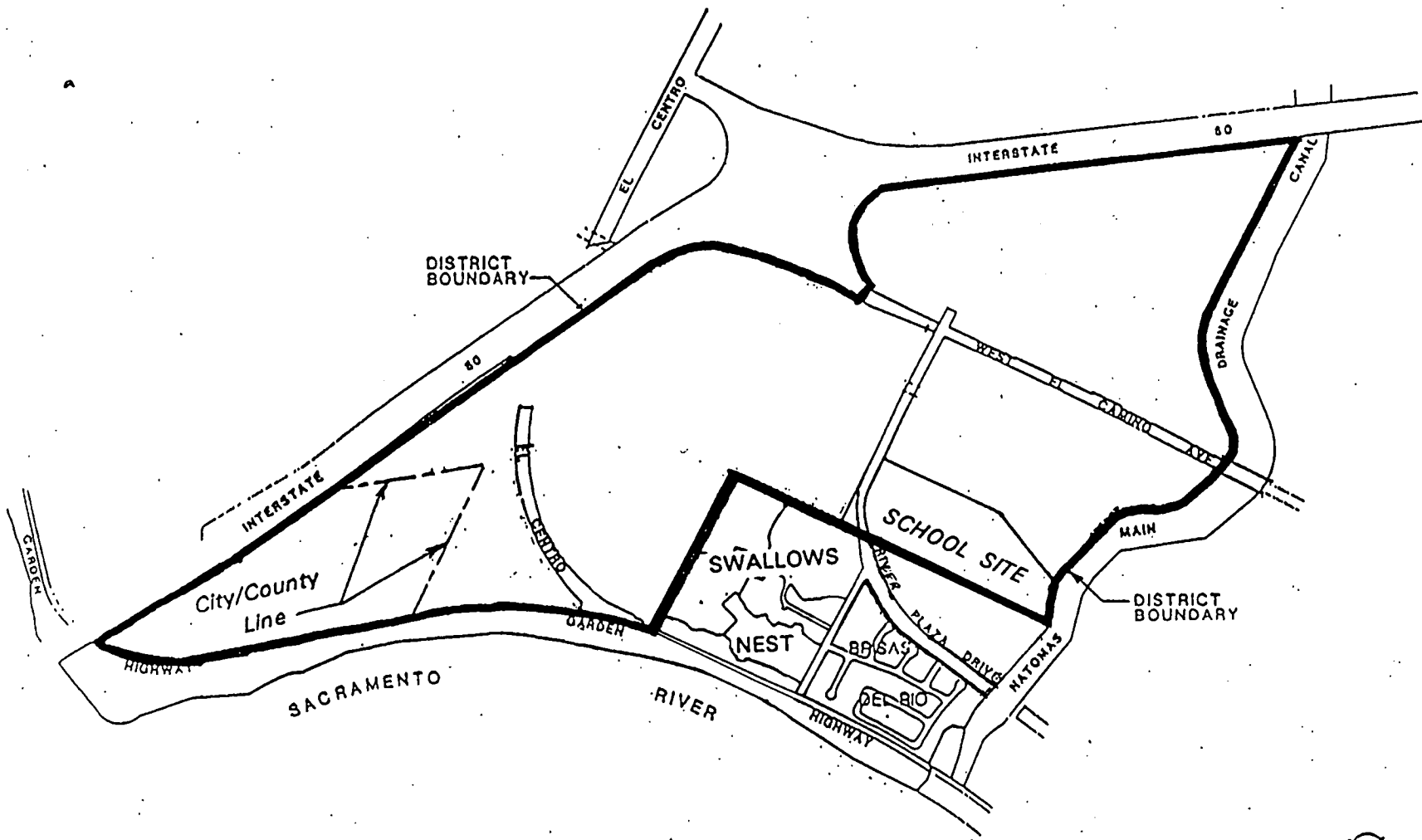


Michael Kashiwagi  
Director of Public Works

GA:RW:eaj  
cc~sd.02

## WILLOWCREEK II FEE DISTRICT

July 18, 1996	General Landowner Community Meeting
August 13, 1996	County Adopts Resolution Granting Jurisdiction to City of Sacramento
August 20, 1996	Council Adopted Resolution of Intention and Set Hearing Dates
August 1996	Record Boundary Map with County Recorder
September 25, 1996	Received Bids
January 30, 1997	Revised Construction Plans Signed and Approved
February 18, 1997	City Council Approves Revised Engineer's Report
February 1997	Mail, Publish Notice of Hearing and Voter Ballots
March 19, 1997	Receive Bids
April 15, 1997	City Council Public Meeting (No Action Requested)
April 22, 1997	City Council Public Hearing, Continued to April 29, 1997
April 29, 1997	City Council -- Report Results of Property Owner Vote
May 6, 1997	City Council - Assessment District Formation
May 13, 1997	Fee District Hearing and Approval
June 24, 1997	Council Considers Resolution Authorizing Sale of Bonds, Appropriation of Funds -- Award of Contract
August 7, 1997	Fee District-Amendment to Finance Plan and Fees
July 1997	Bond Closing
July 1997	City Receives Proceeds from Bonds
July 1997	Contractor Notice to Proceed
July 1998	Estimated Completion Date for Improvements



**PROPOSED BOUNDARY  
WILLOWCREEK FEE DISTRICT**

3.3

From: Nancy Allen  
To:  
Lynne Halsted, Mary Lou Silva,  
Valerie Burrowes  
Subject: August 7th Agenda

====NOTE=====7/25/97=10:49am==

Ron Wicky called to let us know that his item "Willowcreek Landowners Fee District" will have a landowner agreement which "will be late". He and the attorney Mr. Sandman are working on getting signatures etc. and he will have it to us asap.

NO RESOS!  
Called:  
Ron (on vacation)  
Andy (left message)  
Karen (she will call back)  
Cstelle (not at 7474)

*Karen  
Shipton  
5296*

*(Mary also 1948)  
only called back to  
let me know his name  
is on report but - has  
nothing to do w/ material*

*1:50  
Karen thinks  
item might  
have to be  
cont.*



**PUBLIC NOTICE REGARDING DEVELOPMENT IMPACT FEES IN  
WILLOWCREEK PROJECT AREA, SACRAMENTO**

At its regular meeting scheduled for Thursday, August 7, 1997, 2:00 pm, at Council Chambers, City Hall, 915 I Street, Sacramento, California, the Sacramento City Council will conduct a public hearing regarding, and consider adoption of, the following proposed resolution:

**A RESOLUTION ADOPTING THE AMENDED FINAL WILLOWCREEK  
FINANCING PLAN/NEXUS STUDY AND ESTABLISHING THE AMOUNTS OF  
FEES WITHIN THE WILLOWCREEK PROJECT AREA.**

The matters to be considered by the Sacramento City Council as stated in this notice relate to the amendment of development impact fees in the Willowcreek Project Area. The above proposed resolution relates, among other things, to the inclusion of additional roadway improvement costs of approximately three hundred forty five thousand three hundred seventy five dollars (\$345,375) and certain developer project management costs incurred by the Taylor and Hooper law firm of approximately two hundred sixty eight thousand nine hundred fifty seven dollars (\$268,957) in the development impact fees for the Willowcreek Project Area. The Willowcreek Project Area is bordered generally by the Natomas Main Drainage Canal, Garden Highway and Interstate 80 in Sacramento. Information regarding the specific boundaries of the Willowcreek Project Area and further information regarding the proposed resolution can be obtained by calling the City of Sacramento, Special Districts at (916) 264-5628.

Publish 7/29/97  
twice 8/5/97

PFP DATE: \_\_\_\_\_

HEARING DATE: \_\_\_\_\_

FINAL COUNCIL ACTION DATE: \_\_\_\_\_

8-7-97 afternoon

PUBLIC HEARING

**PUBLIC NOTICE REGARDING DEVELOPMENT IMPACT FEES IN  
WILLOWCREEK PROJECT AREA, SACRAMENTO**

At its regular meeting scheduled for Thursday, August 7, 1997, 2:00 pm, at Council Chambers, City Hall, 915 I Street, Sacramento, California, the Sacramento City Council will conduct a public hearing regarding, and consider adoption of, the following proposed resolution:

**A RESOLUTION ADOPTING THE AMENDED FINAL WILLOWCREEK  
FINANCING PLAN/ NEXUS STUDY AND ESTABLISHING THE AMOUNTS OF  
FEES WITHIN THE WILLOWCREEK PROJECT AREA.**

The matters to be considered by the Sacramento City Council as stated in this notice relate to the amendment of development impact fees in the Willowcreek Project Area. The above proposed resolution relates, among other things, to the inclusion of additional roadway improvement costs of approximately three hundred forty five thousand three hundred seventy five dollars (\$345,375) and certain developer project management costs incurred by the Taylor and Hooper law firm of approximately two hundred sixty eight thousand nine hundred fifty seven dollars (\$268,957) in the development impact fees for the Willowcreek Project Area. The Willowcreek Project Area is bordered generally by the Natomas Main Drainage Canal, Garden Highway and Interstate 80 in Sacramento. Information regarding the specific boundaries of the Willowcreek Project Area and further information regarding the proposed resolution can be obtained by calling the City of Sacramento, Special Districts at (916) 264-5628.

AD NO. 8506  
RUN DATE: 7-29-97 and 8-5-97  
2 PUB PROOFS

SACRAMENTO CITY COUNCIL

BY: VALERIE A. BURROWES, CITY CLERK