

APPROVED
BY THE CITY COUNCIL

JUN 22 1999

OFFICE OF THE
CITY CLERK



1.14

JACK CRIST
DEPUTY CITY MANAGER

NEIGHBORHOODS,
PLANNING AND DEVELOPMENT
SERVICES DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

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ROOM 302
SACRAMENTO, CA
95814-2904

ADMINISTRATION
916-264-7598
FAX 916-264-8329

June 9, 1999

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: NATOMAS BASIN HABITAT CONSERVATION PLAN

LOCATION AND COUNCIL DISTRICT: District 1

RECOMMENDATION:

This report recommends that the City Council adopts the attached Resolution approving up to a \$4 million line of credit to the Natomas Basin Conservancy to acquire the required acreage of habitat mitigation lands in the Natomas Basin.

CONTACT PERSON: Jack Crist, Deputy City Manager, 264-7598

FOR COUNCIL MEETING OF: June 22, 1999

SUMMARY

The Natomas Basin Conservancy is a non-profit organization whose Board is appointed by City Council. Its purpose is to acquire mitigation property in accordance with the Natomas Basin Habitat Plan. The City is a signatory to this plan. The City Manager, as an emergency measure, previously authorized a line of credit of up to \$4 million to the Natomas Basin Conservancy. The line of credit authority was done to minimize a grading moratorium in North Natomas. The report recommends that the City Council codify the City Manager's emergency action by approving a \$4 million line of credit to the Natomas Basin Conservancy to acquire up to 1200 acres of habitat mitigation lands in the Natomas Basin. This land acquisition is of critical importance to the future of North Natomas development plans.

COMMITTEE/COMMISSION ACTION:

None

BACKGROUND INFORMATION:

The City of Sacramento is fully committed to the success of the Natomas Basin Habitat Conservation Plan. The Fish and Wildlife Service and the California Department of Fish and Game have requested that the City comply with the state and federal incidental take permits. To that end, the City did not issue any new Urban Development Permits, as defined by the Implementation Agreement (IA) during the period October 1, 1998 to May 1, 1999. Also, the Natomas Basin Conservancy is required to acquire 400 contiguous acres of mitigation lands as required in Section 5.5.1 of the IA and 800 acres of mitigation lands within the Natomas Basin as required in Section 5.52 and 5.53 of the IA before the City can issue any new Urban Development Permits in the Natomas Basin.

This land acquisition is of critical importance to the future of North Natomas development plans. In order to meet time sensitive federal requirements, the City, effective April 21, 1999, committed to fully fund the Conservancy escrow demands for good funds to acquire up to 1200 acres of habitat mitigation lands in the Natomas Basin. During the period from April 21 through May 31, the Conservancy utilized this line of credit to acquire 1200 acres of land. Escrow has now closed and fee title has been secured. The City will continue to monitor the Conservancy Fund's cash flow and advance sufficient funds as needed (up to \$4 million) to allow the Conservancy to meet their other restoration/enhancement and administrative program needs but will use Conservancy cash before City cash. This funding approach is short term in nature and will facilitate and orderly development of the Natomas Habitat Sanctuary.

FINANCIAL CONSIDERATIONS:

The City's commitment to the Conservancy is to cover any shortfall from City funds and will hold the Conservancy harmless from potential issues resulting from this funding approach. No draw has been made to date on this line of credit authority because sufficient funds were available in other accounts, however the Natomas Basin Conservancy's land acquisition fund is overdrawn by \$1,313,280 (Attachment A). Short term loans created as a result of this commitment will be repaid from the land acquisition portion of future Habitat Conservancy fees collected from developers. Based on expected revenues, the loans are expected to be fully repaid by the end of fiscal year 2000. No interest charge will be incurred by the Natomas Basin Conservancy. It is recommended that the loan come from the City's Risk Management Fund. The current cash balance in the Risk Management Fund is approximately \$36 million. The North Natomas Development Fund would reimburse the Risk Management Fund for any interest lost as a result of the advances made under this arrangement.

ENVIRONMENTAL CONSIDERATIONS:

CEQA does not apply.

POLICY CONSIDERATIONS:

This action is consistent with City Council priorities to support economic development and keep development on track in the Natomas area.

ESBD CONSIDERATIONS:


Not applicable.

Respectfully submitted,



Jack Crist, Deputy City Manager

RECOMMENDATION APPROVED:



Robert P. Thomas
City Manager

**NATOMAS BASIN CONSERVANCY
REVENUE AND EXPENDITURE SUMMARY**

As of May 31, 1999

Prepared by: L. Roina

C:\3853\Agency Funds\580\Rev Exp Summary.xls\May 99

	Land Acquisition 68.8%	Restoration & Enhancement 7.5%	Endowment 3.8%	Administration 19.8%		Cash Advance from City	Total
				Cash In Pool A	Cash at Wells Fargo		
				Revenues			
Inception to June 30, 1996 - Fees only	14,390	1,568	794	4,135			20,885
July 1, 1996 to June 30, 1997 - Fees only	85,564	9,314	4,719	24,589			124,186
July 1, 1997 to June 30, 1998							
Fees	1,468,603	159,645	80,887	421,462			2,128,597
Interest	10,308	1,122	568	2,962			14,958
July 1, 1998 to April 30, 1999							
Fees	1,330,948	144,878	73,405	382,478			1,931,709
Interest	116,130	12,641	6,405	33,373			168,548
Interest with Fiscal Agent					8		8
Estimated April Interest	14,331	1,560	790	4,118	26		20,800
Deposit to Fiscal Agent				(50,000)	50,000		0
Subtotal (estimated)	<u>3,038,272</u>	<u>330,726</u>	<u>167,568</u>	<u>823,117</u>	<u>50,034</u>		<u>4,409,691</u>
May 1, to May 30, 1999*							
Fees	481,011	52,380	26,529	138,230			698,130
Estimated May Interest	813	89	45	234			1,180
Total through May 31, 1999 (includes est. int.)	<u>3,520,096</u>	<u>383,174</u>	<u>194,142</u>	<u>961,581</u>	<u>50,034</u>		<u>5,109,027</u> (e)
Future per revised financing plan							<u>5,267,699</u>
Target resources per revised financing plan							<u>10,376,726</u>
Expenditures							
Inception to December 31, 1998							0
January 1, to April 30, 1999	1,109,292			14,274	143		1,123,708
May 1, to May 31, 1999	3,724,084			8,818	15,103		-
Total through May 31, 1999	<u>4,833,376</u>			<u>23,090</u>	<u>15,246</u>		<u>4,871,712</u> (b)
Future, per revised financing Plan							<u>5,505,017</u>
Target expenditures per Revised Financing Plan							<u>10,376,729</u>
Memo:							
Cash Balance May 31, 1999 (includes est int)(a-b)	<u>(1,313,280)</u>	<u>383,174</u>	<u>194,142</u>	<u>938,491</u>	<u>34,788</u>		<u>237,315</u>

* Interest has been posted through March 31, 1999. Interest has been estimated for April and May. This summary will be updated when further calculation is completed.

Attachment A

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AMENDED

RESOLUTION NO. 99-338

ADOPTED BY THE SACRAMENTO CITY COUNCIL.

ON DATE OF _____
**RESOLUTION APPROVING A \$4 MILLION
LINE OF CREDIT TO THE NATOMAS BASIN
CONSERVANCY FOR LAND ACQUISITION**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

- The City Manager is authorized to enter into a \$4 million, no interest line of credit arrangement with The Natomas Basin Conservancy and the prior extension of credit to the Conservancy is hereby ratified and shall be considered, and shall constitute funds advanced under said line of credit.
- Funds will be advanced from the Risk Management Fund as needed for compliance with the Habitat Plan.
- Draws from the Risk Management Fund will be repaid from Habitat Conservancy fees collected from developers.
- The administrative fee component of the North Natomas Development Fees collected in Fund 780 will reimburse the Risk Management Fund for interest earnings foregone as a result of any advances.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 99-338

DATE ADOPTED: _____

APPROVED
BY THE CITY COUNCIL

JUN 22 1999

OFFICE OF THE
CITY CLERK

As Amended 99-338

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION APPROVING A \$4 MILLION
LINE OF CREDIT TO THE NATOMAS BASIN
CONSERVANCY FOR LAND ACQUISITION**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

- The City Manager is authorized to enter into a \$4 million, no interest line of credit arrangement with The Natomas Basin Conservancy.
- Funds will be advanced from the Risk Management Fund as needed for compliance with the Habitat Plan.
- Draws from the Risk Management Fund will be repaid from Habitat Conservancy fees collected from developers.
- The administrative fee component of the North Natomas Development Fees collected in Fund 780 will reimburse the Risk Management Fund for interest earnings foregone as a result of any advances.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____