



APPROVED
BY THE CITY COUNCIL

APR 7 1998

OFFICE OF THE
CITY CLERK

1.3

AG 98-037

NEIGHBORHOODS, PLANNING AND
DEVELOPMENT SERVICES DEPT.

CITY OF SACRAMENTO
CALIFORNIA

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ROOM 200
SACRAMENTO, CA
95814-2998

DEVELOPMENT
SERVICES
916-264-7619
FAX 916-264-7046

February 23, 1998

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: AGREEMENT WITH THE SACRAMENTO AREA FLOOD CONTROL AGENCY
REGARDING THE COLLECTION OF CIE FEES**

LOCATION AND COUNCIL DISTRICT: Districts One and Two

RECOMMENDATION:

This report recommends that the City Council authorizes the City Manager to execute the attached agreement with the Sacramento Area Flood Control Agency (SAFCA) for the collection of North Area Local Project Capital Investment Equalization Fees (CIEF).

CONTACT PERSON: Brad Boehm, Chief Building Official, 264-5956
John Kreft, Administrative Analyst, 264-5930

FOR COUNCIL MEETING OF: April 7, 1998

SUMMARY:

The SAFCA Board has adopted the CIEF to be effective February 1, 1998. This fee is to assist in financing the North Area Local Project and is to be collected on new development within the CIEF Boundary. The proposed agreement provides for the City to collect the fee at building permit issuance on behalf of SAFCA.

(1)

BACKGROUND:

The SAFCA Board of Directors has adopted a CIEF (see attached two resolution) for the North Area Local Project (Project). The fee is consistent with the provisions of the SAFCA Act which authorizes the SAFCA Board to adopt such a fee. It also meets the SAFCA Board's objective of ensuring that properties which develop in the future and enjoy the flood control benefits of the Project pay their fair share of its costs. The fee is determined by measuring the benefits accruing to a particular property over the life of the constructed improvements minus the amount, if any, of assessments paid over the same period. In this way, property developing in the future is treated equitably as compared to property which is developed today. The CIEF is collected by the appropriate jurisdiction when a building permit is issued for property within the CIEF Boundary. The CIEF Boundary covers portions of Sacramento City and County and Sutter County (see attached map). There are approximately 7,800 acres (approx. 14,000 undeveloped parcels) located within the City that may be impacted by this fee.

City and SAFCA staff have negotiated the agreement recommended in this report. The agreement provides that the City will identify those construction projects required to pay the CIEF, calculate and collect the fees. Collected revenue will be transferred to SAFCA on a quarterly basis. City administrative costs will be reimbursed by SAFCA per terms in the agreement.

FINANCIAL CONSIDERATIONS:

This agreement will have no general fund impact. Increased cost associated with modifications to the Automated Permit System and collection of the fee will be offset by payments from SAFCA funds. The agreement also indemnifies the City from any liability arising from collection of the CIEF.

POLICY CONSIDERATIONS:

The collection of CIEF by the City is consistent with the City Council policy to provide one stop permit issuance. Applicants will not have to make an additional trip to SAFCA offices for the calculation and collection of this fee.

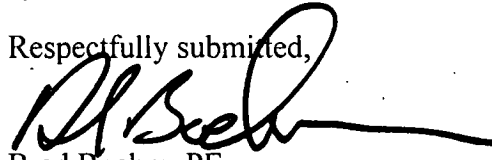
ENVIRONMENTAL CONSIDERATIONS:

Not applicable.

MBE/WBE EFFORTS:

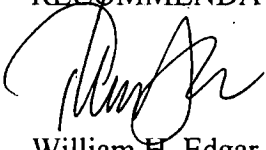
Not applicable.

Respectfully submitted,



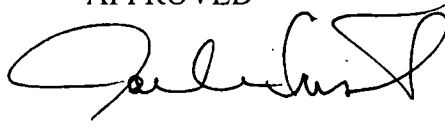
Brad Boehm, PE
Chief Building Official

RECOMMENDATION APPROVED:



William H. Edgar
City Manager

APPROVED



Jack Crist
Deputy City Manager

APPROVED
BY THE CITY COUNCIL

RESOLUTION NO. 98-117

APR 7 1998

ADOPTED BY THE SACRAMENTO CITY COUNCIL

OFFICE OF THE
CITY CLERK

ON DATE OF _____

**RESOLUTION APPROVING AN AGREEMENT WITH
SACRAMENTO AREA FLOOD CONTROL AGENCY FOR THE
COLLECTION OF NORTH AREA LOCAL PROJECT CAPITAL
INVESTMENT EQUALIZATION FEES**

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

The City Manager is authorized to execute the attached agreement with the Sacramento Area Flood Control Agency for the collection of North Area Local Project Capital Investment Equalization Fees.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

**AGREEMENT FOR COLLECTION
OF CAPITAL INVESTMENT EQUALIZATION FEE AND
INDEMNIFICATION OF CITY OF SACRAMENTO**

This Agreement is entered into this 15th day of April, 1998, by and between the **City of Sacramento**, a charter municipal corporation ("City"), and the **Sacramento Area Flood Control Agency**, a joint exercise of powers agency ("SAFCA").

Recitals

Whereas:

A. City has adopted the North Natomas Community Plan ("NNCP") for the purpose of planning and guiding development within the NNCP area; and

B. In order to finance the infrastructure and community facilities required for safe and orderly development in the NNCP area, City has also adopted the North Natomas Finance Plan ("Finance Plan"), which is a development and impact fee based plan; and

C. SAFCA, through certain state legislation, has legal authority to create development fees for the purpose of assisting in the financing of flood control facilities. Said legal authority includes authority to make such fees applicable to undeveloped lands within the NNCP area; and

D. SAFCA has exercised its said authority by approving a Capital Investment Equalization Fee ("CIEF") on September 19, 1996, for the purpose of assisting in the financing of the North Area Local Project, a SAFCA flood control project. On November 20, 1997, SAFCA adopted certain revisions to the CIEF. The CIEF has been made applicable to the NNCP area by virtue of the adoption by SAFCA of the CIEF; and

E. The Finance Plan contemplates the potential creation of development fees such as the CIEF by SAFCA; and

F. SAFCA has requested that City, as a condition of issuance of a building permit for undeveloped lands located in the NNCP area, collect and transmit to SAFCA the applicable CIEF for the project for which such building permit is to be issued; and

G. Upon the terms and conditions set forth in this Agreement, City has agreed to collect and transmit to SAFCA its CIEF.

Agreement

Now, therefore, the parties agree as follows:

1. **Collection and transmission of CIEF.** Commencing February 1, 1998, City shall, as a condition of issuance of a building permit for a parcel or parcels of undeveloped land within the NNCP area, collect the CIEF applicable to such parcel or parcels. City shall transmit to SAFCA all amounts of the CIEF which have been collected. The methodology for computation of the CIEF for a parcel or parcels of land and the timing and manner of transmission of collected amounts to SAFCA, together with other procedural criteria, are specified in the CIEF Protocols attached hereto as Exhibit A and incorporated herein by this reference.

2. **Compensation for fee collection services.** As compensation for City's fee collection services hereunder, SAFCA shall: (1) pay City \$8,000 to develop and incorporate a CIEF Module into City's Automated Permit System ("APS"); (2) pay City \$17 for each residential fee and \$25 for each commercial/industrial fee collected prior to the date on which the above-referenced module goes on line; and (3) pay City \$3 for each fee collected after the module goes on line. Payment to City for fees collected shall be made within 30 days of SAFCA's receipt of a request for payment from City with appropriate documentation attached.

3. **Payment of fees under protest.** Pursuant to Title 7, Division 1, Chapter 9 of the California Government Code, commencing with §66020, any aggrieved landowner shall be entitled to pay the applicable CIEF to City under protest. The protest procedures set forth therein shall apply to CIEF paid under protest.

4. **Indemnification of City by SAFCA.** SAFCA agrees to indemnify, hold harmless and defend City, and its officers, agents and employees from any and all liability, claims, costs, damages, losses, litigation or expenses (including attorney's fees) arising out of or in any way related to, directly or indirectly, any action taken by City to collect the CIEF.

5. **Notices.** Notice to be provided to any party to this Agreement arising out of matters pertaining to this Agreement shall be addressed as follows:

City of Sacramento
City Hall
915 I Street, Room 101
Sacramento, CA 95814
Attn: City Manager

Sacramento Area Flood Control Agency

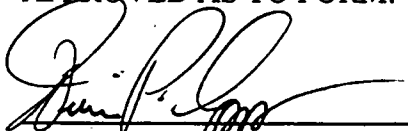
1007 - 7th Street, 5th Floor
Sacramento, CA 95814-3407
Attn: Executive Director

6. **Termination.** Either party may terminate this Agreement by giving the other party at least six (6) months written notice of termination.
7. **Attorney fees.** In the event of litigation arising out of or relating to this Agreement, the prevailing party therein shall be entitled to its reasonable attorney fees and costs, including but not limited to costs relating to staff time.

**CITY OF SACRAMENTO, a
charter municipal corporation**

By: _____
William H. Edgar
City Manager

APPROVED AS TO FORM:



Assistant City Attorney

**SACRAMENTO AREA FLOOD CONTROL AGENCY,
A joint exercise of powers agency**

By: _____
Francis I. Hodgkins
Executive Director

1.3

COLLECTION AND REIMBURSEMENT PROTOCOLS

CITY OF SACRAMENTO

AND

SACRAMENTO AREA FLOOD CONTROL AGENCY

FOR THE

NORTH AREA LOCAL PROJECT

CAPITAL INVESTMENT EQUALIZATION FEE

February 1, 1998

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COLLECTION AND REIMBURSEMENT PROTOCOLS

I. Reimbursement for City Expenses

SAFCA agrees to reimburse the City for expenses the City incurs in collecting, processing, and accounting for CIEF Fees. This reimbursement will be based on the criteria defined in this section.

- A. The City will be reimbursed for the total sum of \$8,000 for the development of administrative and collection procedures, creation of the collection account and reporting mechanisms, digitizing of CIEF boundaries and residual flood plains into the City's Geographic Information System, and creating an "expert" routine in the City's Automated Permit System for identification of projects that will require fee payment and calculation of the fee.
- B. After the installation of the Automated Permit System "expert" routine, the City will be reimbursed a sum of \$3.00 (Three Dollars) for each project processed that requires the collection of CIE Fees. This fee is to cover processing and system maintenance expenses.
- C. Until the Automated Permit System "expert" routine is implemented the City will be reimbursed \$17.00 (Seventeen Dollars) for each residential project and \$25.00 (Twenty-five Dollars) for each commercial project requiring CIEF Fees.
- D. The City will be reimbursed for any expense incurred for any audit initiated by SAFCA or individual or company hired by SAFCA. The cost to be charged will be based on the "Research Fee" approved by the City Council that is in effect at the time of the request.
- E. The definition of "project", as used in this section, is an application for a building permit for any new structure or an addition to any structure that will have a commercial use for which the CIEF is required. Specific examples are :
 - 1. Each dwelling unit in a subdivision will be considered a separate project.
 - 2. Each building in an apartment complex will be considered a separate project.
 - 3. Commercial structures utilizing phased permits (site, foundation, shell, etc.) will be considered as one project, without consideration of the number of permits issued.

II. Reimbursement Process

- A. The City will provide quarterly invoices to SAFCA. The City will include a

statement that indicates total funds collected, the amount transferred to SAFCA and reimbursable expenses incurred by the City. The statement will also provide a breakdown of reimbursable expenses. The City will also provide a listing of all permitted projects requiring payment of fees for the quarter.

III. SAFCA Support

Although the City will calculate most CIEF Fees per this agreement, SAFCA will make available to the City technical support for those projects that require information or interpretation from SAFCA. Response to City inquiries will be in a manner as to not impair the issuance of a building permit in a timely manner. Specific technical support requirements are defined below.

- A. Determination of the additional assessments for those projects within the CIEF Boundary but outside the Capital Assessment District that did not join the Capital Assessment District at the time of entitlement.
- B. Determination of the fee on projects that are on parcels that are currently developed. An example would be the demolition of an existing structure to be replaced by a new structure.
- C. Interpretations of calculations required for certain situations not covered by existing definitions. For example are canopies for gas station service islands covered and how do we determine the foot print of the canopy.

IV. Transition Projects

- A. SAFCA agrees to collect payment directly for those projects that had applied for but had not received a building permit on February 1, 1998.
- B. The City agrees to not issue a Certificate of Occupancy for these projects without notification from SAFCA that the CIEF has been collected.

V. Administrative Procedures

- A. The City will utilize the fee calculation methodology and administrative processes, not in conflict with specific provisions of the Agreement and Protocols, as are included in the Sacramento Area Flood Control Agency, North Area Local Project Capital Investment Equalization Fee, Administrative Procedures Manual, dated January 23, 1998. This document is incorporated by reference.