



REPORT TO COUNCIL

City of Sacramento

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

PUBLIC HEARING
October 20 2009

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

Title: North Natomas Public Land Acquisition Fee Update 2009

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.

Contact: Sini Makasini, Administrative Analyst, (916) 808-7967; Mark Griffin, Fiscal Manager, (916) 808-8788

Presenter: Sini Makasini

Department: Finance Department

Division: Public Improvement Financing

Organization No: 06001321

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 of other public purpose lands. The fee paid into program and the compensation paid for acquired lands are set annually by the City Council based on the results of a an annual valuation study required by the program. The study has found that the average value of developable land per acre has dropped by 47% from the prior year, or from \$323,766 to \$171,406. The attached resolution implements a 47% reduction in the fee and in the compensation for acquired lands. The specific fees by land use are detailed 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, 2005 and 2009. Adoption is also consistent with the City's Strategic Plan to achieve sustainability and enhance livability.

Sustainability Considerations: There are no sustainability considerations applicable to the North Natomas Public Land Acquisition Program Fee update.

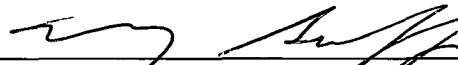
Environmental Considerations: The Environmental Services Manager has determined that the proposed action of a fee change is exempt from CEQA under Section 15273(a)(3) and (4) of the CEQA Guidelines. Section 15273(a)(3) and (4) of the CEQA Guidelines applies to activities that involve the establishment, 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; or for the purpose of obtaining funds for capital projects, necessary to maintain service within existing service areas.

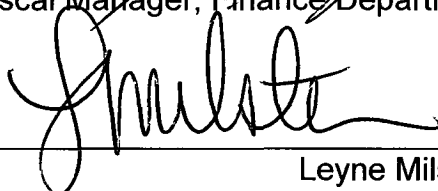
Committee/Commission: None

Rationale for Recommendation: The actions in the recommended Resolution are authorized by Chapter 18.24, Article III, 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, Finance Department

Approved by: 
Leyne Milstein
Director, Finance Department

Recommendation Approved:

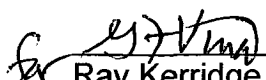

Ray Kerridge
City Manager

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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 2009. The purpose of the Public Land Acquisition Program is twofold:

- 1) to ensure 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 on the value of land over each of the three preceding years. The three values are determined by an independent appraiser and averaged. The average has decreased due to declining land values. The proposed fees and fee changes are detailed on Attachment 2.

NORTH NATOMAS PUBLIC LAND ACQUISITION FEE SCHEDULE

LAND USE	2008 Public Land Acquisition Fee	Proposed 2009 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.	\$5,125	\$2,725
Lot Size > 3250-5000 sq. ft.	\$4,217	\$2,229
Lot Size < 3,250 sq. ft.	\$3,310	\$1,733
Age- Restricted Single Family	\$6,090	\$3,255
Multi-Family (>2 attached units)		
8-12 units per net acre	\$3,310	\$1,733
12-18 units per net acre	\$2,412	\$1,279
>18 units per net acre	\$1,514	\$824
Age Restricted Apartments	\$1,520	\$813
Age-Restricted Congregate Care	\$803	\$425
Non-Residential		
	<u>Fee Per Acre</u>	<u>Fee Per Acre</u>
Convenience Commercial	\$34,360	\$18,363
Community Commercial	\$34,360	\$18,363
Village Commercial	\$34,360	\$18,363
Transit Commercial	\$34,360	\$18,363
Highway Commercial	\$34,360	\$18,363
Regional Commercial	\$34,360	\$18,363
Office EC 30	\$34,360	\$18,363
Office EC 40	\$34,360	\$18,363
Office/Hospital EC 50	\$34,360	\$18,363
Office EC 65	\$34,360	\$18,363
Office EC 80	\$34,360	\$18,363
Light Industrial w/ <20% Office	\$34,360	\$18,363
Light Industrial w/ 20%-50% Office	\$34,360	\$18,363
Arena	\$34,360	\$18,363
Stadium	\$34,360	\$18,363

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 and updated in 1999 by Resolution No. 99-471, in 2002 by Resolution No. 2002-374, in 2005 by Resolution No. 2005-584, and in 2009 by Resolution No. 2009-341 (the "NNFP"), authorizes the annual valuation of public lands to be acquired through the North Natomas Land Acquisition Program (the "NNLAP") and the annual calculation of the Public Land Acquisition Fee. Clark-Wolcott, Inc. has prepared a Valuation Study that estimates the 2009 value of the land required for public facilities. In 2005, Economic and Planning Systems, Inc. prepared a Fee Study that the city uses each year, in conjunction with the annual land valuations, to determine the estimated cost of acquiring the public lands and to calculate each year's Public Land Acquisition Fee, all according to the provisions of the NNFP. City Staff has used the Valuation Study and the Fee Study (collectively, the "2009 Fee Basis") to calculate the 2009 Public Land Acquisition Fee in accordance with the NNLAP, as authorized in the NNFP.
- B. The North Natomas Community Plan (the "NNCP"), the NNFP, and the 2009 Fee Basis, 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 (the "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 2009 Fee Basis 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. Chapter 18.24, Article III, of the Sacramento City Code provides that the City Council may, by resolution, set forth specific limitations, which will apply to credits and reimbursements relating to development impact fees.
- E. Chapter 18.24, Article III, further provides that the Clerk shall publish notice of public hearing ten days before the hearing. The resolution will become effective after 60 days after 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 October 20, 2009, at 2:00 p.m. in the Council Chamber located at City Hall, 915 I Street, Sacramento, California 95814.
- G. The 2009 Fee Basis was available for public inspection and review at the Office of the City Clerk, City Hall, for a period of at least ten days prior to the public hearing. Materials supplementing the 2009 Fee Basis and all background data referenced in the 2009 Fee Basis were made available to interested parties upon request made to the City Planning Department, at least ten 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, all as required by Section 18.24.070 of the Sacramento City Code.

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

Section 1. Findings.

- (a) The 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) The City Council approved the 2009 Fee Basis following a public hearing on the matter, and the contents of the 2009 Fee Basis are incorporated herein.
- (b) As to the revised fees associated with the NNLAP, as authorized by Chapter 18.24, Article III, of the Sacramento City Code, the City Council makes the following additional findings:
 - (iii) The NNLAP (as revised in 2005) and the 2009 Fee Basis reflect 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 Public Land Acquisition Fee. As such, the revised program is consistent with the goals and policies reflected in the NNCP and the NNFP.

- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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 2009 Fee Basis.
- (viii) The revised fees are consistent with the City's General Plan and the NNCP, and the 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 Public 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 2009 Fee Basis, 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 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 Public Land Acquisition Fee shall be permitted pursuant to and in accordance with the provisions of the NNLAP set forth in the NNFP.

Section 6. Construction of Resolution

The provisions of this resolution are subject and subordinate to the provisions of 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 must be brought within 120 days of its adoption.

Section 8. Effective Date.

This resolution will become effective 60 days after 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 Chapter 18.24 of the Sacramento City Code or any resolution adopted pursuant to that 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.

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Exhibit A: Public Land Acquisition Fee Schedule - 1 Page

EXHIBIT A

LAND USE	2009 Public Land Acquisition Fee
Residential	<u>Fee Per Unit</u>
Single Family Attached / Detached	
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Lot Size > 5000 sq. ft.	\$2,725
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