

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
February 7, 2012
Timed: 2:00 p.m.

To: Board of Supervisors

From: Department of Community Planning and Development

Subject: 2003-0171. Initiation Of The Northwest Master Plan And General Plan Amendments For The Natomas Joint Vision Area Including A New Location For The Urban Services Boundary, Urban Policy Area And Associated Rezones, And A Special Planning Area Zone. A Sixth Amendment To The Funding Agreement Between The Natomas Landowners' Group And The County. Applicants: The County Of Sacramento And Natomas Landowners' Group.

Supervisory District: Phil Serna

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Overview

Initiation of a Master Plan and General Plan Amendment to move the Urban Services Boundary (USB) and Urban Policy Area (UPA) and associated General Plan Amendments, Rezones, and a Special Planning Area (SPA), along with a Sixth Amendment to the Funding Agreement between the Natomas Landowners' Group (Owner's Group) consisting of Ose Properties, Inc, Brookfield Natomas, LLC, and Jeffrey S. Norton Trust and the County, and an associated two-year Informal Budget. The Master Plan study area is located in the unincorporated area of the County north and west of the City of Sacramento, west of Steelhead Creek, south of the Sutter County Line, and east of the Sacramento River, excluding the Garden Highway SPA, in the Natomas community. The area totals approximately 24,000 acres and encompasses the majority of the unincorporated area of the County in the Natomas community, excluding the Garden Highway SPA. (Note: Although both the Airport and Metro Air Park are within the USB and UPA they are located within the Joint Vision Area, and as a result may or may not be included in the final Master Plan.)

This on-going master planning effort during this market downturn will allow the County to address key economic opportunities and land use issues related to the relationship to the Sacramento International Airport, flood protection and habitat preservation. On January 13, 2010, the Board of Supervisors (Board) initiated proceedings for an SPA. The Master Plan initiation is a continuation of this effort. Courtesy meeting notices for this initiation were sent out to property owners within the proposed Master Plan area, in addition to properties within 500 feet of the boundary, and members of the Natomas Community Planning Advisory Council.

Funding from the Owners' Group allows support for City and County staff and consultants to

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continue to explore future land uses in the Natomas Joint Vision (Joint Vision) area and develop a master plan and associated documents. The recently approved fifth amendment extended the Funding Agreement to December 31, 2013, unless it is terminated sooner by either party upon 30 days' written notice.

Recommendation

1. Adopt the attached resolution (Resolution 1) to Initiate the Master Plan process, including the initiation of an amendment to the General Plan to move the Urban Services Boundary (USB) and Urban Policy Area (UPA) within the Natomas Joint Vision Area with the boundary locations to be determined through the Master Plan process.
2. Adopt the attached resolution (Resolution 2) to authorize the Assistant County Executive Officer to sign the Sixth Amendment to the Funding Agreement (Attachment 1) between the County of Sacramento and the Owners' Group.
3. Direct staff to continue to work cooperatively with City staff in the Master Plan process.
4. Direct staff to return to the Board, after meeting with the Planning Commission, when a project description is formalized and the environmental analysis is to be initiated.

Measures/Evaluation

Adoption of a Master Plan allowing for future economic vitality and high quality design, and appropriate public outreach.

Fiscal Impact

The Master Plan process is funded entirely by the Owners' Group as outlined in the Sixth Amendment to the Funding Agreement and associated Informal Budget.

BACKGROUND

The Joint Vision effort has had a detailed and lengthy history that has been discussed in many past staff reports to the Board. Efforts began in the 1990's with an urban services boundary special study that ultimately resulted in the 2002 Memorandum of Understanding (MOU) between the City of Sacramento and the County. This resulted in work on an open space strategy, a Broad Visioning process, and technical studies to assist in preparing a conservation strategy. On January 13, 2010, the Board initiated proceedings for an SPA. Today, the County and Owners' Group are ready to initiate a Master Plan process that includes moving the USB and UPA, and associated General Plan Amendments, Rezones, and an SPA. The Master Plan process will continue the effort begun many years ago.

Since 2008, the Owners' Group has agreed to fund the Joint Vision planning effort with the understanding that no promises or representations have been made, express or implied, by the County as to the outcome of the Joint Vision process. The Sixth Amendment to the Funding Agreement is attached for the Board's approval between the County and the Owners' Group

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(Attachment 1). An Informal Budget is attached to the amendment that lists various departments and their estimated budgets. The original agreement was approved by the Board on September 24, 2008, was amended on May 27, 2009, February 10, 2010, August 10, 2010, December 14, 2010, and again on December 6, 2011. This agreement allows funding of staff and consultant assistance in the next steps of the effort (Phase V). Phase V includes all studies, evaluations, analysis and processing necessary to complete the establishment of an SPA zone, including, but not limited to, any appropriate Specific Plans, Community Plans, or Master Plans, and related General Plan Amendments establishing the expanded USB and UPA, as well as the necessary activities related to the preparation of a Habitat Conservation Plan (HCP). The term of the existing agreement ends December 31, 2013, unless extended by the County and Owners' Group.

DISCUSSION

The Joint Vision area includes numerous important assets and unique opportunities to the County and the Region. The area contains the intersection of two major north/south and east/west interstates; will be served by the future Downtown/Natomas/Airport Light Rail line; is within four to seven miles of downtown Sacramento; and is identified as a future growth area in the regional "Blueprint" Plan. The Sacramento International Airport represents a significant investment of both public and private funds and is a major regional economic asset. Immediately to the east of the airport is the Metro Airpark business park that in the future will be available for construction of major employment and business activity. In addition, major investments of local, state and federal funds are underway to complete massive levee improvements in order to protect existing homes and residents, the airport, the interstate freeways and other significant investments within the larger Natomas Basin. Finally, solutions to addressing the preservation of habitats and species, notably the Swainson's Hawk and Giant Garter Snake, are being studied and will be an important component of the planning process.

USB and UPA Boundaries: The County General Plan was recently amended in November 2011, concluding the 2030 General Plan Update. During the initial scoping of the General Plan Update in the early 2000's, it was anticipated that the City of Sacramento would be the "urbanizer" for the Natomas area. As that shifted in the mid-2000's, the General Plan draft Land Use Element was amended to include the following overlay regarding the Natomas area.

Natomas Joint Vision Area. On December 10, 2002, the Sacramento City Council and Board adopted a Memorandum of Understanding (MOU) outlining principles of land use and revenue sharing between the City and County of Sacramento for the Natomas area, setting the stage for what has come to be known as the "Natomas Joint Vision." The "Natomas Joint Vision Study Area" overlay on the Land Use Diagram indicates the area addressed by this MOU. The cooperative effort addresses land use, economic development, and environmental opportunities and challenges in Natomas. The result will be quality development balanced with permanent open space preservation systems. Additionally, SACOG's Blueprint shows significant development in the Natomas Joint Vision Area. Because of the MOU, the Blueprint and the importance of the Natomas Joint Vision Area to the region, the County anticipates development in portions of the

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Natomas Basin within the timeframe of the General Plan. Subject to the preparation and certification of the appropriate environmental documentation, this development shall be accomplished either by an expansion of the USB, the City's Sphere of Influence, or both. See related policy LU-114 and Implementation Measure C in the "Regional and Local Agency Coordination" section of this Element.

LU-114 states:

LU-114. It is the policy of Sacramento County that development and open space preservation in the Natomas Joint Vision Overlay Area occur in a comprehensive, responsible and cohesive manner that best addresses land use, economic development and environmental opportunities and challenges in Natomas.

Implementation Measure C states:

C. Pursue comprehensive and collaborative planning in the Natomas Joint Vision Overlay Area; either through the continued participation in the Natomas Joint Vision MOU or, if determined appropriate, with the County serving as the lead agency for development and open space preservation. (PLANNING, BOARD OF SUPERVISORS)

As the General Plan states, because of the MOU, the Blueprint, and the importance of the Joint Vision area to the region, the County anticipates development in portions of the Natomas Basin within the timeframe of the General Plan. The Master Plan process is the next logical step in this planning effort, ultimately determining the location of the urban areas and thus the USB. Therefore, the project will include an amendment to the USB.

It is important to note that although no findings are needed to initiate moving the USB, the Board will be required to make findings to approve a change to the USB location. The pertinent General Plan Policy LU-127 is cited below; staff will work with the project proponents to determine consistency with this policy during this next phase of the master plan process.

LU-127. The County shall not expand the Urban Service Boundary unless:

- There is inadequate vacant land within the USB to accommodate the projected 25 year demand for urban uses; and
 - The proposal calling for such expansion can satisfy the requirements of a master water plan as contained in the Conservation Element; and
 - The proposal calling for such expansion can satisfy the requirements of the Sacramento County Air Quality Attainment Plan; and

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- The area of expansion does not incorporate open space areas for which previously secured open space easements would need to be relinquished; and
- The area of expansion does not include the development of important natural resource areas, aquifer recharge lands or prime agricultural lands;
- The area of expansion does not preclude implementation of a Sacramento County-adopted Habitat Conservation Plan;

OR

- The Board approves such expansion by a 4/5ths vote based upon on finding that the expansion would provide extraordinary environmental, social or economic benefits and opportunities to the County.

In addition, the Board will be required to make findings to approve expanding the UPA under General Plan Policy LU-120. LU-120 requires the County to only consider approval of a proposed UPA expansion and/or Master Plan outside of the existing UPA if the Board finds that the proposed project is planned and will be built in a manner that meets all of the requirements per General Plan PC-1 through PC-10, and meets either one of the two alternative performance metrics which include a criteria-based approach, or a VMT/Greenhouse Gas Emissions Reduction Metric. A thorough analysis of these, and other, policies will be presented during the subsequent Master Plan hearing and adoption phase.

The USB expansion will be one of the first expansions of the USB since the 1993 General Plan adoption. Although it is the first, it is important to note that in 1993 the Board concurred with a letter Sacramento City Council members signed stating in the event the NJV area were to urbanize, it should do so within the City. Based on that information, the Board chose not to extend the USB to include the Joint Vision area, but recognized the potential urbanization of the Joint Vision area. The on-going cooperative work between the City, the County, and Owners' Group has lead to the point where the County is ready to begin a Master Plan process. On November 17, 2011, the Owners' Group submitted a letter (Attachment 2) requesting that the Board initiate the Master Plan Process. Therefore, in this case, initiating the Master Plan to move the USB is not precedent-setting in that it was recognized during the 1993 General Plan update that the USB would be amended in the Natomas area. Because the Northwest Master Plan is expected to include both urban and non-urban land uses, as preliminarily identified in the Broad Visioning sketches presented to the Board in April 2009, the planning effort will study the entire area comprehensively.

Contents of the Initiation Package: The initiation package includes a map of the Northwest Master Plan area (Attachment 3) and a detailed analysis and associated map demonstrating how the initiation of the UPA expansion meets General Plan Policy LU-119 (Attachment 4). The Northwest Master Plan area map is similar to the Joint Vision area map contained in the 2002 City/County MOU; however, the Master Plan map excludes the Greenbriar project annexed into the City after 2002. Note that the Joint Vision area did not include the Garden Highway SPA,

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nor does the Master Plan area include the Garden Highway SPA. Further, although both the Airport and Metro Air Park are within the current USB and UPA and are located within the Joint Vision area boundaries, they may or may not be included in the final Master Plan.

Consistency with General Plan Policy LU-119: According to LU-119, the County shall only accept applications to expand the UPA or initiate an expansion of the UPA or any Master Plan processes outside of the existing UPA if the Board finds that the proposal meets four criteria. These criteria include a parallel process to expand the UPA and prepare Master Plans, a project justification statement and outreach plan, proximity to existing urbanized areas, and logical, comprehensive, and cohesive planning boundaries. The four criteria are defined in more detail in the language of LU-119 (Attachment 5).

1. Parallel processes to expand the UPA and prepare Master Plans

On January 13, 2010, the Board initiated proceedings for an SPA encompassing the Joint Vision area. The process to establish the SPA will include a determination of the new location of the USB and UPA through a detailed master planning process within the framework of the SPA. Because of this SPA process established by the Board, staff recommends the Board find that this parallel process General Plan criterion is met.

2. Project justification statement and outreach plan

The justification statement includes detailed background information that describes the history of the Joint Vision effort. This background chronicles the 2002 City/County MOU, the Broad Visioning process, the technical study phase, the coordination with the County Airport System, the funding agreements, and the numerous reports to the Board reaffirming the cooperative work between the City, County, and Owners' Group. The information also highlights the SPA initiation by the Board, and the on-going biology studies that will result in a conservation strategy. In 2011, the Board adopted amendments to the General Plan that included an overlay designation for the Joint Vision Area that reaffirmed the importance of the area to the County. As stated in the justification statement, because of the long standing commitment to comprehensive urban planning and the area's unique importance to the County, staff recommends the Board find that this General Plan criterion is met.

The outreach plan first includes a recap of what could be described as an informal "pre-application" outreach process underway since at least 2008. Throughout the Joint Vision effort, there have been numerous scheduled status reports at the Board. In addition, there have been outreach meetings to neighbors and stakeholders, several of which resulted in a set of "visioning" diagrams. Finally, in the summer and fall of 2011, the Owners' Group hosted three meetings with Joint Vision area property owners. For the Master Plan effort, the outreach plan proposes several strategies to engage and inform stakeholders and the public. These include technical outreach to County and non-County groups, formal coordination with Joint Vision area landowners, outreach to local neighborhood and environmental advocates and adjacent landowners, and outreach/public comments through the CEQA

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process. The outreach plan on Page 8 of the initiation package contains key outreach measures to occur before the CEQA process begins. It is expected that in the formulation of the work plan, one of the first steps in the Master Plan process, the outreach schedule will be finalized. This will include a detailed work program on the HCP and its issues. In addition, the County, City, and soon the Owners' Group, will maintain web sites devoted to the Northwest Master Plan effort. Staff recommends the Board find that this outreach plan General Plan criterion is met.

3. Proximity to existing urbanized areas

The Initiation Package contains a table highlighting the adjoining perimeters of the Northwest Master Plan area. The areas within existing UPA's and cities that adjoin the Master Plan area include the City of Sacramento, a portion of the unincorporated area of Rio Linda/Elverta, the Airport, and the approved Metro Air Park. Approximately 56.1 percent of the Master Plan perimeter adjoins existing UPA's or cities. Since at least 25 percent of the perimeter must be adjacent to existing UPA or City boundaries, this General Plan criterion is met. The Northwest Master Plan area is unusual in that it will likely contain both urban (within the USB and UPA) and non-urban (outside the USB and UPA) areas.

4. Logical, comprehensive, and cohesive planning boundaries

As described in the attached initiation package, the past land use sketches created during the Broad Visioning phase show comprehensive and cohesive boundaries for the urban areas adjacent to existing urban areas. While it is possible the areas within the Northwest Master Plan area, except for the Metro Air Park site, may be included in an SPA, only those areas to be urbanized would be contained within an expanded UPA and USB. The final location of the USB and UPA boundaries will be reviewed in context of both urban and non-urban areas. Therefore, staff recommends the Board find that this criterion is met.

Sixth Amendment to the Funding Agreement: The Owners' Group desires to continue funding the Master Plan effort. This sixth amendment is intended to fund staff costs and consultant costs associated with detailed planning, engineering, environmental, habitat, and other studies necessary to establish the fundamental elements of an SPA and any appropriate HCP, Specific Plans, Community Plans, or Master Plans as appropriate, and the amendment to the County General Plan to establish an expanded USB and UPA within the Master Plan area. This amendment is intended to fund two years of work with expected detailed reporting to the Owners' Group of time and costs incurred. Further, the amendment establishes a security deposit to be deposited into the Natomas Landowners' Group Trust Fund upon receipt by County. In addition, the amendment establishes monthly invoicing to the Owners' Group of the previous month's incurred expenditures. This security deposit and invoice process is similar to other County funding agreements. As a note, the original Funding Agreement, as amended, contains reimbursement provisions allowing reimbursement of County staff and consultant costs incurred during the Joint Vision effort.

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The sixth amendment includes an Informal Budget outlining estimated costs submitted from several departments and districts for work anticipated on the Master Plan. County Transportation, Water Supply, the Division of Environmental Review and Assessment (DERA), and the Air Quality Management District submitted a list of estimated tasks to support their budgets. These have been included as well. In addition, separate fees will be collected at project initiation to cover non-planning fees listed in the Planning application fee schedule not accounted for in the budget. These fees include the Information Technology fee, Planning Commission and Board Supervisors fees, and other departments such as Parks, LDSIR, RT, and SHRA, as appropriate. The County's Urban Design Specialist and City of Sacramento Planning staff and legal consultant budgets have been included in this budget with notes that their budgets were approved under a separate contract and separate reimbursement MOU, respectively. The sixth amendment to the Funding Agreement and the Informal Budget are attached as Attachment 1. Note that the budget does not include costs to prepare the environmental document. Those costs will be covered under a separate agreement between DERA and the Owners' Group.

Next Steps: It is expected that one of the first tasks in the Master Plan process will be to prepare a schedule with a list of tasks and milestones based on the two-year budget. This schedule will include appropriate outreach sessions. In addition, staff will return to the Board, after meeting with the Planning Commission, when a project description is formalized and the environmental analysis is to be initiated.

MEASURES/EVALUATION

Adoption of a Master Plan allowing for future economic vitality and high quality design, and appropriate public outreach.

FINANCIAL ANALYSIS

The Master Plan process is funded entirely by the Owners' Group as outlined in the attached Sixth Amendment to the Funding Agreement and associated budget.

Respectfully submitted,

APPROVED:
BRADLEY J. HUDSON
County Executive

NAVDEEP S. GILL, Assistant County Executive Officer
Community Planning and Development Department

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Attachments

- BOS RES 1 - Resolution to Initiate Master Plan and Move USB and UPA boundaries
- BOS RES 2 - Resolution to sign Funding Agreement
- BOS ATT 1 - Sixth Amendment to the Funding Agreement
- BOS ATT 2 - Letter from Owners' Group to Initiate Master Plan Process-Nov. 17, 2011
- BOS ATT 3 - Northwest Master Plan Area Map
- BOS ATT 4 - General Plan Policy LU-119 Consistency Package with Map
- BOS ATT 5 - General Plan Policy LU-119 Language