

2 PROJECT DESCRIPTION

The project is a landowner-initiated proposal to amend:

1. the City of Elk Grove Sphere of Influence (SOI);
2. the Sacramento Area Sewer District (SASD) SOI; and
3. the Sacramento Regional County Sanitation District (SRCSD) SOI.

The affected territory includes a 1,156-acre area that abuts the southern portion of the City of Elk Grove's existing jurisdictional boundary. This is called the proposed Sphere of Influence Amendment Area (SOIA Area) or "the project site." This proposed SOI Amendment (SOIA) requires approval by the Sacramento Local Agency Formation Commission (LAFCo), which has sole discretion on the establishment and amendment of SOI boundaries. LAFCo is charged with oversight of changes in governmental organization and has the authority to consider (LAFCo 2007):

- ▶ Annexations to, or detachments from cities or districts;
- ▶ The formation or dissolution of districts;
- ▶ The incorporation or disincorporation of cities;
- ▶ The consolidation or reorganization of cities or districts;
- ▶ The establishment of subsidiary districts; and
- ▶ The development of, and amendments to, Spheres of Influence.

LAFCo has the authority to approve, modify and approve, or disapprove applications, and to impose mitigation measures and conditions of approval. Per statute, LAFCo cannot impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.

2.1 PROJECT LOCATION AND SETTING

Elk Grove is located in the southwestern part of Sacramento County. Exhibit 2-1 depicts the SOIA Area's regional location, which is to the south of the existing City of Elk Grove boundary. Exhibit 2-2 depicts the SOIA Area. The SOIA Area consists of approximately 1,156 acres west of State Route 99 (SR 99), south of Kammerer Road, and east of McMillan Road (future Big Horn Boulevard). The SOIA Area is currently within the jurisdiction of the County of Sacramento and is entirely outside of the County's General Plan Urban Services Boundary. While it is outside the County's Urban Services Boundary, the boundary of the SOIA Area is adjacent to existing urban services for sanitary sewer, water, drainage, transportation, power, and communication utility systems.

The SOIA Area is not impacted by any airport overflight restrictions, is naturally outside of both regional (Cosumnes River) and local 100-year floodplains.

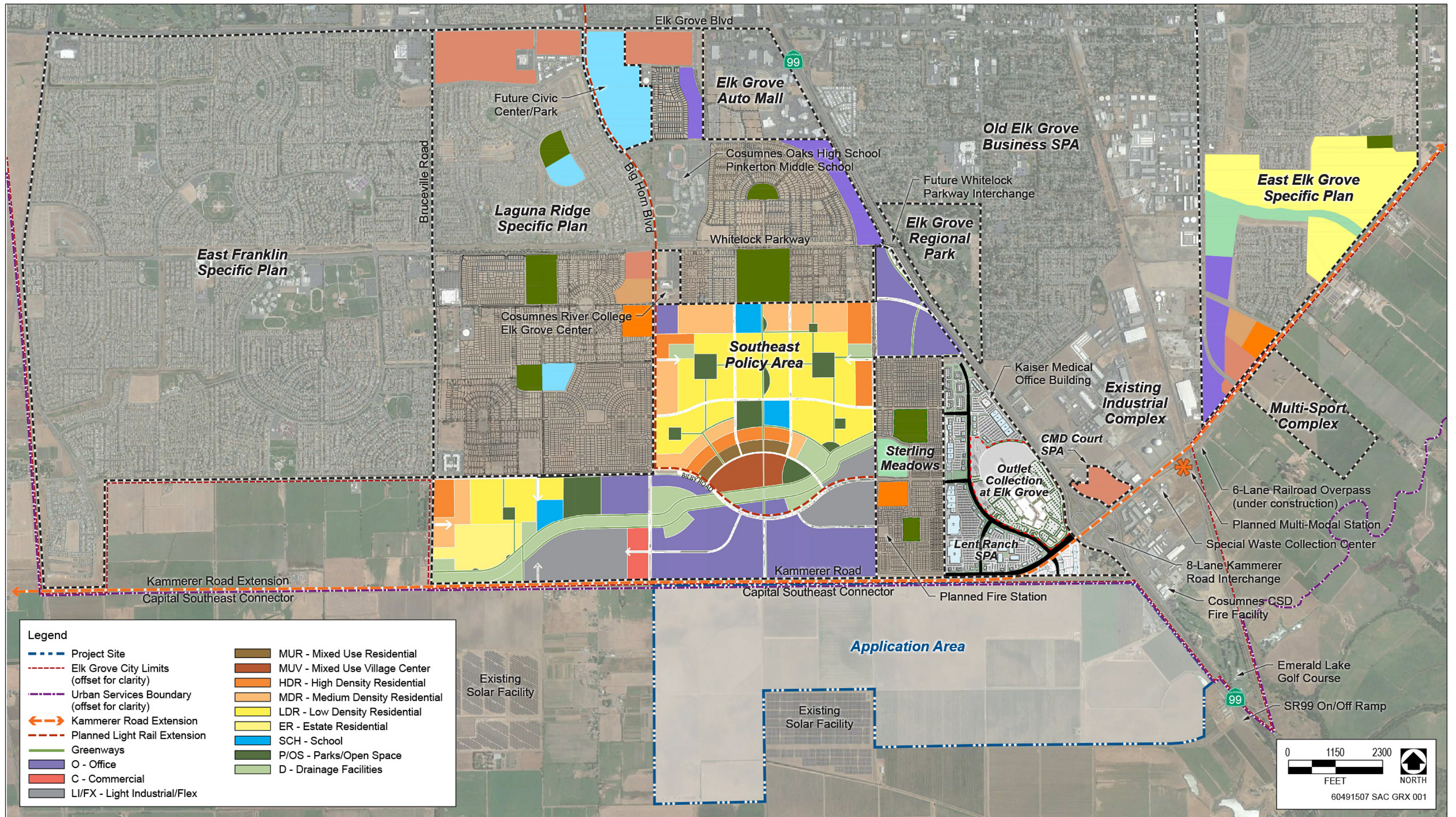
The SOIA Area is primarily used for extensive dry farmed and irrigated croplands and vineyard operations. A cluster of buildings supporting the agricultural operations exists on the most easterly parcel.

The SOIA Area has been disturbed and leveled over decades to facilitate commercial farming operations. Drainage has been achieved via a series of highly maintained agricultural ditches, which generally follow field

boundaries. Irrigation to the eastern vineyards is achieved by an old SR 99 borrow pit modified as a storm/irrigation runoff holding facility that is fully maintained on the most easterly parcel of the SOIA Area.

Following is a description of the vicinity of the SOIA Area.

- ▶ **North:** Existing Kammerer Road (south boundary of the City of Elk Grove) and the planned Capital Southeast Connector, a 35-mile, multi-lane, limited access roadway connecting I-5 at the Hood-Franklin interchange south of Elk Grove to U.S. Highway 50 at the Silva Valley Parkway interchange in El Dorado Hills. Existing and approved development within the city along this boundary includes: (1) the 295-acre Lent Ranch Marketplace Special Planning Area consisting of a proposed regional shopping center, community commercial, medical, office, entertainment, visitor commercial and high-density residential land uses; (2) the 200-acre Sterling Meadows residential subdivision; and (3) the approximately 1,200-acre Southeast Policy Area, consisting of about 350 acres of office, light industrial, and commercial land uses bordering the Capital Southeast Connector alignment. The Grant Line Road/Kammerer Road/Highway 99 interchange is located just northeast of the project site and was constructed in 2008 to accommodate 8 lanes of traffic. In addition, the Federal Bureau of Indian Affairs has identified the northwest portion of the intersection of Grant Line Road and SR 99 as the preferred location for the Wilton Rancheria Casino Resort. A draft of the Environmental Impact Statement has been released for this possible future project. The Elk Grove alternative consists of a proposed 611,055 square-foot hospitality and entertainment facility, including a 12-story, 302-room hotel, a 48,150 square-foot convention center, six restaurants and bars, and a 110,260 square-foot gaming floor (City of Elk Grove 2016).
- ▶ **East:** SR 99 (also part of the south boundary of Elk Grove). Existing development within the city along the east side of SR 99 includes commercial, heavy rail-served industrial and public facilities, including the Suburban Propane refrigerated storage facility, the Cosumnes CSD fire training facility, and recreational facilities. In late 2014, the City relocated its proposed rail/multimodal transportation station into this area. An area southeast of the existing City limits and northeast of the SOIA Area is identified by the City's General Plan update EIR Notice of Preparation as the East Study Area. It encompasses approximately 1,773 acres of land southeast of Grant Line Road and east of the Union Pacific Railroad. The Elk Grove Multi-Sports Complex is proposed for the western portion of the East Study Area and the proposal includes a multi-sports complex with associated sports fields and amphitheater. Although no future development beyond the sports complex is proposed, future development could consist primarily of commercial and industrial uses. In the central and northeastern portions of the East Study Area, uses would transition to more residential in nature (City of Elk Grove 2017).
- ▶ **South:** Eschinger Road, agricultural operations, and solar energy generation facilities.
- ▶ **West:** Future extension of McMillan Road/Big Horn Boulevard, and agricultural/residential land uses. West of the existing City limits and west of the SOIA Area is an area identified by the City's General Plan update EIR Notice of Preparation as the West Study Area. It comprises 1,982 acres outside the existing City limits and is bound by Bilby Road on the north, the Union Pacific Railroad on the west, Bruceville Road on the east, and Core and Eschinger Roads on the south. An application has been submitted to LAFCo for the Bilby Ridge SOIA (Sacramento LAFCo Application #04-16). The Bilby Ridge SOIA Area is north of Kammerer Road, and is proposed to include a range of residential densities, including medium-density residential apartments and townhomes, low-density residential development, and Estate Residential development; commercial uses; and light industrial uses (City of Elk Grove 2017). The City has defined Estate Residential development as having densities between 1 and 4 units per acre.

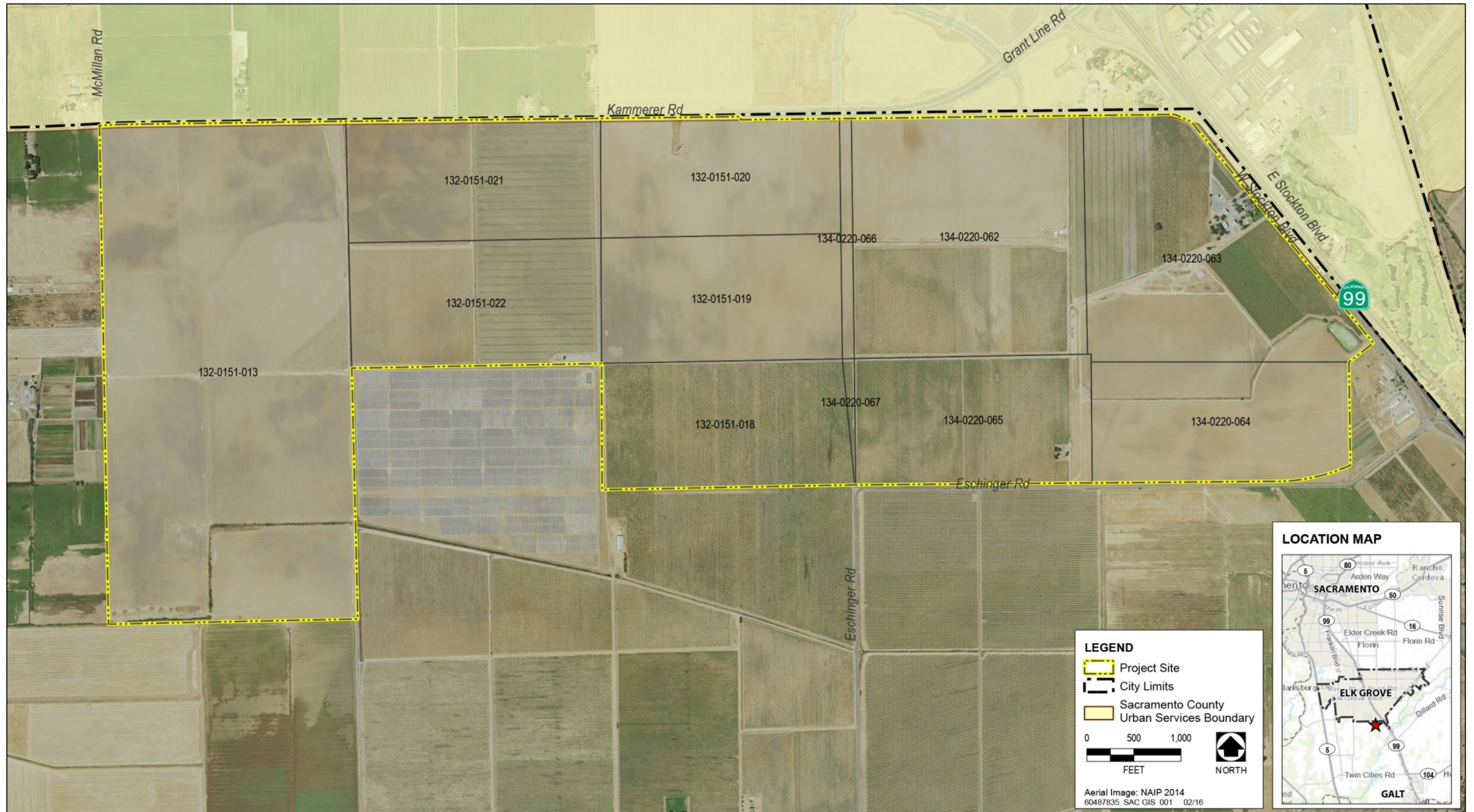


Source: Sacramento County 2014, adapted by AECOM in 2016

Exhibit 2-1

Regional Location Map

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Source: Sacramento County 2014, adapted by AECOM in 2015

Exhibit 2-2

Proposed Sphere of Influence Amendment Area

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2.2 REGIONAL PLANNING

2.2.1 SACRAMENTO AREA COUNCIL OF GOVERNMENTS' BLUEPRINT

In 2002, the Sacramento Area Council of Governments (SACOG) convened a regional discussion regarding future growth with local governments, the building and development industry, key stakeholders, and the greater community at large. This discussion of growth centered on the then-accepted statistics the region would grow by more than 1.7 million people and add 1 million new jobs by 2050. To assist in solving the many challenges associated with that degree of growth, SACOG initiated the Sacramento Region Blueprint Project (Blueprint), an extensive study of the long-term linkages between transportation, land use, and air quality, which led to the adoption of Blueprint Principles.

The Blueprint was designed to be a resource of data for local governments to make informed land use decisions. The Blueprint provides high-quality data and modeling tools to aid decision makers in analyzing future growth and its effects on quality of life issues, such as traffic congestion and air pollution. In addition to developing detailed land-use and travel data, an extensive community outreach effort was conducted to develop and assess guiding principles for the region's long-term growth.

The SACOG Board of Directors adopted the Preferred Blueprint Scenario in December 2004. The Preferred Blueprint Scenario does not regulate land use in SACOG jurisdictions, but does include a conceptual land use diagram that helps to illustrate Blueprint Principles. In December of 2004, the SACOG Board of Directors unanimously adopted a Preferred Scenario for the Blueprint. This Preferred Scenario designated lands south of the city of Elk Grove, including the SOIA Area, as "Vacant Urban Designated Lands."

2.2.2 METROPOLITAN TRANSPORTATION PLAN/SUSTAINABLE COMMUNITIES STRATEGY

In 2016, the Sacramento Area Council of Governments (SACOG) approved the 2036 Metropolitan Transportation Plan (MTP)/Sustainable Communities Strategy (SCS), which is a regional transportation plan and land use strategy designed to support good growth patterns, including:

- ▶ Increased housing and transportation options;
- ▶ Inwardly-focused growth and improved economic viability of rural areas;
- ▶ Minimized direct and indirect transportation impacts on the environment;
- ▶ A transportation system that delivers cost-effective results and is feasible to construct and maintain;
- ▶ Effective connections between people and jobs;
- ▶ Improved opportunities for businesses and citizens to easily access goods, jobs, services, and housing; and
- ▶ Real, viable choices for methods of travel.

The MTP/SCS built on the foundation provided by the Blueprint project and includes a land use strategy to improve mobility and reduce travel demand from passenger vehicles by prioritizing compact and transit-oriented development, reducing the growth in vehicle miles traveled (VMT) and associated GHG emissions. The MTP/SCS projects regional growth to include 811,000 more people and 439,000 new jobs by 2036 and also includes projections for the location of growth within the region, between jurisdictions, and among different community types.

The 2016 MTP/SCS designates the project site as “Blueprint Vacant Urban Designated Lands Not Identified for Development in the MTP/SCS Planning Period,” which is 2036 for the 2016 MTP/SCS (SACOG 2016). SACOG updates this plan approximately every four years.

2.3 LOCAL PLANNING

2.3.1 SACRAMENTO COUNTY

Sacramento County’s General Plan designates the project site for Agricultural Cropland. The current County zoning designation for the site is Agricultural, 80-acre minimum (AG-80).

URBAN SERVICES BOUNDARY AND URBAN POLICY AREA

The Sacramento County General Plan designates two boundaries that guide development: The Urban Services Boundary (USB) and the Urban Policy Area (UPA). The USB is used to indicate the ultimate boundary of the urban area in the unincorporated area of Sacramento County. The UPA is intended to indicate the geographic areas where urban development is expected to occur during the projected buildout of the General Plan (2030). The SOIA Area is outside of, and adjacent to both of these boundaries.

2.3.2 SOUTH SACRAMENTO HABITAT CONSERVATION PLAN

The SOIA Area is located within the proposed South Sacramento Habitat Conservation Plan (SSHCP) area. A public review draft of the SSHCP and Implementing Agreement, accompanying joint draft Environmental Impact Statement/draft Environmental Impact Report, and draft Aquatic Resources Program, were released on June 2, 2017, opening a 90-day public comment period that runs until September 5, 2017. Public hearings will be held on proposed adoption of the final SSHCP, final EIS/EIR, final Aquatic Resources Program, and final Implementing Agreement in fall and winter of 2017–2018, and an Incidental Take Permit is expected to be issued in Spring 2018 (Sacramento County 2017). Agencies applying for an Incidental Take Permit under the draft HCP include Sacramento County, the cities of Galt and Rancho Cordova, the Sacramento County Water Agency, the Capital Southeast Connector Joint Powers Authority, and the future South Sacramento Conservation Agency.

2.3.3 CITY OF ELK GROVE

The project site is outside the area governed by the City’s existing General Plan and zoning ordinance. The 2003 General Plan land use diagram designates the area for “future study.” Areas to the north and adjacent to the project site are designated for development under the City’s Southeast Policy Area, and for medium-density residential development and commercial development under the City’s General Plan. ~~The General Plan included “urban study areas” as locations outside the current City limits where “future study should be done in order to determine the extent to which urban growth should occur and in what form growth should be permitted” (City of Elk Grove 2015). The SOIA Area is identified by the City as “Study Area 2.”~~

After the Draft EIR, on June 23, 2017, the City of Elk Grove released a Notice of Preparation (NOP) for an EIR to address the City’s General Plan update and an update to the City’s Climate Action Plan. The SOIA Area is identified in the City’s preferred alternative land use diagram as the “South Study Area.” The City’s intent is that the Study Areas may be developed in accordance with annexation policies that will be identified in the updated General Plan and an additional layer of more detailed planning (e.g., specific plan) (City of Elk Grove 2017).

PREVIOUS APPLICATION

In 2008, the City applied to the Sacramento LAFCo for a Sphere of Influence Amendment (LAFC#04-08) for an area to the south and east of its current boundary consisting of approximately 10,536 acres, which was subsequently closed and a new application (LAFC#09-10) submitted by the City for 7,869 acres, including the area addressed by the current proposed project. The City withdrew its application in 2013.

This project is separate and distinct from the previous proposals.

2.4 PROPOSED PROJECT

The proposed project is a landowner-initiated proposal to amend the City of Elk Grove SOI, the SASD SOI, and the SRCSD SOI to add approximately 1,156 acres in an area just south of, and adjacent to the City of Elk Grove's current City limits. A SOI is defined by Government Code Section 56425 as a plan for the probable physical boundary and service area of a local governmental agency, including areas adjacent to the existing service area of a jurisdiction where services might reasonably be expected to be provided in the next 20 years. Sacramento LAFCo is the CEQA lead agency for the proposed SOIA.

As previously stated, the project does not include any development proposal and does not provide for any changes to land use. Any future City of Elk Grove development would first require an annexation request to Sacramento LAFCo. Annexation may occur in multiple phases or under a single application, depending on the timing and nature of future project applications. There are no changes in the existing land use proposed at this time. Existing Sacramento County General Plan and zoning designations will remain in place. The City would use the amended SOI boundary in discussions with future applicants, Sacramento County, affected service providers, landowners, residents, and stakeholders.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) includes provisions for amending spheres of influence. This SOIA would allow the City of Elk Grove and other service providers to plan for future urbanization, but it does not authorize changes in land use or governance. Lands within an amended SOI would not be under the City's jurisdiction until future rezoning and/or development applications are received and requests for annexation of those parcels are approved by Sacramento LAFCo. The proposed project does not include an annexation request. There will not be any change to the land use or taxation jurisdiction, in the event that LAFCo approves the proposed SOIA.

2.4.1 LAND USE SCENARIO

While there are no changes to land use, land use designations, or zoning proposed as part of this project, in order to facilitate environmental analysis for this SOIA request, the applicant has developed a conceptual land use scenario.

The applicant-proposed assumed land use scenario ~~array of land uses~~ has been derived from the recently approved Southeast Policy Area (SEPA) land use distribution adjacent to the north, in order to facilitate project analysis. The applicant estimates that the project site could accommodate development that would provide 18,000 to 20,000 jobs in office, industrial, and commercial settings (Table 2-1). The SOIA application identifies a jobs-to-housing ratio ranging from 3.6:1 to 5.0:1. Development could include a significant employment component near the Grant Line Road/SR 99 interchange and along the Kammerer Road (future Capital Southeast Connector)

corridor. Additionally, for the purposes of analysis, the applicant has identified that the project site could accommodate the development of a broad array of housing types, with a total of 4,000 to 5,000 dwelling units. For the purposes of analysis, the applicant notes that future proposed development would involve supportive infrastructure, public lands, and retail development that is oriented to future employment areas.

Table 2-1. Conceptual Land Use Scenario			
Land Use	Jobs	Acreage	Dwelling Units
Multi-Family Residential	-	90	1,790
Single-Family Residential	-	430	3,200
Commercial	1,600	50	-
Office	15,000	330	-
Industrial	3,500	130	-
School (2,696 students)	190	30	-
Parks/Open Space, Trails	-	110	-
Total	20,000	1,156	5,000
Note: Totals do not add due to rounding. Source: AECOM 2016			

Since the project is a SOIA only, it does not include any land use plan or rezoning. LAFCo has no land use authority. If the SOIA is approved and annexation to the City of Elk Grove is subsequently proposed, land use planning would occur under the City’s jurisdiction. Rezoning of the affected territory by the City would be required prior to any application for annexation.

The project also does not include any indication of any timeline of development or phasing for future development.

2.4.2 MUNICIPAL SERVICES REVIEW

The CKH requires completion and Commission acceptance of a Municipal Service Review (MSR) to assess the adequacy of required infrastructure and services capacity and means of financing prior to any modification of an SOI boundary. The MSR is not a project subject to CEQA review. The MSR is being prepared concurrently with this EIR. This document will evaluate potential options for providing municipal services and the actions required to change the service boundaries of municipal service providers.

An MSR was prepared for the previous SOI expansion application that was withdrawn by the City and included the project site and the larger surrounding area (7,869 acres in total). That MSR concluded that there is adequate government structure available to provide necessary services, including those for which the City is a provider: land use planning, solid waste and recycling, transportation infrastructure, law enforcement, animal control, code enforcement, parks and recreation, and storm drainage.

The project site is currently within the Cosumnes Community Services District, which provides fire protection, life safety, and additional parks and recreation services. The MSR also identified other agencies that will need to change boundaries to serve the project site, including: Sacramento County Water Agency which is not subject to LAFCo purview, the Sacramento Area Sewer District (collection), and the Sacramento Regional County Sanitation District (conveyance and treatment).

2.4.3 INFRASTRUCTURE AND SERVICES

The proposed SOIA application includes amendments to the Sacramento Area Sewer District (SASD) and Sacramento Regional County Sanitation District (SRCSD) SOIs. The review process affords the opportunity for potential service providers to provide input to LAFCo regarding future infrastructure and service demand for the proposal. Annexation of the affected territory would be required to enable service to be provided. If the proposed SOIA Area were annexed to the City of Elk Grove and proposed for development, this would require the full complement of municipal services, including water, wastewater collection and treatment, flood protection, solid waste and recycling, police, fire, library services, transportation facilities and maintenance, street lighting, electricity, natural gas, communications, and parks and recreation. Each of these items is to be examined more fully in a MSR (under separate cover).

2.5 PROJECT OBJECTIVES

This Kammerer/99 SOIA (Application Area) requests Sacramento LAFCo approval to amend the City's SOI, which is coterminous with its current City boundary, to include approximately 1,156 acres adjacent to the City's southern boundary.

The purpose of a city SOI is to provide holding capacity for the city to be able to plan for employment opportunities and an expanding population. The nature of this project – a SOIA request – has important implications for the development of project objectives, as does LAFCo's role as the lead agency for this project. The project is a landowner-initiated proposal to amend the spheres of influence of the City of Elk Grove, Sacramento Area Sewer District (SASD), and the Sacramento Regional County Sanitation District (SRCSD). The project does not propose land use change or development. Therefore, project objectives do not focus on outcomes that relate to land use, development type or scale, or spatially specific planning components within the proposed SOIA Area. Also, LAFCo has the authority to approve, modify and approve, or disapprove applications, and to impose mitigation measures and conditions of approval, but cannot impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements. Consistent with LAFCo's role, the project objectives do not dictate outcomes related to future land use, density, development intensity, or related topics that are the purview of local land use entitlement authorities in California.

The project objectives include the following:

- ▶ Amend the SOI boundary beyond the existing Elk Grove City limits to accommodate orderly and sustainable growth consistent with the City's General Plan.
- ▶ Implement the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 consistent with public service conditions present or reasonably foreseeable in the proposed SOIA Area.
- ▶ Establish a logical boundary within which future annexation requests into the City of Elk Grove may be considered.
- ▶ Consider providing land to accommodate a jobs-housing ratio for the City of Elk Grove that provides for sufficient residential and employment-generating lands uses to minimize the need for commuting to or from other jurisdictions.

- ▶ Establish an SOI for the City of Elk Grove that will facilitate the protection of important environmental, cultural, and agricultural resources.

2.6 INTENDED USES OF THIS RECIRCULATED EIR

Approval of a SOIA is considered a “project” subject to the requirements of the California Environmental Quality Act (CEQA). In this case, the proposed SOIA requires the preparation and consideration of an Environmental Impact Report (EIR). While the proposed project does not include an annexation proposal, before an annexation proposal would be approved by LAFCo, the City of Elk Grove would be required to demonstrate to LAFCo that the mitigation measures set forth in this EIR, or equally effective measures (as determined by LAFCo), were implemented.

According to CEQA Guidelines Section 15064(f)(1), the preparation of an EIR is required whenever implementing a project may result in a potentially significant or significant environmental impact. An EIR is used to inform public agency decision makers and the general public of the potentially significant or significant environmental impacts of a project, identify possible and feasible ways to avoid or reduce the potentially significant and significant impacts, and describe reasonable alternatives to the project that could feasibly attain most of the basic objectives of the project, while substantially lessening or avoiding any of the potentially significant or significant environmental impacts. Public agencies are required to consider the information presented in the EIR when determining whether to approve a project.

2.7 PERMITS AND APPROVALS

The proposed project does not include annexation or any development and, as such, would not require any further permits or approvals.

If in the future, annexation is approved by LAFCo, the site would be in the City’s jurisdiction. Any proposed construction could require demolition and disposal of existing structures, grading and excavation, building foundations, trenching and installation of utilities, paving of parking lots and internal roadways, lighting, and construction of commercial and industrial buildings subject to review under the City’s zoning regulations and design guidelines. If annexation is proposed and subsequently approved by LAFCo in the future, and there is future development, this development will require various permits and other types of approvals from agencies with a purview over land use, air quality, biological resources, water quality, public services and utilities, and other topics.