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DEPARTMENT OF
PUBLIC WORKS
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CITY OF SACRAMENTO
CALIFORNIA

Special Districts
1231 I Street, Room

SACRAMENTO, CA

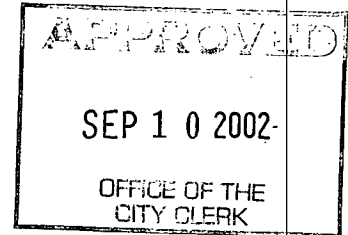
DEVELOPMENT SERVICES

95814

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August 26, 2002

City Council
Sacramento, California



Honorable Members in Session:

**SUBJECT: NORTH NATOMAS – ACCEPTANCE OF THE 2002 UPDATED NEXUS
STUDY AND FINANCING PLAN**

LOCATION AND COUNCIL DISTRICT:

North Natomas Financing Plan Area, Council District 1

RECOMMENDATION:

This report recommends the City Council approve the resolution adopting the North Natomas 2002 Updated Nexus Study and Financing Plan.

CONTACT PERSON:

Edward Williams, Senior Engineer, 264-5440

FOR COUNCIL MEETING OF: September 10, 2002

SUMMARY:

The City Council adopted the North Natomas Financing Plan and Nexus Study in 1994. These documents were updated in 1999 and again on June 11, 2002. Adoption of the attached resolution will accept the final 2002 Update of the Nexus Study and Finance Plan. The final update also makes an adjustment in the land acquisition programs with a decrease in fees. (Exhibit A & B).

COMMITTEE/COMMISSION ACTION: None.

City Council

North Natomas – Accepting the 2002 Updated Nexus Study and Financing Plan

August 26, 2002

BACKGROUND INFORMATION:

In 1994, the City Council adopted the North Natomas Financing Plan (NNFP) and North Natomas Nexus Study (NNNS). These documents, which are the key components of the North Natomas Development Fee Program, were updated in 1999 and again in June 2002. The NNFP specifies the infrastructure needed to support the land uses envisioned in the North Natomas Community Plan, with associated cost estimates. The NNNS allocates those estimated infrastructure costs among the community plan's various land uses pursuant to state law (AB1600, the Sterling Act).

The NNFP and NNNS require periodic revision to reflect changes in projects, land uses and infrastructure costs. While making the final revisions to the Nexus Study, data related to land uses was reviewed and the determination made that the Public Land Acquisition and Regional Park Land Acquisition Fee should be adjusted slightly downward (Exhibits A & B). Staff will be returning to City Council in the near future with a report recommending increase of the Regional Park Land Acquisition Fee based upon current information regarding the potential price of acquisition of the regional park land. Although this increase will be proposed in advance of acquisition of the park land, it is necessary to increase the fees in anticipation of a potentially higher than expected acquisition cost in order to preclude near-term developing landowners from paying inadequate fees. This will avoid the highly inequitable result of inordinately high fees for those landowners who develop later in time. In the event that the actual acquisition cost is less than the price utilized in computation of the fees, refunds will be made as appropriate.

The Public Land Acquisition Fee is the weighted average value of land as determined by a Valuation Study. The weighted value is used to calculate the Land Acquisition Fee and is also used as a place-holder cost of the regional park until the actual price is determined.

FINANCIAL CONSIDERATIONS:

North Natomas landowners, in paying development impact fees, will see a decrease in the Public Land and Regional Park Land Acquisition Fees. This decrease is due to revised acreage within the programs.

ENVIRONMENTAL CONSIDERATIONS:

The City Council's action in approving this resolution is solely for the purpose of accepting the updated Nexus Study and updating the Finance Plan, and is therefore, not a project for the purposes of the California Environmental Quality Act.

City Council
North Natomas – Accepting the 2002 Updated Nexus Study and Financing Plan
August 26, 2002

POLICY CONSIDERATIONS:

Acceptance of the Nexus Study and Financing Plan 2002 Update, and the revised fees are consistent with the intention of the 1994 Nexus Study and Financing Plan. These are also consistent with the City's Strategic Plan in preserving and enhancing the City's quality of life.

ESBD CONSIDERATIONS:

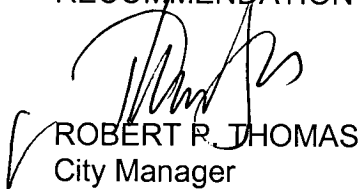
Not applicable to this report.

Respectfully submitted,



Gary Alm, Manager
Development Services

RECOMMENDATION APPROVED:



ROBERT R. THOMAS
City Manager

Approved:



Michael Kashiwagi
Director of Public Works

Exhibit A

Approved June 11, 2002

North Natomas Nexus Study Update 2002
Land Acquisition Fees [1]

Land Use	2002 Proposed Fee Update [2]	
	Public Facilities Land Acquisition Fee	Regional Park Acquisition Fee
RESIDENTIAL	<i>Fee per Unit</i>	
<i>Single Family Attached / Detached</i>		
Rural Estates	\$0	\$0
Lot Size > 5,000 sq. ft.	\$1,418	\$688
Lot Size 3,250 - 5,000 sq.ft.	\$1,160	\$562
Lot Size < 3,250 sq. ft.	\$902	\$437
Age-Restricted Single Family	\$1,694	\$821
<i>Multi-Family (>2 attached units)</i>		
8-12 units per net acre	\$902	\$437
> 12-18 units per net acre	\$665	\$323
> 18 units per net acre	\$429	\$208
Age-Restricted Apartments	\$423	\$205
Age-Restricted Congregate Care	\$221	\$107
NON-RESIDENTIAL	<i>Fee per Net Acre</i>	
Convenience Commercial	\$9,555	\$4,634
Community Commercial	\$9,555	\$4,634
Village Commercial	\$9,555	\$4,634
Transit Commercial	\$9,555	\$4,634
Highway Commercial	\$9,555	\$4,634
Regional Commercial	\$9,555	\$4,634
EC Commercial	\$9,555	\$4,634
EC 30 - Office	\$9,555	\$4,634
EC 40 - Office	\$9,555	\$4,634
EC 50 - Office/Hospital	\$9,555	\$4,634
EC 65 - Office	\$9,555	\$4,634
EC 80 - Office	\$9,555	\$4,634
<i>Light industrial</i>		
Light Industrial with <20% Office	\$9,555	\$4,634
Light Industrial with 20%-50% Office	\$9,555	\$4,634
Arena	\$9,555	\$4,634
Stadium	\$9,555	\$4,634

"land_fees"

[1] Land Acquisition Fees are prior to credits for land dedicated.

Exhibit B

North Natomas Nexus Study Update 2002
Land Acquisition Fees [1] [2]

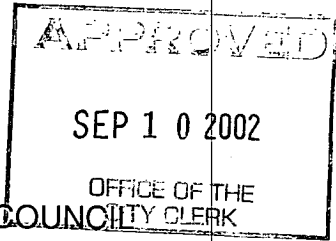
Revised August 26, 2002

Land Use	2002 Public Facilities Land Acquisition Fee	2002 Regional Park Land Acquisition Fee
RESIDENTIAL		
<i>Fee per Unit</i>		
<i>Single Family Attached / Detached</i>		
Rural Estates	\$0	\$0
Lot Size > 5,000 sq. ft.	\$1,378	\$614
Lot Size 3,250 - 5,000 sq.ft.	\$1,128	\$502
Lot Size < 3,250 sq. ft.	\$877	\$390
Age-Restricted Single Family	\$1,647	\$733
<i>Multi-Family (>2 attached units)</i>		
8-12 units per net acre	\$877	\$390
> 12-18 units per net acre	\$647	\$288
> 18 units per net acre	\$417	\$186
Age-Restricted Apartments	\$411	\$183
Age-Restricted Congregate Care	\$215	\$96
NON-RESIDENTIAL		
<i>Fee per Net Acre</i>		
Convenience Commercial	\$9,289	\$4,135
Community Commercial	\$9,289	\$4,135
Village Commercial	\$9,289	\$4,135
Transit Commercial	\$9,289	\$4,135
Highway Commercial	\$9,289	\$4,135
Regional Commercial	\$9,289	\$4,135
EC Commercial	\$9,289	\$4,135
EC 30 - Office	\$9,289	\$4,135
EC 40 - Office	\$9,289	\$4,135
EC 50 - Office/Hospital	\$9,289	\$4,135
EC 65 - Office	\$9,289	\$4,135
EC 80 - Office	\$9,289	\$4,135
Light Industrial with <20% Office	\$9,289	\$4,135
Light Industrial with 20%-50% Office	\$9,289	\$4,135
Arena	\$9,289	\$4,135
Stadium	\$9,289	\$4,135

"land_fees"

[1] Land Acquisition Fees are prior to credits for land dedicated.

[2] Based on final November 2001, North Natomas Valuation Study prepared by Clark-Wolcott, Inc.



RESOLUTION NO. 2002-608

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION ADOPTING THE NORTH NATOMAS
NEXUS STUDY 2002 UPDATE**

WHEREAS,

- A. On May 3, 1994, the City Council approved and adopted the North Natomas Community Plan by Resolution No. 94-259.
- B. On August 9, 1994, the City Council approved and adopted the North Natomas Financing Plan ("NNFP") by Resolution No. 94-495. The Financing Plan set forth the methods by which infrastructure required by the North Natomas Community Plan will be funded.
- C. In Resolution 94-495, the City Council acknowledged that the completion of additional studies and measures was required prior to implementation of the NNFP, including, without limitation, studies and measures which would refine the cost of necessary public infrastructure and the allocation of said cost among the various land uses within the NNFP Area.
- D. On August 9, 1994, the City Council also adopted Resolution No. 94-496, which directed City staff to: (i) conduct further analysis and studies relating to the NNFP; (ii) conduct a Nexus Study to analyze the development impact fee program set forth in the NNFP, identify the cost of the required public infrastructure, and allocate those costs to the various land uses within the Community Plan area; and (iii) follow specified guidelines for the preparation of a Nexus Study that would support the development impact fee program. The portion of the development impact fee program analyzed by the study relates to the Public Facilities Fee, Drainage Fee and Transit Fee.
- E. On October 31, 1995, the City Council approved the North Natomas Nexus Study ("Nexus Study") dated October 17, 1995 by Resolution No. 95-619, and established development impact fees for the North Natomas area by adoption of Ordinance No. 95-058 and Resolution No. 95-620. The development impact fees adopted included a Public Facilities Fee, Drainage Fee, and Transit Fee.

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RESOLUTION NO. _____

DATE ADOPTED: _____

- F. Review and revision of the Nexus Study and the development impact fees is legally appropriate and was contemplated by the City Council at the time of its approval of the Nexus Study and the impact fees. Section 1(e) of Resolution No. 95-619 provides: "The Nexus Study may be revised over time and under future circumstances in order to achieve the purposes and policies of the North Natomas Community Plan and the NNFP."
- G. The City undertook an Update of the Nexus Study, taking into account current development conditions within the North Natomas Community and NNFP area, as well as modifications to the financing programs that occurred during implementation. This Update, known and referred to as the "North Natomas Nexus Study 2002 Update," ("Update") was prepared on behalf of the City by Economic and Planning Systems and is dated March 13, 2002.
- H. On June 11, 2002, the City Council adopted Resolution No. 2002-373, approving the Update of the Nexus Study.
- I. Since June 11, 2002, reductions in the Land Acquisition Plan and Regional Park Land Acquisition Plan Fees have been determined to be appropriate, and the Update of the Nexus Study has been changed to reflect those reductions.
- J. It is therefore necessary that the City Council approve the final Update of the Nexus Study to reflect the reduced Land Acquisition Plan and Regional Park Land Acquisition Plan Fees.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

SECTION 1. Findings.

The City Council hereby finds as follows:

- (a) The recitals set forth above are true and correct and are incorporated herein by reference as findings.
- (b) The North Natomas Nexus Study 2002 Update ("Nexus Study Update") as revised, sets forth a rational, fair and equitable method by which the cost of necessary public infrastructure in the NNFP area is to be allocated to the various land uses.

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RESOLUTION NO. _____

DATE ADOPTED: _____

- (c) The Update, as revised, properly and reasonably allocates the burden of financing NNFP public infrastructure among development projects within the NNFP Area. The burden is allocated in a manner that achieves proper proportionality in light of those impacts that may reasonably be anticipated from those projects.
- (d) The Update, as revised: (i) properly and reasonably identifies the purpose of the revised fees their intended use; (ii) establishes a reasonable relationship between the fee and the development on which the fee is imposed; (iii) establishes a reasonable and rational relationship between the need for the public infrastructure and the type of development activity on which the fee is imposed; and (iv) forms the basis for the further finding that the imposition of the revised fees described therein is necessary in order to protect the public health, safety and welfare within the NNFP Area and the city.
- (e) The Nexus Study Update, as revised, may be revised over time under future circumstances in order to achieve the purposes and policies of the North Natomas Community Plan.
- (f) The findings, conclusions, and methodologies set forth in the Update, as revised, are consistent with the North Natomas Community Plan and the NNFP.

SECTION 2. Adoption of Nexus Study 2002 Update.

The North Natomas Nexus Study 2002 Update, as revised, and other supporting data referred to in the Nexus Study Update integral to the conclusions reached therein, are hereby approved and adopted. A copy of the Nexus Study Update shall remain on file with the City Clerk.

MAYOR

ATTEST:

CITY CLERK

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DATE ADOPTED: _____