



REPORT TO COUNCIL

City of Sacramento

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

PUBLIC HEARING
November 6, 2007

**Honorable Mayor and
Members of the City Council**

Title: North Natomas Public Land Acquisition Fee Update 2007

Location/Council District: North Natomas Financing Plan Area, Council District 1.

Recommendation: Conduct a public hearing and upon conclusion adopt a **Resolution** revising the fee for the North Natomas Public Land Acquisition Fee (PLAF).

Contact: Salina Cheung, Program Specialist, (916) 808-5236; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenter: Salina Cheung

Department: Planning Department

Division: Public Improvement Financing

Organization No: 4915

Description/Analysis

Issue: The North Natomas Financing Plan (NNFP) includes a land acquisition program to insure the timely acquisition of land for rights of way and other public purposes. As required by the NNFP, staff annually contracts for a valuation study and requests that Council update the North Natomas Land Acquisition Program Fee per the study. Adoption of the attached resolution will implement the 2007 update with a 21 percent fee increase. Although land values have declined, the change amount is based on a three year moving average. A relatively low 2003 value dropped off the average and was replaced by a higher 2006 value. The North Natomas Public Land Acquisition Fee is detailed further on Attachment 2.

Policy Considerations: Adoption of the revised fees is consistent with the North Natomas Financing Plan adopted in 1994 and updated in 1999, 2002 and 2005. Adoption is also consistent with the City's Strategic Plan to achieve sustainability and enhance livability.

Environmental Considerations: The Environmental Services Manager has determined that the proposed action of a fee change is exempt from CEQA under Statutory Section 15273(a)(3) and (4) of the CEQA Guidelines. Section

15273(a)(3) and (4) of the CEQA Guidelines applies to activities that involve the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of meeting financial reserve needs and requirements; and obtaining funds for capital projects, necessary to maintain service within existing service areas.

Committee/Commission: None

Rationale for Recommendation: The actions in the recommended Resolution are authorized by Chapter 18.24 of Title 18, Sections 18.24.250 through 18.24.410 of the Sacramento City Code.

Financial Considerations: There is no impact to the General Fund. North Natomas developers pay the North Natomas Public Land Acquisition Fee at the time building permits are issued. The fee revenue is used to acquire needed public lands.

Emerging Small Business Development (ESBD): City Council adoption of the attached resolution is not affected by City policy related to the ESBD Program.

Respectfully Submitted by: 
Mark Griffin
Fiscal Manager, Planning Department

Approved by: 
Carol Shearly
Director, Planning Department

Recommendation Approved:


Ray Kerridge
City Manager

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BACKGROUND

The North Natomas Public Land Acquisition Program Fee is part of the North Natomas Financing Plan adopted by City Council in 1994 and updated most recently in 2005. The purpose of the Public Land Acquisition Program is twofold:

- 1) To insure that public use lands are available to the City to construct infrastructure and facilities as needed; and
- 2) To maintain equity among landowners who hold different amounts of needed public land.

Fees are set based of the value of land over each of the three preceding years. The three values are determined by an independent appraiser and averaged. The average continues to increase with increased land values, necessitating this request before Council. The proposed fees and fee changes are detailed on Attachment 2.

NORTH NATOMAS PUBLIC LAND ACQUISITION FEE SCHEDULE

LAND USE	2006 Public Land Acquisition Fee	Proposed 2007 Public Land Acquisition Fee
Residential		
Single Family Attached / Detached		
	<u>Fee Per Unit</u>	<u>Fee Per Unit</u>
Rural Estates	\$0	\$0
Lot Size > 5000 sq. ft.	\$5,208	\$6,301
Lot Size>3250-5000 sq. ft.	\$4,286	\$5,185
Lot Size< 3,250 sq. ft.	\$3,364	\$4,070
Age- Restricted Single Family	\$6,189	\$7,487
Multi-Family (>2 attached units)		
8-12 units per net acre	\$3,364	\$4,070
12-18 units per net acre	\$2,451	\$2,965
>18 units per net acre	\$1,539	\$1,862
Age Restricted Apartments	\$1,545	\$1,869
Age-Restricted Congregate Care	\$808	\$978
Non-Residential		
	<u>Fee Per Acre</u>	<u>Fee Per Acre</u>
Convenience Commercial	\$34,918	\$42,244
Community Commercial	\$34,918	\$42,244
Village Commercial	\$34,918	\$42,244
Transit Commercial	\$34,918	\$42,244
Highway Commercial	\$34,918	\$42,244
Regional Commercial	\$34,918	\$42,244
Office EC 30	\$34,918	\$42,244
Office EC 40	\$34,918	\$42,244
Office/Hospital EC 50	\$34,918	\$42,244
Office EC 65	\$34,918	\$42,244
Office EC 80	\$34,918	\$42,244
Light Industrial w/ <20% Office	\$34,918	\$42,244
Light Industrial w/ 20%-50% Office	\$34,918	\$42,244
Arena	\$34,918	\$42,244
Stadium	\$34,918	\$42,244

RESOLUTION NO.

Adopted by the Sacramento City Council

ESTABLISHING THE REVISED AMOUNTS OF FEES AND PROVIDING FOR CREDITS, REIMBURSEMENTS AND OTHER MATTERS RELATIVE TO THE NORTH NATOMAS PUBLIC LAND ACQUISITION PROGRAM

BACKGROUND

- A. The North Natomas Finance Plan, adopted by Resolution No. 95-495, updated in 1999 by Resolution No. 99-471, in 2002 by Resolution No. 2002-374, and in 2005 by Resolution No. 2005-584 ("NNFP") authorizes the annual valuation of Public Lands to be acquired through the North Natomas Land Acquisition Program ("NNLAP") and the calculation of the Public Land Acquisition Fee. A Valuation Study has been prepared by Clark-Wolcott, Inc. that provides an estimate of the value of the land required for Public Facilities. A Fee Study has been prepared by Economic and Planning Systems which relies on the Valuation Study to determine the proposed cost of acquiring the Public Lands and calculates the appropriate Public Land Acquisition Fee, according to the provisions of the NNFP. The Valuation Study and the Fee Study update (collectively "Update") the analysis relative to the NNLAP as authorized in the NNFP.
- B. The North Natomas Community Plan ("NNCP"), the North Natomas Financing Plan ("NNFP"), and the Update, along with the studies and reports each may reference or be based upon in whole or in part, together with any amendments thereto made after their initial adoption, establish the need for, costs of, and financing of public infrastructure for development within the NNFP Area, including public lands, and present a reasonable basis on which to establish development impact fees. The foregoing items, and all other additional studies and reports, including, without limitation, drainage reports and proposals, transportation studies, and housing studies presented to the Council now or in the past for Council's approval or for informational or other purposes, along with the studies, reports, and data each may reference or be based upon in whole or in part, and any and all amendments thereto made after their initial adoption, together with staff reports and other matters presented to the Council by City staff or interested parties, whether in writing or orally, constitute the record before City Council for purposes of the adoption of this resolution ("Legislative Record").
- C. The Legislative Record contains an analysis of impacts of contemplated future development in the NNFP Area and the need for new public infrastructure required by such development. The Update sets forth a reasonable relationship

between North Natomas development, the public lands, their estimated acquisition costs, and the amount of the development impact fee required for acquisition

- D. Title 18, Chapter 18.24 of the Sacramento City Code provides that City Council may, by resolution, set forth specific limitations, which will apply to credits and reimbursements relating to development impact fees.
- E. Title 18, Chapter 18.24 further provides that the Clerk shall publish notice of public hearing ten (10) days before the hearing. The resolution will become effective permanently after sixty (60) days following its adoption.
- F. A public hearing on adoption of this resolution was set as part of a regularly scheduled meeting of the Sacramento City Council for November 6, 2007 at 2:00 p.m. in the Council Chamber located at City Hall, 915 I Street, Sacramento, California 95814.
- G. The Update was available for public inspection and review at the Office of the City Clerk, City Hall, for a period of at least ten (10) days prior to the public hearing. Materials supplementing the Update and all background data referenced in the Update were made available to interested parties upon request made to the City Planning Department, at least ten (10) days prior to said public hearing.
- H. The public hearing was also noticed pursuant to and in compliance with Government Code sections 66018 and 6062a, and was held as part of a regularly scheduled meeting of City Council of the City.

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

Section 1. Findings.

- (a) City Council hereby finds as follows:
 - (i) The recitals set forth above are true and correct and are incorporated herein by reference as findings.
 - (ii) City Council approved the Update following a public hearing on the matter, and the contents of said report are incorporated herein.
- (b) As to the revised fees associated with the NNLAP, as authorized by Chapter 18.24 of Title 18, Sections 18.24.250 through 18.24.410 of the Sacramento City Code, City Council makes the following additional findings:

- (i) The revised>NNLAP, contained in the Update, reflects reasonable and necessary refinements to the program as it was initially adopted. The revised program sets forth a reasonable, fair and equitable method by which the cost of the acquisition of necessary public land is shared by North Natomas landowners, without cost to the City. The revised program also sets forth provisions concerning credits, reimbursements and deferral in the payment of the Land Acquisition Fee. As such, the revised program is consistent with the goals and policies reflected in the NNCP and the NNFP.
- (ii) The purpose of the Public Land Acquisition Fee is to finance only the acquisition of required public land, as specified in Chapter V of the NNFP.
- (iii) The various types of development in the NNFP Area generate a need for certain public infrastructure that has not been constructed and that is required for consistency with the City's General Plan and the NNCP, and to protect the public's health, safety and general welfare. The acquisition of public land under the>NNLAP is necessary to support the construction of public facilities and infrastructure and to provide open space, buffers, and certain parks as set forth in the program.
- (iv) The Legislative Record establishes a reasonable relationship between the need for the specified public land and the impacts of the various types of development contemplated in the NNFP Area, for which the Land Acquisition Fee is charged.
- (v) There is a reasonable relationship between the use of the revised fees and the type of development for which the fees are charged, as described in the Legislative Record, including, without limitation, the>NNLAP set forth in the NNFP and the Update.
- (vi) The revised fees are consistent with the City's General Plan and the NNCP, and City Council has considered the effects of the fees with respect to the City's housing needs and the regional housing needs.

Section 2. Land Acquisition Program Fees

The amounts of the Land Acquisition Fee provided under the>NNLAP is hereby established for each of the referenced categories of land use at the levels set forth in the North Natomas Update, the fee table of which is incorporated herein as Exhibit A.

Section 3. Public Land Acquisition Value

The amount of the Public Land Acquisition Value (PLAV), that is used to establish the Land Acquisition Program fees, is hereby established based on criteria defined in the North Natomas Finance Plan. The PLAV is to be adjusted annually and become effective July 1st of each succeeding year.

Section 4. Credits and Reimbursements.

Pursuant to Title 18, Chapter 18.24 of the Sacramento City Code, credits against and reimbursements of the Public Land Acquisition Fee shall be calculated pursuant to and in accordance with the provisions of the NNFP.

Section 5. Deferrals.

Fee deferral programs for the Land Acquisition Fee shall be permitted pursuant to and in accordance with the provisions of the NNFP set forth in the NNFP.

Section 6. Construction of Resolution

The provisions of this resolution are subject and subordinate to the provisions of Title 18, Chapter 18.24 and shall at all times be construed and applied consistent therewith as the same presently exist or may from time to time be amended.

Section 7. Judicial Action to Challenge This Resolution.

Any judicial action or proceeding to attack, review, set aside or annul this resolution shall be brought within 120 days of its adoption.

Section 8. Effective Date.

This resolution will become effective permanently after sixty (60) days following its adoption.

Section 9. Severability.

- (a) If any section, phrase, sentence, or other portion of this resolution for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this resolution.
- (b) If any fee set by this resolution for any reason is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction, such fee shall be deemed a separate, distinct and independent fee, and such holding shall not affect the validity of the remaining fees set by this resolution.
- (c) If any fee set by this resolution is held or found to be invalid, void, unenforceable, or unconstitutional by a court of competent jurisdiction based upon an insufficient relationship or nexus to a specific public infrastructure for which the revenue generated from such fee may be expended pursuant to Title 18, Chapter 18.24

of the Sacramento City Code or any resolution adopted pursuant to said Chapter, the fee as it relates to the specific public infrastructure shall be deemed a separate, distinct and independent fee, and such holding shall not affect the validity of the fee as it relates to other public infrastructure.

EXHIBIT A

LAND USE	2007 Public Land Acquisition Fee
Residential	<u>Fee Per Unit</u>
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