

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

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January 17, 2002

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer
RE: **PROPOSED RANCHO CORDOVA INCORPORATION** (12-97)
**Executive Officer's Boundary Recommendation
For Proposed City of Rancho Cordova**

Recommendation

Adopt the modified boundary proposed on December 5, 2001 with three exclusions:

- (1) exclusion of Prairie City Off Highway Vehicle Park;**
- (2) exclusion of property owned by Teichert Aggregates to be used for only mining;**
- (3) exclusion of property southeasterly of White Rock Road near Prairie City Off Highway Vehicle Park and Teichert properties to create a logical boundary.**

Purpose of Report

This report, requested by your Commission on December 5, 2001, is to provide additional information pertaining to staff's recommended boundary. **The Commission needs to act to adopt the most appropriate boundary for the proposed city so that the fiscal analysis and environmental analysis can be updated, if required, prior to final public hearings.** It is critical that the boundary be approved so that an amended Comprehensive Fiscal Analysis can be completed as soon as possible. A boundary needs to be approved so that a pro forma budget for the modified boundary can be prepared.

This report reviews the incorporation process, discusses the proponents' petition boundary, LAFCo Alternative No. 1, and staff's recommended boundary. The report also reviews the Sacramento County Planning process for current and long range projected land uses for areas east of Sunrise Boulevard.

Any incorporation process should be viewed as a work-in-progress that requires a great deal of time and attention to detail. The information provided from the fiscal, environmental, and LAFCo staff analysis help guide this process. The process is complex and typically very controversial. In the case of the Rancho Cordova incorporation, a perfect boundary alternative that satisfies the fiscal issues raised by the County of Sacramento and the development concerns raised by Aerojet and the City of Folsom in relation to community identity does not exist. No perfect boundary that can satisfy all the issues that have been raised by all of the affected parties has been formulated.

The residents of Rancho Cordova began their efforts to circulate a petition to obtain 25 percent of the registered voters in April 1997. A valid petition was submitted in November, 1999. A petition proposing incorporation was circulated based on the community identity established by the Rancho Cordova Incorporation Committee. The Committee also sought to provide a boundary for their community that would provide for logical and orderly projected growth.

LAFCo Process

The registered voter signature threshold of twenty-five percent, established by Government Code 56764, is very high for incorporation efforts. If an incorporation proposal is found to be valid by LAFCo, an election is mandatory. The typical annexation process only requires a petition signed by 5 percent of the registered voters and no election is required unless there is protest from 25 percent of the registered voters living in the affected area. In addition to the effort required to submit a valid petition, incorporation efforts are very expensive. Significant funds must be raised, therefore incorporation efforts can become a very exclusive process obtainable by few communities.

Incorporations potentially impact many agencies, businesses and individuals. In the past, LAFCo terms and conditions have attempted to mitigate the adverse impacts that have been anticipated should the electorate approve an incorporation. Typically, the most significant mitigation requirement is to obtain revenue neutrality based on the Government Code 56815. However, each incorporation is unique and contains specific terms and conditions to ensure the viability of the new city as well as to protect unincorporated residents.

Generally, the proponents', boundaries for the proposed City of Rancho Cordova have been based on historical community identity boundaries that were established through the formation of special districts and Sacramento County planning process (Cordova Community Planning Area). In addition, in 1980,

LAFCo adopted a sphere of Influence for the community of Rancho Cordova. While the SOI may not have legal significance, it was approved on the basis that the SOI territory could be considered for incorporation at a future date. That future date has arrived.

Policy Question

The Commission must determine the following policy issue:

Should Aerojet and Sunrise Douglas be a part of the proposed city of Rancho Cordova or should these areas continue to be a part of the unincorporated area of Sacramento County?

If Aerojet and Sunrise Douglas are removed entirely from staff's recommended boundary, LAFCo Alternative No. 1 would be a remaining possible option.

Incorporations have occurred in Sacramento County for a number of reasons. Typically, residents want to be closer to the decision making process and obtain local control over land use. However, land use decisions to urbanize an area made prior to electoral approval of an incorporation are very difficult, if not impossible, to change.

Unfortunately, LAFCo cannot judge whether the proposed city or the County of Sacramento will provide the better planning or land use decisions in the future, i.e., which jurisdiction should be responsible for this area. As the result of the inability to make this ***qualitative*** determination, staff recommends inclusion of this area in the corporate boundary of the future city because it is part of the community identity, it is part of the original petition, it does not impact the required fiscal mitigation to the County of Sacramento, it is already designated as an urban growth area for the County, and the community of Rancho Cordova is growing in this direction.

Staff Recommended Boundary

Staff continues to recommend Commission adoption of the modified boundary proposed on December 5, 2001 with three exclusions: (1) exclusion of Prairie City Off Highway Vehicle Park, (2) exclusion of property owned by Teichert Aggregates to be used for mining purposes, and (3) the parcels south of White Rock Road. Generally, the eastern boundary line will be coterminous with existing roads.

While the boundary is not perfect, the staff recommendation attempts to mitigate the major concerns and issues raised by the County of Sacramento and yet maintain a boundary that represents the historical Rancho Cordova community,

as submitted by the incorporation committee and members of the community. The staff proposed boundary also provides future growth opportunities for the new city.

The community of Rancho Cordova and the surrounding area has continued to grow since the 1950's. Significant growth will occur in the next 10 to 20 years in the area located east of Sunrise Boulevard. The projected growth will occur whether or not Rancho Cordova incorporates. Basically, there is a large demand for new housing based on increasing population within both cities and the unincorporated areas of Sacramento County. **The area east of Sunrise has been designated as a growth area for the unincorporated territory of Sacramento County.**

Boundary Alternatives

A number of boundary alternatives have been analyzed from both a financial and environmental perspective. **There is no environmentally superior alternative because a significant portion of territory within the petition boundary either has or is currently proposed for urban or industrial uses, with the exception of two areas located outside of the County Urban Services Boundary Line.** One of the areas outside the USB has been excluded. This area is the Prairie City OHV Park. The area near the County land fill has not been excluded. This is a buffer area for the land fill. This property is owned by the County of Sacramento. While it is not likely this area will be developed, Grant Line Road is more of a logical boundary for the proposed city. This is a relatively minor inclusion of territory that is not in the USB, however, inclusion of this area is recommended for the purpose of creating a logical service boundary. Because the current use is a buffer for the County land fill, it should not be growth inducing.

LAFCo Alternative No. 1

Of the alternative boundaries studied, Alternative No. 1 is the current developed area of the community of Rancho Cordova. This alternative excludes Mather Business Center and all the property east of Sunrise Boulevard. It is the smallest boundary proposed in terms of area and it includes all of the residential area except Gold River.

Alternative No. 1 appears to be the only alternative that eliminates most, if not all, of the objections that have been made to the proposed petition boundaries. This alternative does not leave the proposed city with growth areas or the opportunity to incorporate long-term planning strategies.

Alternative No. 1 could allow the new city to subsequently annex areas; however, annexation could be problematic and difficult because service delivery issues may be difficult to resolve and a negotiated tax exchange is required. For example, it is typically difficult for a “full service” city to annex areas that are already urbanized because it is very difficult to mitigate the loss of revenue to special districts. As a result, boundaries become fragmented and more difficult to serve. The North Natomas boot, or panhandle area, is an example in this illogical urbanized boundary issue.

Sacramento LAFCo has not yet processed annexations of urbanized areas to “contract” cities so there is no past experience with which to assess annexation under this type of situation. An application for annexation would require the city and county to enter into a property tax agreement prior to submitting an application. However, a future annexation process negates the opportunity for a new city to act immediately upon formation to develop land use plans for undeveloped or developing areas.

California does not have regional planning jurisdictions with land use authority. Because there are no regional planning entities with legal provision for the review of land use decisions, each jurisdiction (county and cities) develops its own land use plans. These land use plans may, or may not, envision the region as a whole.

City/ County Government Structure

Typically, urban development occurs within cities. The Cortese-Knox-Hertzberg legislation promotes this pattern. However, LAFCo has the power to deny incorporations if they are not economically viable or not in the best interest of the entire community. **The petitioners are not entitled by law to an electoral process unless the Commission can make certain findings to authorize an election.**

Approximately 82 percent of the state’s population resides within cities. However, many counties have allowed urban and rural development in the unincorporated area for a number of reasons. Sacramento County, together with special districts, has been highly effective in providing the municipal services needed for urban development in the unincorporated area. Consequently, incorporations in counties that have already developed as unincorporated urbanized areas pose particular and unique issues. Basically, the county functions as a city. There is nothing wrong with this type of governmental land-use and service delivery model. However, it creates a conflict when a community believes it would be in its best interest to incorporate. Where service provision is already available, it appears that incorporation simply replaces one governing body with another. Never the less, LAFCo must analyze service delivery issues, and revenue neutrality issues to determine whether or not the proposal is viable.

Arguments can be made to support either model, regional government, such as San Francisco (combined city/county) or a number of separate local jurisdictions, such as Orange, Los Angeles, or Sacramento County.

Viability of Proposed City

On December 5, 2001, staff requested that the Commission conceptually approve boundaries for the proposed Rancho Cordova Incorporation. The boundaries were adjusted to address issues and concerns that were raised by the County of Sacramento because **the Comprehensive Fiscal Analysis indicates that only under certain conditions is the proposed city of Rancho Cordova viable after making the required mitigation payment.**

The Commission must be able to make the following findings in order to approve any incorporation proposal:

1. The proposed city is economically viable after making the required mitigation payment.
2. The revenues and expenditures transferred are substantially equal.
3. The mitigation payment adequately mitigates the negative fiscal impacts on the County of Sacramento.

The County has requested that Mather Business Park be excluded from the proposed boundaries of Rancho Cordova. Currently, a significant portion of the former Mather Air Base is within a Redevelopment Area. As a result of Redevelopment Agency status, there is no fiscal issue related to this area. There is no property tax base because this area was previously Federal property, exempt from property taxes. All of the new property taxes will continue to go to the Redevelopment Agency until the Redevelopment area terminates. This is a unique situation: the property tax base is zero. New property taxes will be used for low-moderate income housing and to repay bonded indebtedness and other expenditures for new infrastructure. In addition, a significant portion of this area is still owned by the County or other public agencies. The County has requested that Mather Business Park be excluded from the boundaries of the proposed city so that it can continue to manage the conversion and privatization of the former air base.

Other significant adjustments have been made to exclude areas of Gold River, at the request of land owners, and other areas have been excluded due to the fact that they contain natural resources since these areas are not likely to be urbanized in the near term.

Rancho Cordova Incorporation Boundary Analysis

General Discussion:

Components of Growth

Population growth in a region is created by a number of interrelated factors. Key variables include economic trends, market demand for residential and non-residential uses, land availability, cost of land and utilities, availability of transportation and other utilities, proximity to employment centers and availability of labor.

The proposed incorporation would create a new city within Sacramento County; however, the majority of the project area is already designated and/or approved for urban development. Substantial urban growth is already anticipated to occur with or without incorporation based on the existing Sacramento County General Plan.

California Projected Growth

Cities

California has a population of 34 million residents, or about 12.5 percent of the United States population. Sacramento County has about 1.3 million residents or about 4 percent of the State's population. The State's population is expected to grow by sixteen percent, or reach 40 million residents, by 2010. Sacramento County is projected to grow by about 486,000 by 2025, or 40 percent. As of June 2001, Approximately 82 percent of the State's population, or 28.4 million people, live in cities. Currently, there are 477 cities in California. Cities range in size from relatively small to very large. The following table shows the number of cities by population range:

<u>Population</u>	<u>Number of Cities</u>
100,000+	58
50,000-100,000	86
25,000-50,000	107
Less than 25,000	<u>224</u>
Total Cities	477

Sacramento Area Region Population by County

<u>Jurisdiction</u>	<u>2000 Population</u>
El Dorado	129,900
Placer	234,400
Sutter	77,900
Yolo	162,900
Yuba	60,700
Sacramento	<u>1,209,500</u>
Total	1,875,300

Sacramento Cities/County Projected Population Growth

As of January 2000, the County of Sacramento contains six cities with a combined population of 639,485, or 53 percent of the population residing within the corporate boundary of a city. Approximately 570,015 people currently live in unincorporated territory. The population in the unincorporated area of Sacramento County makes it one of the largest counties functioning as a city in the State of California.

<u>Jurisdiction</u>	<u>2000 Population</u>	<u>2025 Population</u>	<u>Sq. Mi</u>
County-Unincorporated	570,015	795,545	1,015
City of Sacramento	406,000	528,880	99
City of Folsom	52,700	76,333	30
City of Citrus Heights	89,200	91,125	15
City of Elk Grove	72,685	168,465	39
City of Galt	18,050	33,790	5
City of Isleton	<u>850</u>	<u>1,360</u>	<u><1</u>
Total	1,209,500	1,695,498	

The average rate of growth for the Sacramento region is estimated to be 1.35 percent, or about 19,110 people per year. This rate of growth will result in an increase of 486,000 people during the next 25 years (2000-2025). The existing six cities and the unincorporated area are expected to grow at differing rates, based on information from current general plans, determined by how much undeveloped property is available within each community. For example, growth in Citrus Heights is estimated to average only .11 of a percent while Elk Grove is projected to average 3.42 percent per year.

Housing Units

The annual growth in housing for the Sacramento Region is estimated to be 1.37 percent, or an annual average increase of 7,580 units per year. The total number of units is estimated to be 50,345 for 2000 to 2025. The number of persons per household is based on an average of 2.55 persons per dwelling unit.

History of Rancho Cordova Community

The original community of Rancho Cordova was established in the mid-1800's as a supply route from Sacramento to the Sierra Nevada foothills for miners in search of gold. The route, which is Folsom Boulevard, was also used as the Pony Express route. A small business community was established to serve these needs. In addition, the primary use was agricultural (vineyards and orchards). In the early 1900's much of the Rancho Cordova area was used for gold dredging operations particularly near the American River.

In 1918, Mather Air Force Base was established as a pilot training school and was later used to train both pilots and navigators until 1988. Mather Air Force Base comprises approximately 2,900 acres. During 1995, this facility was transitioned over to the County of Sacramento and was reopened as a civilian airport for cargo and general aviation uses. In addition, approximately 800 acres of the base is under transition to business parks and residential housing.

GenCorp, parent company of Aerojet, is the region's largest corporate landowner with approximately 13,500 acres. Aerojet worked on a number of different projects related to defense and space exploration. During the 1950's employment grew to approximately 33,000. However, with defense cutbacks and other reductions, employment today is significantly less (approximately 2,000 employees).

Historically, the Aerojet property has been part of the Cordova Community Plan since it was established in 1978. The Cordova Community Plan includes most but not all of the area within the Rancho Cordova Incorporation Petition boundary and additional areas.

Cordova Community Plan

In 1978, the Sacramento County Planning Department adopted the Cordova Community Plan. Its purpose is to provide guidance to developers, service providers, planners, and decision-makers in planning for both new development and the redevelopment of existing uses within the planning area. The Cordova Community Plan is an extension of the Sacramento County General Plan, but is more specific in terms of policies, objectives, and implementation strategies. The Cordova Community Plan contains several elements (land use, circulation and housing elements) found in the County General Plan.

The Cordova Community Plan comprises approximately 37,650 acres, or 59 square miles. The attached map illustrates the community boundary. The Cordova Community is near the geographic center of Sacramento County, about approximately 9 miles east of the central business district of the City of Sacramento. ***The boundary of the Cordova Community Planning Area is not coterminous with either the petition boundary or staff's recommended boundary.***

There are currently approximately 96,260 residents living within the Cordova Community planning area. The Cordova Community boundary has several different local neighborhoods within the community plan area. The Rosemont, Gold River, Lincoln Village, Sunriver, Mills Ranch, La Riviera/Butterfield, Larchmont, Countryside, and Independence at Mather are small neighborhoods within the Cordova Community Planning Area.

The boundaries of the Cordova Community Planning Area consist of: the American River Parkway is the northern boundary while Mather Field, Jackson Road and Douglas Boulevard comprise the southern boundary. The eastern boundary is Grant Line Road and Prairie City Road. The western boundary is Watt Avenue.

The Cordova Community Planning Area is problematic by design. It comprises a linear community divided by a major freeway. Most of the housing is located on the north side of the freeway, while most of the employment is located on the south side. Folsom Boulevard, with the Light Rail tracks, is a major commercial corridor that runs somewhat parallel with Highway 50.

Problematic issues are the result of jurisdictional, social, community identity and economic boundaries. The Sacramento City limits adjoin the western community plan boundary area, while the Folsom City limits are adjacent to the eastern community boundary line. The Cordova Community Planning boundary is larger than the proponents' proposed incorporation boundaries. Historically, the Cordova Community Planning Area included both Mather and Aerojet territories. However, the Sunrise-Douglas area has historically been included in the Cosumnes Community Planning Area.

Rancho Cordova Sphere of Influence

The LAFCo intent of the Rancho Cordova Sphere of Influence approved in 1980 was to:

1. Protect the integrity of the Community Plan.
2. Attempt to resolve possible future interagency conflicts regarding service areas; to diminish or help to resolve "territorial imperative"

problems by preserving and protecting unincorporated identifiable communities.

3. Promote coordinated and cooperative planning among all agencies within the community Sphere of Influence.
4. Promote a realignment of district boundaries within a community that conform with the community's Sphere of Influence where practical and feasible.
5. Illustrate an alternative to the extant (existing) service structure in the community.

The primary goal of the Rancho Cordova Sphere of Influence was to promote cooperative planning and communication between community groups, planning officials, and LAFCo staff and the Commission. In essence, the Cordova Community Plan is also a "de facto" Sphere of Influence boundary established by the County of Sacramento.

In 1975, the Sacramento Local Agency Formation Commission stated: *"The Commission recognizes the fact that there are more than a dozen identifiable urban, unincorporated places in Sacramento County whose residents will strive to preserve and protect the integrity of their community plans, fight to protect their perceived community boundaries, and at some future point, seek alternatives to their current governmental structure. For this reason, this Commission acknowledges that these communities, even though they do not have legal standing, should have Spheres of Influence developed for them."*

School Districts

Four school districts serve the community planning area: the Folsom Cordova Unified School District, Sacramento City Unified School District, San Juan Unified School District and the Elk Grove Unified School District. The school district boundaries may contribute to some neighborhoods aligning more closely with local jurisdictions other than Rancho Cordova or with the City of Sacramento or the City of Folsom.

Special Districts

A number of special districts provide water, sewer, fire, and park services to the Rancho Cordova Community. The proponents proposal provides that these special districts will continue to provide services after incorporation. Basically, there will be no change in either the service provider or level of service provision within the incorporation boundary to be adopted by LAFCo.

The boundaries of the Special Districts were created by previous district formations and annexations and are not contiguous with one another. No changes in special district boundaries will result from the proposed incorporation. Services will continue to be provided based on current district boundaries and service delivery will not be changed as a result of this incorporation.

Proposed Rancho Cordova Petition Boundaries

General

The petition boundary as proposed by the incorporation proponents, contains about 66 square miles. If your Commission adopts the petition boundary, in terms of area, the City of Rancho Cordova will become the second largest city in Sacramento County. The reduced modified boundaries contain about 30,200 acres, or 47 square miles. That still results in the creation of Rancho Cordova as the second largest city in Sacramento County in terms of geographic area. Considering that the Aerojet industrial area, excluding Rio Del Oro and the Highway 50 carve out area, contains about 10 square miles, the size of the potential Rancho Cordova developable urban area is similar to either that of the City of Folsom or Elk Grove. In other words, about 20 percent of the city size is related to a single industrial user. Aerojet property is classified as extensive industrial. The extensive industrial zone allows activities that require large areas of land but do not require urban levels of service, i.e., extensive infrastructure.

Area West of Sunrise Boulevard

The area west of Sunrise Boulevard is almost built out. The primary uses are residential, commercial and business parks. With the exception of the Villages of Zinfandel, there are no large parcels available for development that are not part of Mather Business Center. The Villages of Zinfandel is primarily a residential development that is located near Mather Business Center.

Area East of Sunrise Boulevard

Currently, most of the area east of Sunrise Boulevard is undeveloped except for property owned by Aerojet. Aerojet property is classified as an extensive industrial zone. The Aerojet property north of White Rock Road has a very extensive and intricate private road system and building complexes. The attached map illustrates the developed extensive industrial area of Aerojet used for its past and present operations. The extent of the present utilization of this developed industrial area is not known. This map also illustrates an area that has recently been excluded from properties that are considered to be contaminated. This is known as the "carve out" area, i.e., more extensive urban development of this area can now take place.

The Sunrise-Douglas area (south of Douglas Road, east of Sunrise, north and west of Grant Line Road) is currently undeveloped and used for grazing and pasture. Both of Aerojet and the Sunrise Douglas area are transitioning to more intense urban uses and have been included in the County Urban Services Boundary and Urban Services Policy Area by adoption of the Sacramento County General Plan in 1993.

Sacramento County Urban Services Boundary Line **Urban Services Policy Area**

The Urban Services Boundary line of the Sacramento County General Plan is defined as the ultimate boundary of the urban area of the unincorporated area of Sacramento County. It is similar to a sphere of influence for the unincorporated area of the county. It is specifically defined as: ***“the ultimate boundary of the urban area in the unincorporated county. This boundary, which is based upon natural and environmental constraints to urban growth, is intended to be a permanent boundary not subject to modification except under extraordinary circumstances. The USB should be used by urban infrastructure providers for developing very long range master plans which can be implemented over time as the urbanized area expands”.***

The Urban Services Policy Area is defined in the Sacramento County General Plan is defined as the: ***“area expected to receive urban levels of public infrastructure and services within the 20-year planning period. Defining the Urban Policy Area is of key importance in the provision of urban services and infrastructure to the unincorporated county, as it provides the geographic basis for infrastructure master plans, particularly for water and sewerage, which require large capital investment and relatively long lead time for the installation of capital improvements”.***

Most of the areas included in the original petition boundaries for the proposed incorporation are within the County Urban Services Boundary line as well as the Urban Service Policy Area. The County USB was established by adoption of a comprehensive General Plan by the County of Sacramento in 1993. Only two small areas are not located within the County USB. One area not included in the USB is the Prairie City Off-Highway Vehicle Park. The other area is part of the buffer area for the Sacramento County Landfill located near Grant Line Road.

These two areas do not represent a significant number of acres. It is not likely that the current land uses will change in the near or intermediate term. Further, any change in land use would require an appropriate environmental document. Therefore, inclusions of these areas within the boundary of Rancho Cordova are not likely to be considered growth inducing.

Inclusion of either or both of these areas should not have a significant impact on the incorporation proposal. However, these facilities are likely to impact

surrounding or proposed land uses that may be permitted within the USB and Urban Services Policy Area. It is likely that new land uses would not be compatible with the existing operations of these two facilities i.e., development adjacent to these facilities should create an appropriate buffer in order to mitigate current uses. This situation is similar to issues related to the rendering plant located near Sunrise Boulevard.

Staff recommends that the area near Prairie City OHV Park be excluded and the area near the County land fill be included for the purpose of establishing a logical, clear and easily serviceable corporate boundary for the proposed city.

Aerojet Property and Pending Development Proposals

Existing Land Use

Aerojet is an extensive industrial zone with historical production of defense and aerospace manufacturing as well as a developer and producer of chemicals. On May 3, 1995, the Board of Supervisors approved a Special Planning Area overlay ordinance that permitted a variety of acceptable uses recognizing the changes in the aerospace and defense industries that were occurring.

Aerojet property covers approximately 13,500 acres. Approximately 3,500 acres have been carved out along the Highway 50 corridor. Potentially, this area is likely to be developed into mixed uses. It is currently located in a Special Planning Area (SPA). The SPA allows for the construction of up to 4.6 million square feet of office space without further zoning changes. Additional development would require zoning changes. To date, no development plans have yet been submitted to Sacramento County Planning Department that would intensify or change the existing SPA ordinance.

Aerojet Special Planning Area (SPA)

A significant portion of Aerojet is located within a Special Planning Area established by a Sacramento County Ordinance. This ordinance allows MP uses subject to a number of terms and conditions:

“ . . . office uses may from time to time be located on the property within the Special Planning Area not to exceed approximately 4.6 million square feet. Any reactivated or relocated office use shall be (c) located within the administrative area of the subject property, which is more particularly described in Section 508-313, Exhibit ‘D’ of the Special Planning Area Ordinance, or (d) if located outside said administrative area, the total net office uses outside said administrative area shall not exceed 250,000 square feet and shall be located within areas of the subject property that have been historically used for office purposes. If such office use exceeds said 4.6 million square feet in said administrative area or

exceeds said 250,000 square feet outside said administrative area, it is considered a new use and is subject to a conditional use permit."

The administrative area is primarily located along the Highway 50 corridor.

The type of commercial/business uses permitted under the Sacramento Planning Code include but are not limited: to automotive sales, service and repairs, wholesale, printing shop, radio, television, recording studios, drafting, computer services, health services, laboratory, research, medical or dental offices, child care center, dance studio, wedding chapel, laundromat, dry cleaning, storage facilities, warehousing, appliance repair, restaurant, food, drug and liquor sales, home accessories, furniture stores, light manufacturing, machine shop, cabinet shops, offices, government offices, and schools.

M-2 uses are also permitted. Examples include: Auto and truck- painting, repair, overhauling, reconditioning, tire shop, service station, bus and freight depot, shooting ranges, driving ranges, firewood/fuel sales, truck terminal yard, contractor's storage yard, heavy equipment storage, sales, rental or repair, building materials sales yard, recycling center, manufacturing and fabrication, concrete, cement, paint manufacture, machine shops, welding shops, cabinet shop, aircraft testing, boat building, etc.

At the present time, it appears that the SPA ordinance is not consistent with the Urban Service Policy Area. As a result, development within the SPA may require an expansion of the Urban Service Policy Area.

Rio Del Oro Project

In addition to obtaining the SPA ordinance, Aerojet has submitted a development proposal to the Sacramento County Planning Department for about 3,850 acres known as Rio Del Oro. This project is located west of Sunrise Boulevard between Douglas Boulevard and White Rock Road. The proposed project is primarily residential with an estimated 15,000 dwelling units. It is the early stages of planning. Water availability and supply is a primary issue. The project is located east of Sunrise Boulevard, south of White Rock Road, north of Douglas Road, and east of Prairie City and Grant Line Roads. The conceptual drawings indicate that this project will be developed in low density residential housing units. Currently, Rancho Cordova area has adequate commercial and retail land use zoning. Therefore, it is likely that new growth areas will be zoned for housing, some employment, business and professional and minimal retail/commercial.

Aerojet appears to be in a transition from extensive industrial uses to a number of different uses ranging from residential to commercial and other uses that are more typical of urban development. In addition, it appears that approximately

6,500 acres will remain industrial in character. The following table summarizes the major land use changes that could occur in the near future:

Land located near Highway 50	3,500 acres	26%
Rio Del Oro Proposal	3,500 acres	26%
Existing Industrial Area	<u>6,500 acres</u>	<u>48%</u>
Total	13,500 acres	100%

The existing developed industrial area still requires a large buffer zone for its current operational needs.

Sunrise-Douglas Community and SunRidge Specific Plan

The Sunrise Douglas Community Plan and SunRidge Specific Plan project consists of an overall conceptual framework and policy direction for ultimate urbanization of about 6,042 acres known as the Sunrise Douglas Community Plan area. The entire Sunrise Douglas Planning area could ultimately result in the development of approximately 22,503 dwelling units, 479 acres commercial, 177 acres park, and 148 acres for schools. The SunRidge Specific Plan is a subset of the Community Plan and contains about 2,632 acres or 43 percent of the Community Plan area.

The Community Plan does not grant land use entitlements. Entitlements to develop subareas within the community plan area will be granted through the adoption of Specific Plans, use permits, subdivision maps, parcel maps and other appropriate processes that are currently used by the County of Sacramento. The Community Plan and subsequent Specific Plans form a tiered process for planning and approving development proposals. The Community Plan provides the bridge between the General Plan and subsequent Specific Plans.

The Specific Plan process implements the guiding principles and policies established in the Community Plan by providing a detailed framework for the development of the Plan area. The Plan incorporates the land use, circulation, resource management, and public facilities, and infrastructure plans.

The SunRidge Specific Plan is expected to play a significant role in providing a location for new housing to meet the demand generated by job development existing, approved, or planned nearby the Highway 50 corridor. Since 1980, the communities of Folsom and Rancho Cordova have experienced intense housing demand, rapid employment growth due to expansion of high technology, electronics, and other new service industries. Additional job development is planned for Mather Business Park and surrounding areas.

(Volume 1 Environmental Impact Report for Sunrise Douglas Community Plan/SunRidge Specific Plan, November 16, 2001).

Actual Land Use

The area south of Douglas Road, east of Sunrise Boulevard, north of Jackson Highway, and west of Grant Line Road is currently used for agricultural purposes.

Existing Land Use per Sacramento County General Plan

The Sacramento County General Plan identifies this area as Urban Development/Reserve. The Sacramento County General Plan (1993) designates this area as an urban growth area. The 1993 County General Plan identifies this area as a new Urban Growth Policy Area based on the following factors:

- Need for additional land to meet the demand for housing and employment uses and provide a reasonable oversupply to maintain market flexibility.
- Ability to provide adequate services and facilities.
- Potential for public transit
- Preservation and conservation of natural and environmental features.

All of this area is within the Urban Services Boundary area and most of it is also within the Urban Policy Area.

SunRidge Specific Plan

The SunRidge Specific Plan is the first specific plan that may implement a portion of the Sunrise Douglas Community Plan of the Sacramento County General Plan. The specific plan provides a detailed framework that if approved could implement the guiding principles and policies established under the Sunrise Douglas Community Plan. The SunRidge Specific plan encompasses approximately 2,632 acres, or about 43 percent, of the Sunrise Douglas Community Plan Area.

If approved, the SunRidge Specific Plan could provide housing to meet demand generated by job development along the Highway 50 corridor. SACOG projects employment in Rancho Cordova will reach 126,000 jobs by 2020.

The SunRidge Specific Plan proposes 10,020 dwelling units. The SunRidge Specific Plan area is predominantly residential in character. The low-density residential land use will provide a mix of housing types and intensities ranging from single family residential to multi-family garden apartments, townhouses and condominiums.

The proposed development is likely to include small areas of office, retail and neighborhood work centers.

The SunRidge Specific Plan and applicable Environmental Impact Report identify proposed zoning and land use designations, densities, general development standards, circulation and transportation, infrastructure needs, water, sewer, parks, open space and schools.

The following land use designations have been proposed for the Sunridge specific plan area:

<u>Land Use Designation</u>	<u>Acres</u>	<u>Dwelling Units</u>	<u>Percent</u>
RD-4	382.5	1,452	14.5%
RD-5	1,122.8	5,440	54.3%
RD-7	183.9	1,187	12.0%
RD-10	66.3	606	6.0%
RD-20	40.9	737	7.4%
Employment Center	119.1		
Commercial	52.1		
Local Parks	99.5		
Wetland Preserve	485.2		
Drainage	25.7		
K-6 School	44.5		
Public-Quasi Public	9.5		
Other Units		598	
Total	2,632.0	10,020	100.0%

Average density: 5.5 units per acre.

Sacramento County Planning Process for SunRidge Specific Plan

The Sacramento County Board of Supervisors initiated the planning process on July 28, 1993 by Resolution 93-1034 for the Sunrise Douglas Community Plan area. In 1994, the Citizen’s Advisory Committee (CAC) for the Sunrise Douglas area considered an application for the preparation of a Specific Plan for the entire Sunrise Douglas Community Plan area. The CAC concluded deliberations in December 1994, supporting land use concepts and adoption of guiding principles.

On September 22, 1999, the Sacramento County Policy Planning Commission recommended approval of the project with conditions and forwarded this project to prepare the Final Environmental Impact Report for consideration by the Board

of Supervisors. A final decision or approval by the Board of Supervisors is not expected until the spring/summer of 2002.

Environmental/ Urbanization Issues

To date, there have been a number of public hearings on the proposed SunRidge project. The significant issues raised by the Environmental Impact Report relate to traffic, water, noise and safety issues related to Mather Air Field, and the existing rendering plant. Traffic appears to be the most significant unavoidable impact that cannot be mitigated through new improvements to existing roads such as Sunrise Boulevard.

Water Availability

Sacramento County Water Agency (Zone 40) has developed a plan to serve the SunRidge project through the development of off-site wells to provide water because of ground water contamination related to the Aerojet property. Eventually, a portion of the water supply will be derived from surface water from the Sacramento River. This proposed solution is relatively simple, however, the issues continue to be relatively complex because the proposed solution impacts other ground water basins and may result in overdraft of those areas. (See Sacramento Bee article dated January 6, 2002). Mitigation Measures have been proposed to address the negative impacts to the aquifer overdraft until surface water is available.

The proposed water plan is controversial and no final decisions have been made.

Currently, the County of Sacramento Board of Supervisors is conducting public hearings on the SunRidge Specific Plan based on the proposed land uses discussed above.

Prairie City Off-Highway Vehicle Park

The Prairie City Off-Highway Vehicle Park is located on the easterly boundary of the proposed Rancho Cordova Incorporation Boundaries. This is a recreational area owned and operated by the State of California. It consists of dirt trails for dirt bikes and four wheel drive vehicles. This area is not likely to be urbanized because of its current use and will likely remain open space.

This area is not located in the County Urban Services Boundary Line, but as previously explained; inclusion of this area within the proposed city should not be growth inducing or create adverse impacts. However, adverse impacts from new development could adversely impact the operation of this vehicle recreation park.

Recommendation: Delete the Prairie City Off-Highway Vehicle Park from the boundaries of the proposed city of Rancho Cordova.

Teichert Aggregates Mining Operations

Approximately 1200 acres, located near Grant Line Road and Prairie City Off Highway Vehicle Park, have recently been acquired by Teichert Construction. This area will be used for surface mining for many years. Representatives of Teichert have requested that their holdings be excluded from the boundaries of the proposed city. While this area is located within the County USB, there are no urban uses proposed in either the short term or long term. These are somewhat odd shaped parcels and they will ultimately be located adjacent to urbanized property.

Recommendation: Delete the Teichert Construction property designated for surface mining from the boundaries of the proposed city of Rancho Cordova.

Comments

City of Folsom

The City of Folsom City Council has taken a position opposing the inclusion of the Aerojet property in the proposed boundaries of Rancho Cordova (See attached City of Folsom report dated January 2, 2002). Specifically, the City Council has adopted a resolution that states:

The city supports the incorporation of Rancho Cordova and supports LAFCo's boundary alternative **"with the exception that lands between Sunrise Boulevard and Prairie City Road, south of Highway 50 also be omitted"**.

The City of Folsom has provided two reasons to exclude the area east of Sunrise Boulevard. First, the City of Folsom indicates that it provides water to Aerojet under a contract and secondly, that it would like to participate in a joint planning process similar to the Folsom's Sphere of Influence process with the County of Sacramento and the new city council of Rancho Cordova.

Aerojet

Aerojet is on record that they do not want to be included in the proposed boundaries of the city of Rancho Cordova. No additional comments or letters have been received.

The Aerojet property located east of Sunrise Boulevard included within the original petition boundary has been historically part of the Rancho Cordova Community.

Currently, there does not appear to be any adequate justification to exclude either Aerojet or the Sunrise-Douglas area based on comments and concerns that have been raised by either Aerojet or the City of Folsom.

Analysis of Staff Recommended Incorporation Boundary

Agricultural Land and Open Space

The undeveloped areas within the proposed boundaries do not include any land that is considered to be prime agriculture. Most of the undeveloped area is classified as grazing land, and a small percentage is designated as unique farmland and farmland of local importance. Farmlands of Local Importance are lands, which do not qualify as Prime, Statewide, or Unique Importance, but are currently irrigated crops or pasture or non-irrigated crops. Grazing Land is land on which the existing vegetation, whether grown naturally or through management, is suitable for grazing or browsing of livestock.

This entire area east of Sunrise Boulevard within the recommended incorporation boundary is not considered Prime Agriculture land; however, there are areas that contain wetlands and vernal pools. For example, the SunRidge Specific Plan excludes almost 500 acres as a wetland preserve. It appears that mitigation will be determined on a case by case basis.

Williamson Act Contracts

Relatively few parcels within the recommended boundary are under a Williamson Act Contract. A Williamson Act Contract provides beneficial property tax treatment for agricultural properties. Parcels subject to this contract must maintain an agricultural zoning classification until the contract expires. These parcels can be included in a city boundary with the appropriate agricultural zoning designation. The minimum parcel size permitted by State law is AG-20 acres. (See Map attached for parcel locations).

Proposed Boundary Adjustments

With the exceptions previously stated, I recommend that the boundary of the proposed city of Rancho Cordova include both the Aerojet and Sunrise Douglas area. It is appropriate to exclude the Prairie Off-Highway Vehicle Park and the property owned by Teichert used exclusively for mining. The buffer zone near the Sacramento County Land Fill that is not currently in the USB could be left in

with no impact on potential growth inducement of this area because it is likely to remain part of the buffer area for the existing land fill.

The proposed boundaries include areas that are developing or that are currently in the planning process for some type of urbanization. These areas were designated as potential growth areas in the Sacramento County General Plan as adopted in 1993.

Except for two areas, the recreational off highway vehicle park and the Teichert mining property, the recommended boundary for the incorporation are within the County Urban Service Boundary as well as within the Urban Service Policy Area. The areas excluded from the USB are not likely to be urbanized and do not represent a significant land area. At this time, it appears that these areas were not be urbanized due to their existing uses. The existing land uses of the two areas located outside of the USB are designated as a recreation area and a buffer area for the County landfill are likely to continue indefinitely.

Many issues and impacts related to traffic, water, air quality, noise and safety have been identified in the Environmental Impact Report prepared for the SunRidge Specific Plan. While this EIR does not specifically address the entire area east of Sunrise Boulevard; the environmental issues and impacts for the remaining areas are likely to be very similar.

Infrastructure will need to be provided for these areas prior to development.

Boundary Issues

There are many different boundaries that overlap the Rancho Cordova community. The water, fire, park, petition boundaries, community plan boundaries, school district boundaries, and the Sphere of Influence generally cover the area historically known and described as Rancho Cordova. The adopted Commission boundary would technically create the official boundary of Rancho Cordova if the voters approve the incorporation. This boundary is likely to be based in part on a compromise to achieve revenue neutrality. However, there are still many different governance structures that will exist after incorporation. Voters will need to continue to vote for fire and park boards, city council members, board of supervisor, water district board members, school district directors, etc.

The non-contiguous boundary lines were created in many different past actions over a long period of time for a number of valid reasons. Ideally, it is appropriate to merge the boundaries and clean up the many differences that have been created but that endeavor would be a very controversial and difficult process. Creation of a new city will not simplify the existing structure. The long term goal and challenge is to consolidate and/or realign boundaries to minimize these jurisdictional differences if it is in the best interest of service delivery and the

residents. These changes usually are not easy to accomplish and should be left for future review.

The current service delivery system functions relatively well. I believe that the delivery of services to the average citizen is relatively transparent. However, because there are a multitude of different municipal service providers within the same community, it may be in the best interest of the future city to realign special district boundaries and adjust city and unincorporated boundaries where it is appropriate to do so. This is a tremendous challenge that should be analyzed. However, the County, special districts and cities need to cooperate and work together to create efficient and cost-effective municipal service systems.

Staff's recommended boundary is a compromise solution, which attempts to address major concerns raised by the County of Sacramento primarily related to fiscal issues; security of the future mitigation payments. The original petition boundaries represent a significant portion of the historical community and existing Cordova Community Planning area that has previously been established in the County Planning Process.

Without a negotiated agreement with the County of Sacramento, it would be difficult to find that the proposed city of Rancho Cordova [based on the original petition boundaries] to be economically viable and the projected shortfall to the County to be adequately mitigated. This is the only reason staff recommends a boundary modification from the original petition boundary.

Compliance with Government Code

The proponents have complied with the provisions of the Government Code by meeting the incorporation requirements. In addition, LAFCo has attempted to address the revenue neutrality issue by adjusting the boundary to minimize fiscal concerns raised by the County.

CONCLUSION

Staff has attempted to examine the boundary issues objectively and fairly. There are no easy boundary choices or alternatives that do not impact the future of Rancho Cordova. Excluding the area east of Sunrise Boulevard becomes difficult because land use changes are currently in progress. These decisions will have a direct impact on the proposed city of Rancho Cordova. It is unfortunate that the area east of Sunrise Boulevard is in the County Urban Service Boundary line and applications have been submitted to the Sacramento County Planning Department. It would be easier to recommend exclusion of this area if development was not currently underway or this area was not designated as Urban Reserve under the Sacramento County General Plan adopted in 1993.

The Commission may amend staff's recommended boundary proposal to exclude part or all of the area east of Sunrise Boulevard and include this area in a Sphere of Influence for Rancho Cordova. To do so could be the first step in any future annexation process.

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage
Executive Officer

PB:Maf
Attachments

(A: Rancho)