

RESOLUTION NO. LAFC 2010-07-0519-07-03

THE SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

***MAKING DETERMINATIONS FOR THE APPROVAL OF THE
INCORPORATION OF ARDEN ARCADE, CALIFORNIA***

WHEREAS, as used in this Resolution, the following terms shall mean:

"Commission" is the Sacramento Local Agency Formation Commission;

"County" is the County of Sacramento;

"Executive Officer" is the Executive Officer of the Commission;

"Petition" is the original petition certified as a Sufficient Petition on April 10, 2007;

"Proposal" is the incorporation of the affected or subject territory into a general law city as set forth in the Petition;

"Subject Territory" is the area described in Exhibit A (legal description) and shown on Exhibit B (map), which are attached hereto and by this reference incorporated herein. [This territory is a modification of the originally proposed boundaries. In the event of any conflict between Exhibit A and Exhibit B, Exhibit A shall control]; and

"City of Arden Arcade" is the general law city proposed in the Proposal with a proposed effective date of July 1, 2011.

WHEREAS, the Petition was submitted to the Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and all amendments thereto;

WHEREAS, on February 28, 2007, the Executive Officer submitted the Petition to the Registrar of Voters of the County for verification that sufficient registered voters within the applicable area signed the Petition, and the Registrar of Voters of the County found that the requisite number of valid signatures were affixed to the Petition, as required by law; and

WHEREAS, the Executive Officer has examined the Petition and executed his Certificate of Sufficiency in accordance with law; and

WHEREAS, at the times and in the substantial form and manner provided by law, the Executive Officer has given notice of public hearing(s) by this Commission upon the Proposal; and

WHEREAS, numerous public hearings on the Petition and the Proposal were held by the Commission commencing in March, 2010; and

WHEREAS, the Executive Officer has reviewed all available information and prepared reports, including recommendations, and presented the findings, reports and related information to the Commission, which were then considered by the Commission;

WHEREAS, at the public hearing(s) the Commission heard and received all oral and written protests, objections, all oral and written evidence, which was made, presented, or filed, and persons present were given an opportunity to hear and be heard with respect to any matter relating to these hearings;

NOW, THEREFORE, the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION does hereby find, determine, resolve and order as follows:

1. The Commission has considered all relevant factors set forth in Government Code Section 56668 and all other relevant factors in reaching its conclusions regarding the Proposal including its findings set forth in Exhibit C attached hereto and incorporated herein.

2. Notice as required by law has been given.

3. The Subject Territory is inhabited.

4. In approving this proposal the Commission has considered the policies set forth in Government Code Section 56377. The incorporation of the City of Arden Arcade does promote the planned, orderly, efficient development of the Subject Territory. Pursuant to Section 56720 of the Government Code, and based upon the entire record, the Commission finds that:

- a. Incorporation of the City of Arden Arcade is consistent with the intent of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; the policies of Sections 56001, 56300, 56301, and 56377 of the Government Code; and the policies of this Commission.
- b. The Spheres of Influence of the local agencies affected by the Proposal have been reviewed by this Commission. This incorporation is consistent with those Spheres of Influence.
- c. The Commission has reviewed the Comprehensive Fiscal Analysis prepared pursuant to Section 56800 of the Government Code. The CFA has been circulated for public review and comments, and presented at public hearings in accordance with law.
- d. The Commission has reviewed the Executive Officer's Report and all information provided by the Executive Officer, the recommendations prepared pursuant to Section 56665 of the Government Code, written comments received, and the testimony presented at its public hearings.
- e. The proposed city is expected to receive revenues sufficient to provide public services and facilities and to establish a reasonable reserve during the three fiscal years following the incorporation pursuant to Government Code section 56800 and ten years per LAFCo Policies, Standards, and Procedures.

5. In accordance with Section 56803 of the Government Code, the Commission hereby accepts the findings and recommendations of the Executive Officer's Report and the Comprehensive Fiscal Analysis.

6. The Commission, through its Executive Officer, caused an Environmental Impact Report (EIR) on the proposed Arden Arcade incorporation to be prepared. The Commission adopted Resolution No. 2010-06-0519-03-07 on May 19, 2010, certifying the EIR on the Project. All identified mitigation measures are adopted herewith and included as conditions of project approval as set forth in Exhibit D.

7. The Commission finds that revenues currently received by the County for services that, but for the operation of Section 56815 of the Government Code, would accrue to the proposed city are not substantially equal to the direct and indirect expenditures currently made by the County for those services that will be assumed by the proposed city. The Commission has proposed Condition 11.p. to adequately mitigate the negative fiscal impact on the County General Fund through the sharing of property tax revenues over a period of time. The sharing of property tax revenues will be implemented in part by Condition 11.p, imposed under Section 56810 of the Government Code. The Commission finds pursuant to Government Code Section 56815(a) that the incorporation is not occurring for primarily financial reasons.

8. Pursuant to Government Code Section 57376, the City Council of the City of Arden Arcade shall, immediately following its organization and prior to performing any other official act, adopt an ordinance providing that all County ordinances previously applicable shall remain in full force and effect as City ordinances for a period of 120 days thereafter, or until the City Council has enacted ordinances superseding them, whichever shall occur first. The City shall adopt the Sacramento County General Plan for the incorporated area, to remain in effect in accordance with law and subject to Government Code Section 65360.

9. The Commission determines the Subject Territory of the new city shall include the area within the boundary proposed in the Petition, as well as the area lying south of Fair Oaks Boulevard and north of the American River contained within the County of Sacramento Arden Arcade Community Plan Area, as shown on Exhibits A and B attached hereto and incorporated herein.

The boundary will not create a peninsula or areas that are difficult to serve; it will maintain an existing planning area and community of interest with similar economic, social, and environmental characteristics; both service levels and planning will remain consistent within an identified and established community boundary; the boundary is logical and easily identifiable; and the boundary is supported by the Final EIR and potentially minimizes service delivery impacts.

10. Pursuant to Government Code section 56886.5, and based upon the Executive Officer's Report and the Comprehensive Fiscal Analysis, the Commission determines that existing agencies cannot provide needed services in a more efficient and accountable manner. Incorporation will allow for increased local accountability. This will allow local services and priorities to be determined by the new city council based on local community needs and citizen input. The new city will have the option of contracting with existing agencies after incorporation

if it finds that an existing agency is a cost-effective service provider for municipal services not provided by Special Districts.

11. Subject to the conditions set forth herein, the incorporation proposed by the Petition submitted, is hereby approved as follows:

- a. The Subject Territory is incorporated into a new general law city.
- b. The name of the new city shall be "The City of Arden Arcade."
- c. The boundaries of the City of Arden Arcade shall be the Subject Territory as set forth in Exhibits A and B attached hereto and incorporated herein.
- d. The City of Arden Arcade, in addition to providing those services required by law, shall ensure provision of the following services: Animal Control and Regulation Services; Building and Building Inspection; Code Enforcement; Police/Law Enforcement Services; Planning; Public Works; Site Development Services; Traffic and Safety Lighting Maintenance; Storm Water and Drainage Services; Street, Road, and Landscape Maintenance; and Solid Waste Collection and Disposal. The City of Arden Arcade should consider contracting with the County of Sacramento for all or some of the above services. The Sacramento Public Library Authority will continue to provide library services.
- e. Pursuant to Government Code Section 56426.5, the Commission hereby adopts a coterminous Sphere of Influence for the City of Arden Arcade, which boundaries are set forth in Exhibits A and B, attached hereto and incorporated herein.
- f. The Commission finds that the application of Streets and Highways Code Section 22613, to automatically detach Sacramento County Service Area No. 1 from the City, would deprive the City of services needed to ensure the health, safety or welfare of its residents. (Govt. Code, §§ 56375(n), 56886(o); Streets & Hwys Code, § 22613.) The City of Arden Arcade may continue participation within this County Service Area after the first full year of incorporation only upon payment of charges and following execution of maintenance and operations agreements by and between the City of Arden Arcade and the County of Sacramento.
- g. Pursuant to Government Code Section 57384, the County shall continue to provide to the incorporated area, all services furnished to the area prior to incorporation at the same level and in accordance with the budget for the County adopted prior to the effective date of incorporation, for the remainder of the fiscal year during which the incorporation becomes effective, or for a shorter period, if the City of Arden Arcade, acting through its City Council, requests discontinuation of a service or services. In accordance with Section 57384 of the Government Code, the Board of Supervisors has requested that the City reimburse the County for the costs

of such services. Accordingly, the new City shall repay the County, over a five-year period, the net cost of all services provided by the County, with the obligation commencing on July 1, 2012, and payments beginning on October 1, 2012, and ending October 1, 2017. The cost of such services shall be reduced by the amount of the City's secured and unsecured ad valorem property taxes for fiscal year 2011-12, if retained by the County, and the amount of the City's first quarter sales tax (July 1, 2011 to September 30, 2011) revenue retained by the County in Fiscal Year 2011-12. After such revenue offset, the City shall owe the County the net cost of such services. Such reimbursement of costs are to be paid in equal quarterly installments of 1/20th of the principal amount owed plus simple interest calculated from July 1, 2012, using the interest rate equivalent to the rate of interest earned by the Sacramento County Treasury Pool.

- h. The County shall continue to provide solid and green waste collection and recycling services to the Subject Territory through county employees and private service contractors. After the first year of incorporation, should the City of Arden Arcade elect to provide solid waste collection and recycling independently, the City shall consider air quality impacts to the region in determining whether disposal of waste should be exported out of Sacramento County.
- i. Any and all development agreements entered into and between the County of Sacramento and any development project applicant, including conditions of approval imposed and mitigation measures adopted pursuant to the California Environmental Quality Act by the County Board of Supervisors on any and all discretionary projects adopted and approved within the incorporated boundaries prior to the effective date of incorporation shall remain valid and enforceable between the applicant and the new City of Arden Arcade, subject to Government Code Section 65865.3, subdivisions (a) and (b).
- j. In accordance with Government Code Section 56886(u), the authority and responsibility for special assessment districts associated with any County Landscape Maintenance District shall be transferred to the new city upon incorporation.
- k. The County of Sacramento shall transfer to the new City of Arden Arcade impact fees collected prior to the incorporation and intended for use in the territory of the new City, for facilities or services not yet rendered for underground utilities, roads, parks, housing and any other allowed use. The City shall be required to collect and expend these impact fees for the original purposes for which the impact fees were collected by the County. Existing transportation fee impact programs shall be continued.
- l. The provisional appropriations (Gann) limit, as required by Article XIII B of the California Constitution, shall be \$40,231,491. A permanent appropriations limit will be set by the voters of the new City at the first

municipal election, which will be held following the first full fiscal year of operation by the new City. (Government Code Section 56812(c).)

- m. Pursuant to Government Code Section 56810, the Commission makes the following findings:
 - i. The Commission has considered the total amount of revenue from all sources available to the proposed City of Arden Arcade;
 - ii. The Commission has considered the fiscal impact of the transfer of property tax revenue on the County;
 - iii. In accordance with Government Code Section 56810, the amount of the base year property tax revenue subject to transfer is \$7,021,000. The amount of base year property taxes transferred shall be adjusted by the County Auditor to the fiscal year in which the City receives its initial allocation, in accordance with Revenue and Tax Code sections 95, et seq.
 - iv. The property tax revenue subject to transfer shall be allocated directly by the County as a means of implementing the tax sharing condition set forth in Condition 12.s. of this Resolution Making Determinations. The Commission further finds that there is no current separate fund for the purposes of Government Code Section 56810(c)(4).

- n. The City of Arden Arcade shall be authorized and may continue to levy as general taxes of the City those general taxes presently levied by the County of Sacramento as of November 2, 2010. The types, rates and method of collection of the general taxes to be so continued and imposed are as follows:
 - i. A sales and use tax at the maximum rate of one percent (1%) of the retail sale or use of tangible personal property within the City of Arden Arcade to be collected under contract with the State Board of Equalization and returned to the City of Arden Arcade pursuant to local ordinance.
 - ii. A real property transfer tax at the rate imposed by the County of Sacramento upon the sale of real property within the City of Arden Arcade to be collected by the County of Sacramento and the pro-rata share returned to the City of Arden Arcade pursuant to local ordinance.
 - iii. The City shall impose a utility user tax rate identical to the tax rate imposed by the County of Sacramento as of November 2, 2010, at the rate of 2 ½ % of the utility charge. The new City may modify, alter, or rescind this tax in its discretion so long as its financial

obligations to the County under Condition (s) of this Resolution Making Determinations are satisfied.

- iv. The City shall impose a transient occupancy tax rate identical to the tax rate imposed by the County of Sacramento as of November 2, 2010, at the rate of 12% per room.
- v. The City shall impose all other general taxes presently imposed by the County of Sacramento at the same rate and in the same manner as they are imposed and collected by the County of Sacramento.
- vi. All other taxes generally authorized for incorporated cities, including, but not limited to:
 - a) Property Taxes
 - b) Sales Taxes
 - c) Real Property Transfer Tax
 - d) Franchise Fees
- o. The Commission finds that the negative fiscal impact of the proposed incorporation on the County's general fund over a twenty-five year period after the effective date of the incorporation will be \$216,741,625. The Commission and County recognize that there will not be sufficient City property tax revenue to make the full \$8,669,665 annual revenue neutrality payment to the County. The Commission further recognizes that it would be beneficial for the City to make reduced revenue neutrality payments in the early years after its incorporation to allow for the accrual of additional reserves. In order to offset the loss to the County of the full amount of the revenue neutrality payment until such time as the amount of City property tax revenue equals the amount of the full revenue neutrality payment, the Commission has determined that it is appropriate to increase the total amount of revenue neutrality payments to \$219,000,000.
- p. Whereas, in prior incorporations the new city and the County have entered into a formal Tax and Revenue Sharing Agreement, the parties have agreed upon terms and conditions of tax sharing hereinafter set forth, and have requested that the Commission impose these terms as a condition of incorporation consistent with Government Code section 56815. Based on the terms and conditions agreed upon as provided by correspondence from the County and Proponents dated April 30, 2010, the Commission's analysis of the relevant fiscal data and the negative fiscal impact of the incorporation on the County's general fund, and pursuant to Government Code Section 56815, as a means of mitigating the financial impacts of the incorporation upon the County of Sacramento's general fund, the City shall be required to share its property tax revenue in accordance with the terms set forth below.

- i. Payments shall begin in fiscal year 2012-13 and shall continue annually until \$219,000,000 has been paid to the County;
 - ii. The annual payments shall be in the amount of 90% of the secured and unsecured property tax revenue that would be apportioned each fiscal year to the City absent this revenue sharing requirement;
 - iii. The amount of City property tax revenue payable to the County shall be allocated by the County Director of Finance/County Auditor directly to the County as part of the property tax apportionment process.
 - iv. All costs and expenses associated with the collection, administration and interest-earning capabilities of the City property tax revenue shall be shared by the City and the County in accordance with the same percentages as the underlying property taxes. The County's share of the City property tax revenue shall be allocated by the County's Director of Finance directly to the County.
- q. The tax sharing provisions set forth in Condition 10.p. above are premised on the statewide structure that governs local government finances and the obligation of newly incorporated cities to mitigate the negative fiscal impacts of their incorporation on counties that existed as of the date of adoption of this Resolution. The tax sharing obligations set forth in that condition shall be subject to modification upon any of the following occurrences:
- i. A statewide structural change in the services, which are required by the State to be provided by the County or the City;
 - ii. A statewide structural change in the manner in which the above mandated services are funded;
 - iii. The occurrence of any other event that significantly modifies how cities and/or counties generally receive, or the County specifically receives, funding;
 - iv. Any significant modification by the State of the manner in which newly incorporated cities are funded; or
 - v. If the revenue neutrality structure in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code 56815) as it existed on July 1, 2002, is modified in a substantive, non-technical manner.
- r. If either party believes that one of the triggering factors set forth in Condition 10.q. above has occurred, it may serve a written Notice of

Reopener on the other party requesting that the City's tax sharing obligation be modified. A copy of this written request shall be provided to the Commission, but the Commission shall not have any role with respect to the request. The Notice of Reopener shall specify the precise manner in which the requesting party is proposing that the City's tax sharing obligation be modified and must be submitted within one (1) year of the effective date of the relevant triggering factor. If the Notice of Reopener is not served within this one (1) year period, the parties waive any right to request a modification of the City's tax sharing obligation based on that particular triggering factor.

- i. The parties shall have sixty (60) days after service of the Notice of Reopener as a Negotiation Period in which to attempt to reach mutual agreement on an appropriate modification to the City's tax sharing obligation. If the parties are unable to reach such a mutual agreement within this sixty (60) day Negotiation Period, the City and County shall comply with the dispute resolution procedures set forth below. In doing so, the parties shall conform to the timeline prescribed therein measured from the date of service of the Notice of Reopener.
- ii. If, upon the completion of the Negotiation Period, no modification to the City's tax sharing obligation is agreed upon by the City and the County, the City and the County shall mutually select a mediator, funded in equal portions by each party, to perform mediation for a period of not to exceed thirty (30) days. If the City and the County cannot mutually select a mediator, each shall select a mediator of its choosing. Those two mediators shall then select a neutral mediator, who shall be the mediator.
- iii. If, upon the completion of the Mediation Period, no mutually acceptable agreement has been reached by the City and the County, the parties shall mutually commence an action in the California Superior Court for the exclusive purpose of implementing the process of resolution of the dispute pursuant to Code of Civil Procedure section 638. This term and condition by the parties shall constitute and be construed to be an agreement to reference under Code of Civil Procedure section 638. The parties shall select a referee under Code of Civil Procedure sections 638 and 640, funded in equal portions by the parties, to conduct a judicial reference with the City and the County for a period of not to exceed thirty (30) days. If the City and the County cannot mutually select a referee, each shall select a mediator of its choosing. Those two mediators shall then select a referee, who shall be the referee.
- iv. The provisions of Code of Civil Procedure section 1283.05 are made expressly inapplicable to the Negotiation and Mediation periods and/or the reference proceedings conducted pursuant to this section.

However, discovery shall be permitted for the reference proceeding only, but, pursuant to Code of Civil Procedure section 2021, discovery during the reference proceeding shall be subject to the following limitations:

- a) Discovery shall be limited in time to the forty-five (45) days before the date of the commencement of the reference hearing;
 - b) Discovery shall be limited in scope to disclosure of information to be presented at the reference hearing; and
 - c) Discovery shall be accomplished by the disclosure duties as contemplated by Federal Rule of Civil Procedure, Rule 26, which initial disclosure shall occur on the forty-fifth (45th) day before the date of commencement of the reference hearing, or on some other date mutually agreed upon by the parties.
- v. On the day that the reference proceeding commences and as a part of each party's case in chief, the City and the County shall each present to the referee its last and best offer with respect to the City's tax sharing obligation. The referee must make his or her decision within the confines of the two offers presented by the parties. The reference proceeding contemplated herein shall be conducted pursuant to Code of Civil Procedure section 638 et. seq. and the decision by the referee must be reported as set forth in Code of Civil Procedure Section 643 and it must stand as the decision of the court as set forth in Code of Civil Procedure section 644. The only review of the referee's decision shall be to determine if the referee's decision is within the confines of the two offers presented by the parties. The referee is free to fashion his or her decision within the confines of the two offers presented by the parties. However, if the referee's decision does not stay within the confines of the two offers presented by the parties, the referee's decision shall be null and void and subject to judicial review. The parties expressly agree to preserve their appellate rights pursuant to Code of Civil Procedure section 645, as limited herein.
- vi. Proceedings under these dispute resolution procedures shall be concluded no more than one hundred fifty (150) days after the service of the Notice of Reopener, unless one or more of the periods specified herein is extended by the mutual written agreement of the City and the County, but in no event may the proceedings under these dispute procedures be extended for a cumulative period of more than one (1) year after the service of the Notice of Reopener.

- s. The City of Arden Arcade shall petition Sacramento Area Council of Governments (SACOG) for inclusion in its Joint Powers Agreement as a member city and shall participate in SACOG's regional planning activities as a nonmember prior to membership.
- t. The City of Arden Arcade shall maintain existing public transit service levels including applicable paratransit service required under the American with Disabilities Act. This shall be accomplished by the annexation of the City of Arden Arcade into the Sacramento Regional Transit District and activation of transit services within the City of Arden Arcade, in accordance with procedures set forth in Sections 102062.5 and 102055 of the District's enabling legislation (Part 14 of Division 10 of the California Utilities Code). The City of Arden Arcade shall, within one hundred twenty (120) days of incorporation, submit a request for annexation and activation to the Sacramento Regional Transit District or shall become a participating entity and enter into a contract with the Sacramento Regional Transit District to pay its proportionate share of the cost to provide transit services to the city, and the District shall agree to maintain a specified level of service.
- u. Subject to the City of Arden Arcade satisfying all prerequisites necessary to become a member entity of the Sacramento Transportation Authority (STA), the Commission recommends that the City of Arden Arcade petition to become a member of the Sacramento Transportation Authority and submit a proposal to the Sacramento Transportation Authority requesting that the County, the City of Sacramento, and other members of the Sacramento Transportation Authority act to allocate funds equitably and in a manner similar to other municipalities in Sacramento County.
- v. The City of Arden Arcade and the County of Sacramento shall enter into joint maintenance agreements with any affected local agency for the maintenance of public streets that define common boundaries, including street lighting maintenance.
- w. Pursuant to Government Code Section 57385, all roads and highways or portions of road(s) and highway(s), which had been accepted into the County-road system pursuant to Section 941 of the Streets & Highways Code, shall become City streets on the effective date of the incorporation.
- x. County Service Area No. 1 (street lighting) will continue to provide service to the new city of Arden Arcade after incorporation. After incorporation the new City may submit an application and service plan to LAFCo to detach from CSA No. 1, and request to provide street lighting services pursuant to Government Code Sections 56844(o) and 56375(p).
- y. The City of Arden Arcade shall coordinate for water and drainage services, planning, design, and maintenance provided by Sacramento County Water Agency Zones 11B, 12, 13, and 41, the County of Sacramento Storm water Utility.

- a. Upon incorporation, the Sacramento County Water Agency (SCWA) shall detach the City of Arden Arcade from SCWA Zone 11B. Zone 11B is a drainage development fee charged to new development projects to fund the plan review and construction of trunk drainage facilities. Since the incorporation area is essentially built out, the drainage development fee is no longer required. The City shall establish a separate funding mechanism for drainage services for new development.
- b. The City shall continue to receive services provided by Zones 13 and 41 of the SCWA.
- c. The City shall accept ownership and maintenance responsibility of the existing drainage system serving the incorporation area (including pump station D-05, channels, pipes, detention basins, and other pump stations located in the public rights of way, recorded and prescriptive easements and other such instruments, and owned or operated by the County of Sacramento or the SCWA). The City shall also develop standards for construction, operation, and maintenance of drainage facilities, adopt and enact a Storm water Utility program similar to, and levy the same fee as, the County of Sacramento Storm water Utility. The City shall continue to have Storm water Utility services provided by the County of Sacramento, including the collection and retention of the City's adopted fee to fund those services, for one year after incorporation.
- d. Upon incorporation, the City shall coordinate with SCWA to avoid adopting policies that conflict or increase costs for operation of SCWA's water delivery system located in the City
- z. The Commission hereby approves the detachment of County Service Area (CSA) No. 11. CSA No. 11 was created to provide extended police service and animal control services. The district shall be detached as no fee was adopted, and it is otherwise dormant.
- aa. Upon incorporation, the City will be required to file with Federal Energy Management Agency (FEMA) as a new community for the National Flood Insurance Program and administer this program.
- bb. Upon incorporation, the City shall coordinate with other existing water purveyors within the newly incorporated city boundaries, i.e. Sacramento Suburban Water District, California American Water Company, and Golden State Water Company (dba Arden Cordova Water Service), to avoid adopting policies that conflict or increase costs for operation of water delivery systems located in the City.
- cc. The City is encouraged to become a signatory of the Water Forum Agreement and support the policies, objectives, and goals of the Water

Forum Agreement regarding conjunctive use of water supply reliability, conservation, and environmental protection of water resources.

dd. A portion of the Auburn Boulevard Redevelopment Plan Area is within the City boundaries. Sacramento Housing and Redevelopment Agency ("SHRA") shall retain jurisdiction over the Project Area. The Commission finds that the City may, pursuant to Health and Safety Code section 33216, establish an agency to be the receiving agency for that portion of the Project Area provided it complies with all requirements of the Community Redevelopment Law of the State of California, California Health & Safety Code Section 33000 et seq.

ee. As set forth in the Funding Agreement dated July 1, 2007, and amended December 23, 2008, between the Commission and the Arden Arcade Incorporation Committee, the City of Arden Arcade shall reimburse the Commission for costs incurred for staff time including legal counsel attributed to processing the Arden Arcade incorporation petition, in addition to the Commission's \$100,000 contribution to fund the incorporation studies, including interest on these sums at the rate paid by the Local Agency Investment Fund (LAIF) over the time the incorporation proposal was considered. These costs shall be repaid as soon as possible, but no later than July 1, 2013. The Executive Officer and the Incorporation Committee and/or City shall agree to a repayment schedule.

ff. The City of Arden Arcade shall become a co-permittee under the terms of the existing Countywide National Pollution Discharge Elimination System Permit (NPDES).

gg. The parties shall determine the Regional Housing Needs Allocation (RHNA) number of housing units that shall transfer from the County to the City of Arden Arcade in accordance with Government Code Section 65584.07.

hh. The City of Arden Arcade is encouraged to petition the Regional Human Rights and Fair Housing Commission (RHRFHC) for inclusion in its Joint Powers Agreement.

12. The Arden Arcade Incorporation Committee and the City Council shall indemnify, defend, and hold harmless, the Commission, its directors, officers, agents, and employees ("Commission") from and against any and all Losses arising out of or in any way connected with the incorporation of the new city or any actions taken or agreements executed in connection with the subject incorporation effort, however caused, regardless of any negligent act of the Commission, whether active or passive, excepting only such Losses as may be caused by the sole, active negligence or willful misconduct of the Commission. As used in this section, the term "Losses" means actions, claims, demands, losses, expenses, including reasonable attorneys' fees and costs, damages, and liabilities.

13. Subject to the limitations of Government Code Section 57202, the effective date of incorporation is to be July 1, 2011.

14. The new City shall have a Council-City Manager form of government.
 - a. The governing body of the proposed new city shall be a six-member City Council and a Mayor, initially elected at-large from throughout the area to be incorporated. The election of the City Council and Mayor shall be concurrent with the election question of whether or not the city shall be created by the electorate.
 - b. In future elections, the Mayor shall continue to be elected at-large. Members of the City Council in future elections shall be elected by district, as defined in Government Code section 34871.
 - c. By ordinance or resolution, the City Council shall establish the districts in accordance with law at any time prior to the first day on which voters may nominate candidates for election in the November 2012 municipal election. (Gov. Code, § 34884.) The effect of this section is to have by district elections beginning in November 2012.
 - d. Subject to the limitations of Government Code Section 56724, the election of the first City Council and Mayor, and the incorporation election, will be held at the next regularly scheduled election date which is November 2, 2010. Costs for the election of the first City Council election shall be borne by the City. The election and terms of office for members of the City Council shall be subject to Government Code sections 57377-57379, inclusive.
 - e. Upon and after the effective date of this incorporation, the City Manager, City Clerk, and City Treasurer shall be appointed by the City Council in accordance with Government Code Section 56723; 36511.
 - f. The question of incorporation, including all terms and conditions, shall be one question on the ballot.
15. The Commission shall order the change of organization of the Subject Territory subject to confirmation of the voters.
16. Pursuant to Government Code Section 56375(f), the Commission finds that there are 42,608 registered voters residing within the Subject Territory.
17. The Commission has reviewed the boundaries of the Subject Territory for definiteness and certainty and has determined that the same are definite and certain.
18. The Commission makes the additional findings set forth in Exhibit C attached hereto and incorporated herein.

BE IT FURTHER RESOLVED by the Sacramento Local Agency Formation Commission that the Sacramento County Board of Supervisors is directed to initiate appropriate proceedings in

Exhibit “A”

Legal Description

**Legal Description
City of Arden Arcade (Alternate)**

Beginning at the intersection of Mission Avenue and Fair Oaks Boulevard as said intersection is shown on the map of "Plat of Del Dayo Estates Unit No. 19" filed in Book 96 Page 6 of Maps, in the office of the County Recorder of Sacramento County, said centerline of Fair Oaks Boulevard also being the southeasterly lines of Lots 23, 24, 34, and 35 as shown on the Map of "Plat of Citrus Heights Addition No. 16" filed in Book 14 Page 6 of Maps, records of said County; thence along said centerline as shown thereon and as shown on the map of "Plat of Wilhaggin Place" filed in Book 118 Page 5, of Maps and as shown on the map of "Plat of Jacob Lane Estates" filed in Book 340 Page 12 of Maps, both records of said County, North 46°51'40" East a distance of 618.61 feet to the centerline of Jacob Lane as shown on said map of "Plat of Jacob Lane Estates"; thence along said centerline as shown thereon and as shown on the map of "Plat of Del Dayo Estates Unit No. 9" filed in Book 74 Page 2, of Maps, the map of "Plat of Del Dayo Estates Unit No. 10" filed in Book 76 Page 24, of Maps, the map of "Plat of Del Dayo Estates Unit No 14" filed in Book 80 Page 8, of Maps, the map of "Del Dayo Estates Unit No. 17" filed in Book 86 Page 4, of Maps all records of said County the following: South 43°14'44" East a distance of 1072.40 feet to the beginning of a curve concave to the southeast having a radius of 1419.82 feet; thence southeasterly 694.38 feet along said curve through a central angle of 28°01'17" to the beginning of a curve concave to the southeast having a radius of 1346.93 feet; thence southeasterly 274.90 feet along said curve through a central angle of 11°41'37"; thence South 03°33'45" East a distance of 296.00 feet to the beginning of a curve concave to the east having a radius of 285.00 feet; thence southeasterly 145.80 feet along said curve through a central angle of 29°18'42"; thence South 32°52'24" East a distance of 583.18 feet to the south line of said map of "Plat of Del Dayo Estates Unit No. 17"; thence along the southerly prolongation of said centerline of Jacob Lane South 32°52'24" East a distance of 73.49 feet to the southeasterly line of Haggin Bottom Land Company 347.09 acres as shown on the map of "Record of Survey, Haggin Bottom Land Company" filed in Book 4 Page 48, of Records of Survey, records of said County; thence along southeasterly line and the most north southerly line of "C.A. & Ruth Klein 218.04 Acres" as shown on said map the following:
South 62°56'06" West a distance of 139.23 feet to the beginning of a curve non-tangent concave to the southeast having a radius of 267.20 feet; a radial line of said curve to said beginning bears North 27°03'47" West; thence westerly 121.58 feet through a central angle of 26°04'14"; thence
South 36°52'06" West a distance of 852.98 feet; thence
South 44°54'06" West a distance of 72.60 feet; thence
South 54°59'46" West a distance of 332.40 feet; thence
South 63°14'06" West a distance of 246.00 feet; thence
South 70°09'06" West a distance of 480.60 feet; thence
South 76°08'03" West a distance of 471.61 feet to the beginning of a curve concave to the southeast having a radius of 355.60 feet; thence southwesterly 227.16 feet along said curve through a central angle of 36°36'02"; thence South 39°32'01" West a distance of 848.18 feet to

the beginning of a curve concave to the north having a radius of 703.10 feet; thence southwesterly 248.09 feet along said curve through a central angle of 20°13'00"; thence South 59°45'01" West a distance of 536.73 feet to the beginning of a curve concave to the north having a radius of 516.80 feet; thence westerly 225.48 along said curve through a central angle of 24°59'55" to an angle point in the south line of said "C.A. & Ruth Klein 218.04 acres"; thence along the east line of said "C.A. & Ruth Klein 218.04 acres" South 27°45'59" East a distance of 831.28 feet to the most southerly line of said "Record of Survey, Haggin Bottom Land Company"; thence continuing along said most southerly line South 65°15'11" West a distance of 787.00 feet; thence South 69°50'01" West a distance of 918.00 feet; thence South 73°14'01" West a distance of 889.00 feet; thence South 79°52'01" West a distance of 778.00 feet; thence South 70°18'01" West a distance of 426.00 feet; thence South 78°55'01" West a distance of 433.00 feet; thence South 83°39'01" West a distance of 523.00 feet; thence North 75°48'09" West a distance of 397.81 feet; thence South 78°16'31" West a distance of 906.00 feet; thence South 61°57'11" West a distance of 675.00 feet; thence South 68°34'21" West a distance of 487.48 feet to a point on the **Boundary of the City of Sacramento**; thence along the **Boundary of the City of Sacramento** the following courses and distances:

South 85°19'51" West a distance of 885.17 feet; thence South 67°21'01" West a distance of 410.00 feet; thence South 55°57'01" West a distance of 400.00 feet; thence South 62°25'01" West a distance of 1187.46 feet to the beginning of a curve concave to the northwest having a radius of 285.00 feet; thence southwesterly 17.08 feet along said curve through a central angle of 3°26'00"; thence South 65°51'01" West a distance of 1491.46 feet to the southerly prolongation of the easterly line of land described in Book 19711219 Page 377, Official Records of said County; thence along said prolongation and the easterly line of said land North 27°52'29" West a distance of 655.56 feet to an angle point in the east line of Parcel 1 as described in said Book 19711019 Page 377, Official Records of said County; thence along said east line North 12°40'01" East a distance of 72.30 feet to the south line of the map of "Plat of Sierra Oaks Unit No 11" filed in Book 74 Page 1 of Maps, records of said County; thence along the south, west and north lines of said "Plat of Sierra Oaks Unit No. 11" the following:

South 72°17'13" West a distance of 407.81 feet; thence North 17°42'47" West a distance of 269.00 feet; thence North 00°31'52" East a distance of 73.96 feet; thence North 12°22'21" East a distance of 731.93 feet; thence North 20°01'28" East a distance of 133.82 feet; thence North 42°14'44" East a distance of 42.82 feet; thence North 30°35'41" East a distance of 111.96 feet; thence North 58°39'59" West a distance of 273.64 feet; thence North 31°20'01" East a distance of 112.00 feet; thence North 44°43'05" East a distance of 82.24 feet; thence

North 31°20'01" East a distance of 202.30 feet; thence
South 76°22'23" East a distance of 542.63 feet to the east line of the map of "Plat of Sierra Oaks Unit No. 14" filed in Book 81 Page 9, of Maps, records of said County; thence along the east and north lines of said map of "Plat of Sierra Oaks Unit No 14";
North 12°22'21" East a distance of 1019.49 feet; thence
North 80°31'05" West a distance of 1440.62 feet; thence
North 80°11'30" West a distance of 1077.87 feet along the south line of Lot 49 and the south line of Lot 50 of "Swanson Acres" filed in Book 16 Page 53 of Maps, records of said County to the southwest corner of said lot 50; thence South 0°15'00" East a distance of 518.31 feet along the east line of Lot 51 of said "Swanson Acres" to the southeast corner of said Lot 51; thence North 59°54'00" West a distance of 2091.56 feet along the southwesterly lines of said Lot 51 and the southwesterly lines of Lots 52 and 53 of said "Swanson Acres" to an angle point in the northeasterly line of Lot J as shown on map of "Plat of Campus Commons Unit No. 1" filed in Book 78 Page 3 of Maps, records of said County; thence North 12°37'52" East a distance of 233.35 feet along the east line of said Lot J and the east line of Lot H of said "Plat of Campus Commons Unit No. 1" and its northerly prolongation North 12°37'52" East a distance of 249.42 feet to the north line of said "Plat of Campus Commons Unit No. 1"; thence South 88°45'27" West a distance of 588.61 feet along said north line, thence North 28°05'16" West a distance of 44.08 feet to the southwesterly line of Lot 43 of said "Swanson Acres" thence along said southwesterly line North 67°07'00" West a distance of 617.70 feet to the southwest corner of said Lot 43 and being a point on the centerline of Howe Avenue (County Road) as shown on said "Swanson Acres" thence along said centerline North 1°44'57" West a distance of 71.86 feet to the centerline of Cadillac Drive (54 feet wide) as shown on Parcel Map filed in Book 87 Page 25 of Parcel Maps, records of said County; thence along said centerline South 88°17'17" West a distance of 134.10 feet to the beginning of a curve concave to the north having a radius of 395.00 feet; thence Westerly 169.57 feet along said curve through a central angle of 24°35'48"; thence North 67°06'57" West a distance of 305.26 feet; thence leaving said centerline North 26°18'55" West a distance of 40.29 feet to the northeasterly line of Record of Survey filed in Book 21 Page 4 of Records of Survey, records of said County; thence along said northeasterly line North 67°07'00" West a distance of 1359.18 feet to an angle point in the **Boundary of the City of Sacramento**; thence continuing along said **Boundary** North 15°02'06" East a distance of 313.99 feet; thence North 22°51'12" East a distance of 406.56 feet; thence North 40°21'07" East a distance of 103.97 feet to the beginning of a non-tangent curve concave to the west having a radius of 884.95 feet; a radial line of said curve to said beginning bears South 53°30'45" West; thence Northerly 368.52 feet along said curve through a central angle of 23°51'36" to the beginning of a non-tangent curve concave to the west having a radius of 689.22 feet, a radial line of said curve to said beginning bears South 73°30'16" East; thence Northerly 384.29 feet along said curve through a central angle of 31°56'48"; thence non-tangent to said curve North 5°07'10" West a distance of 207.51 feet; thence North 1°46'30" West a distance of 464.90 feet to the west line of Section 65 of the "Rancho Del Paso" filed in Book A Page 94 of Records of Survey, records of said County; thence along the west lines of Sections 65 and 28 as shown on said map North 1°51'13" West a distance of 8720.19 feet to the Northwest corner of Lot 24, of the "Plat of Subdivision of Section

No. 28 of the Rancho Del Paso" filed in Book 14 Page 9 of Maps, records of said County; thence continuing along the west line of said Section 28 North 1°49'43" West a distance of 1320.00 feet to the northwest corner of said Lot 28 and the southwest corner of the map of "Plat of Anna Bell Tract" filed in Book 32 Page 12 of Maps, records of said County; thence along said west line North 01°46'04" West a distance of 1123.51 feet to the southwest corner of the "Plat of Darwin Park" filed in Book 46 page 13 of Maps, records of said County; thence along said west line and the west line of the "Plat of Pierce Tract" filed in Book 33 Page 10 of Maps, records of said County North 1°51'28" West a distance of 600.00 feet; thence continuing along said west line and the west line of the "Map of Marconi Tract" filed in Book 27 Page 14 of Maps, records of said County North 1°50'58" West a distance of 516.05 feet to the southeasterly line of State Highway Business 80; thence North 5°35'46" East a distance of 211.68 feet to the centerline of said State Highway Business 80 having a radius of 1500.00 feet, a radial line of said curve to said beginning bears South 71°40'56" East; thence northerly along said curve 532.24 feet through a central angle of 20°19'48" thence North 2°00'44" West a distance of 352.64 feet to the intersection of the centerline of Marconi Avenue (60 feet wide) as shown on the map of "Plat of Sunshine Tract" filed in Book 19 Page 6 of Maps, records of said County; thence South 62°55'59" East a distance of 1382.66 feet along said centerline to the centerline of Howe Avenue (Howe Street, 60 feet wide) as shown on said map and as shown on the map of "Plat of Del Paso Park View Tract No. 1" filed in Book 13 Page 37 of Maps, records of said County; thence along the centerline of Howe Avenue as shown on said Maps North 1°51'59" West a distance of 1287.99 feet and North 1°55'23" West a distance of 1033.04 feet to an angle point in the **Boundary of the City of Sacramento**; thence continuing along said **Boundary** North 62°02'50" East a distance of 1310.35 feet to the beginning of a non-tangent curve concave to the northwest having a radius of 416.76 feet, a radial line of said curve to said beginning bears South 30°09'02" East; thence Northeasterly 185.01 feet along said curve through a central angle of 25°26'08"; thence non-tangent to said curve North 39°48'21" East a distance of 16.23 feet; thence North 46°36'48" East a distance of 8.06 feet; thence North 48°33'05" East a distance of 16.95 feet; thence North 57°18'00" East a distance of 17.97 feet to the centerline of Auburn Boulevard (60 feet wide) as shown on said map of "Plat of Del Paso Park View Tract No. 1" and as shown on map of "Plat of Arcade Park" filed in Book 13 Page 30 of Maps; both records of said County; thence along said centerline the following;
North 61°55'55" East a distance of 2907.93 feet; thence North 61°59'51" East a distance of 5864.29 feet; thence North 62°00'27" East a distance of 1448.67 feet; thence North 63°19'16" East a distance of 244.85 feet; thence North 64°32'03" East a distance of 589.22 feet; thence North 65°59'59" East a distance of 421.09 feet; thence North 67°06'30" East a distance of 2038.07 feet to the intersection with the construction centerline of Winding Way as shown on the map of Parcel Map filed in Book 104 page 18 of Parcel Maps, records of said County; thence along said centerline

South 76°51'18" East a distance of 204.71 feet to the beginning of a curve concave to the south a radius of 700.00 feet; thence easterly 178.05 along said curve through a central angle 14°34'25"; thence

South 62°16'54" East a distance of 58.72 feet to the beginning of a curve concave to the north having a radius of 700.00 feet; thence easterly 109.80 feet through a central angle of 8°59'14" to the intersection with the north line of Lot 138B as shown on the map of "Plat of Arcade Park" filed in Book 13 Page 30 of Maps, records of said County; thence along said north line and the northwesterly lines Lot 138A and the northwesterly line of Lot 137 of said "Plat of Arcade Park" the following:

North 74°55'15" East a distance of 337.33 feet; thence

North 49°54'45" East a distance of 160.76 feet; thence

North 30°16'45" East a distance of 767.06 feet; thence

North 47°20'45" West a distance of 114.20 feet to an angle point in the westerly line of said Lot 137; thence leaving said **Boundary of the City of Sacramento** along the north lines of said Lot

137 and Lot 136 of said "Plat of Arcade Park" North 60°44'15" East a distance of 190.00 feet

and North 77°08'15" East a distance of 162.00 feet; thence leaving the north line of said Lot 136

South 15°09'00" East a distance of 59.06 feet to the north line of the map of "Plat of Evergreen Estates Unit No. 4" filed in Book 46 Page 4, of Maps, records of said County; thence along said north line the following:

North 81°24'30" East a distance of 85.96 feet; thence

North 68°06'00" East a distance of 228.00 feet; thence

North 89°54'50" East a distance of 260.49 feet; thence

South 79°31'30" East a distance of 149.44 feet; thence

South 86°33'30" East a distance of 191.73 feet; thence

South 59°40'20" East a distance of 180.55 feet; thence

South 48°50'40" East a distance of 137.32 feet; thence

South 77°20'20" East a distance of 237.87 feet to the centerline of Pasadena Avenue as shown on said "Plat of Evergreen Acres Unit No. 4" thence along said centerline and its southerly

prolongation South 02°01'30" West a distance of 419.91 feet to the beginning of a curve

concave to the east having a radius of 142.00 feet and being tangent to the northerly

prolongation of the east line of Lot 129 as shown on said "Plat of Arcade Park"; thence

southeasterly 78.53 feet along said curve through a central angle of 31°41'14"; thence southerly

along said prolongation and the east line of Lot 129, also being the centerline of Pasadena

Avenue, South 29°39'44" East a distance of 303.34 feet to the beginning of a curve concave to

the southwest having a radius of 716.78 feet; thence southerly 241.60 feet along said curve

through a central angle of 19°18'45"; thence South 10°20'59" East a distance of 149.04 feet to

the beginning of a curve concave to the east having a radius of 601.00 feet; thence leaving the

centerline of said "Plat of Arcade Park" and along the centerline line of Pasadena Avenue

southerly 589.51 along said curve through a central angle of 56°12'00" to the west line of the

map of "Plat of Pasadena Heights" filed in Book 56 Page 3 of Maps, records of said County;

thence along said west line and the east lines of Parcel Map filed in Book 48 Page 35 of Parcel

Maps, "Plat of Rolling Meadows" filed in Book 100 Page 1, "Plat of Edison Estates Unit No 1"

filed in Book 67 Page 26 of Maps, "Plat of Edison Estates" filed in Book 63 Page 10 of Maps

and as shown on the "Map of The Haven" filed in Book 176 Page 8 of Maps, all records of said

County South 1°44'29" East a distance of 2704.28 feet to the intersection of Engle Road and Mission Avenue as shown on said "Map of The Haven"; thence along the centerline of Mission Avenue as shown on Parcel Map filed in Book 74 Page 19, of Parcel Maps and Parcel Map filed in Book 71 Page 75 of Parcel Maps, both records of said County South 1°46'30" East a distance of 2641.42 feet to the centerline intersection of Mission Avenue and North Avenue; thence continuing along the centerline of Mission Avenue as shown on Maps of "Plat of Woodcrest Estates Unit No 1" filed in Book 61 Page 15 of Maps, "Plat of Parkland Estates Unit No. 2" filed in Book 31 Page 5 of Maps, Parcel Map filed in Book 91 Page 1 of Parcel Maps, "Map Of Rancho San Lucas-Unit No 2" filed in Book 90 Page 6 of Maps and map of "Plat of Rancho San Lucas" filed in Book 57 Page 11 of Maps, all records of said County South 1°49'00" East a distance of 8801.81 feet to the beginning of a curve concave to the east having 281.84 feet as shown on said map of "Plat of Rancho San Lucas"; thence southerly 210.46 feet along said curve through a central angle of 42°47'02" to the beginning reverse curve having a radius of 281.84 feet; thence southerly 210.46 feet along said curve through a central angle of 42°47'02"; thence continuing along said centerline as shown thereon and as shown on map of "Plat of Greenwood Estates" filed in Book 40 Page 3 of Maps, records of said County South 1°49'00" East a distance of 137.43 feet to the beginning of a curve concave to the west having a radius of 493.13 feet; thence southerly 86.12 feet along said curve through a central angle of 10°00'22" to the beginning of a reverse curve concave to the east having a radius of 493.13 feet; thence southerly 86.12 feet along said curve through a central angle of 10°00'22"; thence South 1°49'00" East a distance of 1166.12 feet to the centerline of Arden Way as shown on said map of "Plat of Greenwood Estates" thence along the centerline of Arden Way South 89°00'00" West a distance of 136.53 feet to the centerline of Mission Avenue as shown on Parcel Map filed in Book 168 Page 3 of Parcel Maps, records of said County; thence along said centerline and the centerline of Mission Avenue as shown on map of "Plat of Del Dayo Estates Unit No. 6" filed in Book 63 Page 2 of Maps, records of said County South 1°50'00" East a distance of 1905.00 feet to the beginning of a curve concave to the east having a radius of 360.58 feet as shown on said "Plat of Del Rayo Estates Unit No. 6"; thence southerly 147.89 feet along said curve through a central angle of 23°30'00"; thence continuing along the centerline of Mission Avenue as shown on "Plat of Survey of Lot 16 of Citrus Heights Add'n No. 16" filed in Book 9 Page 39 of Records of Survey, records of said County South 25°20'00" East a distance of 976.94 feet to the **Point of Beginning**.

Containing 446,658,359 sq. ft. or 10,253.87 acres +/-.

End of Description

Basis of Bearings: The bearings shown here-on are based the bearing of North 46°48'24" East of the north line of the map of "Plat of Wilhaggin Place " filed in Book 118 Page 15 of Maps, records of Sacramento County and as shown as North 46°51'40" East hereon.

This Legal Description was prepared by me or under my direction pursuant to the requirements of the Professional Land Surveyor's Act.

Jon Crawford
R.C.E. 32935
Registration Expires: 6/30/2010

Date:

Exhibit “B”

Map

Sacramento LAFCo Executive Officer's Recommended Boundary for the Proposed Incorporation of the City of Arden Arcade

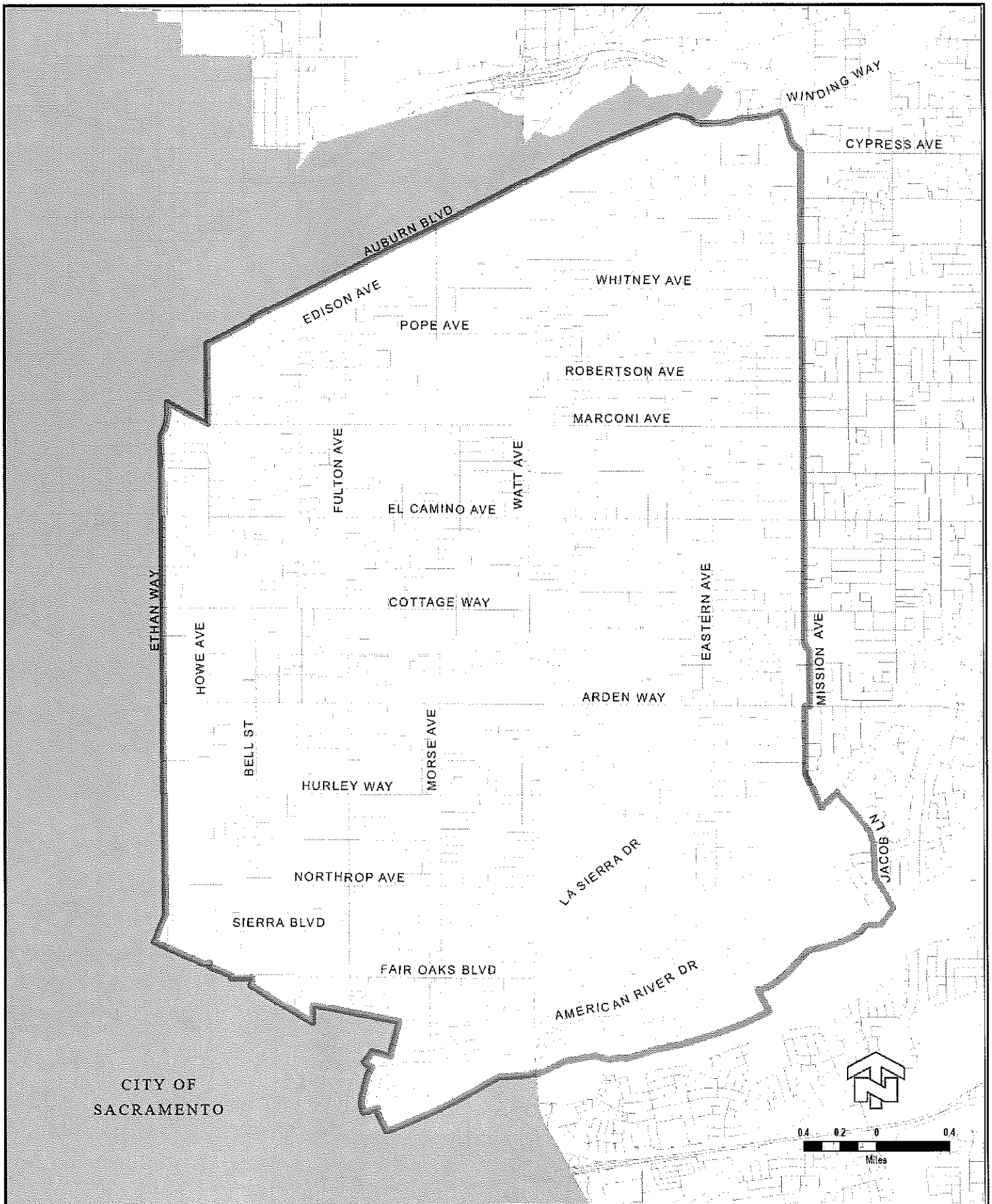


EXHIBIT C

FINDINGS REGARDING INCORPORATION

1. The Commission finds that the proposal is consistent with the intent of the Cortese-Knox-Hertzberg Act of 2000.

2. The Commission finds that the proposal is consistent with the Policies, Standards, and Procedures of the Sacramento County Local Agency Formation Commission.

3. The Commission finds that the proposal is revenue neutral pursuant to its Policies, Standards and Procedures and Cortese-Knox-Hertzberg Reorganization Act of 2000.

4. The Commission finds that the incorporation does not result in the conversion of prime agricultural land or open space use to other uses and the incorporation leads to the planned, orderly and efficient development of the area.

5. The Commission finds that the proposal complies with the general policies and standards applicable to all changes of organization or reorganization.

6. The Commission finds that the applicants have demonstrated a significant unmet need for services or a need for improved services within the territory for which the incorporation is proposed. In determining whether an unmet need for services or improved services exists, the Commission has considered:

- a. Current levels of service in the area to be incorporated;
- b. Existing and projected growth rate and density patterns in the area to be incorporated; and
- b. The Sphere of Influence Plans for the jurisdictions currently providing services to the area.

The Commission bases these findings on the Record which includes, but is not limited to:

- a. The Metropolitan Transportation Plan (MTP), the County General Plan, the Arden Arcade Community Plan, and the Arden Arcade Community Action Plan.
- b. The incorporation petition which sets forth the following factors of importance to the Arden Arcade Community:
 - i. The project may enhance the character and identity of Arden Arcade by establishing the community as a city;
 - ii. The project will increase local control over and accountability for decisions affecting Arden Arcade by having an elected city council

and mayor made up of Arden Arcade residents serving as the community's primary local government representatives;

- iii. The project will ensure that the comprehensive planning, zoning and other regulatory land use decisions affecting Arden Arcade and its quality of life are made in Arden Arcade and ensure their enforcement;
- iv. The project will capture, for local use, additional revenues generated in Arden Arcade;
- v. The project will increase the accessibility of local government officials and staff to the Arden Arcade residents;
- vi. The project will increase the allocation of federal and state revenue to Arden Arcade to support local services and programs;
- vii. The project will increase local responsibility for determining services, service levels and capital improvements in Arden Arcade;
- viii. The project may improve and enhance where possible the level of services available to Arden Arcade, including the level of police protection;
- ix. The project may promote more citizen participation in local civic affairs of Arden Arcade; and
- x. The project may stimulate economic growth to support the well-being of the residents.

7. The Commission finds that the incorporation will result in an entity with the capability to provide cost-effective and efficient forms of municipal services to the affected population at similar levels of service as currently provided by the County of Sacramento and similar cities. Consistent with the Commission's policies, the applicants have demonstrated by petition a desire to incorporate in order to provide local municipal

and governmental services and local accountability within the area proposed to be incorporated.

8. The Commission finds that the incorporation does not have significant adverse social and economic impacts upon any particular communities or groups in the incorporating area or affected unincorporated area.

9. The Commission finds that the proposed City is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following incorporation.

10. The Commission finds that the proposed City has the required ability to provide the services, which are the subject of the application to the areas, including the sufficiency of revenues for those services following incorporation.

11. The Commission finds that there is a timely availability of water supply adequate for the City's projected needs as specified in Government Code section 65352.5. This finding is based upon the following facts and conditions:

a. Existing development within the proposed incorporation boundaries has an existing and adequate water supply provided by Sacramento County Water Agency Zone 41 (SCWA), Sacramento Suburban Water District, Del Paso Manor Water District, Golden States Water Company, and Cal American Water Company. There are a minor number of parcels that are unserved but that use private wells. The project does not include changes to the existing private, public, and municipal water services and would not require additional water supplies.

b. Future development of the incorporation area could result in an increased demand for water supply beyond what is anticipated under the Sacramento County General Plan. The new city could be in the position of competing with surrounding unincorporated areas and other cities within the County for water supply sources. However, no substantial increase in water supply demand or groundwater depletion is expected to occur from growth resulting from the limited vacant parcels and growth potential within the incorporation area.

c. To ensure that the new city would continue to provide adequate water services and protect the sustainability of groundwater, the City of Arden Arcade shall identify existing water purveyors as primary providers and is encouraged to become a signatory of the Water Forum Agreement.

d. Pursuant to Sacramento County General Plan Policies, and pursuant to provisions of state law, and this Resolution, no development can take place within the proposed boundaries of the City unless a reliable water supply has been identified and financing mechanisms for said reliable water supply are in place. The City of Arden Arcade shall adopt policies consistent with the following county policies:

- “Policy CO-20: In new development areas, as identified in Figure III-1 of the Land Use Element, entitlements for urban development shall not be granted until a Master Plan for water supply has been adopted by the Board of Supervisors and all agreements and financing for supplemental water supplies are in place. The land use planning process may proceed, and specific plans and rezoning may be approved.”
- “Policy CO-22: Development entitlements shall not be granted in areas where no groundwater exists and water purveyors have reached their capacity to deliver treated water unless all necessary agreements and financing to obtain additional water supply are secured.”

- “Policy CO-23: Subdivisions and Parcel Maps shall be required to demonstrate adequate quantity and quality of groundwater prior to approval of residential lots in areas of the County where supply and quality are doubtful.”
- “Policy CO-25: Should the Board of Supervisors determine that there is a significant adverse effect on groundwater, including effects on quality, no building permits for urban commercial and residential uses shall be issued.”
- “Policy CO-39: Development project approvals shall include a finding that all feasible and cost effective options for conservation and water reuse are incorporated into project design. Wastewater reuse options shall be reviewed and agreed upon by the area water purveyor when the reclaimed water is to be used within the water purveyor’s boundaries.”

12. The Commission finds that the proposal will not affect the ability of the City or County to achieve their respective fair shares of the regional housing needs allocation as determined by the Sacramento Area Council of Governments (SACOG).

13. To ensure that the new City of Arden Arcade meets its regional housing needs allocation, the new City and the County shall comply with the procedure set forth in Government Code section 65584.07.

- a. Additionally, the City of Arden Arcade shall continue to assess and collect the Housing Trust Fund fee, consistent with the existing Housing Trust Fund fee imposed by the County of Sacramento on non-residential development. The City of Arden Arcade shall adopt the necessary ordinances and resolutions to effectuate this condition within 180 days of incorporation.

14. The Commission has reviewed information and comments from landowners and business owners as well as the general public in making these findings.

15. The Commission finds the incorporation consistent with the regional growth goals and policies established by SACOG.

16. The Commission finds that it has considered all relevant factors set forth in Government Code 56668 and all other relevant factors in reaching its conclusions regarding the incorporation of the new City of Arden Arcade including, but not limited to, the following:

- a. Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

As reflected in the Executive Officer's Report, the current population of the incorporation area, with the amended boundary is 98,401, including 42,608 registered voters.

The average rate of growth for the entire Sacramento region is estimated to be 2.15 percent, or about 23,443 people per year. The existing seven cities and the unincorporated area are expected to grow at differing rates, based on information from current general plans and by how much undeveloped property is available within each community. There is little likelihood of significant growth in the incorporation area since only 2 percent of the parcels are currently undeveloped.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, the Commission has considered all of these factors in determining that the incorporation promotes the planned, orderly, efficient development of the subject territory.

b. The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed reorganization (incorporation and detachments), or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

The Commission requested an annexation feasibility study to determine whether existing agencies can feasibly provide the needed service or services in a more efficient and accountable manner. (*See* Gov. Code, 56886.5(a).) As recognized by the Commission, there are no immediate plans to annex the Arden Arcade area to the City of Sacramento.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, the Commission has considered the present cost and adequacy of services, probable future needs for those services, and the probable effect of incorporation on the area and adjacent areas in determining that the incorporation promotes the planned, orderly, efficient development of the subject territory.

c. The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, the proposed incorporation of Arden Arcade, with the Commission amended boundary, does not have any significant adverse social, economic, or environmental impacts upon any particular communities, cities, special districts, other service providers, regional jurisdictions, surrounding neighborhoods, or the County of Sacramento. The Commission adjusted the proposed boundary to preserve an existing community of interest promote the efficient delivery of municipal services.

d. The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, the incorporation of the City of Arden Arcade promotes the planned, orderly, efficient development of the subject territory.

The incorporation will not lead to the conversion of prime agricultural land or open space. By expanding the boundary of the original incorporation area proposed, both service levels and planning will remain consistent within an identified and established community boundary.

e. The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, the incorporation area does not include any land that is considered to be prime agricultural land.

f. The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, the new city shall include the area within the boundary proposed in the Petition, as well as the area lying south of Fair Oaks Boulevard and north of the American River contained within the County of Sacramento Arden Arcade Community Plan Area.

The boundaries of the territory are definite and certain, as shown in Exhibit A and B, and conform to lines of ownership. It will not create a peninsula or areas that are difficult to serve; it will maintain an existing planning area and community of interest with similar economic, social, and environmental characteristics; both service levels and planning will remain consistent within an identified and established community boundary; the boundary is logical and easily identifiable; and the boundary is supported by the Final EIR and potentially minimizes service delivery impacts.

g. Consistency with the (regional) metropolitan transportation plan, as well as the county general and specific plans.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, the proposed incorporation would result in a continuation of existing land use patterns, and is therefore consistent with the Regional Transportation Plan, the County General Plan, and the Arden Arcade Community Plan and related County ordinances.

h. The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, the Commission has reviewed the spheres of influence for all applicable local agencies. Under the proposed incorporation, the existing special districts will continue to provide services to the new city.

m. Any information or comments from the landowner or owners, voters, or residents of the affected territory.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, the Commission has heard and considered all information and comments from landowners, voters, residents, and other stakeholders on the issue of incorporation of Arden Arcade.

n. Any information relating to existing land use designations.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, the new City of Arden Arcade shall be required to adopt Sacramento County's general plan. As such, the project will not result in any changes to existing land use designations.

o. The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

As set forth in the Executive Officer's Report, the Comprehensive Fiscal Analysis, and the Environmental Impact Report, because the project would not result in any physical changes to the environment, low-income populations located within the proposed incorporation area would not be exposed to proportionately greater risks or impacts compared to those borne by other individuals as a result of project implementation. Any changes in levels of service to the incorporation area would equally affect all population groups.

Exhibit D

Mitigation Measures Adopted Pursuant to LAFC Resolution No. 2010-09-0519-03-07

SECTION 3.1 – AIR QUALITY

MM 3.1-1: LAFCo conditions the incorporation approval to require the City (Arden Arcade) to develop vacant parcels within the incorporation area to uses that are consistent with the 1993 Sacramento County General Plan and/or the most recent and binding land use guidance document until such time the City adopts its own General Plan. (MM 3.5-2)

MM 3.1-7: The new city should cooperate with the County of Sacramento by providing emissions inventory information to the County during and after the emission inventory preparation.

SECTION 3.3 - HAZARDS AND HAZARDOUS MATERIALS

MM 3.3-5: Prior to the approval of specific land uses that affects an area within an airport planning boundary established by the ALUC, the new city shall refer the proposed action to the ALUC for consistency determination. Future development and/or proposed new land uses must comply with the 1992 McClellan Air Force Base CLUP development restrictions, as updated.

SECTION 3.5 - LAND USE AND PLANNING

MM 3.5-1: LAFCo conditions the incorporation approval to require the new city (Arden Arcade) to consult with the County of Sacramento regarding the Mission Oaks Neighborhood Preservation Area in connection with the city's new General Plan.

MM 3.5-2: LAFCo conditions the incorporation approval to require the City (Arden Arcade) to develop vacant parcels within the incorporation area to uses that are consistent with the 1993 Sacramento County General Plan and/or the most recent and binding land use guidance document until such time the City adopts its own General Plan.

SECTION 3.6 – NOISE

MM 3.6-5: Prior to the approval of specific land uses that affects an area within an airport planning boundary established by the ALUC, the new city shall refer the proposed action to the ALUC for consistency determination. Future development and/or proposed new land uses must comply with the 1992 McClellan Air Force Base CLUP development restrictions, as updated. (Mitigation Measure 3.3-5.)

SECTION 3.8 - PUBLIC SERVICES

MM 3.8-2: LAFCo conditions the incorporation approval to require that the city provide law enforcement services by a contract with Sacramento County or other city or public safety agency, a contract with a private company, or shall directly perform the service by an appropriate City agency. At a minimum, law enforcement services shall be maintained at existing levels.

MM 3.8-6: LAFCo conditions the incorporation approval to require that the city provide animal control services through the creation of a local department or on a contractual basis with other entities if legally permissible. At a minimum, animal control services shall be maintained at levels existing at the time of approval of the project EIR.

MM 3.8-7a: LAFCo conditions the approval of the incorporation to require the new City to coordinate with public and private water purveyors in water service planning.

MM 3.8-7b: LAFCo conditions the approval of the incorporation such that the city is encouraged to become a signatory to the Water Forum Agreement.

MM 3.8-9a: LAFCo conditions the incorporation approval to require the new city to accept ownership and maintenance responsibility of the existing drainage system serving the incorporation area (including pump station D-05, channels, pipes, detention basins, and other pump stations located in the public rights of way, recorded and prescriptive easements and other such instruments, and owned or operated by the County of Sacramento or the Sacramento County Water Agency); develop standards for construction, operation, and maintenance of drainage facilities and to adopt and enact a Stormwater Utility program similar to, and levying the same SWU fee as, the County of Sacramento Stormwater Utility; and continue to have SWU services provided by the County of Sacramento, including the collection and retention of the new incorporation SWU fee to fund those services for one year after incorporation.

MM 3.8-9b: LAFCo conditions the incorporation approval to continue to receive services provided by Zone 13 of the SCWA. Further, Zone 11B services and programs will no longer be carried out in the incorporation area and the incorporation area will be detached from Zone 11B upon incorporation.

MM 3.8-9c: LAFCo conditions the incorporation approval to require the new city to participate and eventually become a co-permittee under the existing countywide NPDES permit.

MM 3.8-11: LAFCo conditions the incorporation approval to require the new city to contract waste collection services through the County of Sacramento's Department of Waste Management and Recycling Services, or competent public or private hauler to maintain current service levels, at a minimum.

MM 3.8-14a: LAFCo conditions the incorporation approval to require that existing transportation fee impact programs be continued.

MM 3.8-14b: LAFCo conditions the incorporation approval to require the transfer of ownership, maintenance, and financial responsibility for Watt Avenue (Auburn Boulevard to Longview Drive), Auburn Boulevard (Park Road to Howe Avenue), Winding Way (Auburn Boulevard to 1000 feet east), and Bell Street (between the easterly and westerly legs of Auburn Boulevard) to the new city.

MM 3.8-14c: LAFCo conditions the incorporation approval to require that existing transportation fee impact programs to be continued at levels necessary to adequately fund approved road construction projects.

MM 3.8-15: LAFCo conditions the incorporation approval to require that the new city shall provide street lighting maintenance either by contract with the County, by contract with a private company, or by directly performing the maintenance. At a minimum, street lighting and roadway conditions shall be maintained at existing levels, and close coordination between city and county staff will be required. In addition, LAFCo shall condition the incorporation approval to require the new city to enter into a joint lighting maintenance agreement with Sacramento County for public streets that define common boundaries.

MM 3.8-16a: LAFCo conditions the incorporation approval to require that the new city shall petition SACOG for inclusion in its Joint Powers Agreement as a member city.

MM 3.8-16b: LAFCo conditions the incorporation approval to require that the new city shall petition Sac RT for inclusion in its Board of Directors as a member city, or to enter into an agreement to provide transit services within the new city's incorporated boundary.