

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite #100
Sacramento, California 95814
(916) 874-6458

April 1, 2015

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **CITY OF CITRUS HEIGHTS NEW CITY HALL ANNEXATION TO
CITRUS HEIGHTS WATER DISTRICT (01-15)**
[CEQA: Exempt]

Contact: Don Lockhart AICP, Assistant Executive Officer (916) 874-2837

RECOMMENDATION

1. Approve the **Citrus Heights New City Hall Annexation to Citrus Heights Water District (01-15)** and authorize your Commission to waive Conducting Authority proceedings, due to one- hundred percent consent of affected landowners and affected agencies.

PROJECT DESCRIPTION

The proposal consists of annexing a vacant 12.80 acre parcel for purposes of providing municipal water supply. The site has been recently approved for the development of the New City Hall, with a related Corporation Yard, and Open Space/wetlands.

The proposal is a 100 percent landowner consent application for annexation to the Citrus Heights Water District, to secure water service for a municipal development, as required by the City of Citrus Heights General Plan.

The landowners initiated these proceedings by making application for service directly to the Citrus Heights Water District.

There are fewer than 12 registered voters in the proposal territory, thus the project is deemed uninhabited (Gov. Code. 56046)

FPPC Disclosure

No parties to this annexation have declared any contributions to any members of the Commission.

Project Proponent/ Chief Petitioner/ Landowner:

Applicant for City Hall: Capital Partners Development Company (Rod Johnson)
2890 Kilgore Road
Rancho Cordova, CA 95670
Property Owner for City Hall site: California C & S Properties (John Stock)
1939 Harrison Street Suite 418
Oakland, CA 94612
APN: 243-0010-027

100% Consent

Staff recommends that the Conducting Authority protest proceedings be waived. The affected territory is owned solely by the project proponent. The adjacent neighborhood associations, affected property owners, and landowners within 500 feet of the project site, have been notified of the date, time and place of the hearing on this proposal. No protest has been received.

Assessed Valuation

The current Assessed Valuation of the affected territory is \$867,412.

Project Location/ Setting

The project is located at 6360 Fountain Square Drive – at the southeast corner of Fountain Square Drive and Stock Ranch Road. The gross acreage is 12.80 acres. The New City Hall will be developed on 5.8 acres.)

The project is located within the Sphere of Influence and service boundary of the Citrus Heights Water District. This parcel is an island located within the CHWD service area.

Surrounding Land Uses and Zoning:

LOCATION	ZONING	GENERAL PLAN LAND USE	ACTUAL USE
On-Site	Civic Center Special Planning Area	Public	Vacant
North	Stock Ranch Special Planning Area	Low Density Residential	Single family homes Open space
South	Shopping Center	Public and General Commercial	Post Office Shopping Center
East	RD-20	Medium Density Residential	Senior Apartments
West	RD-7	Low Density Residential	Single family homes

Background

The annexation of the site is related recent land use decisions.

Panattoni Development Company (“Panattoni”) proposes to construct a Medical Office Building (MOB) for the use of Dignity Health Medical Foundation (“Dignity Health”) on the parcel that currently houses all of the City’s administrative buildings, with the exception of the Police Services Center (“City Hall Campus”), located at 7115 Greenback Lane (“Fountain Square Property”).

This annexation is for the related site. Capital Partners Development Company (“Capital Partners”) proposes to develop two buildings (primarily for use as City Hall and Utility Building) on the vacant parcel located at 6360 Fountain Square Drive (“Stock Property”) for the use of the City to administer municipal services. The two proposed development and three associated leases are collectively referred to as the Medical Office Building and City Hall Project.

LAFCo Policy, County General Plan, and Zoning Consistency:

The proposed New City Hall Annexation is consistent with the Sacramento LAFCo Policies and Procedures, City of Citrus Heights General Plan, and the City Zoning Code. The provision of water by the District to serve existing and planned growth in the area is assumed in, and consistent with, the City General Plan.

Affected Agencies:

The following districts were notified and have taken a position of no opposition to the proposed annexation:

- Sacramento Metropolitan Fire District
- Sunrise Recreation and Park District
- Sacramento Yolo Mosquito & Vector Control District
- Sacramento County Water Agency
- Sylvan Cemetery District

Sacramento Metropolitan Fire District supports the annexation. They commented that the proposed annexation may enhance life safety delivery capabilities to the affected territory.

Citrus Heights Water District

The Citrus Heights Water District has provided the following comments:

Service Territory

Citrus Heights Water District (CHWD) provides water service to portions of the following communities:

<u>Community</u>	<u>Water Service Count</u>
City of Citrus Heights *	15,404
Orangevale	2,035
Fair Oaks	1,455
Carmichael	325
Placer County	256
City of Roseville	116
Total CHWD Services	19,591

*CHWD serves approximately 63% of the City of Citrus Heights

Residential Services	18,531
Non-Residential Services	1,060
Total Services	<u>19,591</u>

The average annual water use in acre feet for District users is estimated as follows:

	Services	Water Use af	Use per Service Af
Residential Services	18,531	10,533	0.57
Non-Residential Services	1,060	3,030	2.86
Total	19,591	13,563	0.69

Service Territory Proposed for Annexation

The territory proposed for annexation is an island within the external boundary of Citrus Heights Water District and is, therefore, within the District's sphere of influence and service boundary. The 2011 Municipal Service Review anticipated service to this area. Furthermore, the territory is within the wholesale service area of San Juan Water District (SJWD), the agency from which Citrus Heights Water District purchases surface water. The proposal was initiated by the developer seeking water service.

Water requirements for the 12.80 gross acre site are estimated to be 11.58 acre feet per year. The water services to this site will be metered and billed at metered rates.

Water Supply

Surface water will be the primary source of water for the affected territory. Surface water comprises approximately 92% of the water supply delivered annually by the District. SJWD has anticipated CHWD serving this territory utilizing the water resources available through SJWD. SJWD has sufficient water supply and treatment plant capacity to provide wholesale water to CHWD to serve the affected territory.

The total water supply presently available to the District is estimated to be 25,500 acre feet annually. The District's components of water use for the past five years are as follows:

Year	Surface Water		Groundwater		Total af
	af	%	af	%	
2014	10,008	84.86	1,785	15.14	11,793
2013	14,416	96.88	465	3.12	14,881
2012	13,583	95.88	583	4.12	14,166
2011	12,290	92.74	962	7.26	13,252
2010	12,165	88.63	1,560	11.37	13,725
5 Year Average	12,492	92.10%	1,071	7.90%	13,563

One additional groundwater well is being constructed that will augment the District's availability of groundwater by approximately 1,500 acre feet per year by the end of CY 2015. Groundwater resources are used for peaking, emergencies, drought and environmental needs.

Citrus Heights Water District is among the signatories of the landmark Water Forum Memorandum of Understanding to protect the environmental benefits of the Lower American River and provide for reliable regional water supplies. CHWD has remained engaged in the ongoing efforts to implement the pact. These elements include researching appropriate river flows for fish, developing new upstream diversion agreements, organizing groundwater management programs, implementing water conservation programs, providing consistency in land use planning that impacts water supplies, and drafting potential recreational improvements at Folsom Lake. Since its inception, the Water Forum effort has been nationally recognized as a model of good public planning, providing an effective solution to related issues that affect a wide spectrum of interests.

Water Conservation Programs

The District has ongoing water conservation programs which encourage customers to use water wisely and to make good water conservation habits a way of life. The District's Water Demand Management (Conservation) Program addresses a variety of water conservation "best management practices" including: offering free water use reviews for residential, commercial and institutional customers; distributing low-flow showerheads and other plumbing retrofit devices; public information and school education programs; rebates for ultra-low-flush toilets; pricing for metered water consumption; and many others.

The District's budget for Water Demand Management is about \$354,000 for 2015. All of the District's 19,591 water services have meters.

Infrastructure

There are no significant off-site improvements or costs in extending water service to the affected territory. Upon the annexation of the property to the District and upon approved completion of the installation of the water distribution facilities necessary to serve the project, potable water service for domestic and fire protection purposes will be available without exception to said project within the limits of the capacity and facilities of the District. Service will be subject to the Policies and Procedures of the District.

Existing water distribution facilities in the project vicinity and as shown on the preliminary utility plan prepared by Morton & Pitalo, Inc. (MP) include:

- 12-inch and 8-inch water mains within Fountain Square Drive along the entire frontage of the site.
- A 12-inch water main from Fountain Square Drive stubbed to the property at a location approximately 175 feet north of the southwest corner of the site.
- A 12-inch water main stubbed to the southeast corner of the proposed corporation yard area.
- 12-inch and 24-inch water mains in Stock Ranch Road along the frontage of the access driveway to the proposed corporation yard.
- Two steamer fire hydrants along the easterly side of Fountain Square Drive along the frontage of the site.
- A 1 1/2-inch metered irrigation water service with a reduced pressure backflow prevention assembly and enclosure along Fountain Square Drive serving the street median and frontages.

The following water distribution system improvements by the developer are anticipated to be necessary to serve the project:

Water Mains

- It is anticipated that a public water main loop, likely 8-inch in size, will be required around the proposed City Hall building. This will be achieved by connecting to the existing 12-inch stub noted in bullet two above and to the existing Fountain Square 8-inch water main at the northwest corner of the site. An easement to the District will be required for this water main and appurtenances connected thereto.

Fire Protection Facilities

- Fire protection facilities and requirements will need to be determined by Sacramento Metropolitan Fire District.
- It is likely that three or four additional fire hydrants will be required to achieve proper spacing for this commercial site.
- A Fire Sprinkler Connection will be required due to the size of the building. It is likely that the location of the connection will be along the Fountain Square Drive frontage rather than off the street southeast of the building as shown on the MP plans. So as not to impact the appearance of the entry to the site, a location near the northerly Fountain Square Drive driveway should be considered. Relocation of an existing fire hydrant at this driveway could be incorporated into the construction of the fire sprinkler connection.

Water Service

- Water services for domestic and landscape irrigation together with backflow prevention assemblies will be required. Water pressure and water demand calculations will be used to determine proper sizing of the water service and meter. The location of the water services does not necessarily need to be along the street frontage but could come off of the water main loop at an accessible location.
- Please note that the District's normal operating water pressure in this area may exceed 80 psi, which may require a pressure regulating valve installation to meet local building codes.

Design Notes

- The various design disciplines will need to coordinate efforts to avoid lighting, signage, trees and other conflicts with water mains, fire protection facilities and water services.

Fees and Charges

Citrus Heights Water District is an "enterprise district" in that its revenue sources are based on user service charges and fees. The District receives no property tax revenues. Water rates are assessed on a metered basis for all accounts including residential, commercial, governmental, institutional and landscape irrigation accounts.

CHWD assesses fees and charges for developer-constructed projects in several categories with estimated charges and fees for 2015 and 2016 for this project to be as follows:

Development and Construction (2015):

Plan Check Charges	\$ 849.50
Construction Water	\$ 800.00
Inspection Charges	\$ 6,588.00
CHWD Capacity	\$ 40,229.00
SJWD Capacity Fees	\$ 6,084.00
Meter Set Charges	\$ 1,255.00
Annexation Fees	\$ 28,339.20

Water Service Charges and Commodity Costs (2016):

3-inch metered commercial service	\$ 5,000.00
2-inch metered irrigation service	\$ 1,000.00
8-inch flat-rate fire sprinkler service	\$ 560.00

The most significant of these as noted above are the capacity fees. These fees are based upon the size of the commercial and landscape irrigation water service connections to the water distribution system and are calculated using the “system-buy-in” methodology. Capacity fees (Calendar Year 2015) that apply to the water service types proposed for the commercial and landscape irrigation applications at the site are as follows:

CHWD 3-inch metered commercial water service	\$ 24,756.00
CHWD 2-inch metered irrigation water service	\$ 15,473.00

Wholesale Capital Facility Fees

SJWD 3-inch metered commercial water service	\$ 4,055.00
SJWD 2-inch metered irrigation water service	\$ 2,029.00

District Action to Date

Although supportive of the proposal, the Board of Directors of Citrus Heights Water District has not taken formal action on this matter. Typically the District adopts a resolution accepting an annexation after approval by LAFCo and upon payment of CHWD Annexation Fees.

ENVIRONMENTAL CONSIDERATIONS

The New City Hall project would be served with water, wastewater, and storm drain services through connections to existing water and sewer lines in Fountain Square Drive and Stock Ranch Road. The Citrus Heights Water District and Sacramento Area Sewer District have sufficient capacity to serve the project. No off-site connections would be required.

EXECUTIVE OFFICER COMMENTS:

The proposal is consistent with the City of Citrus Heights General Plan, the 2011 Municipal Services Review of the Citrus Heights Water District, and your Commissions Local Policies, Standards, and Procedures. I recommend that your Commission:

1. Approve the **Citrus Heights New City Hall Annexation to Citrus Heights Water District (01-15)** (APN: 243-0010-027) and authorize your Commission to waive Conducting Authority proceedings, due to one- hundred percent consent of affected landowners and affected agencies.

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION



Peter Brundage
Executive Officer

DL:dl
Attachments
(New City Hall Annex to CHWD)

7264 Stock Ranch Road Citrus Heights, CA



Greenback/Fountain Square Drive
Retail Region

Capital Partners Development Company
2890 Kilgore Road, Suite 115
Ranch Cordova, CA

 CAPITAL PARTNERS
Development Company, LLC

www.capitaldevco.com



North

CITY OF CITRUS HEIGHTS

**GPA 14-01, OTA 14-02,
RZ14-01, DRP 14-06
Proposed City Hall**

Scale: None

Attachment 8