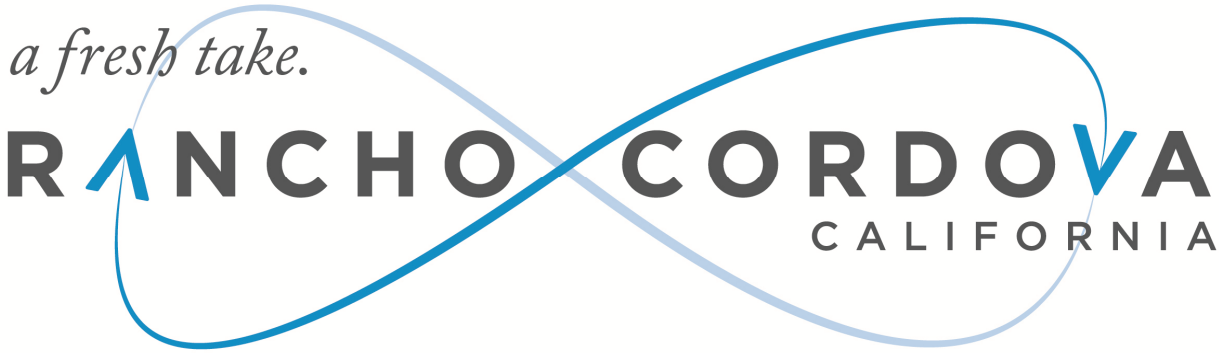
CITY OF RANCHO CORDOVA



CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY TO THE CRA/RCFC

Monday, August 18, 2014

5:30 PM – Regular Meeting

AGENDA

Dan Skoglund, Mayor

Robert J. McGarvey, Vice Mayor

David Sander, Council Member

Donald Terry, Council Member

Linda Budge, Council Member

Regular City Council meeting dates are scheduled on the 1st and 3rd Monday's of each month, unless when Monday is a holiday.
If Monday is a holiday, the meeting will be scheduled for the following Tuesday. Dates are subject to change.

City Council Regular Mtg | ~~CANCELLED MTG~~ | City Council Special Mtg | ~~CANCELLED MTG~~ | CITY HALL CLOSED

2014

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2014 CITY HALL CLOSURE DATES
Wed, Jan, 1 - New Year's Day
Mon, Jan 20 - Martin Luther King Jr. Day
Mon, Feb 17 - President's Day
Mon, May 26 - Memorial Day
Fri, Jul 4 - Independence Day
Mon, Sep 1 - Labor Day
Tue, Nov 11 - Veteran's Day
Thu, Nov 27 - Thanksging Day
Fri, Nov 28 – Day After Thanksgiving Day
Wed, Dec 24 - Christmas Eve
Thu, Dec 25 - Christmas Day

2015 - Proposed

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PROPOSED CITY HALL CLOSURE DATES
Thu, Jan 1 - New Year's Day
Mon, Jan 19 - Martin Luther King Jr. Day
Mon, Feb 16 - President's Day
Mon, May 25 - Memorial Day
Fri, Jul 3 - Independence Day (observed)
Mon, Sep 7 - Labor Day
Wed, Nov 11 - Veterans Day
Thu, Nov 26 - Thanksging Day
Fri, Nov 27 – Day After Thanksgiving Day
Thu, Dec 24 - Christmas Eve
Fri, Dec 25 - Christmas Day

2016 - Proposed

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PROPOSED CITY HALL CLOSURE DATES
Fri, Jan 1 - New Year's Day
Mon, Jan 18- Martin Luther King Jr. Day
Mon, Feb 15 - President's Day
Mon, May 30 - Memorial Day
Mon, Jul 4 - Independence Day
Mon, Sep 5 - Labor Day
Fri, Nov 11 - Veterans Day
Thu, Nov 24 - Thanksging Day
Fri, Nov 25 – Day After Thanksgiving Day
TBD - Christmas Eve (observed)
TBD - Christmas Day (observed)

Rev. 1-16-14

CITY OF RANCHO CORDOVA

CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)

City Hall
2729 Prospect Park Drive, Rancho Cordova

Monday, August 18, 2014

5:30 PM – Regular Meeting
David B. Roberts Council Chambers

AGENDA

1. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Council Members Budge, McGarvey, Sander, Terry and Mayor Skoglund.

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Clerk will announce the meetings video recording and playback schedules.

3. PLEDGE OF ALLEGIANCE

The Mayor will call on someone in attendance to lead the Pledge.

4. INVOCATION

Sister Andrea Shupe from Relief Society for the Anatolia Ward of the Sacramento Cordova Stake of the Church of Jesus Christ of Latter-day Saints will give the invocation.

5. PRESENTATIONS

5.1 Update on Children's Choice for Hearing and Talking Center Sacramento Presented by Development Director, Licia King.

5.2 Challenge Rancho Cordova Presented by Ryan Coelho.

5.3 Introduction of New City Employee, Megan Siren, Management Analyst II, Given by Elizabeth Sparkman, Senior Civil Engineer.

5.4 Recognition of Vice Mayor McGarvey's Birthday on August 10th.

6. PUBLIC COMMENT

Citizens wishing to address the Council for any matter on the Consent Calendar or not on the agenda may do so at this time by completing and submitting a Speaker Card to the City Clerk. For items on the agenda, speakers will be called up to the podium by the Mayor at the point on the agenda when the item will be heard. Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any unagendized item unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

7. COUNCIL REPORTS

8. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

8.1 **Subject:** Meeting Minutes of July 21, 2014 Regular Meeting and July 29, 2014 Special Meeting.
Recommendation: Adopt Minutes.

8.2 **Subject:** Second Reading of Ordinance No. 20-2014, Amending Title 8, “Animals,” of the Rancho Cordova Municipal Code Regarding the Definitions and Procedures Pertaining to Potentially Dangerous and Vicious Animals, Administrative Citation Appeals, Barking Dogs, and the Authority of Animal Services Officers to Use Weapons.
Recommendation: Waive the second reading and adopt Ordinance No. 20-2014.
Result of Recommended Action: Adoption of this Ordinance will clarify the definitions and procedures in the Municipal Coded related to potentially dangerous animals, barking dogs, and administrative citation appeals; it will also amend the Municipal Code to give trained animal service officers the authority to use a firearm in limited circumstances where an injured or sick wild animal is causing an immediate threat to public safety.
Staff Report: Kerry Simpson, Neighborhood Services Manager.
Advances Goal: 2.

8.3 **Subject:** Treasurer’s Report – June 30, 2014.
Recommendation: This report is informational only. It is recommended that the report be received and filed.
Result of Recommended Action: This report is intended to provide the City Council with information concerning the City’s investment portfolio. This report will meet requirements as provided by State law.
Staff Report: Liisa Behrends, Senior Accountant.
Advances Goal: 4.

8.4 **Subject:** Resolution Authorizing the City Manager to Execute a Contract with Willdan Engineering for A Three Year On-Call Construction Inspection and Development Review Services in the Amount of $600,000.
Recommendation: Adopt Resolution No. 93-2014.
Result of Recommended Action: Adoption of this resolution will authorize the City Manager to execute a three year on-call contract with Willdan Engineering in the amount of $600,000.
Staff Report: Albert Stricker, Senior Civil Engineer.
Advances Goal: 5.

8.5 **Subject:** Annexation of 3500 Fitzgerald Road Industrial Building Project to the City of Rancho Cordova Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance).
Recommendation: Adopt Resolution No. 103-2014.
Result of Recommended Action: Adoption of Resolution No. 103-2014 approves Annexation Map. No. 15 for the 3500 Fitzgerald Road Industrial Building Project to Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance) (hereinafter "CFD No. 2008-1"). There is no financial impact to existing residents.
Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.
Advances Goal: 5.

8.6 **Subject:** Resolution Authorizing the City Manager to Execute Contract Change Orders with Teichert Construction for the 2012 Sunrise Boulevard Rehabilitation Street Project in the Total Amount of $490,000 and Authorizing the City Manager to Approve Future Change Orders up to a Maximum of $210,000.
Recommendation: Adopt Resolution No. 105-2014.
Result of Recommended Action: Adoption of this resolution will authorize the City Manager to execute contract change orders (CCO's) associated with the 2012 Sunrise Blvd. Street Rehabilitation project. Execution of the CCO's will increase the current amount of Construction Contract No. 46-2014 from $1,577,024 to $2,067,024.
Staff Report: Cyrus Abhar, Public Works Director & Kathy Garcia, Senior Engineer.
Advances Goal: 5.

9. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

9.1 **Subject:** Resolution Approving the Abandonment of an Easement Restricting Vehicular Ingress and/or Egress to Sunrise Boulevard on APN 072-0510-009.
Recommendation: Adopt Resolution No. 102 - 2014.
Result of Recommended Action: Adoption of this resolution will remove the restriction of vehicular access dedicated along the frontage of Sunrise Boulevard on parcel 34, recorded in book 60, of parcel maps, at page 27, on October 2, 1980, located on the east side of Sunrise Boulevard 415 feet north of Mechanical Drive.
Staff Report: Cyrus Abhar, Public Works Director and Marilyn Phelps, Assistant Land Surveyor.
Advances Goal: 2.

9.2 **Subject:** Resolution Declaring Results of the Property Owner Protest, Approving a Rate Analysis Report and Authorizing the Mailing of a Property Owner Ballot in Relation to the Creation of an Annual Stormwater Utility Fee for the Maintenance of Strom Drainage and Flood Protection System.
Recommendation: Adopt Resolution No. 96-2014 of the City Council declaring the results of the property owner protest, approving a Rate Analysis Report, authorizing the

mailing of a property owner ballot and setting September 2, 2014 as the date of the ballot tabulation in connection with a proposed annual Stormwater Utility Fee, approving procedures in connection therewith and taking certain other actions.

Introduce and waive the first reading of Ordinance No. 7-2014 of the City Council creating the Stormwater Utility Fee for the maintenance of storm drainage and flood protection system.
Result of Recommended Action: Action on this item will declare the results of the property owner protest and, if there exists less than a majority protest, approve the Rate Analysis Report, authorize the mailing of a ballot to property owners to approve the levy of the fee to pay for storm drainage and flood protection services in developing areas, and set 5:30 p.m., or as soon thereafter as the matter may be heard, on September 2, 2014, as the time and date for the ballot tabulation for the matter.
Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.
Advances Goal: 5.

10. PUBLIC HEARING ITEMS

10.1 **Subject:** American Health Services Large Residential Care Home Conditional Use Permit; Project DD8397 - Located at 10087 Terra Loma Drive.
Recommendation: Open the public hearing, continue it, and take no action on the project to allow for additional staff analysis.
Result of Recommended Action: The continued date for the public hearing will be re-noticed when the hearing date is set.
Staff Report: Matthew Diaz, Associate Planner.
Advances Goals: 2, 6.

10.2 **Subject:** Arista del Sol Rezone, Large Lot Tentative Subdivision Map, Small Lot Tentative Subdivision Map, Development Agreement Amendment.
Recommendation: Continue the item to a date certain, September 2, 2014.
Result of Recommended Action: At the applicant's request, the City Council will consider the project at the next regular meeting.
Staff Report: Jessica Jordan, Senior Planner.
Advances Goals: 1, 2, 6.

10.3 **Subject:** Ordinance No. 22-2014, adding Article 16, "Repeat Nuisance Service Calls," to Chapter 16.18 of the Municipal Code to prevent and abate repeat service calls to the same property by charging a repeat nuisance service call fee to property owners if the number of service calls exceeds a set amount.
Recommendation: Open the public hearing on the Ordinance; introduce and waive the first reading of Ordinance No. 22-2014.
Result of Recommended Action: The Ordinance would return to City Council for a second reading and adoption at its next regular meeting. If adopted, this Ordinance will allow the City to recoup its costs for excessive nuisance service calls to properties, which drain City resources and prevent service to other areas of the City.
Staff Report: Kate Cook, City Attorney's Office and Kerry Simpson, Neighborhood Services Manager.
Advances Goals: 1, 2, 3, 5.

10.4 **Subject:** An Ordinance Adding Section 23.325.090, Sunridge General Commercial Overlay Zoning District, to Chapter 23.325 of Title 23 of the Municipal Code.
Recommendation: Introduce and waive the first reading of Ordinance No. 23-2014.

Result of Recommended Action: Approving this Zoning Code Amendment would incorporate a new overlay zone that applies to the four General Commercial (GC) zoned properties south of Douglas Road within the Sunridge Specific Plan area. This new overlay zone would further refine the allowed uses within those four properties. Specifically, some uses would not be permitted or would require a discretionary permit within these parcels.
Staff Report: Paul Junker, Planning Director.
Advances Goals: 1, 2, 5, 6.

11. REGULAR CALENDAR ITEMS

11.1 **Subject:** Rancho Cordova Innovation Center.
Recommendation: Review and comment on the Rancho Cordova Innovation Center presentation and report prepared by the City's Consultant, Ingrid Rosten of Rosten Consulting and Innovative Partners Incubation.
Result of Recommended Action: Provide Staff and Consultant with next steps, if any.
Staff Report: Amanda Norton, Economic Development.
Advances Goals: 1, 6.

12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

13. CITY MANAGER'S REPORT

Annual Update from Economic Development: Housing.

14. ADJOURNMENT

ADDITIONAL INFORMATION

UNLESS THE COUNCIL ADOPTS A MOTION TO EXTEND THE MEETING, ANY ITEM THAT IS NOT INITIATED BEFORE 11:00 PM WILL BE CONTINUED TO THE NEXT DAY AT 5:30 PM OR SCHEDULED ON THE NEXT REGULAR MEETING AGENDA OF THE COUNCIL.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranchocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

CITYWIDE GOALS - (Adopted March 27, 2012)	
1.	Promote the Positive Image of Rancho Cordova
2.	Ensure a Safe, Inviting and Livable Community
3.	Empower Responsible Citizenship
4.	Establish Logical City Boundaries that Provide Regional Leadership and Address Financial Challenges
5.	Ensure the Availability of the Best Public Services in the Region while Practicing Sound Fiscal Management
6.	Drive Diverse Economic Opportunities

UPCOMING MEETINGS	
Monday, August 21, 2014	*City Council and Cordova Recreation & Park District Joint Meeting (5:30 PM)*
Tuesday, August 26, 2014	*City Council Special Meeting (8:00 AM)*
Tuesday, September 2, 2014	*City Council Special Meeting (4:00 PM) and Regular Meeting (5:30 PM)*
Tuesday, September 9, 2014	*City Council Special Meeting (5:30 PM)* *Topic: Police Discussion*
Monday, September 15, 2014	*City Council Regular Meeting (5:30 PM)*
Tuesday, September 23, 2014	*City Council Special Meeting (5:30 PM)*

If you have any technical questions related to the agenda items, please contact the appropriate department as follows:

DEPARTMENTAL GENERAL TELEPHONE NUMBERS	
Building and Safety Division	(916) 851-8760
City Attorney's Office	(916) 556-1531
City Clerk's Department	(916) 851-8720
City Manager's Office	(916) 851-8800
Communications Department	(916) 851-8791
Economic Development Department	(916) 851-8780
Finance Department	(916) 851-8730
Housing Division	(916) 851-8784
Human Resources Department	(916) 851-8740
IT Department	(916) 851-8700
Neighborhood Services – Animal Services	(916) 851-8770
Parks & Recreation (Cordova Recreation & Park District)	(916) 362-1841
Planning Department	(916) 851-8750
Public Works Department	(916) 851-8710
Rancho Cordova Police Department	(916) 875-9600
Redevelopment Department	(916) 851-8780
Sac Metro Fire District	(916) 859-4300

The Rancho Cordova City Council/Successor Agency to the CRA/RCFC will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast and SureWest Cable Systems. Closed Captioning will be available on the playback cablecast. Tune to Metro Cable Channel 14, for playback times. A VHS copy is available for check out from any library branch, a DVD copy is available from the City Clerk's Department, and a webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Mindy Cuppy, MMC, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the Monday, August 18, 2014 Regular Meeting of the Rancho Cordova City Council/Successor Agency to the CRA/RCFC was posted and available for review on Thursday, August 14, 2014 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranchocordova.org.

Signed Thursday, August 14, 2014 at Rancho Cordova, California.

Mindy Cuppy, MMC, City Clerk

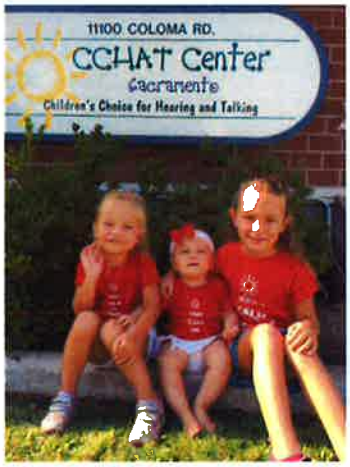
CCHAT Center
Sacramento
Children's Choice for Hearing and Talking

11100 Coloma Road, Rancho Cordova, CA · Phone: (916) 361-7290 · Fax: (916) 361-8613
info@cchatsacramento.org · www.cchatsacramento.org

Our Mission

The CCHAT Center-Sacramento is an auditory/oral school for children with hearing loss. Our children use hearing aids and cochlear implants to listen and develop spoken language. With intensive classroom instruction and individualized speech therapy, sounds begin to take on meaning, children learn to think about what they are hearing and spoken language develops.

Children from birth through eight years of age are enrolled with the goal of becoming competent in oral communication to achieve successful mainstreaming in their neighborhood schools, often by kindergarten or first grade. The CCHAT Center also provides education, support and encouragement for parents and families of the children we serve.



Funding

The CCHAT Center-Sacramento is a non-profit 501(c)(3) organization serving children and families from the Sacramento Valley and across Northern California. Our intensive, early intervention program is staffed by highly trained specialists in education, audiology and speech pathology. The cost of this education is not fully absorbed by school districts that place children at the CCHAT Center. Therefore, the CCHAT Center must raise a minimum of $10,000 through community support for each child we serve.

Charitable Contributions

You have the opportunity of a lifetime to make a difference in the lives of children with hearing loss. No donation is too small to help ensure these children succeed in the mainstream of life. Thank you for giving generously!

CCHAT now offers FREE Newborn Hearing Diagnostic Services

For more information

CCHAT Center · (916) 361-7290
Laura Turner, Executive Director laurat@cchatsacramento.org
Licia King, Development Director liciak@cchatsacramento.org

Please send contributions to:
CCHAT Center-Sacramento
11100 Coloma Road
Rancho Cordova, CA 95670
United Way/CSECC #11117/CFC #5352
Tax ID #46-1362294

CCHAT Center
Sacramento
Children's Choice for Hearing and Talking

Deaf Kids Talk
Some babies are born listeners…Others need our help.

Mission Statement

CCHAT-Sacramento is a unique auditory/oral school with a mission of teaching children who are deaf and hard of hearing to listen and develop spoken language.

Most children hear and listen from the moment they are born. They learn to talk by imitating the sounds around them and the voices of their parents and caregivers. But not all children, did you know…

- Every day, 33 babies (or 12,000 each year) are born in the United States with permanent hearing loss. With 3 of every 1,000 newborns having a hearing loss, it is the most frequently occurring birth defect. More children lose their hearing later during childhood. (NIDCD 2008)
- Babies can be screened for hearing loss at birth.
- New technology, like digital hearing aids and cochlear implants, can help children with hearing loss learn to listen and talk.
- Infants with hearing loss can be fit with amplification before they are 1 month old.
- Left untreated, hearing impairments in infants and children can negatively impact speech and language acquisition, academic achievement, and social and emotional development. With early intervention, however, these negative impacts can be diminished and even eliminated.

Choice is good…

- Children with hearing loss can learn to communicate using a number of different methods.
- Parents of children with hearing loss are in the best position to decide what communication options are most appropriate for their children.
- 9 out of every 10 children who are born deaf are born to parents who can hear. (NIDCD 2008)

FREE Newborn Hearing Diagnostic Services

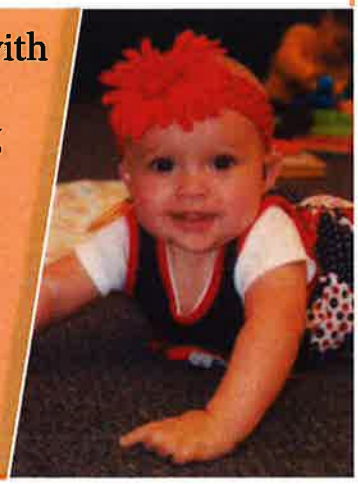
CCHAT Center Sacramento is now offering a full range of FREE newborn hearing diagnostic services. These include:

- Newborn hearing screening and follow-up diagnostic evaluations
- Unsedated Auditory Brainstem Response (ABR) and Auditory Steady Start Response (ASSR) testing
- Otoacoustic emissions (OAE) testing
- Middle ear evaluation
- Consultations with pediatric Audiologists

Services are provided at no charge to families.

Along with these services, we coordinate and refer as appropriate with physicians, other health professionals, school personnel and those involved in hearing aid fittings to ensure your infant's total hearing healthcare needs are met. Make outpatient appointments by calling 916-361-7290.

We inform referring physicians and professionals of audiologic evaluation results and recommendations and coordinate professional services required by hearing-impaired children through the Hearing Coordination Center.



CCHAT Center Sacramento
Children's Choice for Hearing and Talking

CCHAT CENTER – SACRAMENTO • 916-361-7290
www.cchatsacramento.org • info@cchatsacramento.org

CCHAT Center
Sacramento
Children's Choice for Hearing and Talking

11100 Coloma Road • Rancho Cordova, CA 95670 • Phone: (916) 361-7290 • Fax: (916) 361-8613
e-mail: **info@cchatsacramento.org** · **www.cchatsacramento.org**

CCHAT Center - Sacramento
(Children's Choice for Hearing and Talking)

requests the honor of your presence for

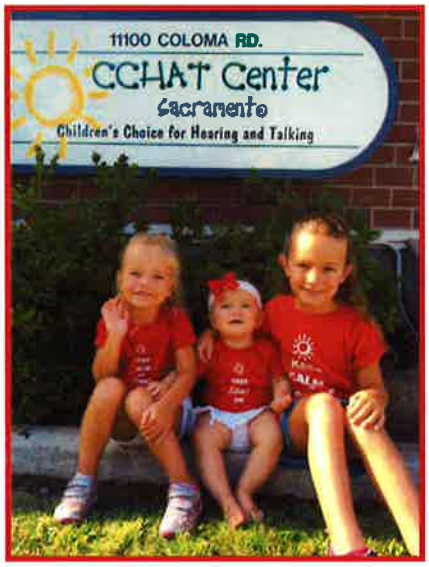
Friends for Breakfast

Thursday, September 25, 2014
9:00 a.m. to 10:30 a.m.
11100 Coloma Road, Rancho Cordova

R.S.V.P by September 19, 2014
Licia King: 916-361-7290 ext. 2
liciak@cchatsacramento.org

Guests are welcome to invite a friend

We hope you can join us!



CHALLENGE
RANCHO CORDOVA
we are triathlon!

Challenge Rancho Cordova

October 5, 2014

www.challenge-ranchocordova.com

What is Triathlon?

- Swim – Bike – Run
- Started in the 1920's as a sport
- Distances (Sprint, Olympic, Half, and Full)
- Rules of Triathlon are regulated by USA Triathlon
- Now an Olympic sport

Who is Challenge Family?

- 31 long distances triathlons
- 17 countries
- Commitment to Legacy
- Challenge Family was born in Roth, Germany
- Home of the largest triathlon in the world
- We Are Triathlon!

CHALLENGE FAMILY
wearetriathlon!

USA Productions

- 10 Triathlons in Northern California
- 24 years of event production experience
- 100% safety record over 24 years
- Creating the Athlete Experience
- Over 8000 finishers each year
- Producer of 4 Regional Championships

USA Productions cont.

- Ryan Coelho – Race Director/President
- Mason Chow – Assistant
- Janice Coelho – Volunteer Coordinator
- Gina Druley – Sponsorship Coordinator
- Eric Clarkson – Pro Athlete Liaison
- John Trenev – Medical & Swim Course Director
- Zach Lee – Logistics Director
- Ricky Villegas – Bike Course Director
- Miguel Suarez – Run Course Director
- Phillip Van Ornum – Transition/Security Director

Demographics

- 59% are male – 41% are female
- Triathletes spend $25 billion on health-related goods and services
- Triathletes have an average household income of $155,000 or more
- 3.1 million triathlete finishers in 2013
- Average age of Triathlete: 38 years old
- 81% hold a college degree
- 40% of triathletes have been at the sport for over 10 years

Challenge Rancho Cordova

- Challenge Rancho Cordova Half Distance
  - 1.2 Mile Swim, 56 Mile Bike, 13.1 Mile Run
- 2 Transitions
- Swim – Nimbus Flat State Park
- Bike – City of Folsom, El Dorado County, Amador County, City of Rancho Cordova
- Run – 2 loops in the City of Rancho Cordova
- Family Fun Run
- Expo Festivities in Village Green Park
- 35 Professional Athletes from around the globe

CHALLENGE
RANCHO CORDOVA
wearetriathlon!

https://www.youtube.com/watch?v=i_iIK3zNTf4

CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)

City Hall
2729 Prospect Park Drive, Rancho Cordova

Monday, July 21, 2014

5:30 PM – Regular Meeting
David B. Roberts Council Chambers

DRAFT MINUTES

1. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Council Members Present:	Terry, McGarvey, Skoglund, Budge, Sander
Council Members Absent:	None
Staff Members Present:	Nakamura, Lindgren, Cuppy, Abhar, Chinn, Silva, Downton, Sparkman, Garcia, Haven, Holt, Rodriguez, M., Simpson, Thomas, Peterson, Burke, Goold, Cook, Ulm, Behrends, Jordan, George, Hayes, Pittman,

Mayor Skoglund called the regular meeting to order in the David B. Roberts Council Chambers at 5:41 PM.

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedules.

3. PLEDGE OF ALLEGIANCE

Chief Michael Goold led the pledge.

4. INVOCATION

Sister Janelle Durrant from Sacramento Cordova Stake of The Church of Jesus Christ of Latter-day Saints gave the invocation.

5. PRESENTATIONS

5.1 Presentation of Proclamation to Citi and Rebuilding Together Sacramento for Their Contributions to Soil Born Farms.

5.2 10 Year Service Awards Presentation by Brian Nakamura and Stacey Peterson.

5.3 Presentation of Proclamation to Jan Moberly for her 50 Year Employment Anniversary with Stantec.

6. PUBLIC COMMENT

Mayor Skoglund opened the public comment period. The following individuals addressed the Council:

- Diann Rodgers gave information on Leadership Rancho Cordova and encouraged people to apply.
- Ashley Downton shared information about the Leadership Rancho Cordova class project accomplishments.

Mayor Skoglund closed the public comment period.

7. COUNCIL REPORTS

Council reported on events since the last meeting.

8. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

ACTION: Motion to approve by Budge second by Terry;
Carried by a 5:0 roll call vote.

8.1 **Subject:** Meeting Minutes of July 7, 2014 Regular Meeting and July 15, 2014 Special Meeting.
Recommendation: Adopt Minutes.

8.2 **Subject:** Second Reading of Ordinance No. 17-2014 Amending Chapter 9.81 of the Rancho Cordova Municipal Code, Entitled "Prohibition Against Aggressive, Intrusive and Unsafe Panhandling" to Add Additional Prohibitions.
Recommendation: Waive the second reading and adopt Ordinance No. 17-2014.
Result of Recommended Action: Adoption of this Ordinance will add restrictions on where people may panhandle in the City and will prohibit "aggressive panhandling" and similar intimidating, threatening and harassing behavior in all areas of the City.
Staff Report: Adam Lindgren, City Attorney and Kate Cook, Associate City Attorney.
Advances Goals: 1, 2.

8.3 **Subject:** Second Reading of Ordinance No. 18-2014, An Ordinance of the City of Rancho Cordova Adopting a Second Amendment to the Development Agreement for the Sunridge North Douglas Project.
Recommendation: Waive the second reading and adopt Ordinance No. 18-2014.
Result of Recommended Action: Adoption of Ordinance No. 18-2014 will amend certain provisions of the North Douglas Development Agreement, including the term of the Development Agreement, provisions related to park land dedication, timing of

improvements, payment of park and other development-related fees and maintenance responsibilities.
Staff Report: Matthew Diaz, Associate Planner.
Advances Goal: 2.

8.4 **Subject:** Second Reading of Ordinance No. 19-2014, Establishing a Special Tax for Transit-Related Services for the 3500 Fitzgerald Road Industrial Building Project.
Recommendation: Waive the second reading and adopt Ordinance No. 19-2014.
Result of Recommended Action: Adoption of this ordinance will assist the City to meet the costs of providing transit-related services by establishing a special tax for transit-related services for the 3500 Fitzgerald Road Industrial Building Project.
Staff Report: Elizabeth Sparkman, Senior Engineer.
Advances Goal: 5.

8.5 **Subject:** Resolution Designating Voting Delegate and Alternates for the 2014 League of California Cities Annual Conference to be Held September 3-5 in Los Angeles, California.
Recommendation: Adopt Resolution No. 97-2014.
Result of Recommended Action: The Voting Delegate or Alternate will be able to represent the City by voting at the Annual Business Meeting at the League of California Cities Conference.
Staff Report: Mindy Cuppy, City Clerk.
Advances Goals: 1, 3.

8.6 **Subject:** Resolution Approving the Second Contract Amendment with AECOM USA, Inc. for Design Engineering Services for the Rancho Cordova Parkway Interchange Project.
Recommendation: Adopt Resolution No. 94-2014.
Result of Recommended Action: Adoption of this resolution will authorize the City Manager to execute the second amendment with AECOM USA, Inc. increasing the contract amount by $200,000. This amendment will allow the project team to continue working on the Rancho Cordova Parkway Interchange project.
Staff Report: Cyrus Abhar, Public Works Director and Mark Thomas, Senior Engineer.
Advances Goals: 2, 5.

8.7 **Subject:** Resolution Rejecting All Bids for the Aramon Drive/ Studarus Drive and Coloma Road Traffic Signal Project.
Recommendation: Adopt Resolution No. 95-2014.
Result of Recommended Action: Adoption of this resolution will reject all bids for the Aramon Drive/ Studarus Drive and Coloma Road. Traffic Signal project. Staff will revise the scope of the project to create the appropriate bid package and re-advertise.
Staff Report: Cyrus Abhar, Public Works Director.
Advances Goal: 5.

8.8 **Subject:** A Resolution of the City Council of the City of Rancho Cordova Approving an Updated Funding, Construction and Acquisition Agreement in Connection with the North Douglas Community Facilities District No. 2005-1.
Recommendation: Adopt Resolution No. 99-2014.
Result of Recommended Action: Adoption of this Resolution approves an updated Funding, Construction and Acquisition Agreement for the North Douglas Community Facilities District ("CFD") 2005-1.
Staff Report: Michelle Mingay, Sr. Finance Analyst.
Advances Goal: 5.

8.9 **Subject:** A Resolution Consenting to the Inclusion of Land within the Territorial Jurisdiction of the City of Rancho Cordova in the County of Sacramento Community Facilities District No. 2012-1 (Clean Energy).
Recommendation: Adopt Resolution No. 100-2014.
Result of Recommended Action: Adoption of this resolution authorizes the City of Rancho Cordova to join the Countywide PACE Program by granting the annexation of lands within the territorial jurisdiction of the City to the Sacramento Community Facilities District No. 2012-1 (Clean Energy).
Staff Report: Michelle Mingay, Sr. Finance Analyst.
Advances Goal: 5.

9. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

Mayor Skoglund opened the public comment period. There were no speakers. Mayor Skoglund closed the public comment period.

ACTION: Motion to approve by Terry second by Budge;
Carried by a 5:0 roll call vote.

9.1 **Subject:** Resolution Approving Proceedings for the Annual Levy and Collection of Assessments for Landscaping and Lighting District No. 2005-1 for Fiscal Year 2014-2015.
Recommendation: Adopt Resolution No. 68-2014.
Result of Recommended Action: Adoption of this resolution will authorize the continuance of the annual levy and collection of assessments in the District. There are no new impacts to existing or new residents. No assessments shall increase as a result of this action.
Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.
Advances Goal: 5.

9.2 **Subject:** Resolution Approving Proceedings for the Annual Levy and Collection of Assessments for the Rancho Cordova Lighting District No. 2012-1 for Fiscal Year 2014-2015.
Recommendation: Adopt Resolution No. 69-2014.
Result of Recommended Action: Adoption of this resolution will authorize the continuance of the annual levy and collection of assessments in the District. On June 2, 2014, the City Council approved resolutions ordering the preparation of the Engineer's Annual Levy Report, and set the public hearing to be held prior to approving and ordering the levy of assessments for Fiscal Year 2014-2015. The assessments fund the ongoing maintenance, servicing and operation of public lighting improvements (safety lights and street lights) in the District. There are no new impacts to existing or new residents. No assessments shall increase as a result of this action.
Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.
Advances Goal: 5.

9.3 **Subject:** Resolutions Approving Proceedings for the Annual Levy and Collection of Charges for the Rancho Cordova Transit Related Services Benefit District, Zone No. 1.
Recommendation: That Council:
a) Adopt Resolution No. 70-2014 Initiating Proceedings for the Annual Levy and

Collection Charges, Preliminarily Approving the Engineer's Report and Declaring its Intention to Levy the Annual Charges for Fiscal Year 2014-2015 for the Rancho Cordova Transit Related Services Benefit District, Zone No. 1; and
b) Adopt Resolution No. 71-2014 Amending and/or Confirming the Engineer's Report and Establishing the Fiscal Year 2014-2015 Service Charge for the Rancho Cordova Transit Related Services Benefit District, Zone No. 1.
Result of Recommended Action: Adoption of these resolutions will authorize the continuance of the annual levy and collection of service charges in the Transit Related Services Benefit District, Zone No. 1 to provide for a broad range of miscellaneous transportation services within the District identified in the Engineer's Report.
Staff Report: Elizabeth Sparkman, Senior Engineer.
Advances Goal: 5.

9.4 **Subject:** Resolutions Approving Proceedings for the Annual Levy and Collection of Charges for the Rancho Cordova Transit Related Services Benefit District, Zone No. 2.
Recommendation: That Council:
1) Adopt Resolution No. 72-2014 Initiating Proceedings for the Annual Levy and Collection of Charges, Preliminarily Approving the Engineer's Report, and Declaring its Intention to Levy the Annual Charges for Fiscal Year 2014-2015 for the Rancho Cordova Transit Related Services Benefit District, Zone No. 2; and
2) Adopt Resolution No. 73-2014 Amending and/or Confirming the Engineer's Report and Establishing the Fiscal Year 2014-2015 Service Charges for the Rancho Cordova Transit Related Services Benefit District, Zone No. 2.
Result of Recommended Action: Adoption of these resolutions will authorize the continuance of the annual levy and collection of service charges in the Transit Related Services Benefit District, Zone No. 2 to provide for a broad range of miscellaneous transportation services within the District identified in the Engineer's Report.
Staff Report: Elizabeth Sparkman, Senior Engineer.
Advances Goal: 5.

9.5 **Subject:** Application for Award of Edward Byrne Memorial Justice Assistance Grant (JAG) Program Funding for 2014.
Recommendation: Adopt Resolution No. 101-2014.
Result of Recommended Action: City will make application for, and be authorized to accept if awarded, grant funding from the Department of Justice JAG Program for 2014.
Staff Report: Stephanie Snyder, City Manager's Office.
Advances Goals: 1, 2, 6.

10. PUBLIC HEARING ITEMS

10.1 **Subject:** Resolution Declaring Results of a Protest Hearing and Authorizing a Mailed Ballot pursuant to Article XIIID of the California State Constitution relating to the Annual Stormwater Utility Fee for the Maintenance of Storm Drainage and Flood Protection System. First Reading of the Ordinance for the Annual Stormwater Utility Fee for the Maintenance of Storm Drainage and Flood Protection System.
Recommendation: Continue to the August 18, 2014 City Council Meeting.
Result of Recommended Action: Staff recommends that the public protest hearing be opened and continued to the August 18, 2014 City Council Meeting while refinements are made to the Rate and Analysis Report and the Ordinance.
Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.
Advances Goal: 5.

Mayor Skoglund opened the public comment period. There were no speakers.

ACTION: Motion to Continue to the August 18, 2014 Regular City Council Meeting.
Carried by a 5:0 roll call vote.

11. REGULAR CALENDAR ITEMS

11.1 **Subject:** Resolution Establishing November 4, 2014 as the Date for an Election on a Proposed Ballot Measure Seeking Voter Approval to Impose a One-Half of a Cent Transactions and Use ("Sales") Tax for General City Services, Establishing Policies and Procedures in Connection with Such an Election, and Requesting that the County of Sacramento Conduct such an Election.
Recommendation: Staff recommends adoption of Resolution No. 98-2014.
Result of Recommended Action:
If the City Council adopts the Resolution, residents of the City of Rancho Cordova will be provided with the opportunity to vote on a ballot measure in the November 4, 2014 General Election. If approved by the voters, the ballot measure would enact a one-half cent sales tax to enhance City services, facilities and programs, including:

- Enhancing anti-gang and youth violence prevention programs
- Increasing neighborhood police patrols
- Fixing streets faster
- Expanding children/teen after-school programs
- Removing blight/revitalizing vacant buildings along Folsom Boulevard
- Building recreation facilities for seniors, working adults and children
- Other general city services.

The City Council's action does not connote support or opposition to this measure, but simply places it on the consolidated ballot for local voters to decide.
Staff Report: Brian Nakamura, City Manager.
Advances Goal: 5.

AT THIS POINT: The council took a recess at 7:42 PM. The full council resumed at 7:57 PM.

ACTION: Motion to approve by Terry second by Budge;
Carried by a 4:1 roll call vote. (Skoglund abstained)

11.2 **Subject:** Ordinance No. 20-2014, Amending Title 8, "Animals," of the Rancho Cordova Municipal Code Regarding the Definitions and Procedures Pertaining to Potentially Dangerous and Vicious Animals, Administrative Citation Appeals, Barking Dogs, and the Authority of Animal Services Officers to Use Weapons.
Recommendation: Introduce and waive the first reading of Ordinance No. 20-2014.
Result of Recommended Action: Adoption of this Ordinance will clarify the definitions and procedures in the Municipal Coded related to potentially dangerous animals, barking dogs, and administrative citation appeals; it will also amend the Municipal Code to give trained animal service officers the authority to use a firearm in limited circumstances where an injured or sick wild animal is causing an immediate threat to public safety. If the Ordinance passes first reading tonight it will return for a final reading and adoption at the next regular City Council meeting.
Staff Report: Kerry Simpson, Neighborhood Services Manager.

Advances Goal: 2.

ACTION: Motion to approve by Terry second by Budge;
Carried by a 5:0 roll call vote.

12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

None.

13. CITY MANAGER'S REPORT

Annual Update: Economic Development: Housing Report was postponed.

City Manager, Brian Nakamura, requested a council sub-committee in regards to the Entertainment Center.

Mr. Nakamura recognized Mindy Cuppy for achieving her Master Municipal Clerk (MMC) Certification.

Mayor Skoglund announced that August 5th is National Night Out.

14. ADJOURNMENT

Mayor Skoglund adjourned the meeting to closed session at 8:51 PM.

15. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Council Members Present: Terry, McGarvey, Skoglund, Budge, Sander

Council Members Absent: None

Staff Members Present: Lindgren, Nakamura, Chinn

16. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (Number of potential cases: 1)

17. OPEN SESSION - REPORT FROM CLOSED SESSION

ACTION: Discussion item only; no action taken.

18. ADJOURNMENT

Mayor Skoglund adjourned the meeting at 9:25 PM.

_____
Mindy Cuppy, MMC, City Clerk

CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY COMMUNITY REDEVELOPMENT AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)

City Hall
2729 Prospect Park Drive, Rancho Cordova

Tuesday, July 29, 2014

5:30 PM – Special Meeting
American River Community Room North

DRAFT MINUTES

1. WORK SESSION - CALL TO ORDER/ROLL CALL

Council Members Present:	McGarvey, Skoglund, Budge, Sander, Terry
Council Members Absent:	None
Staff Members Present:	Lindgren, Cuppy, Holt, Junker, Simpson, Thomas, Haven, Diaz, Pittman, Stricker, Cook, Norton, Nakamura

Mayor Skoglund called the special meeting to order in the American River Community Room North at 5:42 PM.

2. PUBLIC COMMENT

Mayor Skoglund opened the public comment period. There were no speakers at this point. Speakers were taken at the time of each item. Mayor Skoglund closed the public comment period.

3. SPECIAL MEETING ITEM

3.1 **Subject:** Anatolia IV: Study Session.
Recommendation: Receive applicant and staff information, and provide preliminary review and comment.
Result of Recommended Action: Preliminary Council comments will inform staff and the project applicants on whether the proposed subdivision is reasonably consistent with City expectations. If the Council determines the project is reasonably consistent with the City's goals and vision, then City staff will continue to process the application in its current form for a future Council hearing for approval or denial.

Staff Report: Matthew Diaz, Associate Planner.
Advances Goals: 1, 2, 5, 6.

The following individuals addressed council:

- Tim Taron
- Stan Mette

ACTION: Discussion item only; no action taken.

AT THIS POINT: The council took a recess at 6:23 PM. The full council resumed at 6:29 PM.

3.2 **Subject:** Commercial Uses on Trade Center Drive.
Recommendation: Staff requests the City Council review the allowed uses for properties three parcels of land on Trade Center Drive and consider whether rezoning of these properties is warranted.
Result of Recommended Action: If so directed by Council, staff will prepare materials for the City Council to rezone the subject properties. Formal consideration of such a rezone would occur at a subsequent regular meeting of the City Council.
Staff Report: Paul Junker, Planning Director.
Advances Goals: 1, 2, 6.

The following individuals addressed the Council:

- Greg Redman
- Sam Dahduli
- Justin Morgan

ACTION: Discussion item only; no action taken.

AT THIS POINT: The council took a recess at 7:22 PM. The full council resumed at 7:35 PM.

3.3 **Subject:** City Council Discussion on Marijuana Cultivation Regulations and Options.
Recommendation: Discuss options for updating the City's regulations and zoning code provisions on outdoor and indoor marijuana cultivation and direct staff as to next steps.
Result of Recommended Action: If the Council would like changes to the current marijuana cultivation regulations, staff will draft an ordinance amending the appropriate provisions of the Municipal Code for Council consideration at a future meeting.
Staff Report: Adam U. Lindgren, City Attorney and Kate Cook, Associate Attorney.
Advances Goals: 1, 2.

The following individuals addressed the Council:

- Marcia Blount
- Steve Serrott
- Richard Miller
- Ron Mullins

ACTION: Discussion item only; no action taken.

4. ADJOURNMENT

Mayor Skoglund adjourned the meeting at 9:32 PM.

_____
Mindy Cuppy, MMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 20-2014

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AMENDING TITLE 8, "ANIMALS," OF THE RANCHO CORDOVA MUNICIPAL CODE REGARDING THE DEFINITIONS AND PROCEDURES PERTAINING TO POTENTIALLY DANGEROUS AND VICIOUS ANIMALS, ADMINISTRATIVE CITATION APPEALS, BARKING DOGS, AND THE AUTHORITY OF ANIMAL SERVICES OFFICERS

WHEREAS, the City of Rancho Cordova's Municipal Code, Title 8, contains regulations regarding animal care and control; and

WHEREAS, the City of Rancho Cordova maintains a high-quality Animal Services Division whose officers enforce the regulations and policies within Title 8; and

WHEREAS, the Animal Services Division has identified updates to Title 8 which will assist in the enforcement of clear and fair regulations; and

WHEREAS, these amendments will contribute to the public health, safety, and welfare in Rancho Cordova.

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. <u>Amendment of Section 8.01.110, the definition of "Vicious animal."</u>

Section 8.01.110 of the Rancho Cordova Municipal Code, entitled "Vicious animal," is hereby amended to read as follows:

8.01.110 Vicious animal.

"Vicious animal" means any of the following (except a dog assisting a peace officer engaged in law enforcement duties):

A. Any animal seized under Section 599aa of the Penal Code (regarding the seizure of fighting animals), and upon the sustaining of a conviction of the owner or keeper under subdivision (a) of Section 597.5 of the Penal Code (regarding the ownership, keeping, or training of fighting dogs).

B. Any animal which, when unprovoked and in an aggressive manner, inflicts severe injury (as defined in RCMC <u>8.01.140</u>) on, or kills, a human being.

C. Any animal previously determined to be, and currently listed as, a potentially dangerous animal which, after its owner or keeper has been notified of this determination, continues the behavior described in RCMC <u>8.01.120</u>, or is found in violation of RCMC <u>8.07.055</u> or RCMC <u>8.07.060</u>.

Section 2. Amendment of Section 8.03.010, "Animal restraint."

Section 8.03.010 of the Rancho Cordova Municipal Code, entitled "Animal Restraint," is hereby amended to read as follows:

8.03.010 Animal restraint.

A. No owner of any animal, wild or domestic, except the domestic cat, shall permit or suffer the animal to:

1. Be off a leash or be restrained by a leash which is more than eight feet in length. An animal need not be on a leash while it is on the premises of its owner nor while on other private property with consent of the owner. This subsection shall apply to all areas of the city unless clearly designated as areas where leashes are not required.

2. Enter upon private property without consent of the private property's owner.

3. Habitually make loud noises. "Habitually make loud noises" means any conduct that disrupts the peace so as to constitute a public nuisance, including, but not limited to, continuous and incessant barking, howling, crying, yelping, scratching, or whining. "Continuous and incessant" means that the conduct continues for at least ten (10) minutes within a thirty (30) minute period and is not caused by provocation. Nothing contained herein shall apply to reasonable animal noises emanating from legally operated veterinary hospitals, humane societies, animal shelters, farms, or agricultural operations.

4. Act in such other manner so as to constitute a public nuisance.

B. Nothing in this section shall prohibit the use of animals on school property for teaching, use for the blind, or other school purposes when permitted by school officials, or require a person to keep any animal in his possession on a leash if, at the time, the animal is restrained in a vehicle or cage.

Section 3. Amendment of Section 8.04.030, "Authority to use tranquilizer equipment."

Section 8.04.030 of the Rancho Cordova Municipal Code, entitled "Authority to use tranquilizer equipment," is hereby retitled "Authority to use tranquilizer equipment and firearms," and amended to read as follows:

8.04.030 Authority to use tranquilizer equipment and firearms.

In the performance of his or her duties, an animal services officer shall have the authority to employ the use of tranquilizer equipment and all other animal control devices commonly used by other animal control agencies located within the State of California. Animal services officers shall have the authority to carry a firearm upon written approval by the animal services manager. Animal services officers shall have the authority, when specifically authorized by the animal services manager or his or her designee, to use a firearm on a non-domestic sick or injured animal (any animal not falling under the definition of "domestic animal" in RCMC 8.01.015), and if necessary to destroy a non-domestic animal in a humane manner by such use, when a clear and present danger to public safety exists because of the animal and all reasonable means of capture have failed to prevent such danger. Animal services officers shall successfully complete firearm training as prescribed by Penal Code section 832 prior to carrying

and/or using a firearm and shall adhere to the Animal Services Weapons Policy, to be established by the animal services manager, at all times.

For the purposes of this Section, the destruction of an animal under this Section shall not be considered a violation of RCMC 8.07.070.

Section 4. Amendment of Section 8.06.030(M)(3).

Section 8.06.030(M)(3) of the Rancho Cordova Municipal Code, is hereby amended to read as follows:

3. Dogs and cats that are certified in writing by a licensed veterinarian as not being suitable subjects for sterilizing because they are too sick or injured or because it would be detrimental to the animal's health will be assessed the altered license fee. If the animal at a later date is determined by the veterinarian to be suitable for sterilization then the appropriate fee will be assessed.

Section 5. Amendment of Section 8.07.015, "Owner responsibility and penalty."

Section 8.07.015 of the Rancho Cordova Municipal Code, entitled "Owner responsibility and penalty," is hereby amended to read as follows:

8.07.015 Owner responsibility and penalty.

A. Any owner of any animal is deemed responsible for the acts committed by that animal when the owner has failed to comply with the legal requirements for the keeping of that animal as defined in this title. No person shall permit or cause an animal to act in such a manner that constitutes vicious behavior as defined in RCMC 8.01.130.

B. A violation of any of the provisions of this chapter is punishable as otherwise provided in this Code and as follows: any violations of this chapter involving a potentially dangerous animal shall be punished by a fine not to exceed $500.00. Any violation of this chapter involving a vicious animal shall be punished by a fine not to exceed $1,000.00. Any animal owner who maintains any animal in such a manner as to permit, or cause it to, exhibit vicious behavior shall also be guilty of a misdemeanor pursuant to RCMC 1.01.190(E).

C. Nothing in this chapter shall prevent prosecution for violations of other statutes or codes which may deal with other or more specific offenses, including, but not limited to, penal and civil statutes.

Section 6. Amendment of Section 8.07.040, "Impoundment of animal."

Section 8.07.040 of the Rancho Cordova Municipal Code, entitled "Impoundment of animal," is hereby amended to read as follows:

Upon receipt by the animal services manager of an affidavit filed in compliance with RCMC 8.07.030 and 8.07.035, the animal services manager or his or her designee shall initiate an investigation of the incident or incidents described in the affidavit for the purpose of verifying the facts stated or obtaining other information. The investigation shall be completed no later than seven business days after the date the affidavit is filed. If, after an investigation, the identified facts show the existence of a vicious animal within the meaning of RCMC 8.01.110 or a

potentially dangerous animal within the meaning of RCMC 8.01.120, the animal services manager or his or her designee shall locate and impound the animal which is the subject of the charges within 48 hours of the date the investigation is completed.

Section 7. Amendment of Section 8.07.045, "Notice of hearing."

Section 8.07.045 of the Rancho Cordova Municipal Code, entitled "Notice of hearing," is hereby amended to read as follows:

Within 48 hours of the impoundment of a purportedly vicious or potentially dangerous animal, or at such time as is determined by the animal services manager, the animal services manager or his or her designee shall either personally serve upon or mail to the residential address of the owner or keeper of the animal and the affiant the following:

A. A written notice of the time, date, and place of the hearing prescribed by chapter 8.09 of the RCMC, and the date of said hearing to be scheduled, not earlier than 5 working days and not later than 10 working days following the date of impoundment;

B. A copy of the affidavit filed pursuant to RCMC 8.07.030 and 8.07.035; and

C. A copy of the provisions of this title and the provisions of Section 8.09.050 of the RCMC regarding hearing procedures.

Conversely, if, after an investigation, the identified facts show that no cause exists to conduct a vicious or potentially dangerous animal hearing, the animal services manager or his or her designee shall notify the affiant and the animal owner or keeper of this in writing. Additionally, an animal owner may waive, in writing, their right to such hearing timelines.

Section 8. Amendment of Section 8.07.060(D).

Section 8.07.060(D) of the Rancho Cordova Municipal Code is hereby amended to read as follows:

D. The owner of an animal that has been designated as potentially dangerous must abide by all conditions imposed by the hearing officer, pursuant to RCMC 8.09.030 and RCMC 8.09.050, regarding how to keep the potentially dangerous animal. Such compliance must occur within 14 calendar days of the date on which notice of the hearing officer's written decision is served upon the owner, pursuant to RCMC 8.09.095, unless the hearing officer has designated additional time in the written decision. This involves proper enclosure for such animal. For purposes of this Section, "enclosure" means a fence or structure suitable to prevent the entry of young children, and which is suitable to confine a potentially dangerous animal in conjunction with other measures which may be taken by the owner or keeper of the animal. The enclosure shall be designed in order to prevent the animal from escaping. The animal shall be housed pursuant to the requirements of Section 597t of the California Penal Code.

All costs associated with these provisions, or any other or additional provisions ordered by the hearing officer, shall be borne by the owner of the animal which has been declared to be potentially dangerous.

Section 9. Amendment of Chapter 8.08, "Impoundment."

Section 8.08.050 through Section 8.08.090 shall be added to Chapter 8.08 of the Rancho Cordova Municipal Code, entitled "Impoundment," to read as follows:

8.08.050 Duration of impoundment and hearing rights.

A. All impounded dogs and cats shall be kept at an animal shelter, or other location designated by the animal services manager or his or her designee, for a period of not less than seven days, not including the day of impoundment, unless sooner redeemed by the owner or except as otherwise required herein.

B. All other impounded domestic animals, including, but not limited to, a rabbit, guinea pig, hamster, pig, bird, lizard, snake, turtle, or tortoise, shall be kept at an animal shelter, or other location designated by the animal services manager or his or her designee, for at least seven days, not including the day of impoundment, unless sooner redeemed by the owner or except as otherwise required herein.

C. Animals impounded pursuant to Penal Code section 597.1, when an owner, driver, or keeper of the animal permits it to go without proper care and attention and prompt action is necessary to protect the health or safety of the animal or others, shall be subject to the following proceedings:

1. The owner or keeper shall be notified, within 48 hours (excluding weekends and holidays), of the opportunity for a postseizure hearing to determine the validity of the impoundment.

2. To request a hearing, the owner or keeper must give proper notice to the city pursuant to the instructions on the hearing notice and Penal Code section 597.1.

3. The postseizure hearing shall be conducted within 48 hours of the request (excluding weekends and holidays). Failure of the owner or keeper to request or attend a scheduled hearing shall result in a forfeiture of any right to a postseizure hearing or right to challenge his or her liability for costs incurred.

4. All other hearing procedures within Sections 8.09.050 through 8.09.080, and Sections 8.09.095 and 8.09.100, shall be applicable to such impoundments.

D. When an animal is subject to possible seizure and impoundment under Penal Code section 597.1, but where the need for immediate seizure is not present, the city shall provide the owner or keeper of the animal with written notice of an opportunity for a preseizure hearing prior to any seizure or impoundment. Such notice must state that the owner or keeper of the animal must request the hearing in writing within 48 hours of receipt of the notice, excluding weekends and holidays.

1. The preseizure hearing must be conducted within 48 hours, excluding weekends and holidays, after receipt of the request for hearing. Failure of the owner or keeper to request or attend a scheduled hearing shall result in a forfeiture of any right to a preseizure hearing or right to challenge his or her liability for costs incurred.

2. The owner shall produce the animal at the hearing, unless prior arrangements are made for the city to observe the animal.

3. All other hearing procedures within Sections 8.09.050 through 8.09.080, and Sections 8.09.095 and 8.09.100, shall be applicable to preseizure hearings.

E. Except as otherwise set forth herein, all impounded livestock shall be kept in an animal shelter, or other location designated by the animal services manager or his or her designee, for at least fourteen days, not including the day of impoundment, unless sooner redeemed by the owner, and if not redeemed within that time shall be turned over to the California State Bureau of Livestock Identification for disposition by that office. If an inspector from the California State Bureau of Livestock Identification makes a request upon the city to turn over the impounded livestock prior to the expiration of the fourteen-day impoundment period, the city shall deliver possession of such impounded livestock to the inspector.

F. During the holding period required by this section, and prior to the adoption or euthanasia of any impounded animal, the animal shelter shall scan the animal for a microchip which may identify the owner of that animal, and the animal shelter shall make reasonably diligent efforts to contact the owner and notify him or her that his or her animal is impounded.

8.08.060 Returning animals to known owners.

When any animal is impounded, and its ownership is known to the animal services officer, in lieu of taking the animal to an animal shelter, the animal services officer, at his or her discretion, may return the animal to its owners and may cite the owner of the animal for any violations of the provisions of this title.

8.08.070 Disposition authorized.

Except as otherwise provided in this title, an impounded animal which is not redeemed within the specified holding period shall be considered to be abandoned by its owner and shall become the property of the city. Such animal may be placed for adoption or humanely euthanized. No animal which is impounded shall be euthanized prior to a reasonably diligent attempt to contact the animal's owner, if known.

8.08.080 Abandonment.

The refusal or failure of the owner of any impounded animal to pay the fees and charges, after due notification, shall constitute an abandonment of the animal. Any animal not claimed by its owner within the period specified in this title shall become the property of the city and may be placed for adoption or humanely euthanized. Abandonment does not relieve the owner's obligation to pay all fees related to the impounding and keeping of the animal.

8.08.090 Animals not subject to redemption or adoption.

Consistent with Food and Agricultural Code Section 17006, animals impounded by or surrendered to the city that are irremediably suffering from a serious illness or severe injury, as determined by a veterinarian, shall not be held for owner redemption or adoption and may be humanely euthanized. Newborn animals that need maternal care and cannot reasonably survive without their mothers that have been impounded by or surrendered to the city without their mothers may be euthanized without being held for owner redemption or adoption.

Section 10. Amendment of Section 8.09.020, "Cause for hearing."

Section 8.09.020 of the Rancho Cordova Municipal Code, entitled "Cause for hearing," is hereby amended to read as follows:

Hearings may be held to determine the following:

A. That an animal is a potentially dangerous animal or a vicious animal within the meaning of this title, in compliance with RCMC chapter 8.07;

B. That the decision of the hearing officer has been breached;

C. That cause for an order no longer exists and the owner may be relieved of the conditions imposed by said order;

D. That a permit has been denied, issued conditionally, or revoked in accordance with the provisions of this title;

E. Whether an administrative fine or penalty is required to be paid; or

F. Whether an impoundment pursuant to chapter 8.08 of this title is valid.

A person shall be deemed to have shown cause for a hearing to be held when he or she complies with the applicable appeal, complaint or charge filing provisions specified in this title.

As requested by the animal services manager, hearings may be held in order to attempt mediation of such other matters as may arise from the keeping of animals.

Section 11. Amendment of Section 8.09.030, "Authority of hearing officer."

Section 8.09.030 of the Rancho Cordova Municipal Code entitled, "Authority of hearing officer," is hereby amended to read as follows:

8.09.030 Authority and appointment of hearing officer.

The hearing officer shall be authorized, within the scope of authority given by this title and the animal services manager, to conduct hearings to resolve conflicts arising from the application and enforcement of this title, to make binding determinations, including setting forth timelines for compliance with any conditions imposed upon an owner (pursuant to RCMC 8.09.095) related to the keeping of animals pursuant to this title. The hearing officer shall be appointed by the animal services manager, and shall be subject to disqualification for bias, prejudice, conflicts of interest, or for any other reason for which a judge may be disqualified in a court of law. (Food and Agricultural Code §§ 31621, 31622.)

Section 12. Amendment of Section 8.09.050(A).

Section 8.09.050(A) of the Rancho Cordova Municipal Code is hereby amended to read as follows:

A. In the case of a hearing to determine whether an animal is potentially dangerous or vicious, the hearing officer shall conduct a hearing no earlier than 5 working days and no later than 10 working days from the day of impoundment, pursuant to RCMC 8.07.045. All hearings shall be open to the public. For all other hearings under this chapter, unless specifically stated otherwise, the hearing officer shall conduct a hearing to determine whether the requested action should be granted or denied no later than 30 calendar days following the date of the filing of an appeal under this title. Written notice of the time, date, and place of the hearing shall be served upon the animal services manager, the appellant, and the animal owner not later than 14 calendar days preceding the date of the hearing. An animal owner may waive, in writing, their right to such timelines.

1. During the hearing, the burden of proof shall rest with the appellant and such proof shall be based upon a preponderance of the evidence. The provisions of the California Administrative Procedure Act (commencing at Section 11500 of the Government Code) shall not be applicable to such hearing nor shall formal rules of evidence in civil or criminal judicial proceedings be applicable. The appellant and the animal owner may appear, present evidence, and examine and cross-examine witnesses.

2. Absent extraordinary circumstances as determined by the hearing officer, no animal may be presented as evidence or be present during the hearing.

3. In the event the appellant or the animal owner fails to appear at the time, date, and place appointed for the hearing, the hearing shall be conducted in the absence of the appellant or animal owner and the hearing officer shall render a decision based upon evidence presented during the hearing.

4. For good cause as determined by the hearing officer, the hearing may be continued, but for not more than 30 calendar days, upon request of either the animal services manager, the affiant or the animal owner. Notice of the continuance, if granted, and the new date and time of the hearing shall be made to all parties to the hearing.

5. For the convenience of the hearing officer only, the hearing shall be tape recorded and the tape recordings and all documents presented as evidence shall be maintained for a period of three years as a part of the record of the hearing.

Section 13. Amendment of Section 8.09.130(F), "Appeal of citation."

Section 8.09.130(F)(1) of the Rancho Cordova Municipal Code, is hereby amended to read as follows:

F. Appeal of Citation.

1. Any recipient of a notice of violation may contest that there was a violation of this title or that he or she is the responsible owner by completing a notice of appeal and request for hearing form and filing it with animal services within 30 calendar days from the date of issuance of the notice, together with an advance deposit of the total amount of the monetary penalty, or the timely filing of a request for an advance deposit hardship waiver pursuant to subsection (G) of this section, and the hearing fee as established by the city council. Any appeal of the notice of violation must include a detailed written explanation as to the grounds for appeal.

Section 14. Amendment of Section 8.09.130(H), "Hearing officer."

Section 8.09.130(H) of the Rancho Cordova Municipal Code, entitled "Hearing officer," is hereby amended to read as follows:

H. Hearing Officer. The city hearing officer shall conduct the administrative hearing pursuant to RCMC 8.09.050. In addition to the authority conferred in this section, the hearing officer shall have the authority set forth in RCMC 8.09.030 and other applicable sections of this title.

Section 15. Amendment of Section 8.09.130(I), "Hearing procedure."

Section 8.09.130(I) of the Rancho Cordova Municipal Code, entitled "Hearing procedure," is hereby amended to read as follows:

I. Hearing procedure. The procedures set forth under RCMC 8.09.050 shall apply to all hearings under this section, unless otherwise specified herein this Section 8.09.130.

Section 16. Amendment of Section 8.09.130(J)(1).

Section 8.09.130(J)(1) of the Rancho Cordova Municipal Code is hereby amended to read as follows:

1. After considering all of the testimony and evidence submitted at the hearing and consistent with Section 8.09.050, the hearing officer shall issue a written decision within 14 days of the date of the hearing to uphold or cancel the notice of violation and shall list in the decision the reasons for that determination. The decision of the hearing officer shall be final;

Section 17. Severability

If any provision of this Ordinance, or the application thereof to any person or circumstance, is held invalid, the remainder of the ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

Section 18. Effective Date

Within fifteen (15) days after adoption, a summary of this Ordinance shall be published once in the Grapevine Independent or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Dan Skoglund, Mayor

ATTEST:

_____
Mindy Cuppy, CMC, City Clerk

1929630.3

MEMORANDUM

DATE: August 18, 2014

TO: Honorable Mayor and Council Members

FROM: Liisa Behrends, Sr. Accountant

SUBJECT: Treasurer's Report – June 30, 2014

RECOMMENDATION

This report is informational only. It is recommended that the report be received and filed.

RESULT OF RECOMMENDED ACTION

This report is intended to provide the City Council with information concerning the City's investment portfolio. This report will meet requirements as provided by State law.

BACKGROUND

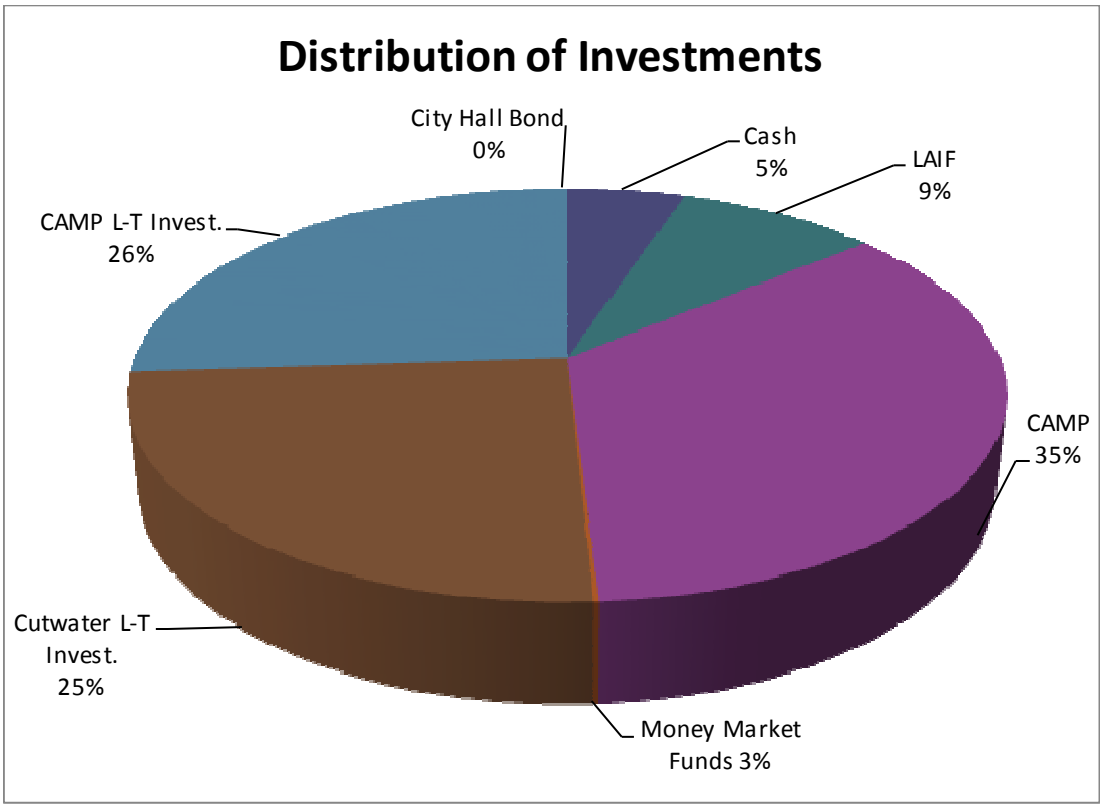
Attached is the quarterly Treasurer's report for the period ending June 30, 2014. Treasurer's reports are provided to Council on a quarterly basis.

At March 31, 2014 the current value of the City's total portfolio was $95.3 million. Since that time, the balances have increased by $9.9 million with an ending balance of $105.2 million as of June 30, 2014. Of that, the General Fund Cash and Investments balance was just under $23 million. Cash and short-term investments increased by $8 million while long-term investments increased by $2 million. The overall portfolio is well diversified with $53.5 million invested in marketable securities. $46.3 million is invested in short-term investments that are considered liquid (LAIF, CAMP, and money markets). The remainder consists of $5.4 million on deposit with our banks and $5,141 is invested in a City of Rancho Cordova City Hall bond. Staff, in conjunction with our financial advisors, periodically reviews the mix of liquid and long-term investments and adjusts the portfolio according to the market conditions and our short-term cash needs.

The city received our second property tax installment in May. As a result, cash and investments increased by $8 million over last quarter.

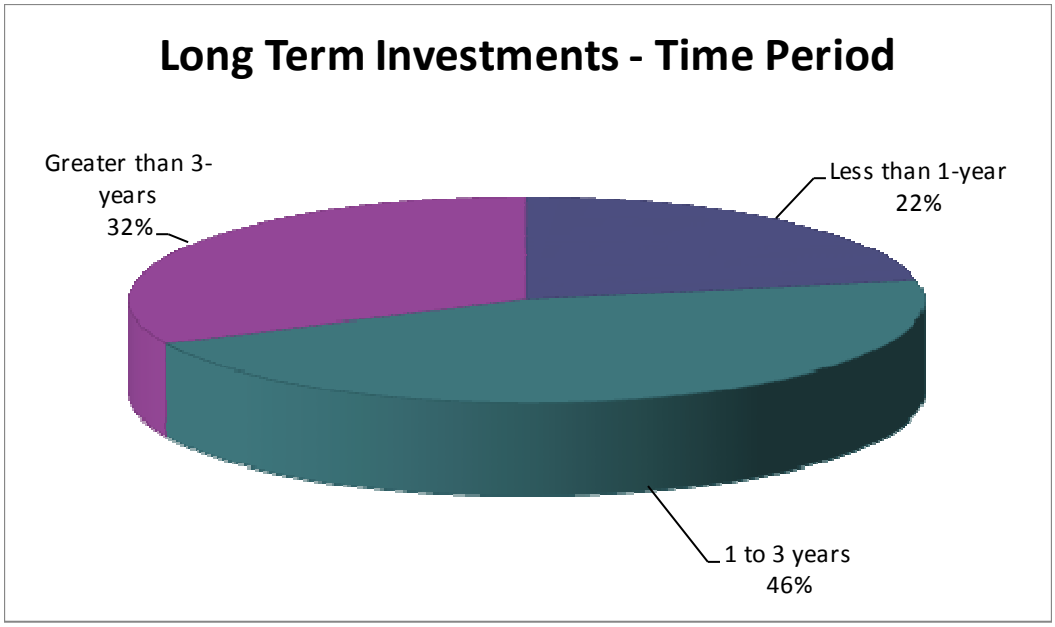
Staff thoroughly reviews investment statements and makes appropriate inquiries of CAMP, LAIF, and MBIA, as necessary, to confirm the existence and viability of the City's assets. The City invests conservatively in investment policy options in accordance with California State Government Code. The long-term assets are in securities that can be held to maturity, thus are less vulnerable to the fluctuations of the market. All securities are in compliance with the City's investment policy. There are sufficient funds to meet the City's expenditure requirements for the next six months.

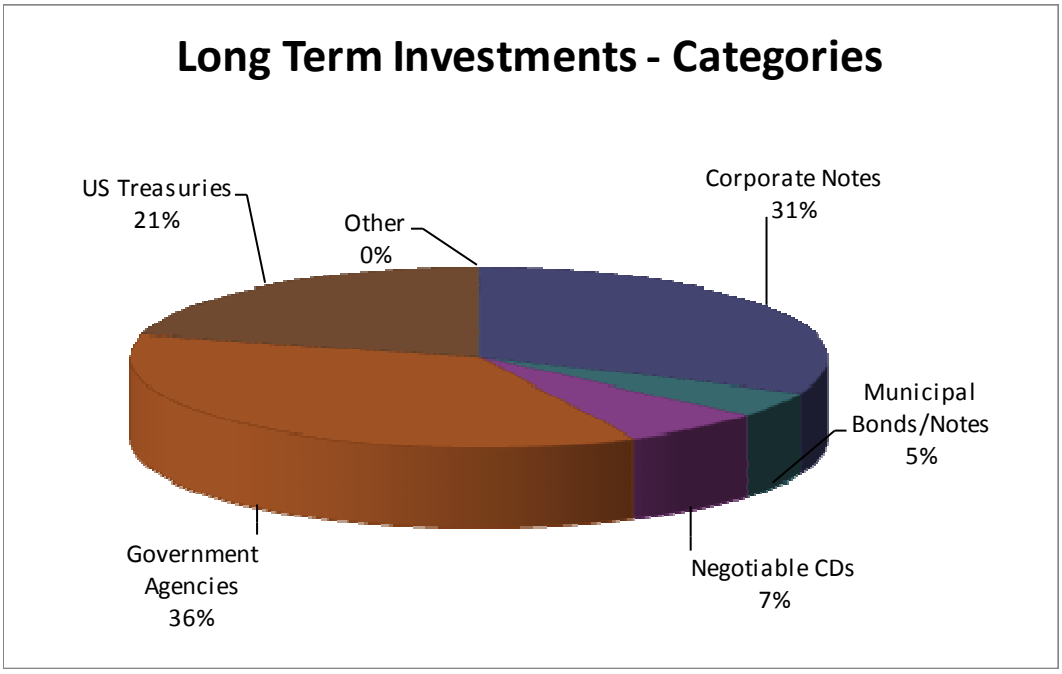
The distributions of investments are displayed in the following chart:



Analysis of long-term investments:

	Par Value	Current Value	Percent of L-T Investments
Less than 1-year	$ 11,580,000	$ 11,706,444	21.88%
1 to 3 years	24,440,000	24,683,305	46.14%
Greater than 3-years	16,825,000	17,110,365	31.98%
	$ 52,845,000	$ 53,500,114	100.00%





ATTACHMENT

Treasurer's Report for June 30, 2014

Rancho Cordova
Treasurer's Report
June 30, 2014

	Par Value	Cost	Current Value	Maturity Date
Cash and Cash Equivalents				
Wells Fargo Bank	5,388,175	5,388,175	5,388,175	n.a.
Bank of Sacramento	50,592	50,592	50,592	n.a.
	5,438,767	5,438,767	5,438,767	
Local Agency Investment Fund (LAIF)	9,211,876	9,211,876	9,211,876	n.a.
California Asset Management Program (CAMP)	36,939,457	36,939,457	36,939,457	n.a.
Wells Fargo Adv Treasury Plus MMF (MBIA)	193,549	193,549	193,549	n.a.
Long-Term Investments - Cutwater/MBIA:				
Freddie Mac Notes	750,000	757,025	750,546	7/30/2014
U.S. Treasury Notes	750,000	753,809	750,381	8/15/2014
Freddie Mac Notes	750,000	759,780	750,917	8/20/2014
Barclays US Funding	1,000,000	997,320	999,480	10/3/2014
ING Funding	1,000,000	998,475	999,297	10/22/2014
Federal Home Loan Bank Notes	750,000	802,605	758,741	12/12/2014
Pfizer Inc	1,000,000	1,057,600	1,034,367	3/15/2015
PEFCO	700,000	748,440	726,303	5/15/2015
Federal Farm Credit Bank Notes	725,000	731,869	734,047	7/20/2015
U.S. Treasury Notes	750,000	784,219	762,920	7/31/2015
Federal Farm Credit Bank Notes	1,100,000	1,100,528	1,100,458	8/19/2015
Fannie Mae Notes	750,000	773,408	763,306	10/26/2015
Union Bank NA	500,000	524,060	521,159	6/6/2016
Federal Farm Credit Bank Notes	750,000	750,960	750,597	6/17/2016
U.S. Treasury Notes	500,000	512,461	510,351	7/31/2016
Coca Cola Co	500,000	513,440	511,699	9/1/2016
PNC Bank NA	500,000	504,690	504,704	10/3/2016
U.S. Treasury Notes	500,000	500,000	499,687	12/15/2016
Colgate-Palm Co	500,000	503,540	505,250	1/15/2017
IBM Corp	750,000	755,655	755,996	2/6/2017
Berkshire Hathaway	400,000	409,253	406,230	5/15/2017
Federal Home Loan Bank Notes	1,750,000	1,750,000	1,750,989	5/22/2017
Federal Home Loan Bank Notes	2,000,000	2,003,280	2,004,858	7/28/2017
PEPSICO Inc	500,000	498,965	501,569	8/13/2017
Fannie Mae Notes	1,500,000	1,494,165	1,489,667	8/28/2017
Fannie Mae Notes	500,000	501,350	498,699	9/20/2017
JP Morgan Chase	400,000	474,708	457,876	1/15/2018
Wells Fargo	400,000	400,124	399,273	1/16/2018
Wal-Mart	400,000	480,332	461,086	2/15/2018
Fannie Mae Notes	2,000,000	2,022,480	2,010,488	3/13/2018
GE Capital	400,000	475,296	458,282	5/1/2018
GE Capital	450,000	519,899	515,567	5/1/2018
Apple Inc.	400,000	396,703	391,134	5/3/2018
Sub-total	25,625,000	26,256,439	26,035,924	

Long-Term Investments -CAMP:	Par Value	Original Cost	Current Value	Maturity Date
BNP Paribas NY Branch Cert Depos	575,000	575,000	575,252	11/3/2014
Credit Suisse New York CD (Floating)	600,000	600,000	600,644	1/15/2015
U.S. Treasury Notes	200,000	211,602	202,531	1/31/2015
U.S. Treasury Notes	65,000	68,750	65,983	2/28/2015
U.S. Treasury Notes	440,000	465,455	446,651	2/28/2015
U.S. Treasury Notes	3,000,000	3,168,047	3,045,351	2/28/2015
JP Morgan Chase Bank NA (Floating)	550,000	550,567	550,898	7/30/2015
U.S. Treasury Notes	100,000	102,805	101,727	7/31/2015
U.S. Treasury Notes	250,000	256,543	254,317	7/31/2015
Fannie Mae Notes	625,000	642,337	635,682	10/26/2015
FHLB (Callable) Global Notes	550,000	549,835	550,069	12/30/2015
U.S. Treasury Notes	1,725,000	1,789,216	1,773,112	12/31/2015
Skandinaviska Enskilda BY NT Float CD	600,000	600,000	600,628	1/4/2016
U.S. Treasury Notes	240,000	240,309	240,347	1/31/2016
CA ST TXBL GO Bonds	200,000	200,676	201,442	2/1/2016
Cisco Systems Inc Global Notes	550,000	607,860	594,406	2/22/2016
GlaxosmithKline Cap Inc Global	400,000	399,716	400,990	3/18/2016
Fannie Mae Global Notes	540,000	539,384	540,920	3/30/2016
Westpac Banking Corp NY LT Float CD	575,000	575,000	575,816	4/15/2016
Rabobank Nederland NV NY CD	600,000	600,000	597,549	5/6/2016
Freddie Mac Global Notes	630,000	629,962	630,272	5/13/2016
Toyota Motor Credit Corp	255,000	254,895	256,405	5/17/2016
Bank of Novia Scotia Hous CD Float	550,000	549,668	550,181	6/10/2016
Calleguas Wtr Dist, CA Rev Bonds	500,000	500,000	503,030	7/1/2016
Wells Fargo & Co.	360,000	359,654	363,108	7/20/2016
Berkshire Hathaway Fin Global Notes	330,000	329,825	331,771	8/15/2016
American Honda Finance Global Notes	205,000	204,287	206,205	10/7/2016
CA ST Dept of Water Txbl Rev Bonds	140,000	140,000	139,853	12/1/2016
Federal Home Loan Banks (Callable)	540,000	545,935	545,661	3/27/2017
U.S. Treasury Notes	400,000	403,250	402,375	3/31/2017
U.S. Treasury Notes	825,000	826,901	829,899	3/31/2017
Apple Inc Corp Note	700,000	699,629	700,945	5/5/2017
John Deere Capital Corp Notes	435,000	434,796	435,922	6/12/2017
HSBC USA Inc	190,000	189,711	190,434	6/23/2017
Freddie Mac Global Notes	900,000	901,260	901,948	6/29/2017
OR ST TXBL GO Bonds	200,000	200,000	199,248	8/1/2017
Palo Alto USD, CA GO Bonds	550,000	550,000	553,427	8/1/2017
IBM Copr Notes	600,000	693,852	683,585	9/14/2017
Fannie Mae Global Notes	575,000	570,555	570,781	10/26/2017
CA ST TXBL GO Bonds	510,000	511,821	519,455	11/1/2017
U.S. Treasury Notes	700,000	686,547	689,282	11/30/2017
ConocoPhillips (callable) Global Notes	400,000	391,320	396,147	12/15/2017
Freddie Mac Global Notes	650,000	648,284	640,720	3/7/2018
General Elec CAP Corp Global Notes	600,000	601,338	600,982	4/2/2018
U.S. Treasury Notes	350,000	346,814	341,742	4/30/2018
Microsoft Corp Global Notes	145,000	144,909	143,086	5/1/2018
Apple Inc Global Notes	265,000	264,022	259,158	5/3/2018
Univ of Cal Txbl Rev Bonds	385,000	385,000	391,634	5/15/2018
Berkshire Hathaway Notes	210,000	209,878	208,194	5/15/2018
Fannie Mae Global Notes	250,000	246,212	245,804	5/21/2018
Fannie Mae Global Notes	500,000	495,775	491,608	5/21/2018
Chevron Corp Global Notes	380,000	380,000	382,985	6/24/2018
Fannie Mae Global Notes	300,000	300,009	301,606	11/27/2018
U.S. Treasury Notes	300,000	297,902	297,281	11/30/2018
Sub-total	27,215,000	27,637,113	27,459,049	

Long-Term Investments - Brandis Tallman	Par Value	Cost	Current Value	Maturity
City Hall COP bond	5,000	5,000	5,141	2/1/2035
	$ 104,628,649	**$ 105,682,201**	**$ 105,283,763**	

MEMORANDUM

DATE: August 18, 2014

TO: Honorable Mayor and Council Members

FROM: Albert Stricker, Senior Civil Engineer

SUBJECT: **RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH WILLDAN ENGINEERING FOR A THREE YEAR ON-CALL CONSTRUCTION INSPECTION AND DEVELOPMENT REVIEW SERVICES IN THE AMOUNT OF $600,000**

RECOMMENDATION

Adopt Resolution No. 93-2014.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will authorize the City Manager to execute a three year on-call contract with Willdan Engineering in the amount of $600,000.

BACKGROUND

In order to provide flexibility to adapt to a variable development and construction market, the Public Works Department employs the assistance of qualified consultants for construction inspection and plan review services. This on-call contract allows the City to draw upon greater resources, thus increasing the ability to handle workload peaks and maintain efficient response times.

Willdan Engineering provides development review and inspection services for new development and utilities. The cost of these services averages roughly $20,000 per month and is direct billed to the applicant. This contract is estimated to cover the next two years of services plus contingency.

FISCAL IMPACT

Inspection and plan review services associated with private development projects are fully recoverable through direct billing to developers and utility companies. These services do not impact the general fund.

ATTACHMENT

Resolution No. 93-2014 including Exhibit A Contract No. 89-2014

CITY OF RANCHO CORDOVA

RESOLUTION NO. 93-2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT NO. 89-2014 WITH WILLDAN ENGINEERING FOR ON-CALL CONSTRUCTION INSPECTION AND DEVELOPMENT REVIEW SERVICES IN THE AMOUNT OF $600,000

WHEREAS, the City of Rancho Cordova wishes to contract with Willdan Engineering for consulting services; and

WHEREAS, those services will exceed the maximum amount the City Manager has authorization to approve; and

WHEREAS, there are sufficient funds budgeted to cover the costs of the contract.

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA does authorize the City Manager, or his designee, to execute a contract with Willdan Engineering, Consultant, for on-call construction inspection and development review services in the amount of $600,000 attached as **Exhibit 1**.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Dan Skoglund, Mayor

ATTEST:

_____
Mindy Cuppy, MMC, City Clerk

CONTRACT NO.: 89-2014

PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF RANCHO CORDOVA AND WILLDAN ENGINEERING FOR ON-CALL CONSTRUCTION INSPECTION AND DEVELOPMENT REVIEW SERVICES

THIS AGREEMENT for professional services is made by and between the City of Rancho Cordova, a California municipal corporation ("City"), and Willdan Engineering ("Professional") as of _____, 2014.

Section 1. **SERVICES**. Subject to the terms and conditions set forth in this Agreement, Professional shall provide to City the services described in the Scope of Work attached as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

1.1 **Term of Services.** The term of this Agreement shall begin on the date first noted above and shall end on July 1, 2017. Professional shall complete the work described in Exhibit A prior to that date, unless the term of the Agreement is otherwise terminated or extended, as provided for in Section 8. The time provided to Professional to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 8.

1.2 **Standard of Performance.** Professional shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Professional is engaged in the geographical area in which Professional practices its profession. Professional shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Professional's profession.

1.3 **Assignment of Personnel.** Professional shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Professional shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

1.4 **Time.** Professional shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.2 above and to satisfy Professional's obligations hereunder.

Section 2. **COMPENSATION.** City hereby agrees to pay Professional a sum not to exceed $600,000 (six-hundred thousand dollars) notwithstanding any contrary indications that may be contained in Professional's proposal, for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Professional's proposal, attached as Exhibit B, regarding the amount of compensation, the Agreement shall prevail. City shall pay Professional for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Professional for services rendered pursuant to this Agreement. Professional shall submit all invoices to City in the manner specified herein.

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Except as specifically authorized by City, Professional shall not bill City for duplicate services performed by more than one person.

Professional and City acknowledge and agree that compensation paid by City to Professional under this Agreement is based upon Professional's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Professional. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Professional and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

2.1 **Invoices.** Professional shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
- The beginning and ending dates of the billing period;
- A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
- At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
- The total number of hours of work performed under the Agreement by Professional and each employee, agent, and subcontractor of Professional performing services hereunder, as well as a separate notice when the total number of hours of work by Professional and any individual employee, agent, or subcontractor of Professional reaches or exceeds 800 hours, which shall include an estimate of the time necessary to complete the work described in Exhibit A;
- The Professional's signature.

2.2 **Monthly Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Professional.

2.3 **Not Used.**

2.4 **Total Payment.** City shall pay for the services to be rendered by Professional pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Professional in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Professional submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement,

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unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment.

2.5 **Hourly Fees.** Fees for work performed by Professional on an hourly basis shall not exceed the amounts shown on the fee schedule set forth in Exhibit B.

2.6 **Reimbursable Expenses.** Reimbursable expenses, if any, are set forth in Exhibit B. Expenses not listed in Exhibit B are not chargeable to City. Reimbursable expenses are included in the total amount of compensation provided under this Agreement that shall not be exceeded.

2.7 **Payment of Taxes.** Professional is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

2.8 **Payment upon Termination.** In the event that the City or Professional terminates this Agreement pursuant to Section 8, the City shall compensate the Professional for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Professional shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

2.9 **Authorization to Perform Services.** The Professional is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

Section 3. **FACILITIES AND EQUIPMENT.** Except as set forth herein, Professional shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Professional only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

City shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Professional's use while consulting with City employees and reviewing records and the information in possession of the City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

Section 4. **INSURANCE REQUIREMENTS.** Before beginning any work under this Agreement, Professional, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Professional and its agents, representatives, employees, and subcontractors. Professional shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City. Professional shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Professional's bid. Professional shall not allow any subcontractor to commence work on any subcontract until Professional has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be

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submitted and made part of this Agreement prior to execution. Professional shall maintain all required insurance listed herein for the duration of this Agreement.

4.1 **Workers' Compensation.** Professional shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Professional. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS ($1,000,000.00) per accident. In the alternative, Professional may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Professional, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance insurance may be waived by the City upon written verification that Professional does not have any employees.

4.2 **Commercial General and Automobile Liability Insurance.**

4.2.1 **General requirements.** Professional, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS ($2,000,000.00) and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS ($1,000,000.00). The commercial general liability and automobile liability insurance shall be per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If a commercial general liability insurance or an automobile liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 **Minimum scope of coverage.** Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability

occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

4.2.3 **Additional requirements.** Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

a. City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Professional, including the insured's general supervision of Professional; products and completed operations of Professional; premises owned, occupied, or used by Professional; and automobiles owned, leased, or used by the Professional. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or volunteers.

b. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

c. An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

d. Any failure of Professional to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

e. An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Professional shall notify City within fourteen (14) days of notification from Professional's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

4.3 **Professional Liability Insurance.** Professional, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than TWO MILLION DOLLARS ($2,000,000) covering the licensed professionals' errors and omissions.

4.3.1 Any deductible or self-insured retention shall not exceed $150,000 per claim.

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4.3.2 An endorsement shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

4.3.3 The following provisions shall apply if the professional liability coverages are written on a claims-made form:

a. The retroactive date of the policy must be shown and must be before the date of the Agreement.

b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Professional must provide extended reporting coverage for a minimum of five (5) years after completion of the Agreement or the work. The City shall have the right to exercise, at the Professional's sole cost and expense, any extended reporting provisions of the policy, if the Professional cancels or does not renew the coverage.

d. A copy of the claim reporting requirements must be submitted to the City prior to the commencement of any work under this Agreement.

4.4 <u>All Policies Requirements.</u>

4.4.1 <u>Acceptability of insurers.</u> All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.2 <u>Verification of coverage.</u> Prior to beginning any work under this Agreement, Professional shall furnish City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

4.4.3 <u>Subcontractors.</u> Professional shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.4.4 <u>Deductibles and Self-Insured Retentions.</u> Professional shall disclose to and obtain the approval of City for the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement.

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During the period covered by this Agreement, only upon the prior express written authorization of Contract Administrator, Professional may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Professional procure a bond, guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

4.4.5 **Waiver of Subrogation.** Professional hereby agrees to waive subrogation which any insurer or contractor may require from vendor by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Professional, its employees, agents, and subcontractors.

4.4.6 **Notice of Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Professional shall provide written notice to City at Professional's earliest possible opportunity and in no case later than five (5) days after Professional is notified of the change in coverage.

4.5 **Remedies.** In addition to any other remedies City may have if Professional fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Professional's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Professional to stop work under this Agreement or withhold any payment that becomes due to Professional hereunder, or both stop work and withhold any payment, until Professional demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Section 5. INDEMNIFICATION AND PROFESSIONAL'S RESPONSIBILITIES.

5.1 **General Requirement.** Professional shall indemnify, defend with counsel selected by the City, and hold harmless the City and its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct or negligent acts or omissions

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of Professional or its employees, subcontractors, or agents, by acts for which they could be held strictly liable, or by the quality or character of their work. The foregoing obligation of Professional shall not apply when (1) the injury, loss of life, damage to property, or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents, or volunteers and (2) the actions of Professional or its employees, subcontractor, or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law. It is understood that the duty of Professional to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Professional from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Professional acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

5.2 **PERS Indemnification.** In the event that Professional or any employee, agent, or subcontractor of Professional providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Professional shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Professional or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

5.3 **Design Professionals.** Notwithstanding Sections 5.1 and 5.2, to the extent that the services under this Agreement include design professional services subject to California Civil Code Section 2782.8, as may be amended from time to time, Professional's duty to indemnify shall only be to the maximum extent permitted by California Civil Code Section 2782.8.

Section 6. STATUS OF PROFESSIONAL.

6.1 **Independent Contractor.** At all times during the term of this Agreement, Professional shall be an independent contractor as defined in Labor Code Section 3353, and shall not be an employee of City. Nothing contained in this Agreement shall be construed to be inconsistent with the foregoing relationship or status. City shall have the right to control Professional only insofar as the results of Professional's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Professional accomplishes services rendered pursuant to this Agreement. Professional shall have no power or authority by this Agreement to bind the City in any respect. All employees and agents hired or retained by Professional are employees and agents of Professional and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Professional by any such employees or agents, or any other person resulting from performance of this Agreement.

Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Professional and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits. Professional shall not allow any employee to become eligible for a claim for PERS benefits.

6.2 **Professional Not an Agent.** Except as City may specify in writing, Professional shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Professional shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.

7.2 **Compliance with Applicable Laws.** Professional and any subcontractors shall comply with all laws and regulations applicable to the performance of the work hereunder, including but not limited to, the California Building Code, the Americans with Disabilities Act, and any copyright, patent or trademark law. Professional's failure to comply with any law(s) or regulation(s) applicable to the performance of the work hereunder shall constitute a breach of contract.

7.3 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Professional and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

7.4 **Licenses and Permits.** Professional represents and warrants to City that Professional and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Professional represents and warrants to City that Professional and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Professional and any subcontractors shall obtain and maintain valid Business Licenses from City during the term of this Agreement.

7.5 **Nondiscrimination and Equal Opportunity.** Professional shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant

in, recipient of, or applicant for any services or programs provided by Professional under this Agreement. Professional shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Professional thereby.

Professional shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator or this Agreement.

Section 8. TERMINATION AND MODIFICATION.

8.1 **Termination.** City may cancel this Agreement at any time and without cause upon written notification to Professional.

Professional may cancel this Agreement upon 90 days' written notice to City and shall include in such notice the reasons for cancellation.

In the event of termination, Professional shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Professional delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Professional or prepared by or for Professional or the City in connection with this Agreement.

8.2 **Extension.** City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Professional understands and agrees that, if City grants such an extension, City shall have no obligation to provide Professional with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Professional for any otherwise reimbursable expenses incurred during the extension period.

8.3 **Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.

8.4 **Assignment and Subcontracting.** City and Professional recognize and agree that this Agreement contemplates personal performance by Professional and is based upon a determination of Professional's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Professional. Professional may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Professional shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.

8.5 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Professional shall survive the termination of this Agreement.

8.6 **Options upon Breach by Professional.** If Professional materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

8.6.1 Immediately terminate the Agreement;

8.6.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Professional pursuant to this Agreement;

8.6.3 Retain a different Professional to complete the work described in Exhibit A not finished by Professional; or

8.6.4 Charge Professional the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Professional pursuant to Section 2 if Professional had completed the work.

Section 9. KEEPING AND STATUS OF RECORDS.

9.1 **Records Created as Part of Professional's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Professional prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Professional hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Professional agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties.

9.2 **Professional's Books and Records.** Professional shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Professional pursuant to this Agreement.

9.3 **Inspection and Audit of Records.** Any records or documents that Section 9.2 of this Agreement requires Professional to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of

the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS ($10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

10.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

10.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Sacramento or in the United States District Court for the Eastern District of California.

10.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

10.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

10.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

10.6 **Use of Recycled Products.** Professional shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

10.7 **Conflict of Interest.** Professional may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Professional in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Professional shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

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Professional hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Professional was an employee, agent, appointee, or official of the City in the previous twelve months, Professional warrants that it did not participate in any manner in the forming of this Agreement. Professional understands that, if this Agreement is made in violation of Government Code §1090 *et.seq.*, the entire Agreement is void and Professional will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Professional will be required to reimburse the City for any sums paid to the Professional. Professional understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

10.8 **Solicitation.** Professional agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

10.9 **Contract Administration.** This Agreement shall be administered by Albert Stricker, Senior Engineer ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.

10.10 **Notices.** Any written notice to Professional shall be sent to:
Mort August, Deputy Director
Willdan Engineering
2240 Douglas Blvd, Suite 270
Roseville 95661
Email Address (for Insurance Update Requests):
MAugust@willdan.com

Any written notice to City shall be sent to:
Albert Stricker, P.E.
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

10.11 **Professional Seal.** Where applicable in the determination of the contract administrator or when required by law, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled "Seal and Signature of Registered Professional with report/design responsibility," as in the following example.

_____ Seal and Signature of Registered Professional with report/design responsibility.

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10.12 **Integration.** This Agreement, including the scope of work attached hereto and incorporated herein as Exhibit A, and the compensation schedule attached hereto and incorporated herein as Exhibit B, represents the entire and integrated agreement between City and Professional and supersedes all prior negotiations, representations, or agreements, either written or oral.

10.13 **IRS Form W-9.** Professional shall complete and submit Internal Revenue Service Form W-9 to the City before execution of this Agreement. The City's Finance Director shall have authority to waive this requirement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above, which date shall be considered by the Parties to be the effective date of this Agreement.

CITY OF RANCHO CORDOVA

_____

Brian Nakamura, City Manager

Date: _____

PROFESSIONAL

_____

Mort August, Deputy Director

Date: _____

Attest:

_____

Mindy Cuppy, CMC, City Clerk

Date: _____

Approved as to Form:

_____

Adam Lindgren, **City Attorney**

Date: _____

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CONTRACT NO.: 89-2014

EXHIBIT A

SCOPE OF SERVICES

.

EXHIBIT A

SCOPE OF SERVICES

Section 1. Consultant shall provide specific engineering, financial and professionals services as may be requested by the City; such services will be defined, scheduled and authorized using Task Orders. Services may include, but are not limited to: clerical and administrative support; General Technical Assistance; review of planning and environmental documents, review of development applications, and provide recommendations on Conditions of Approval for development permits; civil and building plan checking; easement, lot line adjustment, Tentative/Final Parcel/Tract Map and other subdivision plans and documents checking; construction management and observation; Public Works permits assistance and inspection; Capital Projects planning, environmental, design, project management, specifications and estimates; financial analysis; formation of Assessment Districts, Special Zone of Benefits, impact fees and other similar financial programs; special studies and reports, and; other services as mutually agreed upon. Consultant may periodical contract for the services of subconsultants and /or specialty services upon written consent of the City.

Compensation

A. Consultant shall be compensated for basic services under Section 1, as more particularly described in Task Orders issued by the City to the Consultant. In addition to said compensation, all out-of –pocket travel, lodging and incidental expenses incurred by Consultant that are reasonably associated with the provision of the services under this agreement shall be compensated by the City at their actual cost to the consultant plus 10%. Consultant shall keep receipts for such expenses in compliance with IRS requirements, and shall make the receipts available to the City for inspection upon reasonable request.

B. Consultant shall submit monthly invoices to the City for work completed and reasonable expenses incurred to date of the invoice for each Task Order. Generally, all invoices shall be itemized to reflect the employees performing the requested tasks, the billing rate for each employee at the Consultant's currently published Schedule of Rates and the hours worked. As may be provided for in a Task Order, lump sum, percentage of evaluation or other method of computing compensation may be used as a mutually agreed upon in a Task Order.

CONTRACT NO.: 89-2014

EXHIBIT B

COMPENSATION SCHEDULE

WILLDAN ENGINEERING
Schedule of Hourly Rates
Effective July 1, 2014 to June 30, 2015

ENGINEERING

Technical Aide	$90.00
Drafter I	101.00
Drafter II	106.00
Senior Drafter	117.00
GIS Analyst I	122.00
GIS Analyst II	138.00
GIS Analyst III	155.00
Design Engineer I	122.00
Design Engineer II	127.00
Designer I	122.00
Designer II	127.00
Senior Design Engineer I	133.00
Senior Design Engineer II	138.00
Senior Designer	138.00
Associate Engineer	143.00
Design Manager	143.00
Senior Design Manager	154.00
Senior Engineer	154.00
Supervising Engineer	165.00
Program Manager	185.00
Project Manager	185.00
City Engineer	185.00
Principal Project Manager	185.00
Deputy Director	195.00
Director	201.00
Principal Engineer	215.00

CONSTRUCTION MANAGEMENT

Labor Compliance Specialist	101.00
Labor Compliance Manager	127.00
Utility Coordinator	133.00
Assistant Construction Manager	127.00
Construction Manager	154.00
Senior Construction Manager	160.00
Project Manager	185.00
Deputy Director	195.00
Director	201.00

INSPECTION SERVICES

Assistant Public Works Observer	**106.00/116.00
Public Works Observer	**106.00/116.00
Senior Public Works Observer	105.00
Supervising Public Works Observer	127.00

MAPPING AND EXPERT SERVICES

Survey Analyst I	106.00
Survey Analyst II	122.00
Calculator I	106.00
Calculator II	117.00
Calculator III	128.00
Senior Survey Analyst	138.00
Supervisor - Survey & Mapping	160.00
Principal Project Manager	185.00

LANDSCAPE ARCHITECTURE

Assistant Landscape Architect	106.00
Associate Landscape Architect	122.00
Senior Landscape Architect	133.00
Principal Landscape Architect	155.00
Principal Project Manager	185.00

BUILDING AND SAFETY

Assistant Code Enforcement Officer	74.00
Plans Examiner Aide	80.00
Assistant Construction Permit Specialist	90.00
Construction Permit Specialist	85.00
Code Enforcement Officer	85.00
Assistant Building Inspector	**101.00/116.00
Senior Code Enforcement Officer	101.00
Senior Construction Permit Specialist	106.00
Supervising Construction Permit Specialist	111.00
Building Inspector	**111.00/116.00
Supervisor Code Enforcement	122.00
Senior Building Inspector	122.00
Plans Examiner	122.00
Supervising Building Inspector	133.00
Senior Plans Examiner	133.00
Inspector of Record	149.00
Deputy Building Official	149.00
Plan Check Engineer	149.00
Building Official	155.00
Supervising Plan Check Engineer	155.00
Principal Project Manager	185.00
Deputy Director	195.00
Director	201.00

PLANNING

Community Development Technician	90.00
Planning Technician	90.00
Assistant Planner	111.00
Assistant Community Development Planner	111.00
Associate Community Development Planner	122.00
Associate Planner	122.00
Senior Community Development Planner	138.00
Senior Planner	138.00
Principal Community Development Planner	155.00
Principal Planner	155.00
Deputy Director	195.00
Director	201.00

ADMINISTRATIVE

Computer Data Entry	69.00
Clerical	69.00
Word Processing	69.00

Mileage reimbursement will be charged at the current Federal guideline rate at the time of billing. Vehicles will be charged at a monthly rate of $500.00.

** Prevailing Wage Project, Use $116.00

Additional billing classifications may be added to the above listing during the year as new positions are created. Consultation in connection with litigation and court appearances will be quoted separately. The above schedule is for straight time. Overtime will be charged at 1.5 times, and Sundays and holidays, 2.0 times the standard rates. Blueprinting, reproduction, messenger services, and printing will be invoiced at cost plus fifteen percent (15%). A sub consultant management fee of fifteen percent (15%) will be added to the direct cost of all sub consultant services to provide for the cost of administration, consultation, and coordination. Valid July 1, 2014 thru June 30, 2015, thereafter, the rates may be raised once per year to the value of change of the Consumer Price Index for the Los Angeles/Orange County/Sacramento/San Francisco/San Jose area, but not more than five percent per year.

MEMORANDUM

DATE: August 18, 2014

TO: Honorable Mayor and Council Members

FROM: Elizabeth Sparkman, Senior Engineer

SUBJECT: **ANNEXATION OF 3500 FITZGERALD ROAD INDUSTRIAL BUILDING PROJECT TO THE CITY OF RANCHO CORDOVA COMMUNITY FACILITIES DISTRICT NO. 2008-1 (STREET LIGHTING AND ROAD MAINTENANCE)**

RECOMMENDATION

Adopt Resolution No. 103-2014.

RESULT OF RECOMMENDED ACTIONS

Adoption of Resolution No. 103-2014 approves Annexation Map. No. 15 for the 3500 Fitzgerald Road Industrial Building Project to Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance) (hereinafter "CFD No. 2008-1"). There is no financial impact to existing residents.

BACKGROUND

On October 6, 2008, the City adopted a resolution of intention to establish a Community Facilities District (CFD) and Future Annexation Area for Citywide street lighting and road maintenance services. On November 17, 2008, the City adopted the resolution forming the CFD No. 2008-1 pursuant to the Mello-Roos Community Facilities Act of 1982 (State of California Government Code Section 5311 et seq.) (the "Act"). The action defining the Future Annexation Area for the District provided for a more efficient process for the annexation of property when the property owners have provided for their unanimous consent. Defining the Future Annexation Area provided the resolution of intention, noticing, and public hearing for the entire Future Annexation Area so these steps do not need to be repeated for each annexation.

The annexation process for projects within the Future Annexation Area has been simplified to receiving a petition and waiver from the property owner(s), the City Council approving the Annexation Boundary Map by resolution, followed by the recording of the Boundary Map and Notice of Special Tax Lien by the City Clerk.

DISCUSSION

The Project included in this action was conditioned to annex to CFD No. 2008-1 to provide funding for maintenance services including the maintenance, repair, replacement and lighting of public streets and roads and appurtenant facilities in the public right of way. On June 26, 2014, the property owner signed a unanimous approval of the annexation to CFD No. 2008-1. Adoption of the attached resolution approves Annexation Map No.15 for the project and directs the Clerk to execute and record the Map and Notice of Special Tax Lien for the project.

The maximum annual special tax that will be levied on the project is based on the per square foot rates identified in the Rate and Method of Apportionment, ranging from $0.04 per square foot for industrial buildings, $0.09 per square foot for office buildings to $0.11 per square foot for commercial buildings (in FY 13/14 dollars). The annual tax will escalate annually based on the construction cost index in Engineering News Record.

ATTACHMENT

Resolution No. 103-2014.

RESOLUTION NO. 103-2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA APPROVING THE BOUNDARY MAP FOR THE 3500 FITZGERALD ROAD INDUSTRIAL BUILDING PROJECT ANNEXATION TO THE CITY OF RANCHO CORDOVA COMMUNITY FACILITIES DISTRICT NO. 2008-1 (STREET LIGHTING AND ROAD MAINTENANCE), ORDERING THE ANNEXATION, AUTHORIZING THE SPECIAL TAX LEVY, AND DIRECTING RECORDING OF NOTICE OF SPECIAL TAX LIEN

WHEREAS, On January 6, 2014, the City Council adopted Resolution No. 2-2014 approving Design Review for the 3500 Fitzgerald Road Industrial Building, Project No. DD-8407 (the "Project"). The project is for the construction of a 10,118 square foot building, internally divided into two tenant spaces, each with individual exterior yard area. Condition No. 10 of Resolution No. 2-2014 requires the property owner/applicant to participate in the provision of funding to provide fair share maintenance of any existing and all new public improvements associated with the project.

WHEREAS, On October 6, 2008, the City adopted Resolution No. 108-2008 declaring its intention to establish Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance) (the "District") and Future Annexation Area for maintenance of street lighting and road maintenance services. On November 17, 2008, the City adopted Resolution No. 129-2008 forming CFD No. 2008-1 pursuant to the Mello-Roos Community Facilities Act of 1982 (State of California Government Code Section 5311 et seq.) (the "Act").

WHEREAS, the action defining the Future Annexation Area for the District provided for a more efficient process for the annexation of property when the property owners have provided for their unanimous consent such that the annexation process for projects within the Future Annexation Area has been reduced to receiving a petition, consent and waiver from the property owner(s);

WHEREAS, on June 26, 2014, the property owner executed a unanimous approval form which irrevocably consents to and votes in favor of the annexation of the property to the District and the levy of the special tax on the property to finance the services of the CFD in accordance with the Rate and Method of the District;.

WHEREAS, in the case of annexation proceedings, pursuant to Streets and Highways Code Section 3110.5 a separate map of the area proposed to be annexed is required to be prepared and adopted;

WHEREAS, City staff has caused to be prepared Annexation Map No. 15 for the property known as 3500 Fitzgerald Road Industrial Building, **EXHIBIT A** attached hereto, for the annexation of the property CFD No. 2008-1 (Street Lighting and Road Maintenance);

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA, as follows:

Section 1. The above recitals are true and correct, and the Council so finds and determines.

Section 2. Council approves Annexation Map No. 15 and finds and determines that the territory shown in the Annexation Map is hereby added to and made a part of the District with full legal effect;

Section 6. The City Clerk is directed to execute and record Annexation Map No. 15 in the office of the County Recorder of Sacramento County not later than 15 days after the adoption of this resolution;

Section 8. The City Council finds and determines that a special tax shall be levied within the Territory to be annexed and which special tax shall be the same as the tax to be levied within the District. Collection of said tax shall commence in Fiscal Year 2015-16, and the rate and method of apportionment of said tax shall be as set forth in the Resolution of Formation of the District.

Section 9. The City Clerk is directed to execute and record a Notice of Special Tax Lien in substantially the same form as shown in **EXHIBIT B** attached hereto, in the office of the County Recorder of Sacramento County not later than 15 days after recordation of the Annexation Map No. 15.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

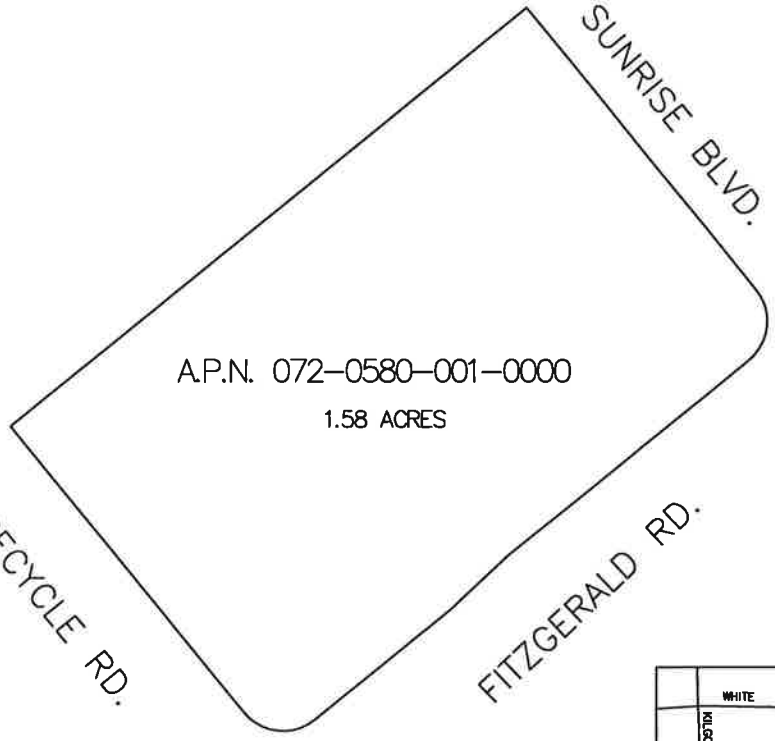
_____
Dan Skoglund, Mayor

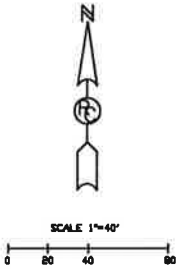
ATTEST:

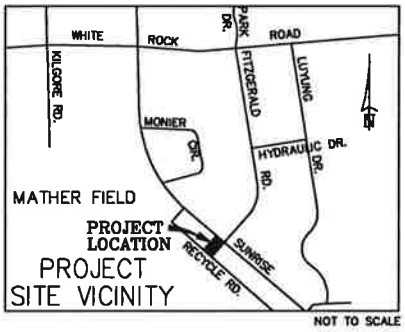
_____
Mindy Cuppy, MMC, City Clerk

ANNEXATION MAP NO. 15
3500 FITZGERALD ROAD INDUSTRIAL BUILDING
COMMUNITY FACILITIES DISTRICT No. 2008-1
(STREET LIGHTING AND ROAD MAINTENANCE)

CITY OF RANCHO CORDOVA
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA
JUNE 2014 SHEET 1 OF 1







CLERK'S MAP STATEMENT

I HEREBY STATE THAT THE AREA SHOWN ON THIS MAP OF PROPOSED ANNEXATION TO COMMUNITY FACILITIES DISTRICT NO. 2008-1 (STREET LIGHTING AND ROAD MAINTENANCE), CITY OF RANCHO CORDOVA, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AT A REGULAR MEETING THEREOF, HELD ON THE 6th DAY OF OCTOBER 2008, BY ITS RESOLUTION No. 108-2008.

_____
CITY CLERK OF THE CITY OF RANCHO CORDOVA

CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF RANCHO CORDOVA THIS ____ DAY OF_____, 2014.

_____
CITY CLERK OF THE CITY OF RANCHO CORDOVA

COUNTY RECORDER'S FILING STATEMENT

FILED THIS _____ DAY OF _____, 2014. AT THE HOUR OF _____ O'CLOCK__.M. IN BOOK____ OF MAPS OF ASSESSMENT DISTRICTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.

DAVID VILLANUEVA
COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, CALIFORNIA.

BY: _____
DEPUTY

FILE: _____

REFERENCE IS MADE TO THE ORIGINAL BOUNDARY MAP OF THE DISTRICT, ENTITLED AND RECORDED AS FOLLOWS:

"PROPOSED BOUNDARIES OF THE COUNTY OF SACRAMENTO COMMUNITY FACILITIES DISTRICT NO. 2008-1 (STREET LIGHTING AND ROAD MAINTENANCE) AND FUTURE ANNEXATION AREA, RECORDED ON OCTOBER 14, 2008 IN BOOK 110 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA."

REFERENCE IS MADE TO THE FUTURE ANNEXATION AREA MAP OF THE DISTRICT, ENTITLED AND RECORDED AS FOLLOWS:

"PROPOSED FUTURE ANNEXATION AREA OF THE COUNTY OF SACRAMENTO COMMUNITY FACILITIES DISTRICT NO. 2008-1 (STREET LIGHTING AND ROAD MAINTENANCE) AND FUTURE ANNEXATION AREA, RECORDED ON OCTOBER 14, 2008 IN BOOK 110 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA."

P:\Public Works\Programming Grants & Finance\Special Districts\Boundary Maps\2014-15 Fitzgerald Industrial Building (CFD15)\Fitzgerald Industrial Building(CFD15).dwg 6/30/14 3:16pm tomsho

RECORDING REQUESTED BY AND AFTER RECORDATION RETURN TO:

EXHIBIT B

City Clerk
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, California 95670

AMENDED NOTICE OF SPECIAL TAX LIEN

CITY OF RANCHO CORDOVA
Community Facilities District No. 2008-1
(Street Lighting and Road Maintenance)

Pursuant to the requirements of Section 3114.5 of the Streets and Highways Code of California and the Mello-Roos Community Facilities Act of 1982, as amended, section 53311, *et. seq*., of the California Government Code (the "Act"), the undersigned City Clerk of the City of Rancho Cordova, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the City Council of the City of Rancho Cordova, County of Sacramento, which lien is recorded in the office of the County Recorder for the County of Sacramento at Book 20081202 Page 0781. The special tax secured by this lien is authorized to be levied for the purpose providing certain public services described in **Exhibit A** attached hereto and hereby made a part hereof.

The special tax is authorized to be levied within Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance) (the "CFD") which has now been officially formed and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with section 53330.5 of the Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in **Exhibit B** attached hereto and hereby made a part hereof. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are: None.

Notice is further given that upon the recording of this notice in the office of the County Recorder of the County of Sacramento, the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the CFD in accordance with Section 3115.5 of the Streets and Highways Code of California.

The name(s) of the owner(s) and the assessor's tax parcel numbers of the real property included within the area of the CFD and not exempt from the special tax are as set forth in **Exhibit C** attached hereto and hereby made a part hereof.

Reference is made to the boundary map of the CFD recorded at Book 110 of Maps of Assessment and Community Facilities Districts at Page 10 (Document No. 20081014-0822), in the office of the County Recorder for the County of Sacramento, State of California, which map is now the final boundary map of the CFD; Annexation Map No. 2, recorded at Book 110 of Maps of Assessment and Community Facilities Districts at Page 0014 (Document No. 20090121-0721), in the office of the County Recorder for the County of Sacramento, State of California; Annexation Map No. 3, recorded at Book 110 of Maps of Assessment and Community Facilities Districts at Page 0015 (Document No. 20090121-0722); and Annexation Map No. 5, recorded at Book 110 of Maps of Assessment and Community Facilities Districts at Page 0021 (Document No. 20090626-0609), in the office of the County Recorder for the County of Sacramento, State of California; Annexation Map No. 6, recorded at Book 111 of Maps of Assessment and Community Facilities Districts at Page 0007 (Document No. 20091002-0840), in the office of the County Recorder for the County of Sacramento, State of California; Annexation Map No. 8, recorded at Book 111 of Maps of Assessment and Community Facilities Districts at Page 0007 (Document No. 20091110-0802); Annexation Map No. 9, recorded at Book 112 of Maps of Assessment and Community Facilities Districts at Page 0007 (Document No. 20110504-0992), in the office of the County Recorder for the County of Sacramento, State of California; Annexation Map No. 10, recorded at Book 112 of Maps of Assessment and Community Facilities Districts at Page 0008 (Document No. 201105040993); Annexation Map No. 11, recorded at Book 113 of Maps of Assessment and Community Facilities Districts at Page 0024 (Document No. 201204170549); Annexation Map No. 12 recorded at Book 113 of Maps of Assessment and Community Facilities Districts at Page 0030 (Document No. 201206210588); Annexation Map No. 13 recorded at Book 115 of Maps of Assessment and Community Facilities Districts at Page 0002 (Document No. 201302140547); Annexation Map No. 14 recorded at Book 115 of Maps of Assessment and Community Facilities Districts at Page 0010 (Document No. 201305170574); and Annexation Map No. 15 recorded at Book ___ of Maps of Assessment and Community Facilities Districts at Page ____ (Document No. _____) in the office of the County Recorder for the County of Sacramento, State of California which is the map of the above referenced parcel annexed to the District. The original boundary map along with the recorded annexation maps now comprises the boundary map of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Chief Financial Officer of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California 95670; telephone number (916) 851-8700.

Dated: As of _____, 2014

By: _____
Mindy Cuppy, CMC, City Clerk
City of Rancho Cordova

EXHIBIT A

CITY OF RANCHO CORDOVA
COMMUNITY FACILITIES DISTRICT NO. 2008-1
(STREET LIGHTING AND ROAD MAINTENANCE)

DESCRIPTION OF DISTRICT SERVICES

Description of services:

Maintenance and lighting of public streets and roads

- Maintenance means the furnishing of services and materials for the ordinary and usual operation, maintenance and servicing of the street improvements, the street-lighting network, dedicated easements, and appurtenant facilities, and administration and overhead of all aspects of the District.

Reserve Fund

- The Special Taxes may be collected and set-aside in designated funds, collected over several years, that may be used by the District to fund future repairs to street lighting and roadway improvements and other services as determined by the District.

EXHIBIT B

CITY OF RANCHO CORDOVA
COMMUNITY FACILITIES DISTRICT NO. 2008-1
(STREET LIGHTING AND ROAD MAINTENANCE)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance) shall be levied and collected according to the tax liability determined by the City Council, acting in its capacity as the legislative body of CFD No. 2008-1, through the application of the appropriate Special Tax rate, as described below. All of the property in CFD No. 2008-1, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to CFD No. 2008-1 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acreage" or **"Acre"** means the land area making up an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final subdivision map or other parcel map recorded at the County Recorder's Office.

"Additional Load and Decorative Lighting Parcel" means any Parcel that is determined by the City to be both an Additional Load Parcel and a Decorative Lighting Parcel.

"Additional Load Parcel" means any Parcel of Commercial Property or Industrial Property that is determined by the City to create excessive wear and tear on the roadways and/or a high volume of vehicular traffic.

"Administrative Expenses" means the costs incurred by the City to determine, levy and collect the Special Tax, including salaries of City employees and fees of consultants and the costs of collecting installments of the Special Taxes upon the general tax rolls, preparation of required reports, and any other costs required to administer the CFD.

"Administrator" means the person or firm designated by the City to administer the Special Taxes according to this Rate and Method of Apportionment of Special Tax.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Services" means the public services authorized to be funded by CFD No. 2008-1 as set forth in the documents adopted by the City Council when the CFD was formed.

"CFD" or **"CFD No. 2008-1"** means the City of Rancho Cordova Community Facilities District No. 2008-1 (Street Lighting and Road Maintenance).

"City" means the City of Rancho Cordova.

"City Council" means the City Council of the City of Rancho Cordova, acting as the legislative body of CFD No. 2008-1.

"Commercial Property" means, in any Fiscal Year, all Developed Property for which a building permit or use permit has been issued for a commercial establishment which includes, but is not limited to, retail stores, clothing stores, book stores, video rental stores, drug stores, professional services (i.e., barber shops, dry cleaners), restaurants, supermarkets, hospitals, movie theaters, appliance and electronic stores, home supply stores, auto parts stores, and other businesses providing auto-related products and services. The City shall make the determination if a Parcel is Commercial Property.

"County" means the County of Sacramento.

"Decorative Lighting Parcel" means any Parcel of Developed Property that is determined by the City to have or benefit from decorative lighting features.

"Developed Property" means, in any Fiscal Year, all Parcels of Taxable Property for which a use permit or building permit for new construction of a residential or non-residential structure (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 30 of the preceding Fiscal Year.

"Fiscal Year" means the period starting on July 1 and ending on the following June 30.

"Hotel Property" means, in any Fiscal Year, all Developed Property for which a building permit or use permit has been issued for a structure that constitutes a place of lodging providing sleeping accommodations and related facilities for travelers.

"Industrial Property" means, in any Fiscal Year, all Developed Property for which a building permit or use permit has been issued for construction of an industrial, manufacturing, or warehousing structure. The City shall make the determination if a Parcel is Industrial Property.

"Maximum Special Tax" means the greatest amount of Special Tax that can be levied on an Assessor's Parcel in any Fiscal Year determined in accordance with Section C below.

"Multi-Family Property" means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit has been issued for construction of a residential structure with five or more Units that share a single Assessor's Parcel number, all of which are offered for rent to the general public and cannot be purchased by individual homebuyers.

"Non-Residential Property" means, collectively, Commercial Property, Hotel Property, Industrial Property, and Office Property.

"Office Property" means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit has been issued for a building in which professional, banking, insurance, real estate, administrative or in-office medical or dental activities are conducted. The City shall make the determination if a Parcel is Office Property.

"Ordinary Use Parcel" means any Parcel of Taxable Property that is not an Additional Load Parcel, Decorative Lighting Parcel, Residential Alley Parcel, Additional Load and Decorative Lighting Parcel, or Residential Alley and Decorative Lighting Parcel.

"Proportionately" means that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Parcels of Developed Property.

"Public Property" means any property within the boundaries of CFD No. 2008-1 that is owned by the federal government, State of California, County, City, or other public agency.

"Residential Alley and Decorative Lighting Parcel" means any Parcel that is determined by the City to be both a Residential Alley Parcel and a Decorative Lighting Parcel.

"Residential Alley Parcel" means any Parcel of Residential Property that is determined by the City to have residential alleys that are part of the public roadways.

"Residential Property" means, collectively, Single Family Attached Property, Single Family Detached Property, and Multi-Family Property.

"Single Family Attached Property" means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor's Parcel numbers assigned to them (except for a duplex unit, which may share an Assessor's Parcel with another duplex unit), and are offered as for-sale Units (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit(s)), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

"Single Family Detached Property" means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

"Special Tax Requirement" means the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized Services, (ii) Administrative Expenses, and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the tax will be collected.

"Special Tax" means a special tax levied in any Fiscal Year on property within CFD No. 2008-1 to pay the Special Tax Requirement.

"Square Foot," "Square Footage," or **"Square Feet"** means the building square footage reflected on the original building permit issued for construction of a building.

"Taxable Property" means all Assessor's Parcels within the boundaries of CFD No. 2008-1 which are not exempt from the Special Tax pursuant to law or Section E below.

"Taxable Public Property" means, in any Fiscal Year, all Assessor's Parcels in CFD No. 2008-1 that had, in prior Fiscal Years, been taxed as Developed Property and subsequently came under the ownership of a public agency.

"Tax Zone" means one of the three mutually exclusive tax zones identified in Attachment 1 of this Rate and Method of Apportionment of Special Tax, as may be updated to include new Parcels or new tax zones added to the CFD as a result of future annexations.

"Tax Zone 1" means the geographic area that is identified by Assessor's Parcel number in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone 1 and any property annexed into Tax Zone 1 after formation of the CFD.

"Tax Zone 2" means the geographic area that is identified by Assessor's Parcel number in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone 2 and any property annexed into Tax Zone 2 after formation of the CFD.

"Tax Zone 3" means the geographic areas that are identified by Assessor's Parcel number in Attachment 1 of this Rate and Method of Apportionment of Special Tax as Tax Zone 3 and any property annexed into Tax Zone 3 after formation of the CFD.

"Unit" means an individual single-family detached unit or an individual residential unit within a duplex, triplex, fourplex, townhome, condominium, or apartment structure. Unit shall also mean a single room or unit on a Parcel of Hotel Property.

B. DATA COLLECTION FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor's Parcel number for all Parcels of Taxable Property within CFD No. 2008-1 and shall determine within which Tax Zone each Assessor's Parcel is located. Upon each annexation of property into CFD No. 2008-1, the Administrator shall update Attachment 1 to include the new Assessor's Parcel number(s). In addition, for all Parcels of Developed Property, if applicable to the Tax Zone in which the

Parcels are located, the Administrator shall determine if each Parcel is an Ordinary Use Parcel, an Additional Load Parcel, a Residential Alley Parcel, a Decorative Lighting Parcel, an Additional Load and Decorative Lighting Parcel, or a Residential Alley and Decorative Lighting Parcel.

Based on review of building permit records for property within the CFD, the Administrator shall determine which Parcels in the CFD are Developed Property for purposes of levying the Special Tax pursuant to Section D below. For Single Family Attached Property, Multi-Family Property, and Hotel Property, the number of Units shall be determined by referencing the condominium plan, apartment plan, site plan or other development plan for the property. For Residential Property, the Administrator shall determine the Square Footage of each Unit. For Non-Residential Property, the Administrator shall determine the Acreage of, and Square Footage on, each Parcel.

If a Parcel in the CFD is rezoned prior to such Parcel becoming Developed Property, the City may in its sole discretion, move the Parcel to a different Tax Zone based on the rezone. If a Parcel rezones after the Parcel has been taxed as Developed Property in prior Fiscal Years, the City can either continue to apply the Maximum Special Tax to the Parcel that had applied prior to the rezone or, in the City's sole discretion, allow for the Parcel to be moved to a different Tax Zone based on the rezone.

In any Fiscal Year, if it is determined that (i) a parcel map for a portion of property in CFD No. 2008-1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel map, and (iii) one or more of the newly-created Parcels meets the definition of Developed Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel map by determining the Special Tax that applies separately to each newly-created Parcel, then applying the sum of the individual Special Taxes to the Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Tax Zone 1

The Maximum Special Tax for a Parcel of Developed Property in Tax Zone 1 for Fiscal Year 2008-09 shall be $0.0771 per Square Foot. On each January 1, commencing January 1, 2009, this Maximum Special Tax shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.

2. Tax Zone 2

The Maximum Special Tax for a Parcel of Developed Property in Tax Zone 2 for Fiscal Year 2008-09 shall be $0.0211 per Square Foot. On each January 1, commencing January 1, 2009, this Maximum Special Tax shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.

3. Tax Zone 3

The following Maximum Special Taxes apply to all Parcels of Developed Property within Tax Zone 3 of CFD No. 2008-1:

a. Ordinary Use Parcels

MAXIMUM SPECIAL TAXES
ORDINARY USE PARCELS
(FISCAL YEAR 2008-09)

Land Use Class	Square Footage	Maximum Special Tax
Single Family Detached Property	Units greater than 1,200 Square Feet	$335.81 per Unit
Single Family Detached Property	Units less than or equal to 1,200 Square Feet	$295.51 per Unit
Single Family Attached Property	Units greater than 1,200 Square Feet	$295.51 per Unit
Single Family Attached Property	Units less than or equal to 1,200 Square Feet	$235.06 per Unit
Multi-Family Property	N/A	$235.06 per Unit
Commercial Property	N/A	The greater of $973.30 per Acre or $0.0944 per Square Foot
Hotel Property	N/A	The greater of $2,688.49 per Acre or $56.98 per Unit
Industrial Property	N/A	The greater of $222.20 per Acre or $0.0351 per Square Foot
Office Property	N/A	The greater of $851.74 per Acre or $0.0827 per Square Foot

On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.

b. Residential Alley Parcels

MAXIMUM SPECIAL TAXES
RESIDENTIAL ALLEY PARCELS
(FISCAL YEAR 2008-09)

Land Use Class	Square Footage	Maximum Special Tax
Single Family Detached Property	Units greater than 1,200 Square Feet	$463.41 per Unit
Single Family Detached Property	Units less than or equal to 1,200 Square Feet	$407.80 per Unit
Single Family Attached Property	Units greater than 1,200 Square Feet	$407.80 per Unit
Single Family Attached Property	Units less than or equal to 1,200 Square Feet	$324.39 per Unit
Multi-Family Property	N/A	$324.39 per Unit
Commercial Property	N/A	N/A
Hotel Property	N/A	N/A
Industrial Property	N/A	N/A
Office Property	N/A	N/A

On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.

c. Decorative Lighting Parcels

MAXIMUM SPECIAL TAXES
DECORATIVE LIGHTING PARCELS
(FISCAL YEAR 2008-09)

Land Use Class	Square Footage	Maximum Special Tax
Single Family Detached Property	Units greater than 1,200 Square Feet	$360.99 per Unit
Single Family Detached Property	Units less than or equal to 1,200 Square Feet	$317.67 per Unit
Single Family Attached Property	Units greater than 1,200 Square Feet	$317.67 per Unit
Single Family Attached Property	Units less than or equal to 1,200 Square Feet	$252.69 per Unit
Multi-Family Property	N/A	$252.69 per Unit
Commercial Property	N/A	The greater of $1,046.30 per Acre or $0.1015 per Square Foot
Hotel Property	N/A	The greater of $2,890.13 per Acre or $61.25 per Unit
Industrial Property	N/A	The greater of $238.87 per Acre or $0.0377 per Square Foot
Office Property	N/A	The greater of $915.62 per Acre or $0.0889 per Square Foot

On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.

d. Additional Load Parcels

MAXIMUM SPECIAL TAXES
ADDITIONAL LOAD PARCELS
(FISCAL YEAR 2008-09)

Land Use Class	Square Footage	Maximum Special Tax
Single Family Detached Property	Units greater than 1,200 Square Feet	N/A
Single Family Detached Property	Units less than or equal to 1,200 Square Feet	N/A
Single Family Attached Property	Units greater than 1,200 Square Feet	N/A
Single Family Attached Property	Units less than or equal to 1,200 Square Feet	N/A
Multi-Family Property	N/A	N/A
Commercial Property	N/A	The greater of $1,216.63 per Acre or $0.1180 per Square Foot
Hotel Property	N/A	N/A
Industrial Property	N/A	The greater of $277.75 per Acre or $0.0439 per Square Foot
Office Property	N/A	N/A

On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.

e. Additional Load and Decorative Lighting Parcels

MAXIMUM SPECIAL TAXES
ADDITIONAL LOAD AND DECORATIVE LIGHTING PARCELS
(FISCAL YEAR 2008-09)

Land Use Class	Square Footage	Maximum Special Tax
Single Family Detached Property	Units greater than 1,200 Square Feet	N/A
Single Family Detached Property	Units less than or equal to 1,200 Square Feet	N/A
Single Family Attached Property	Units greater than 1,200 Square Feet	N/A
Single Family Attached Property	Units less than or equal to 1,200 Square Feet	N/A
Multi-Family Property	N/A	N/A
Commercial Property	N/A	The greater of $1,289.63 per Acre or $0.1251 per Square Foot
Hotel Property	N/A	N/A
Industrial Property	N/A	The greater of $294.42 per Acre or $0.0465 per Square Foot
Office Property	N/A	N/A

On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.

f. Residential Alley and Decorative Lighting Parcels

MAXIMUM SPECIAL TAXES
RESIDENTIAL ALLEY AND DECORATIVE LIGHTING PARCELS
(FISCAL YEAR 2008-09)

Land Use Class	Square Footage	Maximum Special Tax
Single Family Detached Property	Units greater than 1,200 Square Feet	$488.60 per Unit
Single Family Detached Property	Units less than or equal to 1,200 Square Feet	$429.97 per Unit
Single Family Attached Property	Units greater than 1,200 Square Feet	$429.97 per Unit
Single Family Attached Property	Units less than or equal to 1,200 Square Feet	$342.02 per Unit
Multi-Family Property	N/A	$342.02 per Unit
Commercial Property	N/A	N/A
Hotel Property	N/A	N/A
Industrial Property	N/A	N/A
Office Property	N/A	N/A

On each January 1, commencing January 1, 2009, the Maximum Special Taxes shown above shall be increased by an amount equal to the percentage increase, if any, in the construction cost index for the San Francisco region for the prior 12-month period (December to December) as published in the Engineering News Record or other comparable source.

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied as follows until the amount of the levy equals the Special Tax Requirement for that Fiscal Year:

First: The Special Tax shall be levied proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax determined for each category of Developed Property within each Tax Zone until the amount levied is equal to the Special Tax Requirement for the Fiscal Year.

Second: If additional revenue is needed after the first step has been completed, the Special Tax shall be levied proportionately on each Parcel of Taxable Public Property up to 100% of the Maximum Special Tax that would have

applied to the Parcel had the Parcel not become Public Property until the amount levied is equal to the Special Tax Requirement for the Fiscal Year.

The Special Tax for CFD No. 2008-1 shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet CFD No. 2008-1 financial obligations and the Special Tax shall be equally subject to foreclosure if delinquent.

E. LIMITATIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Tax shall be levied on (i) any Parcel of Public Property that is not Taxable Public Property, and (ii) any Parcel in CFD No. 2008-1 that is not Developed Property.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the Rate and Method of Apportionment of Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. The City may make interpretations by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Taxes.

ATTACHMENT 1

CITY OF RANCHO CORDOVA
COMMUNITY FACILITIES DISTRICT 2008-1
(STREET LIGHTING AND ROAD MAINTENANCE)

IDENTIFICATION OF TAX ZONES

Tax Zone	Assessor's Parcels Included in Tax Zone *	Fiscal Year In Which Property Was Added to CFD No. 2008-1
1	077-0050-085	2008-09
2	067-0010-060	2008-09
3	067-0990-001 067-1000-001 072-0500-040 072-0500-041	2008-09 2008-09 2008-09 2008-09

**** The property identified by the Assessor's Parcel Numbers listed above shall remain part of the identified Tax Zone regardless of changes in the configuration of the Assessor's Parcels or changes to APNs in future Fiscal Years. As APNs change, the City may update Attachment 1 to reflect the most current APNs.***

MEMORANDUM

DATE: August 18, 2014

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director
Kathy Garcia, Senior Engineer

SUBJECT: **RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT CHANGE ORDERS WITH TEICHERT CONSTRUCTION FOR THE TOTAL ESTIMATED AMOUNT OF $490,000 AND AUTHORIZING THE CITY MANAGER TO APPROVE POTENTIAL FUTURE CHANGE ORDERS UP TO A MAXIMUM OF $210,000**

RECOMMENDATION

Adopt Resolution No. 105-2014.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will authorize the City Manager to execute contract change orders (CCO's) associated with the 2012 Sunrise Blvd. Street Rehabilitation project. Execution of the CCO's will increase the current amount of Construction Contract No. 46-2014 from $1,577,024 to $2,067,024.

This resolution will also authorize the City Manager to approve potential future CCO's up to a maximum of $210,000.

BACKGROUND

The work performed under this construction contract includes the furnishing of all labor, materials and equipment for construction of the 2012 Sunrise Blvd Street Rehabilitation project. This project includes construction and placing of a new rubberized asphalt concrete pavement overlay, repairing failed pavement, removing and replacing damaged concrete curb, gutter, sidewalk and curb returns, adding storm water pipeline as well as replacing pedestrian pushbuttons along Sunrise Boulevard from Zinfandel Drive to Trinity River Parkway.

Additional funds have become available due to lower than expected bids allowing the City to upgrade vehicle detection loops, perform a more extensive repair to the roads (resulting in a longer useful life) as well as paying for unforeseen conditions. CCO items one through six will pay for upgrades of vehicle detection loops at the Coloma Rd. and Zinfandel Dr. intersections, increased level of pavement repair and unforeseen conditions and conflicts (See attached summary). Implementation of these changes will result in a longer lasting Sunrise Blvd.

Additional approval authority is requested for the City Manager up to a total amount of $210,000 for potential future CCO's.

FISCAL IMPACT

The project budget has sufficient contingency to cover the cost of the requested change orders.

ATTACHMENT

Resolution No. 105-2014.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 105-2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT CHANGE ORDERS WITH TEICHERT CONSTRUCTION FOR THE TOTAL ESTIMATED AMOUNT OF $490,000 AND AUTHORIZING THE CITY MANAGER TO APPROVE POTENTIAL FUTURE CHANGE ORDERS UP TO A MAXIMUM OF $210,000

WHEREAS, the City awarded the 2012 Sunrise Blvd. Street Rehabilitation Project to Teichert Construction in the amount of $1,577,024 (Contract 46-2014); and

WHEREAS, additional funds have become available due to lower than expected bids allowing the City to upgrade vehicle detection loops, perform a more extensive repair to the roads (resulting in a longer useful life) as well as paying for unforeseen conditions; and

WHEREAS, the City recommends that the City Council authorizes the City Manager to execute contract change order items one through six in the total amount of $490,000; and

WHEREAS, the total amount of the change orders exceeds the amount the City Manager is currently authorized to approve; and

WHEREAS, the City recommends that the City Council grant the City Manager the authority to approve future potential CCO's up to a maximum of $210,000; and

WHEREAS, the project budget has sufficient contingency to cover the cost of the requested change orders.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF RANCHO CORDOVA that the City Council authorizes the City Manager or his designee to execute contract change order items one through six with Teichert Construction up to the total amount of $490,000 **(Exhibit A)** and to approve future potential CCO's up to a maximum of $210,000.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ___ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Dan Skoglund, Mayor

ATTEST:

_____
Mindy Cuppy, MMC, City Clerk

EXHIBIT A

CCO ITEM	DESCRIPTION	ESTIMATED VALUE
1	Lead compliance plan	$ 1,650
2	Storm drain revisions	$ 5,000
3	Modifications to curb returns	$ 10,000
4	Video detection	$ 28,350
5	Vehicle Detector Loop Upgrades	$ 160,000
6	Increased level of pavement repair	$ 285,000

Total =	**$ 490,000**

MEMORANDUM

DATE: August 18, 2014

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director
Marilyn Phelps, Assistant Land Surveyor

SUBJECT: **RESOLUTION APPROVING THE ABANDONMENT OF AN EASEMENT RESTRICTING VEHICULAR INGRESS AND/OR EGRESS TO SUNRISE BOULEVARD ON APN 072-0510-009**

RECOMMENDATION

Adopt Resolution No. 102-2014.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will remove the restriction of vehicular access dedicated along the frontage of Sunrise Boulevard on parcel 34, recorded in book 60, of parcel maps, at page 27, on October 2, 1980, located on the east side of Sunrise Boulevard 415 feet north of Mechanical Drive.

BACKGROUND

Spence Commercial Properties, LLC wishes to sell or develop this vacant parcel. Sunrise Boulevard is the only frontage to this parcel. They are requesting adequate access to the property so that it can be developed with a suitable project.

The 1980 parcel map proposed access through the adjacent privately owned parcel fronting on Luyung Drive. Spence Commercial Properties LLC has not been able to acquire an easement through the adjacent property. A driveway location for the subject parcel along Sunrise Boulevard will be determined in the development review process with the City at a future date.

ATTACHMENT

Resolution No. 102-2014.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 102-2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA TO VACATE AN EASEMENT RESTRICTING VEHICULAR INGRESS AND/OR EGRESS PURSUANT TO THE PROVISIONS OF CHAPTER 3, PART 3 OF PUBLIC STREETS, HIGHWAYS, AND SERVICE EASEMENTS VACATON LAW COMMENCING AT SECTION 8320 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE

WHEREAS, a hearing date was scheduled for a proposed resolution to vacate an easement restricting vehicular ingress and/or egress on APN 072-0510-009 located on the east side of Sunrise Boulevard approximately 415 feet north of Mechanical Drive; and

WHEREAS, a notice of the hearing has been posted at City hall at least two weeks in advance of the hearing; and

WHEREAS, at least two weeks before the day set for the hearing at least three notices of vacation were conspicuously posted along the easement to be vacated, not more than 300 feet apart; and

WHEREAS, the hearing described above has been conducted, and this Council, having heard and considered all oral, documentary and other evidence presented, hereby finds, determines and order as follows:

NOW, THEREFORE, BE IT HEREBY RESOLVED THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA that the Council hereby finds as follows:

a. The existing easement restricts access to the parcel.
b. The removal of the easement will provide suitable access for a future development.
c. A driveway location for the subject parcel along Sunrise Boulevard will be determined through the development review process with the City at future date.
d. The Department of Public Works recommends this abandonment be approved.

BE IT FURTHER RESOLVED AND ORDERED that the following described easement for the exclusive right of vehicular ingress and/or egress granted to the City of Rancho Cordova and shown on parcel 34 of the Amended Parcel Map filed in Book 60, of Parcel Maps, at Page 27 is hereby vacated:

See attached exhibit "A" and "A-1"

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, MMC, City Clerk

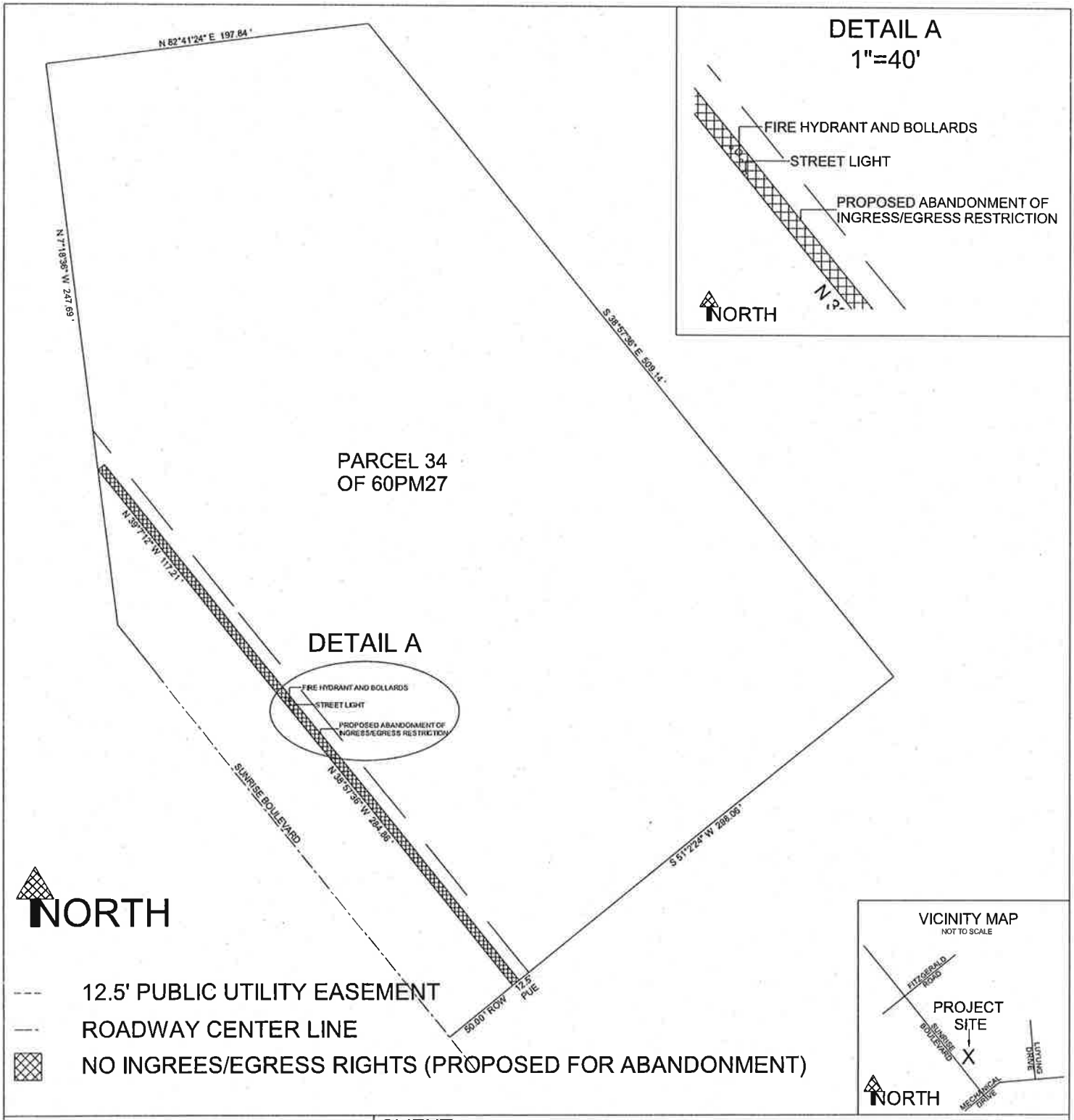
EXHIBIT "A"

The exclusive right of vehicular ingress and/or egress granted to the City of Rancho Cordova across the parcel line of parcel 34 shown on the Amended Parcel Map "LOTS 5 & 6 AND A PORTION OF LOT 3, 'JOSEPH E. FITZGERALD 375 19/100 ACRE TRACT', RECORDED BK 2 R.S. PG 31" (RECORDED IN 52 PM 89) filed in Book 60 of Parcel Maps at Page 27, Sacramento County Records and labeled "NO INGRESS OR EGRESS RIGHTS LINE".

LICENSED LAND SURVEYOR
CYRUS E. ABHAR
No. 7723
Exp. 12-31-15
STATE OF CALIFORNIA

8/8/2014

EXHIBIT "A-1"



Edward R. Gillum Consultant, Inc. 5347 BATTLEWOOD WAY CARMICHAEL, CA 95630 (916) 388-8900 OFFICE (916) 388-9889 FAX	CLIENT SPENCE COMMERCIAL PROPERTIES, LLC		
	JOB TITLE ACCESS RESTRICTION ABANDONMENT		
	SIZE A	SHEET TITLE PLOT PLAN	REV 3
	SCALE 1" = 80'	DATE REV. 06/26/14	SHEET 1 OF 1

MEMORANDUM

DATE: August 18, 2014

TO: Honorable Mayor and Council Members

FROM: Cyrus Abhar, Public Works Director
Elizabeth Sparkman, Senior Engineer

SUBJECT: **RESOLUTION DECLARING RESULTS OF THE PROPERTY OWNER PROTEST, APPROVING A RATE ANALYSIS REPORT AND AUTHORIZING THE MAILING OF A PROPERTY OWNER BALLOT IN RELATION TO THE CREATION OF AN ANNUAL STORMWATER UTILITY FEE FOR THE MAINTENANCE OF STORM DRAINAGE AND FLOOD PROTECTION SYSTEM**

RECOMMENDATION

Adopt Resolution No. 96-2014 of the City Council declaring the results of the property owner protest, approving a Rate Analysis Report, authorizing the mailing of a property owner ballot and setting September 2, 2014 as the date of the ballot tabulation in connection with a proposed annual Stormwater Utility Fee, approving procedures in connection therewith and taking certain other actions.

Introduce and waive the first reading of Ordinance No. 7-2014 of the City Council creating the Stormwater Utility Fee for the maintenance of storm drainage and flood protection system.

RESULT OF RECOMMENDED ACTION

Action on this item will declare the results of the property owner protest and, if there exists less than a majority protest, approve the Rate Analysis Report, authorize the mailing of a ballot to property owners to approve the levy of the fee to pay for storm drainage and flood protection services in developing areas, and set 5:30 p.m., or as soon thereafter as the matter may be heard, on September 2, 2014, as the time and date for the ballot tabulation for the matter.

BACKGROUND

The Council has approved projects in the City, including the Montelena project. This project has a condition of approval which requires that the property owner annex to a new District to be formed by the City of Rancho Cordova to fund operation and maintenance of the storm drainage system. This condition will be satisfied by the formation of and participation in the new Stormwater Utility Fee for storm drainage and flood protection services which is the subject of tonight's action.

Previously projects were required to annex to the County's Stormwater Utility. Since the City has taken over drainage maintenance and operations services from the County, it is necessary to establish this district to properly fund drainage services to ensure compliance with new state and federal laws and regulations.

The property owner of the Montelena project has requested the City create the Stormwater Utility Fee pursuant to the California Health and Safety Code Section 5471 et seq. to provide the method of financing for storm drainage and flood protection services required to meet the condition.

DISCUSSION

The property owner has submitted a petition and waiver for the City to institute the proceedings to create the Stormwater Utility Fee. In addition, the property owner advanced funds for costs associated with the creation of the new fee. This fee is proposed to be called the City of Rancho Cordova Stormwater Utility Fee, County of Sacramento, State of California (hereinafter referred to as "Stormwater Utility Fee.") The Stormwater Utility Fee will initially include the project generally known as the Montelena Project, see **ATTACHMENT 1**, but can expand in the future as other projects in need of maintenance of public storm drain and flood protection improvements are included in the Stormwater Utility Fee area. The maintenance services to be funded include the furnishing of services and materials for the ordinary and usual operation, maintenance, and servicing of the storm drain and flood protection improvements.

ATTACHMENT 2 is the Resolution declaring the results of the property owner protest and authorizing the mailing of a property owner ballot, as required by Article XIII D of the California Constitution (also known as Proposition 218) to establish the Stormwater Utility Fee. The resolution sets forth the tabulation of ballots on the approval to establish the Stormwater Utility Fee on September 2, 2014 and at 5:30 p.m., or as soon thereafter as possible, as the time and date for a hearing on the matters set forth therein. Notice of the Public Hearing was be published in the Grapevine Independent as required by law. Furthermore, a notice of the hearing has been mailed to each property owner within the proposed Stormwater Utility Fee area as shown on Attachment 1.

A "Rate Analysis Report" was prepared by Harris & Associates that calculates the Fiscal Year 2014/2015 maximum annual Stormwater Utility Fee amount for each parcel proportionate to the estimated stormwater runoff for each parcel, see **ATTACHMENT 3**. The maximum annual fee is proposed to be increased each subsequent Fiscal Year by the annual change in the Consumer Price Index (CPI), during the preceding year, for All Urban Consumers, for the San Francisco-Oakland-San Jose areas, published by the United States Department of Labor, Bureau of Labor Statistics

ATTACHMENT 4 is the Ordinance adding Chapter 15.20 to the Rancho Cordova Municipal Code establishing the Stormwater Utility Fee. Tonight's action will be the first reading of the ordinance and final approval will be subject to the approval of the property owners within the fee area.

A sample of the Stormwater Utility Fees for Fiscal Year 2014/2015 are summarized in the following table:

Table 1

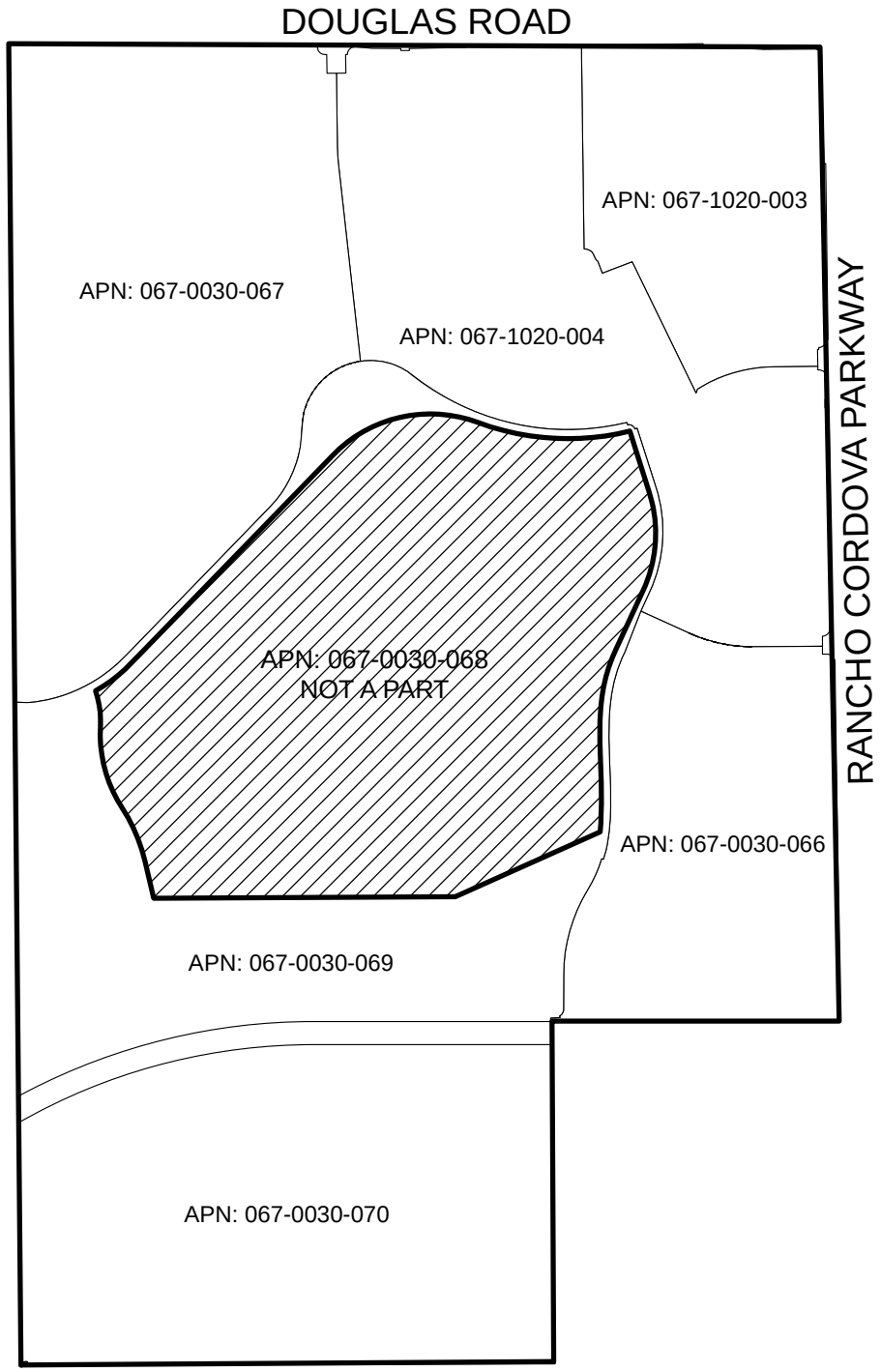
Land Use Description	Total Area (acres)	Sample Fee
Single Family Residential (SFR1)	0.16	$114.63
Single Family Residential (SFR2)	0.22	$126.09
Single Family Residential (SFR3)	0.30	$134.69
Single Family Residential (SFR4)	0.40	$143.28
Single Family Residential (SFR5)	1.00	$179.10
Multi-Family Residential (MFR1)	5.00	$5,373.12
Commercial	1.00	$1,074.62
Industrial	1.00	$1,146.27
Schools	5.00	$3,582.08
Private Recreation	1.00	$358.21
Parks/Greenbelts	2.00	$286.57
Public Property (with structures)	2.00	$859.70

ATTACHMENTS

1. Boundary Map.
2. Resolution No. 96-2014.
3. Rate Analysis Report.
4. Ordinance No. 7-2014.

ATTACHMENT 1

City of Rancho Cordova Stormwater Utility Fee Area (Montelena)



Legend

Parcel Boundary

Fee Area

Harris & Associates

ATTACHMENT 2

RESOLUTION NO. 96-2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DECLARING THE RESULTS OF THE PROPERTY OWNER PROTEST, APPROVING A RATE ANALYSIS REPORT AND AUTHORIZING THE MAILING OF A PROPERTY OWNER BALLOT IN CONNECTION WITH A PROPOSED ANNUAL STORMWATER UTILITY FEE AND TAKING CERTAIN OTHER ACTIONS

RESOLVED, by the City Council (the "Council") of the City of Rancho Cordova (the "City"), County of Sacramento, State of California as follows:

WHEREAS, this Council has received petitions and waivers from the owners of not less than 100% of the area of land proposed to be included in the Proposed Stormwater Utility Fee; and

WHEREAS, this Council has caused a written report entitled, "Rate Analysis Report", dated July 15, 2014, (the "Written Report") to be prepared by Harris & Associates and filed with the City Clerk containing a description of each parcel of real property within the City to which the Proposed Stormwater Utility Fee is applicable (collectively, the "Identified Parcels") and the amount of the Proposed Stormwater Utility Fee for each such Identified Parcel for Fiscal Year 2014-15. The Written Report is on file in the office of the City Clerk and is available for public inspection; and

WHEREAS, on July 4, 2014 and July 11, 2014, the City Clerk caused a notice of the time and place of the hearing thereon and on the proposed Stormwater Utility Fee to be published pursuant to Section 6066 of the Government Code and such public hearing was opened on July 21, 2014 and continued until August 18, 2014; and

WHEREAS, this Council adopted Resolution 76-2014 which established Procedures for the Conduct of a Protest Hearing and Balloting Relating to a Proposed Stormwater Utility Fee (the "Procedures") and set the date of public hearing. A notice of public hearing was mailed to each property owner within the proposed boundary of the Proposed Stormwater Utility Fee; and

WHEREAS, this Council has conducted the public hearing and all interested persons have been afforded the opportunity to be heard, and the City Council has consider all protests against the Proposed Stormwater Utility Fee; and

WHEREAS, there was no majority protest of the owners of the Identified Parcels subject to the Proposed Stormwater Utility Fee.

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

1. The foregoing recitals are true and correct.

2. The Written Report, which is on file in the office of the City Clerk, is hereby approved.

3. The City Clerk is hereby authorized and directed to mail a property owner ballot in accordance with law and the Procedures

4. The date of the ballot tabulation shall be September 2, 2014 at 5:30 pm, or as soon thereafter as the matter may be heard.

ATTACHMENT 2

5. The City Council hereby designates Elizabeth Sparkman, Senior Engineer, telephone number, (916) 851-8714 to answer inquiries regarding the ballot proceedings and procedural or technical matters.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

_____
Dan Skoglund, Mayor

ATTEST:

_____
Mindy Cuppy, MMC, City Clerk

Harris & Associates℠

SHAPING THE FUTURE ONE PROJECT AT A TIME℠

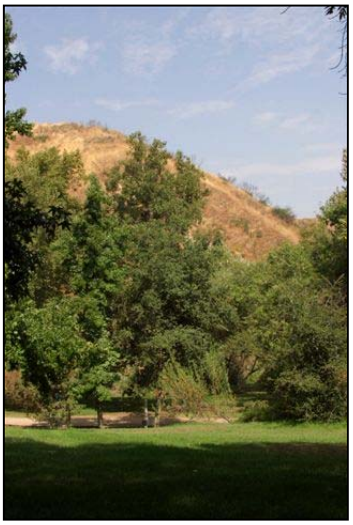
Rate Analysis Report

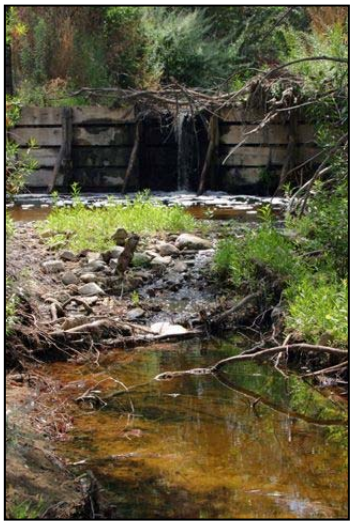
for the

Stormwater Utility Fee

For the

City of Rancho Cordova





August 7, 2014

Introduction

The City of Rancho Cordova (City) is detaching from the County of Sacramento fee and is creating their own Stormwater Utility Fee, which is being levied per the California Health and Safety Code Section 5471 et seq.

The purpose of this Rate Analysis Report is to:

- Review the Stormwater Utility Fee and improvements to be funded.
- Review the requirements of Article XIIID of the State Constitution (Proposition 218) relating to requirements for apportioning the costs associated with the City's stormwater runoff system.
- Analyze and recommend an appropriate rate structure and provide estimated rates based on cost data information provided by the City.

Proposition 218 Requirements

This fee must comply with the provisions of Article XIIID of the California Constitution (Proposition 218). Section 6 of Proposition 218 has the following requirements for all "new, extended, imposed or increased" fees and charges:

1) "Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service."

2) "Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed."

3) "The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel."

4) "No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with [the assessment section of this code]."

5) "No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services where the service is available to the public at large in substantially the same manner as it is to property owners."

Background Information

In accordance with the Federal Clean Water Act of 1972, the United States Environmental Protection Agency (EPA) is required to establish regulations setting forth National Pollution Discharge Elimination System (NPDES) permit standards. The enactment of 1987 amendments to the Federal Clean Water Act (Act) of 1972 imposes permit requirements for discharge of storm waters. The Act allows the EPA to delegate its NPDES permitting authority to states with an approved environmental regulatory program. The State of California is one of the delegated states.

The responsibility for implementing various NPDES permits in the State of California has been delegated to the State Water Resources Control Board (SWRCB). The SWRCB administers NPDES authority through its nine Regional Boards. As an NPDES permittee, the City is required to manage stormwater pollution within its jurisdiction.

In order to provide for the safety of the residents of the City and protect property in the City from the damage associated with flooding and to meet the requirements of the NPDES permit, it is necessary to design, construct, operate, maintain, improve and replace storm drainage facilities which collect storm and surface water runoff and convey and treat such runoff in a safe manner to an acceptable point of discharge. It is also necessary to inspect, monitor, and take enforcement action related to illegal dumping, and illicit discharges. In order to properly fund such facilities and activities, the City has determined that it is necessary to impose on all developing properties in Rancho Cordova a user charge for storm drainage service.

Based on the 2030 General Plan and current specific plan areas, Rancho Cordova is expected to develop as shown in Table 1 below. The proposed boundary for the stormwater utility is shown in Appendix A.

Table 1 – Land Use

	Land Use/ Zoning Description	Total Acres	Total Units
Residential:			
LDR	SF (2.1-6.0 DU/AC)	2,635	13,156
	MD (6.1-12 DU/AC)	322	2,524
MDR	MD (6.1-18.0 DU/AC)	1,852	13,231
	MD (14.0-29.9 DU/AC)	60	885
HDR	HD (18.1-40.0 DU/AC)	192	4,372
	HD (30+ DU/AC)	30	825
	Residential Total	**5,090**	**34,993**
Non-Residential:			
VC	Village Commercial	202	
LTC	Local Town Center	134	
RTC	Regional Town Center	172	
BP	Business Park	158	
MP	Industrial Park	283	
Education:			
HS/MS	High School/Middle School	356	
MS	Middle School	20	
ES	Elementary School	102	
Open Space & Public:			
CP	Community Park	313	
P/QP	Public/Quasi Public	37	
NP	Neighborhood Park	194	
SWD	Storm Water Detention	186	
WP	Wetland Preserve	745	
DP	Drainage Parkway	270	
PR	Private Recreation	63	
OS	Open Space	168	
OS/P	Open Space/Preserve	279	
LC	Landscape Corridors	123	
GB	Green Belts	54	
ROW	Right-of-way	596	
BR/WP	Reservoir / Wetland Preserve	528	
S	Sewer Lift Station / Utility Substa	14	
	Vacant (unknown dev plan)	595	
	Total Non-residential	5,590	
	Total Residential & Non-Res	**10,680**	

A more detailed land use table by development area is shown in Appendix D.

This development is expected to require significant stormwater drainage and flood control facilities. Based on the development area and improvements that were required in four (4) recent developments

within the County of Sacramento, Table 2 summarizes the improvements that are expected once development is complete.

Table 2 – Expected Improvements

Infrastructure Type	Quantity	
Inlets	6,400	LF
Manholes	4,460	LF
66" Pipe	3,950	LF
60" Pipe	10,280	LF
54" Pipe	11,140	LF
48" Pipe	10,210	LF
42" Pipe	28,620	LF
36" Pipe	42,420	LF
30" Pipe	51,050	LF
27" Pipe	540	LF
24" Pipe	91,960	LF
21" Pipe	2,230	LF
18" Pipe	100,300	LF
15" Pipe	101,300	LF
12" Pipe	529,890	0
10" Pipe	4,170	0
Creeks and Channels	80	AC
Basins	320	AC

Services Funded

Expenditures from the revenue generated from the Stormwater Utility Fee are intended to comply with the requirements set forth in the NPDES permit. The activities and services funded by this fee include, but are not limited to:

1. Administration and oversight of the requirements set forth in the NPDES permit to City departments, developments, and local agencies.

2. Respond to and investigate incidents of illicit discharges and illegal connections to the storm drain system.

3. Periodically inspect facilities for proper handling of materials, chemicals, pollutants, garbage, waste, and debris and prevent any discharges to the storm drain system.

4. Regularly clean and maintain catch basins, the flowline, and storm drainage facilities.

5. Installation and maintenance of water quality devices required to keep pollutants out of the storm drain system.

6. Discourage illegal dumping or discharge of pollutants into the storm drain system by stenciling all City-owned catch basins with a "No Dumping" message.

7. Augment public education and outreach programs in regards to the proper use and function of the storm drainage system and the receiving waters.

8. Develop programs to promote, publicize, and facilitate public reporting of illicit discharges to the storm drain system.

9. Encourage the proper disposal of household hazardous waste (HHW) to prevent the improper disposal to the storm drain system or to the sewer system.

10. Discourage the improper disposal of litter, garden clippings, leaves, and pet waste into the street or the storm drain system.

11. Capital replacement of storm drainage and flood control improvements at the end of the expected useful life for such improvements.

Rate Structure Analysis

Section 6.b of Article XIIID of the State Constitution (Proposition 218) states that:

> "The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel."
>
> and
>
> "No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question."

By definition, all properties that shed stormwater into the City's stormwater drainage system use, or are served by, the City's stormwater drainage system. The amount of use attributed to each parcel is measurable by the amount of storm runoff contributed by the property, which is directly proportional to the amount of impervious area on a parcel (such as buildings and concrete). The more impervious area on a property, the more storm runoff the property generates, the more demand placed on the storm drain system.

The amount each parcel uses the stormwater drainage system is computed by the following formula:

(Parcel Area) x (Impervious Percentage) = Drainage Units

The typical percent impervious (% Impervious) for land uses in the City, have been applied for the purposes of estimating the runoff generated by each property. These are shown in Appendix B.

The more Drainage Units a parcel has, the more storm run-off it generates, and the more it uses and impacts the stormwater drainage system.

It is standard practice to relate other land uses to a developed single family residential (SFR) parcel, instead of working exclusively with drainage units. The median size of a SFR parcel will be approximately 0.16 acre. Therefore, it makes sense to relate all parcels to this median residential property. The runoff from a 0.16-acre SFR parcel is set equal to one Drainage Measurement Unit (DMU) and this base DMU is calculated as follows:

(0.16 acres of area) x 50% = 0.0800 Impervious Area = 1 DMU

Single Family Residential Parcels

As a SFR property increases in size over the median parcel size, the typical percentage of impervious area decreases, as shown in Appendix B. Conversely, as a SFR parcel decreases in size below the median parcel size, the typical percentage of impervious area increases, and such increase is typically proportional to the decrease in size. Therefore, SFR properties are separated into five (5) groups. The median parcel area for each group was used and their DMUs are calculated as follows:

SFR Category	DMU/ Formula
SFR1 – SFR parcels 0.16 acres or less	1.00 DMU
SFR2 – SFR parcels 0.17 - 0.25 acres	1.10 DMUs
SFR3 – SFR parcels 0.26 – 0.33 acres	1.175 DMUs
SFR4 – SFR parcels 0.34 – 0.50 acres	1.25 DMUs
SFR5 – SFR parcels greater than 0.50 acres	$1.25 + \frac{[(\text{acres} - 0.50) \times 5\%]}{0.0800} = \text{DMUs}$

Multi-Family Residential Parcels

Multi-Family Residential (MFR) units (including condominiums) are split into categories by the density, or number of dwelling units per acre (DU/Ac) as follows:

MFR Category	Density	% Impervious
MFR1 - High Density	Greater than 18 DU/Ac	75%
MFR 2 - Med Density	10 – 18 DU/Ac	70%

$$\frac{\text{Acreage} \times \%\text{Impervious}}{0.0800} = \text{DMUs}$$

Condominium unit parcel areas are calculated by dividing the total area of the condominium complex (which includes the common area) by the number of condominium units, and the total imperviousness of the entire complex is attributed to each individual condo parcel in the complex. (This divides the runoff of the entire complex to each of the individual units.) Because these condominium common areas are taken into consideration in this manner, they are exempt from the charge.

Non- Residential Parcels

All non-residential parcel DMUs will be based on the impervious area (runoff coefficient) table shown in Exhibit B, using the following formula:

$$\frac{\text{Acreage} \times \%\text{Impervious}}{0.0800} = \text{DMUs}$$

All parcels draining into Rancho Cordova Stormwater Utility Fee-maintained drainage infrastructure are proposed to be charged the same user fee rate per DMU for stormwater runoff treatment. The Rancho Cordova Stormwater Utility Fee is proposed in perpetuity.

For the purposes of this report, City-maintained drainage infrastructure includes streets, pipes, inlets, outlets, and natural drainage courses. Parcels related to these types of property uses are exempt from the runoff charge, as they are part of the infrastructure being funded. Also exempt from the runoff charge is Caltrans right-of-way, because Caltrans handles its own runoff under a separate NPDES permit.

Drainage units may be adjusted based on appeal from the property owner. See the Appeals Process below.

Table 3, below, provides a preliminary summary of DMUs for the various land uses in Rancho Cordova.

Table 3 – Drainage Measurement Unit Summary Table

Landuse Description	Number of Units	Total Area (acres)	Impervious Area (acres)	DMUs
SINGLE FAMILY RESIDENTIAL (SFR1)	15,107	2,028		15,107.00
SINGLE FAMILY RESIDENTIAL (SFR2)	13,790	2,776		15,169.00
SINGLE FAMILY RESIDENTIAL (SFR3)	14	4		16.45
SINGLE FAMILY RESIDENTIAL (SFR4)				-
SINGLE FAMILY RESIDENTIAL (SFR5)				-
MULTI-FAMILY RESIDENTIAL (MFR1)	6,082	282		2,639.06
COMMERCIAL		666	499	6,240.00
INDUSTRIAL		283	226	2,830.00
SCHOOLS		478	239	2,985.00
PRIVATE RECREATION		63	16	195.31
PARKS/GREENBELTS		561	140	1,752.47
PUBLIC		51	15	190.13
TOTAL	**34,993**	**7,190**		**47,124**

Cost Estimate

Table 4 below shows the estimated costs to maintain infrastructure in the developing areas. Unit costs for maintenance were derived using budget information provided by the County, since the County currently maintains the storm drainage system. The budget information is shown in Appendix C.

Table 4 – Estimated Costs

	Estimated Quantity	Unit	Cost ($/unit)	Frequency	Total Cost/Year
Maintenance Costs:					
Trunk Lines (larger than 24") - TV Lines	158210	LF	$ 7.50	25 years	$ 47,463.00
Drainage Lines 10"-24" Cleaning	829850	LF	$ 3.00	10 years	$ 248,955.00
Drainage Lines 10"-24" TV	829850	LF	$ 7.50	25 years	$ 248,955.00
Creek and Channel Maintenance and Repair	65070	LF	$ 0.75	1 year	$ 49,009.83
Pipe Repairs	998920	LF	$ 0.45	1 year	$ 451,380.43
Creeks and Channels Mowing	80	AC	$6,825	1 year	$ 546,000.00
Creeks and Channels Herbicides	80	AC	$680	1 year	$ 54,400.00
HydroMod Basin Maintenance	320	AC	$4,830	1 year	$ 1,545,600.00
Basin De-silt	320	AC	$1,000	25 years	$ 12,800.00
Basins Herbicides	320	AC	$761	1 year	$ 243,360.00
Replacement Costs:					
Inlets	6400	EA	$2,000	75 years	$170,667
Manholes	4460	EA	$3,500	75 years	$208,133
66" Pipe	3950	LF	$550	100 years	$21,725
60" Pipe	10280	LF	$475	100 years	$48,830
54" Pipe	11140	LF	$400	100 years	$44,560
48" Pipe	10210	LF	$325	100 years	$33,183
42" Pipe	28620	LF	$275	100 years	$78,705
36" Pipe	42420	LF	$225	100 years	$95,445
30" Pipe	51050	LF	$175	100 years	$89,338
27" Pipe	540	LF	$150	100 years	$810
24" Pipe	91960	LF	$125	100 years	$114,950
21" Pipe	2230	LF	$115	100 years	$2,565
18" Pipe	100300	LF	$105	100 years	$105,315
15" Pipe	101300	LF	$95	100 years	$96,235
12" Pipe	529890	LF	$85	100 years	$450,407
10" Pipe	4170	LF	$75	100 years	$3,128

Total:	$5,011,917
Annual Fee Administration:	$45,000
Operating (Cash Flow) Reserve (10% of Maintenance Costs):	$344,792
Estimated Total:	**$5,401,709**

Fee Calculations

The estimated annual costs for the proposed storm drain improvements are $5,401,709 as shown in Table 4 above. Dividing that by the total number of proposed DMU's in Rancho Cordova (47,124), the maximum estimated annual Stormwater Utility Fee rate is **$114.63 per DMU**.

This would be the proposed maximum fee rate for fiscal year 2014-15. The maximum rate will be increased each subsequent Fiscal Year by the annual change in the Consumer Price Index (CPI), during the preceding year, for All Urban Consumers, for the San Francisco-Oakland-San Jose areas, published by the United States Department of Labor, Bureau of Labor Statistics (or a reasonably equivalent index should the stated index be discontinued, as determined by the Director of Public Works).

The actual rate to be levied each year will be as approved by the City at a public hearing, after they consider an Annual Fee Report outlining the estimated annual costs of the program for the ensuing fiscal year.

Table 5 provides sample fee calculations for various land uses and parcel sizes.

Table 5 – Sample Calculations

Land Use Description	Total Area (acres)	Impervious Area (acres)	DMUs	Sample Fee
SINGLE FAMILY RESIDENTIAL (SFR1)	0.16		1.000	$ 114.63
SINGLE FAMILY RESIDENTIAL (SFR2)	0.22		1.100	$ 126.09
SINGLE FAMILY RESIDENTIAL (SFR3)	0.30		1.175	$ 134.69
SINGLE FAMILY RESIDENTIAL (SFR4)	0.40		1.250	$ 143.28
SINGLE FAMILY RESIDENTIAL (SFR5)	1.00		1.563	$ 179.10
MULTI-FAMILY RESIDENTIAL (MFR1)	5.00	3.75	46.875	$ 5,373.12
COMMERCIAL[1]	1.00	0.75	9.375	$ 1,074.62
INDUSTRIAL	1.00	0.80	10.000	$ 1,146.27
SCHOOLS	5.00	2.50	31.250	$ 3,582.08
PRIVATE RECREATION	1.00	0.25	3.125	$ 358.21
PARKS/GREENBELTS	2.00	0.20	2.500	$ 286.57
PUBLIC	2.00	0.60	7.500	$ 859.70

[1] Average of Downtown and Neighborhood Commercial as shown in Appendix B

The Preliminary Charge Roll, which is a listing of each parcel to be charged a fee and its proposed maximum fee for FY 2014-15, is on file in the office of the City Clerk.

Appeals Process

If a property owner disagrees with the calculation of his or her fee, based on the parcel area and estimated impervious percentage assigned to the property, then the property owner may appeal the calculation as follows:

1. Property owner must provide written documentation explaining the reason why the charge should be changed. This documentation must include:

    a. The name, phone number, mailing address, and email address, if available, of the property owner.

    b. The Assessor's Parcel Number (APN) of the property in question.

2. If additional documentation is required or insufficient documentation was submitted, a representative of the Department of Public Works (Staff) will notify the property owner in writing.

3. Once Staff has determined that sufficient documentation has been submitted, Staff will perform the initial review. Staff will notify the property owner in writing within four (4) weeks from the time sufficient documentation was submitted as to whether or not the fee amount will be changed.

    a. If the determination is to change the fee amount, then the new fee amount will be documented within the City's fee database.

b. If the determination is that the fee should not be changed, the property owner can appeal Staff's decision to the Director of Public Works. The appeal must be made in writing and returned no later than four (4) weeks from the date of mailing of Staff's initial review decision. The Director of Public Works will notify the property owner in writing within four (4) weeks from the date of receipt of the appeal as to whether or not the fee amount will be changed.

   If the owner of any parcel shall have reason to feel that the computation of the DMU for his/her parcel is not correct, that person may file an appeal with the Director of Public Works in the manner prescribed by the Director of Public Works. The Director of Public Works will consider all data provided by the appellant and shall render a decision in writing. The decision of the Director of Public Works will be final with respect to City action on the appeal.

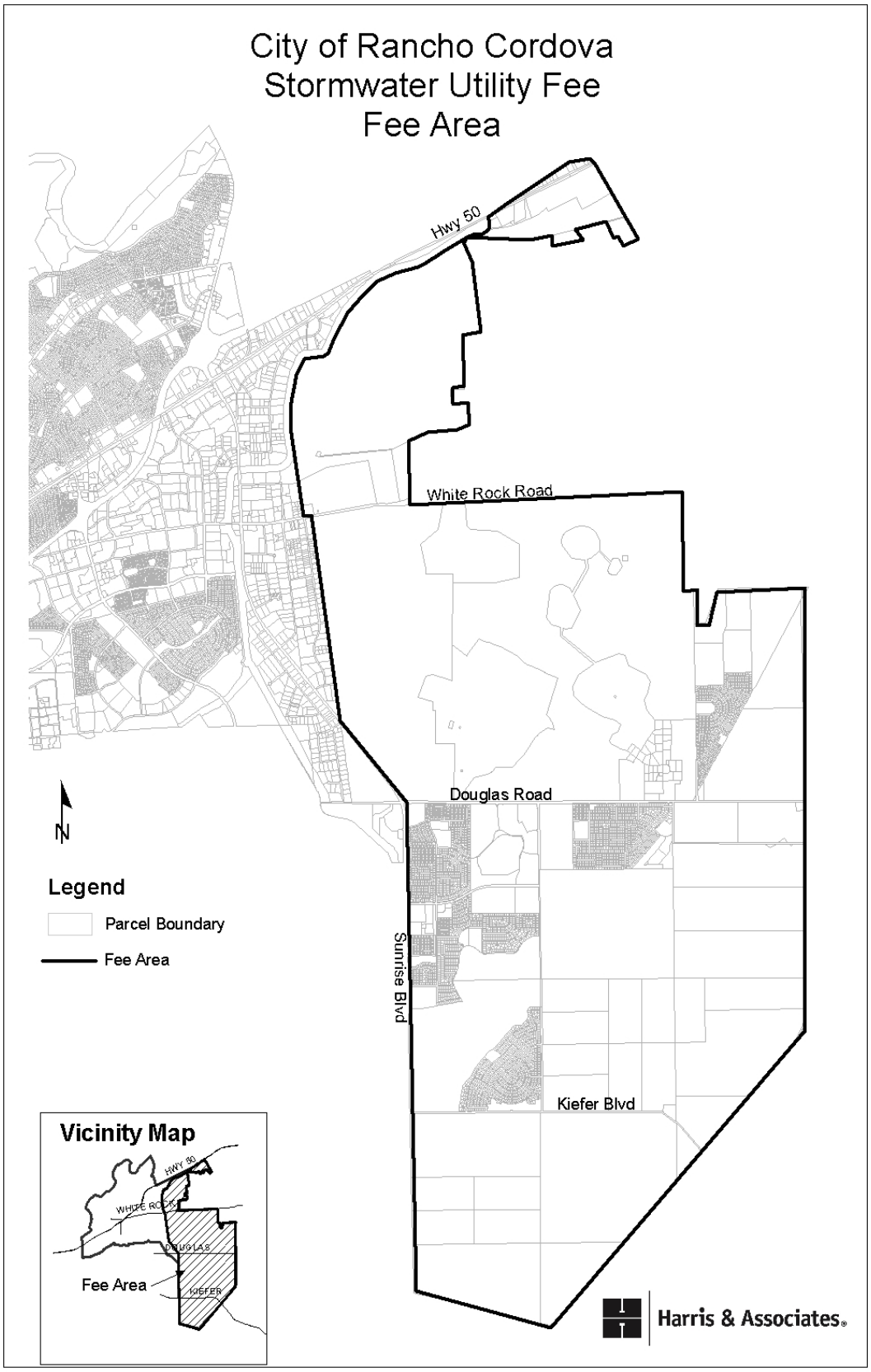
Appeals will be accepted annually up until June 30 for inclusion on the following fiscal year's property tax roll submittal. However, if an appeal is granted by Staff or the Director of Public Works that does not permit inclusion for the following fiscal year's property tax roll submittal, a reimbursement will be provided to the property owner by the City.

Respectfully submitted:

Harris & Associates

Dennis A. Anderson
Senior Project Manager

APPENDIX A


City of Rancho Cordova
Stormwater Utility Fee
Fee Area
Hwy 50
White Rock Road
Douglas Road
Sunrise Blvd
Kiefer Blvd
N
Legend
Parcel Boundary
Fee Area
Vicinity Map
HWY 50
WHITE ROCK
DOUGLAS
KIEFER
Fee Area
Harris & Associates

APPENDIX B

Runoff Coefficient

Land Use		Impervious
Single Family Residential	less than 0.166 acres	50%
Single Family Residential	0.166 acres to 0.250 acres	40%
Single Family Residential	0.251 acres to 0.330 acres	30%
Single Family Residential	0.331 acres to 0.500 acres	25%
Single Family Residential	Over 0.500 acres (excluding the first 0.500 acres)	5%
High-Density Residential (including Apartments and Mobile Home Parks)		75%
Condominiums		70%
Commercial Downtown Areas[1]		80%
Commercial Neighborhood Areas		70%
Industrial		80%
Schools		50%
Parks		25%
Greenbelts		10%

Footnotes:

[1] City of Rancho Cordova Municipal Code Chapter 15.

Sources:

1. Yolo County City/County Drainage Manual, February 2010.
2. Stormwater Quality Design Manual for the Sacramento and South Placer Regions, May 2007.

Appendix C

Cost Information

County of Sacramento/City of Rancho Cordova
Current Storm Drain Maintenance Costs

Pipe Repair Costs

Budget Classification		Repair Type	Actual Expenditures for FY 11/12	FY 13/14 Budget
County North	OCUO	Drain Line Upgrade or Repair	$ 630,912.90	$ 630,912.90
	OFFO	Fence Repair	$ 19,343.41	$ 19,343.41
	OHKO	Inlet Outfall Repair	$ 455,724.02	$ 455,724.02
	OMSO	Erosion Control	$ 26,189.60	$ 26,189.60
	OY8O	Manhole Repair	$ 63,362.44	$ 63,362.44
	RAMP	ADA Compliant Ramp	$ -	$ -
	Overhead	36.39%	$ 435,026.56	$ 435,026.56
		Total Budget=	**$ 1,630,558.93**	**$ 1,630,558.93**
County South	OCUO	Drain Line Upgrade or Repair	$ 105,317.24	$ 105,317.24
	OFFO	Fence Repair	$ 35,802.01	$ 35,802.01
	OHKO	Inlet Outfall Repair	$ 214,660.90	$ 214,660.90
	OMSO	Erosion Control	$ -	$ -
	OY8O	Manhole Repair	$ 8,585.40	$ 8,585.40
	RAMP	ADA Compliant Ramp	$ -	$ -
	Overhead	23.51%	$ 85,667.45	$ 85,667.45
		Total Budget=	**$ 450,033.00**	**$ 450,033.00**
Rancho Cordova	OCUO	Drain Line Upgrade or Repair	$ 222,809.74	$ 229,850.53
	OFFO	Fence Repair	$ 26,326.14	$ 27,158.05
	OHKO	Inlet Outfall Repair	$ 224,877.26	$ 231,983.38
	OMSO	Erosion Control	$ -	$ -
	OY8O	Manhole Repair	$ 4,498.84	$ 4,641.00
	RAMP	ADA Compliant Ramp	$ -	$ -
	Overhead	23.51%	$ 112,504.88	$ 116,060.03
		Total Budget=	**$ 591,016.86**	**$ 609,692.99**
Total LF of Pipes				
		County	7,865,755	7,865,755
		Rancho Cordova	1,349,271	1,349,271
Cost/LF of pipe for Repairs				
		County	**$ 0.26**	**$ 0.26**
		Rancho	**$ 0.44**	**$ 0.45**

* Costs were increased for 12/13 based on comparing actual expenditures in 11/12 with actual expenditures in 12/13.

County of Sacramento/City of Rancho Cordova
Current Storm Drain Maintenance Costs

Creek and Channel Cleaning

Budget Classification		Repair Type	Actual Expenditures FY 11/12	FY 13/14 Budget
County	OCCO	Inspect Channels	$ 149,684.06	$ 149,684.06
	ODSO	Clean, Inspect trach Racks and Box Culverts	$ 203,337.83	$ 203,337.83
	OF8O	Sandbag Distribution	$ 5,184.60	$ 5,184.60
	OFCO	Drainage Response	$ 82,451.66	$ 82,451.66
	OFDO	Concrete Channel Cleaning Bobcat	$ 552,150.54	$ 552,150.54
	OHWO	Vegetation Removal County Forces		
	OJZO	Clean and Inspect Outfall Structures	$ 191,840.84	$ 191,840.84
	OLCO	Access Road Maintenance	$ -	$ -
	OLDO	Mowing		
	OMPO	Expose Pipe End Mechanically	$ 2,720.90	$ 2,720.90
	OMRO	Channel Cleaning Mechanical	$ 49,087.50	$ 49,087.50
	OORC	Rodent Control	$ 32,695.06	$ 32,695.06
	OTVD	Tree Removal	$ 79,463.44	$ 79,463.44
	OVDO	Dry Spoil Dumping	$ 8,137.34	$ 8,137.34
	OWCO	Weed Control Chemical		
	Overhead	36.39%	$ 493,691.29	$ 493,691.29
		Total Budget=	**$ 1,850,445**	**$ 1,850,445**
County	OCCO	Inspect Channels	$ 1,797.15	$ 1,797.15
	ODSO	Clean, Inspect trach Racks and Box Culverts	$ -	$ -
	OF8O	Sandbag Distribution	$ 2,464.80	$ 2,464.80
	OFCO	Drainage Response	$ 1,293.11	$ 1,293.11
	OFDO	Concrete Channel Cleaning Bobcat	$ 144,294.58	$ 144,294.58
	OHWO	Vegetation Removal County Forces		
	OJZO	Clean and Inspect Outfall Structures	$ -	$ -
	OLCO	Access Road Maintenance	$ 57,345.54	$ 57,345.54
	OLDO	Mowing		
	OMPO	Expose Pipe End Mechanically	$ -	$ -
	OMRO	Channel Cleaning Mechanical	$ 32,935.75	$ 32,935.75
	OORC	Rodent Control	$ -	$ -
	OTVD	Tree Removal	$ 214,736.46	$ 214,736.46
	OVDO	Dry Spoil Dumping	$ -	$ -

Budget Classification		Repair Type	Actual Expenditures FY 11/12	FY 13/14 Budget
	OWCO	Weed Control Chemical		
	Overhead	23.51%	$ 106,945.71	$ 106,945.71
		Total Budget=	**$ 561,813**	**$ 561,813**
Rancho Cordova	OCCO	Inspect Channels	$ -	$ -
	ODSO	Clean, Inspect trach Racks and Box Culverts	$ 413.30	$ 413.30
	OF8O	Sandbag Distribution	$ -	$ -
	OFCO	Drainage Response	$ -	$ -
	OFDO	Concrete Channel Cleaning Bobcat	$ 65,905.39	$ 65,905.39
	OHWO	Vegetation Removal County Forces		
	OJZO	Clean and Inspect Outfall Structures	$ -	$ -
	OLCO	Access Road Maintenance	$ -	$ -
	OLDO	Mowing		
	OMPO	Expose Pipe End Mechanically	$ -	$ -
	OMRO	Channel Cleaning Mechanical	$ -	$ -
	OORC	Rodent Control	$ -	$ -
	OTVD	Tree Removal	$ -	$ -
	OVDO	Dry Spoil Dumping	$ -	$ -
	OWCO	Weed Control Chemical		
	Overhead	23.51%	$ 15,592.45	$ 15,592.45
		Total Budget=	**$ 81,911**	**$ 81,911**
Total LF of Channels				
		Rancho Cordova (unlined)	74,628	74,628
		Rancho Cordova (lined)	37,562	37,562
		Total Rancho Cordova	**112,189**	**112,189**
		County (unlined)	1,677,768	1,677,768
		County (lined)	216,153	216,153
		Total County	**1,893,920**	**1,893,920**
Cost/LF of Channel for Cleaning:				
		County	**$ 1.27**	**$ 1.27**
		Rancho	**$ 0.73**	**$ 0.75**

* Costs were increased for 12/13 based on comparing actual expenditures in 11/12 with actual expenditures in 12/13.

County of Sacramento/City of Rancho Cordova
Current Storm Drain Maintenance Costs

Activity	**Size/Location**	**Cost/LF**	**Frequency**	Notes
Pipes/Channels				
Hydro Cleaning	6"-24"	$ 3.00	10 years	
TV Lines	all	$ 7.50	25 years	
Creek and Channel Cleaning	Rancho	$ 0.75	each year	Within SWU Budget
	Sac County	$ 1.27		
Pump Mainteance	Covered within budget			Per County Staff Assume no pumps in new areas.
Repairs	2 crews year round	SWU funds support this		
Hydromod Basin		**cost/ac**		
Maintenance		$ 4,830.00	annul	see detailed estimate
Herbicides		$ 325.00	2 x's/year	
Additional costs				
Pesticide Control Advisor		$ 20,000.00	annually	
Engineering admin support with regulatory agencies		10%	of maint costs/year	
Supervisors and managers		5%	of maint costs/year	

Hydromod Basin Maintenance

Basin Maintenance Costs	Cost per Acre
Trash Clean-up and Disposal (4 x's/year)	$ 1,200
Mowing (2 x's/year)	$ 200
Inspection 4 x's/year	$ 1,600
Erosion Repair	$ 800
Vegetation and Landscape Maintenance	$ 800
Sub-total	**$ 4,600**
Over-head Mark-up (5%)	$ 230
Total Cost	**$ 4,830**

Inspection Includes: Examine gates, fences and access ramp for damage and overgrown vegetation, check basin slopes for erosion, excess vegetation, debris and animal burros, check flow line for excess vegetation and sediment, check for eriosion at water line, large/floating debris, and excess vegetation. Check for debris, creacks and instructure, and erosion at inlets and outlets. Also check access control racks for debris and to snrue they are locked and secured. Check riprap at inlet weir

Appendix D

Detailed Land Use Data

Storm Drain User Fee
City of Rancho Cordova
December 20, 2013

AC, Landuse & units derived from GIS/Aerials

		Arista Del Sol		Arboretum		Douglas 98		Douglas 103		Grantline 208		Montelena		Rio Del Oro		Suncreek		The Ranch (Sunridge)		Sunridge Lot J		Westborough		North Douglas II		Heritage Falls		Anatolia IV		Anatolia		Sunridge			
	Land Use/ Zoning Description	**AC**	**Units**	**AC**	**Units**	**AC**	**Units**	**AC**	**Units**	**AC**	**Units**	**AC 2012**	**Units 2012**	**AC**	**Units**	**AC 2013**	**Units 2012**	**AC 2013**	**Units 2012**	**Est.**	**Units 2013**	**AC**	**Units**	**AC**	**Units**	**AC**	**Units**	**AC**	**Units**	**GIS AC**	**GIS Units**	**GIS AC**	**GIS Units**	**Total Acres**	**Total Units**
Residential:																																			
LDR	SF (2.1-6.0 DU/AC)	35.3	176	144.8	698			3.7	14	44.7	276	71.4	388	1,518.5	7,593	179.4	899	142.3	694	35.8	179	347.2	1,580	17.70	153.00	72.20	303.00	21.60	203.00					2,635	13,156
	MD (6.1-12 DU/AC)															321.5	2,524																	322	2,524
MDR	MD (6.1-18.0 DU/AC)	83.8	556	290.0	2,334 [a]	94.2	528	28.2	287	42.8	227	54.4	402	256.0	2,048	43.7	286 [c]	105.4	685	17.5	192	146.8	1,389			92.10	525.00			450.8	2,831	146.4	941	1,852	13,231
	MD (14.0-29.9 DU/AC)			60.4	885																													60	885
HDR	HD (18.1-40.0 DU/AC)													98.0	1,960	44.2	980	12.2	378 *			30.4	922			6.80	132.00							192	4,372
	HD (30+ DU/AC)			29.5	825														* These may be Attached															30	825
	Residential Total	119.1	732	524.7	4,742	94.2	528	31.9	301	87.5	503	125.8	790	1,872.5	11,601	588.8	4,689	259.9	1,757	53.3	371	524.4	3,891	17.7	153	171	960	22	203	450.8	2,831	146.4	941	**5,090**	**34,993**
Non-Residential:																																			
VC	Village Commercial			16.9				19.5				16.6		20.0		22.0		13.5				93.3												202	
LTC	Local Town Center			30.4										20.0								83.5												134	
RTC	Regional Town Center			0.9										113.0		58.4																		172	
BP	Business Park	6.6		65.0										86.0																				158	
MP	Industrial Park													283.0																				283	
Education:																																			
HS/MS	High School/Middle School			72.6										78.0		110.9 [b]						94.0 [b]												356	
MS	Middle School													20.0																				20	
ES	Elementary School			21.2						10.6				54.0												5.50				10.8				102	
Open Space & Public:																																			
CP	Community Park	11.4		60.7						7.8				107.0		44.9		29.3				52.3												313	
P/QP	Public/Quasi Public			2.0								3.2		7.5		12.3						10.6								1.1				37	
NP	Neighborhood Park	3.1		3.8		8.2		5.2		3.4		20.8		67.5		17.0		8.6		6.4				0.71		17.20		3.70		21.2		7.0		194	
SWD	Storm Water Detention	4.0								15.0		9.6		39.0		53.5		24.3						4.00		17.40				9.5		9.6		186	
WP	Wetland Preserve	55.8						43.8		81.0		54.5		510.0																				745	
DP	Drainage Parkway													138.0		5.0						104.6				15.30						7.2		270	
PR	Private Recreation													54.0												4.20				4.3				63	
OS	Open Space			144.5										22.0										0.60		0.80								168	
OS/P	Open Space/Preserve													12.0		45.6		174.0				47.7												279	
LC	Landscape Corridors	1.1				2.8								82.0		19.2										2.70		1.30		13.4		0.7		123	
GB	Green Belts							2.6						51.0																				54	
ROW	Right-of-way	9.5		104.3				8.5		5.3		22.4		192.0		82.6		20.5		14.5		127.1				6.90		2.20						596	
BR/WP	Reservoir / Wetland Preserve			302.8												205.1								19.80										528	
S	Sewer Lift Station / Utility Substation			1.0																										6.6		6.4		14	
	Vacant (unknown dev plan)																													567.4		27.3		595	
	Total Non-residential	91.5		826.1		11.0		79.6		123.1		127.1		1,956.0		676.5		270.2		20.9		613.1		25.1	0.0	70.0	0.0	7.2	0.0	634.3		58.2		5,590	
	Total Residential & Non-Res	210.6	732.0	1,350.8	4,742.0	105.2	528.0	111.5	301.0	210.6	503.0	252.9	790.0	3,828.5	11,601.0	1,265.3	4,689.0	530.1	1,757.0	74.1	371.0	1,137.5	3,891.0	42.8	153.0	241.1	960.0	28.8	203.0	1,085.1	2,831.0	204.6	941.0	**10,680**	

Notes: All data is from recent plans received in Nov 2013 unless specified otherwise.
[a] Arboretum has 2 MD residential classifications. The first line is for 6.1-13.9 DU/AC (instead of 6.1-18)
[b] Acreage for all schools
[c] Suncreek has 2 MD residential classifications. The second line is for 12.1-18 DU/AC (instead of 6.1-18)

Includes April 2012 Amendment

AC estimated

AGENDA ITEM 9.2

Q:\Sacramento\Storm Drain User Fee\Land Use Summary and fee calculation 04.15.14.xlsx

ATTACHMENT 4

CITY OF RANCHO CORDOVA

ORDINANCE NO. 7-2014

AN ORDINANCE OF THE CITY COUNCIL OF THE RANCHO CORDOVA ADDING CHAPTER 15.11 TO TITLE 15 OF THE RANCHO CORDOVA MUNICIPAL CODE ESTABLISHING AN ANNUAL STORMWATER UTILITY FEE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Chapter 15.11 is hereby added to Title 15 of the Rancho Cordova Municipal Code to read as follows:

15.11.010 Purpose

The purpose of this chapter is to establish a mechanism for funding the operation and maintenance of the city storm drainage and flood protection system in the new developing areas in order that storm and surface waters may be properly drained and controlled so that the health, safety and welfare of the city and its inhabitants may be safeguarded and protected.

15.11.020 Findings

A. The city maintains a system of storm and surface water management facilities within the city, including but not limited to inlets, conduits, manholes, channels, ditches, drainage easements, retention and detention basins, infiltration facilities, overland release corridors, lift stations, and other components as well as natural waterways.

B. Those elements of the city's storm and surface water management system that provide for the collection, storage, treatment, and conveyance of storm drainage are of benefit and provide services to all developed property with the city.

C. The cost of operating and maintaining the storm drainage management system, including necessary repairs, should, to the extent practicable, be allocated in relationship to the benefits enjoyed and services received therefrom.

D. Erosion and the discharge of nutrients, metals, oil, grease, and other substances into and through the storm drainage system is resulting in a degradation in water quality.

E. The public health, safety and welfare may be adversely affected by poor water quality and flooding resulting from inadequate storm drainage management practices.

F. The storm drainage management practices necessary to protect water quality are largely established by federal and state statutes, regulations and permitting requirements.

G. Real property either uses or benefits from the presence and operation of the storm drainage management system.

H. The use of the storm drainage system is dependent on factors that influence runoff, including land use and impervious area.

I. The city has the authority under Section 5471 of the Health and Safety Code to prescribe, revise and collect fees, tolls, rates, rentals and other charges, including a Stormwater Utility

Fee for services and facilities furnished by the city in connection with its storm drainage system.

J. The Legislature, through the adoption of Section 5471 of the Health and Safety Code, has specifically authorized the city to provide storm drainage services as a utility function for which service charges or fees may be levied.

15.11.030 Definitions

Unless the context otherwise requires, the definitions set forth in this section shall govern the interpretation of this chapter.

“Administrative Expense” means the actual cost incurred by the City relating to the billing for, and collection of, Stormwater Utility Fee.

“City” means the City of Rancho Cordova.

“City storm drainage system” means the system of storm and surface water management facilities, including but not limited to inlets, conduits, manholes, channels, ditches, drainage easements, retention and detention basins, infiltration facilities, overland release corridors, lift stations, and other components as well as natural waterways, within the city that is either owned or operated by the city.

“Commercial/office use” means the use of any developed parcel for any of the following or similar purposes: office, wholesale or retail sales, establishments, or the provision of personal, professional or business services, including but not limited to, retail stores, shopping centers, restaurants, service stations, car washes, vehicle, boat and trailer sales lots, parting lots, automobile repair and service facilities, auction yards, advertising offices, nurseries, general offices, financial service facilities, medical and dental offices, clinics and laboratories, and veterinary offices, clinics and hospitals.

“County” means the County of Sacramento.

“Developed parcel” means any parcel of land altered from its natural state by the construction, creation or addition of impervious area.

“Drainage Measurement Unit (DMU)” is the runoff based on the median size of a single-family residential parcel,

“Drainage Unit” is the parcel area times the impervious percentage

“Engineer” means the Director of the City’s Public Works Department or his designee.

“Equivalent contributing parcel area” means the calculated area which, when multiplied by the impervious factor for the parcel’s use classification, yields the parcel’s measured impervious area.

“Exempt use” means the use of any public or undeveloped property and the use of any other parcel for any of the following purposes: agricultural land use for crops or pasture, aquatic farms, orchards, city-maintained drainage ditches, property within a floodplain or wetlands area recognized by the city on which improvements are prohibited, and levees.

"Fee Area" means the parcels subject to the Stormwater Utility Fee as approved or amended by the by law.

"Fiscal year" means the annual period beginning July 1st and ending June 30th.

"Impervious area" means the total area of a parcel of property covered by an impervious surface.

"Impervious factor (IF)" means a factor which represents the percentage of impervious area on a parcel which consists of a numerical value that is calculated on the basis of generally accepted engineering standards, review and application of such standards to local conditions, and statistics compiled by measuring impervious areas depicted on aerial photographs of real property.

"Impervious percentage" means the ratio of the impervious area over the total area of a parcel.

"Impervious surface" means any surface on or in any parcel which reduces the rate of infiltration of stormwater into the soil.

"Industrial use" means the use of any developed parcel for any of the following or similar purposes: to manufacture, fabricate, process or package products, to process or store food or chemical products, or for storage or warehousing purposes, including, but not limited to, processing, fabrication and assembly plants, warehouses, wrecking yards, aerospace facilities, truck and other transportation terminals, building materials storage, bakeries, canneries, wineries, creameries, meat and frozen food processing facilities, meat packing plants, slaughter yards, inspection and weighing stations, airports, railroads and railroad spurs, wells, electrical substations, water or sewage treatment plants, and mini-storage facilities.

"Institutional use" means the use of any developed parcel for any of the following or similar purposes: hospitals, nursing facilities, residential care facilities, retirement homes, day nurseries, mortuaries, churches, and schools.

"Low impervious development use" means the use of any developed parcel for any of the following or similar purposes: golf courses, surface mines, cemeteries, marinas, and sports fields.

"Multifamily residential use" means the use of any developed parcel for any of the following or similar purposes: triplexes, fourplexes, apartments, mobile home parks, hotels, boarding and rooming houses, fraternity and sorority houses, motels, the common areas of condominiums and planned unit developments, and bed and breakfast inns.

"Parcel" means the smallest separately segregated lot, unit or plot of real property having an identified owner, boundaries, and surface are which is documented for property tax purposes and given a tax lot number by the county assessor.

"Parcel area" means the square footage of a parcel measured or estimated using the outside boundary dimensions in feet in order to obtain the total square footage without regard for any topographic features of the enclosed surface.

"Person" means any individual, firm, company, association, society, partnership, corporation, organization, group or public agency.

"Public agency" means the United States or any department or agency thereof, the State of California or any department thereof, a city, a county, and any district or other local authority or public body of or within this state.

"Public property" means any property owned by a public agency.

"Public Works Director" means the Director of the Public Works Department of the City of Rancho Cordova, or his designee.

"Rate Analysis Report" means the Rate Analysis Report for the Stormwater Utility Fee for the City of Rancho Cordova, dated August 7, 2014, as adopted by the City Council of the City of Rancho Cordova for the establishment of the stormwater utility fee.

"Residential dwelling unit" means any residential premises designed to house a single family.

"Single-family residential use" means the use of any developed parcel for any of the following or similar purposes: single family residences, condominiums and planned unit developments, row houses, halfplexes, duplexes, and mobile homes located on individually owned parcels.

"Street" means any public highway, road, street,, avenue, way, alley or right-of-way.

"Undeveloped use" means any parcel that has not been altered from its natural state, as evidenced by a complete lack of impervious surface.

"Use code" means the six-digit alphanumeric code assigned by the county assessor's office to every parcel within the city.

"User" means the owner of a parcel of real property that is charged for storm drainage services.

15.11.040 Levy of charge for storm drainage services

Subject to Section 15.11.130, requiring approval by a majority vote of the property owners subject to the Stormwater Utility Fee, there is hereby levied by the City on all newly developing parcels within the Fee Area, other than those classified as an exempt use, a Stormwater Utility Fee to be calculated as set forth in the Rate Analysis Report for the Stormwater Utility Fee for the City of Rancho Cordova, dated August 7, 2014, as approved by the City Council.

15.11.050 Appeals Process

If a property owner disagrees with the calculation of their fee, based on the parcel area and estimated impervious percentage assigned to the property, then the property owner may appeal the calculation per the appeals process contained in the Rate Analysis Report.

15.11.060 Collection of Annual Stormwater Utility Fee on the Sacramento County Tax Roll

Pursuant to Health and Safety Code Section 5473, the Annual Stormwater Utility Fee may be collected on the County of Sacramento tax roll commencing with fiscal year 2014-15, in the same manner, by the same persons, and at the same time as, together with and not separately from, the general taxes of the City in the manner prescribed by Sections 5473.1 to 5473.11, inclusive, of said Code. In any year the City Council may, by resolution, provide for an alternative procedure for collection of the Annual Stormwater Utility. Such alternative procedure is described in Section 15.11.070.

15.11.070 Alternative Billing Procedure for Collection of Annual Stormwater Utility Fee

A. The Stormwater Utility Fee shall be billed to all users no less frequently than a bimonthly basis. The bill is due and payable on presentation and shall be come delinquent 45 days after a bimonthly billing, or 21 days after for a monthly billing after the date of billing.

B. The Stormwater Utility Fee may be billed as part of the County's consolidated billing service, or other billing service as deemed appropriate by the Public Works Director.

C. The Stormwater Utility Fee billing shall be based on the use of the parcel as determined by the Public Works Director. For each parcel of property there shall be only one unit for purposes of billing for storm drainage services. In no case shall a parcel be divided into smaller units for billing purposes.

D. The Stormwater Utility Fee shall be billed to the owner of record of the parcel, to the successor in interest of such person, or to such person's single designee if approved by the Public Works Director. All requests to bill a party other than the owner of record must be made in writing to the Public Works Director by both the owner of record and the party to be billed. The Public Works Director may approve or deny such requests at his sole discretion. The Public Works Director shall notify the owner of record if the billing is changed to comply with such a request and the owner of record shall remain liable for any delinquent fees.

E. The opening bills shall be based on current parcel numbers, parcel area and use codes on record in the county assessor's office, unless the Public Works Director determines that the actual use of the parcel is different than the use reflected in the use codes in which case the billing shall be based on the actual use of the parcel.

F. Any adjustment of charges may be initiated by either the Public Works Director or by the owner of a parcel subject to the Stormwater Utility Fee. If the Public Works Director denies any adjustment proposed by an owner or an owner objects to an adjustment proposed by the Public Works Director, any adjustment shall be made pursuant to the procedure set forth in RCMC 15.11.110. Any debit adjustments shall be added to the charge in the succeeding billing period. Any credit adjustments shall first be credited against the previous balance and then any remaining credit shall be applied to subsequent charges. No debits or credits shall be made for any period more than three years prior to the date that an adjustment is proposed by the Public Works Director or requested by the owner of record pursuant to RCMC 15.11.110.

G. Any delinquent Stormwater Utility Fee shall incur an added penalty charge of 10 percent of the amount that is delinquent. The delinquent amount, including the 10 percent penalty charge, shall thereafter incur an added penalty charge of one and one-half percent per month until paid or placed on the annual property tax bill. If collected with the property taxes, the total amount delinquent, plus all penalties, shall incur an additional 10 percent lien penalty.

15.11.080 Lien

A. The city shall notify the assessee shown on the latest equalized assessment roll whenever delinquent and unpaid fees which would become a lien on the parcel pursuant to subsection (B) of this section remain delinquent and unpaid for 60 days.

B. The Stormwater Utility Fee and any penalties levied pursuant to this chapter shall constitute a lien upon the parcel subject to the fee, as provided for in Section 5473.11 of the Health

and Safety Code, if the fee remains delinquent for a period of 60 days and the city has notified the assesse of the parcel shown on the latest equalized assessment roll of the delinquent fees and the lien provided by this section.

C. The lien provided herein shall have no force or effect until a certificate specifying the amount of the unpaid fees is recorded with the county recorder.

15.11.090 Collection of Delinquent Fee with General Taxes

Any delinquent Stormwater Utility Fee and penalties may be collected on the tax roll in the same manner and at the same time as the county's ad valorem property taxes.

15.11.100 Administration and Enforcement

The engineer shall be responsible for the administration and enforcement of the provisions of this chapter. The engineer shall have the authority to adopt rules and regulations not inconsistent with the provisions of this chapter for purposes of carrying out and enforcing the payment, collection and remittance of the fee herein levied.

15.11.110 Administrative Appeal

A. Any owner who disputes the amount of the Stormwater Utility Fee charged to his parcel, the classification of the property in terms of its use, any adjustment proposed by the Public Works Director, or any other determination affecting the property made by or on behalf of the city pursuant to this chapter may petition in writing the Public Works Department for a hearing with regard to any such issue. Any such petition may only be filed once in connection with the issue or issues presented in the petition, except upon a showing of changed circumstances sufficient to justify the filing of such additional petition.

B. Any such petition shall be in writing, signed by the owner under penalty of perjury and filed with the engineer. The petition shall include the following information:
   1. A complete description of the factual basis for the appeal;
   2. The legal basis for the appeal;
   3. The remedy sought by the applicant

   Within 10 days after receipt of the petition, the city shall mail written notice to the appellant of the date, time and place of the scheduled hearing. The hearing shall be scheduled within 45 days of the date the city mailed the written notice to the appellant.

C. At the hearing, an unbiased hearing officer selected by the Public Works Director may hear any oral or documentary evidence that the appellant may offer in addition to the information in the petition, together with any oral or written information that may be submitted by city representatives in support of the determination that it is the subject of the appeal. Within 30 days after the conclusion of the hearing, the designated hearing officer shall make and serve by mail written findings of fact based upon all relevant information presented in the petition or at the hearing, shall make a determination of issues based upon such findings and, if appropriate, an order setting forth an appropriate remedy subject to the limitations set forth in RCMC 15.11.070(F). The determination of the designated hearing officer shall be final.

15.11.120 Deposit of Collections

There is hereby created in the city treasury a special revenue fund to be known as the "City Stormwater Utility Fee Fund". All Stormwater Utility Fee revenue collected by the city shall be

deposited in such fund. The revenue deposited in such fund shall be used only for the acquisition, construction, reconstruction, maintenance, and operation of any city storm drainage system and facilities.

15.11.130 Operative Date

Notwithstanding the effective date of this chapter, the Stormwater Utility Fee levied in RCMC 15.11.040 shall be operative as of the date the Stormwater Utility Fee is approved by a majority vote of the property owners subject to the Stormwater Utility Fee.

Section 2. Severability.

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this chapter, or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remainder of this chapter. The City Council hereby declares that it would have adopted this chapter, and each and every section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

Section 3. Effective Date.

Within fifteen (15) days after adoption, a summary of this Ordinance shall be published in the Grapevine Independent or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

_____
Dan Skoglund, Mayor

ATTEST:

_____
Mindy Cuppy, MMC, City Clerk

MEMORANDUM

DATE: August 18, 2014

TO: Honorable Mayor and Council Members

FROM: Paul Junker, Planning Director

SUBJECT: **AMERICAN HEALTH SERVICES LARGE RESIDENTIAL CARE HOME CONDITIONAL USE PERMIT; PROJECT DD8397 – LOCATED AT 10087 TERRA LOMA DRIVE.**

PROPERTY OWNER:	**APPLICANT/DEVELOPER:**
AHS Properties, LLC Dr. Stan Sharma 26460 Summit Circle Santa Clarita, CA 91350	Same as owner

PROJECT:	The applicant is seeking a Conditional Use Permit (CUP) to operate a large residential care home with up to 20 beds that will provide treatment for alcohol and substance dependency within an existing 10-bedroom house located at 10087 Terra Loma Drive.
FILE:	DD8495
LOCATION:	10087 Terra Loma Drive
APN:	075-0033-002-0000
PLANNER:	Matthew Diaz

RECOMMENDATION

Open the public hearing, continue it, and take no action on the project to allow for additional staff analysis.

RESULT OF RECOMMENDED ACTION

The continued date for the public hearing will be re-noticed when a hearing date is set.

MEMORANDUM

DATE: August 18, 2014

TO: Honorable Mayor and Council Members

FROM: Kate Cook, Associate Attorney
Kerry Simpson, Neighborhood Services Manager

SUBJECT: **ORDINANCE NO. 22-2014, ADDING ARTICLE 16, "REPEAT NUISANCE SERVICE CALLS," TO CHAPTER 16.18 OF THE MUNICIPAL CODE TO PREVENT AND ABATE REPEAT SERVICE CALLS TO THE SAME PROPERTY BY CHARGING A REPEAT NUISANCE SERVICE CALL FEE TO PROPERTY OWNERS IF THE NUMBER OF SERVICE CALLS EXCEEDS A SET AMOUNT.**

RECOMMENDATION

Open the public hearing on the Ordinance; introduce and waive the first reading of Ordinance No. 22-2014.

RESULT OF RECOMMENDED ACTION

The Ordinance would return to City Council for a second reading and adoption at its next regular meeting. If adopted, this Ordinance will allow the City to recoup its costs for excessive nuisance service calls to properties, which drain City resources and prevent service to other areas of the City.

BACKGROUND

In the last several years, the City has made great strides in its prevention and enforcement of nuisance property issues. Despite these gains, repeat service calls to some properties within the City rise to a level that drains resources and inhibits the City's ability to serve other areas of the City.

For example, in 2013, several properties had much higher than average police calls for service at 403, 208, and 199 calls. These particular properties are multi-family properties. Single-family residential properties with the highest amount of service calls in 2013 include four with at least 20 calls, including one property with 37 calls.

Responsible property owners monitor their property and take appropriate and reasonable actions to prevent or address behaviors and activities happening on the property that contribute to crime or create public nuisances. When such action is not taken, however, the public health, safety, and welfare is threatened and the surrounding neighborhood is negatively impacted. These chronic nuisance properties require a level of service from the Police and Code Enforcement Departments that goes well beyond what is normally provided and can leave other areas of the City without adequate levels of protection or service.

Although the City may cite individuals for criminal or nuisance conduct occurring on a property, and may also cite property owners for certain nuisance violations, there is nothing in the Municipal Code that allows for the City to recoup its additional costs for responding to excessive calls to an individual property. Councilmember Sander was instrumental in bringing this proposal to the Growing Strong Neighborhoods committee.

This Ordinance would give the City another "tool" in its toolbox to combat problem properties by allowing for a Repeat Nuisance Call Service Fee to be charged to a property owner or occupant once the number of service calls to the property exceeds a set amount. The exact amount of the fee would be set at a later date by City Council Resolution.

A "nuisance service call" is specifically defined to include such conduct as nuisance code violations, animal code violations, disorderly conduct, or violations of laws regulating prostitution, gambling, controlled substances, or use of firearms. A nuisance service call would not include calls related to medical emergencies, domestic violence incidents, or investigations related to incidents occurring off the property. Prior to citing a property owner or occupant under this Ordinance, City staff would review the service calls to ensure they qualify and possibly sit down with the property owner regarding solutions.

ATTACHMENT

Ordinance No. 22-2014.

2313767.1

CITY OF RANCHO CORDOVA

ORDINANCE NO. 22-2014

AN ORDINANCE OF CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING ARTICLE XVI, "REPEAT NUISANCE SERVICE CALLS," TO CHAPTER 16.18 OF THE MUNICIPAL CODE TO PREVENT AND ABATE REPEAT SERVICE CALLS TO THE SAME PROPERTY BY CHARGING A REPEAT NUISANCE SERVICE CALL FEE TO PROPERTY OWNERS IF THE NUMBER OF SERVICE CALLS EXCEEDS A SET AMOUNT

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Amendment of Code. Article XVI, to be titled "Repeat Nuisance Service Calls," is hereby added to Chapter 16.18 of the Rancho Cordova Municipal Code to read as follows:

Article XVI. Repeat Nuisance Service Calls

16.18.1600 Purpose.
16.18.1601 Scope and Application.
16.18.1602 Definition of Nuisance Service Call or Similar Conduct.
16.18.1603 Repeat Nuisance Service Call Fee.
16.18.1604 Citation.
16.18.1605 Right to Appeal Repeat Nuisance Service Call Fee.
16.18.1606 Legal Remedies Nonexclusive.

16.18.1600 Purpose.
The purpose of this section is to protect the public safety, health and welfare and to prevent and abate repeat service response calls by the City to the same property or location for nuisance service calls, as defined herein, which prevent police or public safety services to other residents of the City. It is the intent of the City by the adoption of this Section to impose and collect service call fees from the owner or occupant, or both, of property to which City officials must repeatedly respond for any repeat nuisance event or activity that generates extraordinary costs to the City. The repeat nuisance service call fee is intended to cover that cost over and above the cost of providing normal law or code enforcement services and police protection City wide.

16.18.1601 Scope and application.
This Section shall apply to all owners and occupants of private property which is the subject or location of the repeat nuisance service call by the City. This Section shall apply to any repeat nuisance service calls as set forth herein made by a Rancho Cordova peace officer, part time peace officer, community service officer, animal control officer, code enforcement officer, or other city enforcement officer.

16.18.1602 Definition of nuisance service call or similar conduct.
A. The term *nuisance service call* shall mean any activity, conduct, or condition occurring upon private property within the City to which the City is required to respond, which: (i) unreasonably annoys, injures or endangers the safety, health, or welfare of any member of the public; (ii) or will, or will tend to, alarm, anger or disturb others or provoke breach of the peace, including, but not limited to the following:

1. Any activity, conduct, or condition occurring on the property deemed a public nuisance under any provision of the RCMC;

2. Any conduct, activity or condition occurring on the property constituting a violation of local or state laws prohibiting or regulating prostitution, gambling, controlled substances, gang activity, or use of firearms; and

3. Any conduct or activity amounting to a violation of Title 8 of the RCMC, titled “Animals.”

4. Any conduct, activity, or condition occurring on the property constituting disorderly conduct under California Penal Code section 647.

B. A criminal conviction is not required for establishing the occurrence of a violation pursuant to this article.

C. Exceptions. Calls and services pertaining to the following activities or conduct shall not amount to a nuisance service call under this article:

1. Medical emergencies,

2. Domestic violence incidents or incidents related to an order for protection stemming from domestic violence; or

3. Investigations or welfare checks related to crimes or incidents that occurred off the property.

16.18.1603 Repeat nuisance service call fee.

A. The City may impose a repeat nuisance service call fee upon the owner or occupant of private property if the City has rendered services or responded to the property for a nuisance service call on:

1. Four (4) or more occasions to a single family, duplex, tri-plex residential property, or a commercial or industrial property within a period of thirty (30) days; on eight (8) or more occasions within a period of ninety (90) days to such properties; or on twelve (12) or more occasions within a period of one (1) year to such properties; or

2. Six (6) or more occasions to a multi-family residential property containing at least four (4) units within a period of thirty (30) days; on twelve (12) or more occasions within a period of ninety (90) days to such properties; or a monthly average of at least 0.2 occasions per unit over a twelve (12) month period (for a 100-unit property this would amount to a monthly average of at least twenty (20) calls per unit).

B. The repeat nuisance service call fee under this Section shall be an amount as set forth and duly adopted by City Council resolution, and may include the cost of services in addition to the base fee. All repeat nuisance service call fees imposed and charged against the owner or occupant under this Section shall be deemed delinquent thirty (30) days after the City's mailing a billing statement therefore. Delinquent payments are subject to a ten percent (10%) late penalty of the amount due. The City may pursue any and all legal remedies to recover delinquent payments, including those provided for Chapter 16.18 of this RCMC.

16.18.1604 Citation.
A. Any citation issued under this Article shall be an administrative citation, and shall contain:

1. The street address and such other description as required to identify the premises.

2. A statement specifying with particularity the behaviors which constitute the violation.

3. A statement advising the occupant or owner that he or she has the right to request a hearing to contest the citation and that the written request for hearing must be filed within ten (10) days of receipt of the citation notice.

4. A statement advising the owner, if applicable, that an owner may not retaliate against any tenant, as set forth in Section 1942.5 of the Civil Code.

5. A statement advising the owner or tenant that any unpaid fees and subsequent delinquent charges related to the citation may be collected by the City through any available legal remedy, including an assessment against the property.

B. The citation shall be served and proof of service shall be made in the same manner as provided in RCMC 16.20.405.

16.18.1605 Right to appeal repeat nuisance service call fee.
A. Upon the imposition of a repeat nuisance service call fee, the City shall inform the owner or occupant of his/her right to a hearing on the alleged repeat nuisance service calls. The owner or occupant upon whom the fee is imposed may make a written request for a hearing by serving such request upon the City Clerk within ten (10) days of receipt of the citation.

B. Unless otherwise specified in this article, the hearing procedures set forth in RCMC Section 16.18.504 through Section 16.18.513 shall apply to hearings under this article.

C. An owner or occupant's right to a hearing shall be deemed waived if the owner or occupant fails to serve a written request for hearing as required herein or fails to appear at the scheduled hearing date. Upon waiver of the right to hearing, or upon the hearing officer's written findings of fact and conclusions that the repeat nuisance call service fee is warranted hereunder, the owner or occupant shall immediately pay the fee imposed and any applicable delinquent charges.

16.18.1606 Legal Remedies Nonexclusive.
Nothing in this Section shall be construed to limit the City's other available legal remedies for any violation of the law which may constitute a nuisance service call hereunder, including criminal, civil, injunctive or others.

Section 2. CEQA. Approval of the amendments in this Ordinance is exempt from further environmental review under the general rule in California Environmental Quality Act (CEQA) Guidelines section 15061(b)(3) that CEQA only applies to projects that have the potential for causing a significant effect on the environment. As a series of text amendments and additions, it can be seen with certainty that there is no possibility that this Ordinance will have a significant effect on the environment.

Section 3. Severability. If any provision of this Ordinance, or the application thereof to any person or circumstance, is held invalid, the remainder of the Ordinance, including the application of such

part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

Section 4. Effective Date. Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the __ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Dan Skoglund, Mayor

ATTEST:

_____

Mindy Cuppy, MMC, City Clerk

2312408.1

MEMORANDUM

DATE: August 18, 2014

TO: Honorable Mayor and Council Members

FROM: Paul Junker, Planning Director

SUBJECT: **AN ORDINANCE ADDING SECTION 23.325.090, SUNRIDGE GENERAL COMMERCIAL OVERLAY ZONING DISTRICT, TO CHAPTER 23.325 OF TITLE 23 OF THE MUNICIPAL CODE**

RECOMMENDATION

Introduce and waive the first reading of Ordinance 23-2014.

RESULT OF RECOMMENDED ACTION

Approving this Zoning Code Amendment would incorporate a new overlay zone that applies to the four General Commercial (GC) zoned properties south of Douglas Road within the Sunridge Specific Plan area. This new overlay zone would further refine the allowed uses within those four properties. Specifically, some uses would not be permitted or would require a discretionary permit within these parcels.

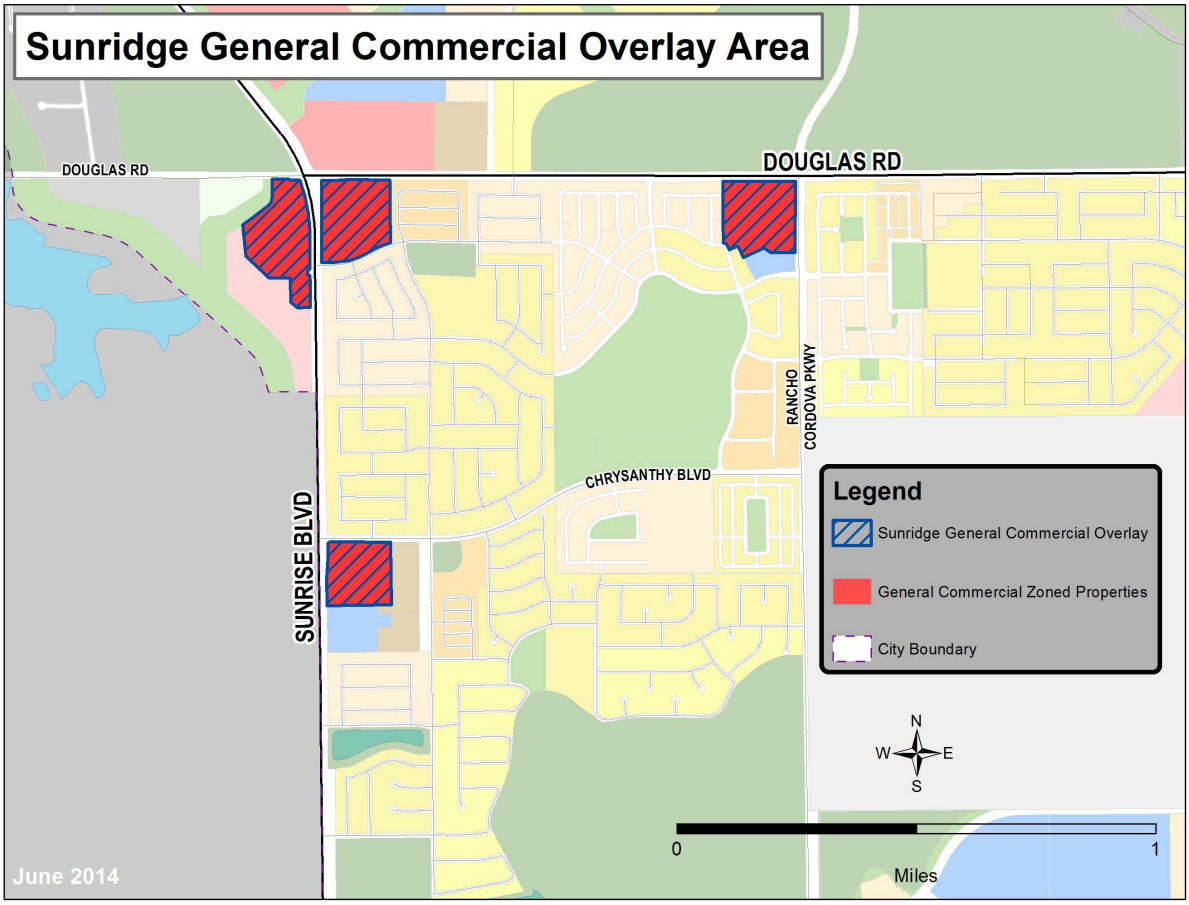
BACKGROUND

During the July 15th City Council Study Session, staff presented background information regarding the four commercial sites that are zoned GC in the Sunridge Specific Plan area. The study session discussion focused on the allowable uses for these sites. The City Council provided staff with direction to amend the zoning code to refine some of the allowable land uses within these properties. The current amendment is reflective of that direction. In particular, the City Council was supportive of staff's proposal with modification to the multi-family dwelling use allowances. The City Council directed staff to prepare a Code Amendment that would allow multi-family dwellings with a Conditional Use Permit on the Chrysanthy/Sunrise site and the southwest corner of Douglas/Sunrise site and not permit these uses on the southeast corner of Douglas/Sunrise and Douglas/Rancho Cordova Parkway site.

PROPOSED CODE AMENDMENTS

The SunRidge GC (SGC) overlay district, as currently proposed, will be established to clarify appropriate uses for these properties. The SGC overlay district is intended to provide ample opportunity for a variety of community serving commercial endeavors while limiting those land uses that may detract from successful retail, grocery, and restaurant users. The boundaries upon which the SGC overlay zone will apply are shown in the figure below.

Figure 1 – SGC Overlay Zone



The overlay zone will work in conjunction with the city-wide GC zoning district and except where modified within the overlay zone, the standard allowed use table will apply.

The following table identifies the adjustments to the specific allowed uses for the subject properties within the SGC overlay zone. The full text of the new Section 23.325.090 is included in the attached Ordinance.

Use	Sunridge General Commercial Overlay Zoning District	Current Zoning
Dwelling, Multifamily	N[1]	P
Recreational Vehicle Parks	N	P
Equipment Sales and Rental	C	P
Maintenance and Repair, Small Equipment	C	P
Auto and Vehicle Sales	C	L
Auto and Vehicle Rental	C	P
Auto and Vehicle Storage	N	P
Vehicle Services, Major	C	P

Vehicle Services, Minor	C	P
Manufacturing, Small Scale	C	P
Storage, Warehouse	N	L
Wholesaling and Distribution	N	P
1 - Multifamily dwellings may be approved upon issuance of a Conditional Use Permit for the GC zoned sites within the SGC overlay zone located at the southwest corner of Sunrise Boulevard and Douglas Road and at the southeast corner of Sunrise Boulevard and Chrysanthy Boulevard, subject to the following finding: a. At full build-out of the Specific Plan, the retail and commercial needs of residents in the vicinity of the SunRidge GC Overlay properties can be met upon the remaining SunRidge GC overlay sites. The Applicant shall provide supporting evidence, prepared by a qualified marketing consultant, to demonstrate consistency with this finding at application submittal.		

Key: P - Permitted
L – Permitted subject to Limited Use Permit
C – Permitted subject to Conditional Use Permit
N – Not Permitted

Following the City Council study session, staff reviewed the GC use listings again and has incorporated a few additional uses to the SGC overlay. Uses that were added to the table above include Auto and Vehicle Sales, Auto and Vehicle Rental, Vehicle Services, Major, and Vehicle Services, Minor. These will now all require a Conditional Use Permit in the SGC overlay zone. All directly affected property owners – AKT, Donahue Schriber, SBM-Montelena - are aware of this proposed Code change. SBM-Montelena and AKT were supportive of the change for their sites on Douglas Road. Donahue Schriber and AKT preferred to maintain their existing use allowances for the sites on Sunrise Boulevard.

ATTACHMENT

Ordinance No. 23-2014, including new Section 23.325.090 of Title 23 of the City's Municipal Code (Exhibit A).

CITY OF RANCHO CORDOVA

ORDINANCE NO. 23-2014

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING SECTION 23.325.090, SUNRIDGE GENERAL COMMERCIAL OVERLAY ZONING DISTRICT, TO CHAPTER 23.325 OF TITLE 23 OF THE MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Purpose and Declarations

WHEREAS, land use regulations within the Sunridge Specific Plan are complex due to a variety of factors that have occurred over time; and

WHEREAS, the City Council reviewed the properties zoning history during a study session on July 15, 2014; and

WHEREAS, the City Council provided direction to amend the City's zoning code to clarify the allowed use rights for the General Commercial (GC) zoned properties within the Sunridge Specific Plan; and

WHEREAS, the City Council's intent for development of the commercial properties within Sunridge are to specifically serve the needs of Sunridge residents; and

WHEREAS, the Sunridge General Commercial (SGC) overlay district will achieve this outcome by providing ample opportunity for a variety of community serving commercial uses while limiting those land uses that may detract from successful retail, grocery, and restaurant users.

Section 2. Findings

The City Council hereby finds that:

A. **CEQA Compliance.** The Rancho Cordova General Plan FEIR (SCH #2005022137) was certified in June 2006 by the Rancho Cordova City Council. The General Plan EIR is a Program EIR. (CEQA Guidelines section 15168.) The addition of Section 23.325.090 into the City's Zoning Code is an activity within the scope of the General Plan EIR and requires no further environmental review. Further environmental review is not required because the proposed amendments do not meet the criteria for preparing a subsequent EIR or Negative Declaration under State CEQA Guidelines section 15162. Furthermore, this is a procedural change in the Zoning Code that will not result in a direct, or reasonably foreseeable indirect, physical change in the environment. Therefore, adoption of the Ordinance is not subject to CEQA pursuant to Guidelines Section 15060(c)(2). All applications for development within any of the subject properties will be subject to the appropriate and applicable discretionary entitlements and will be required to comply with the requirements of CEQA prior to the approval of the permit.

B. **Consistency with the General Plan.** The attached Zoning Code Amendment ("Amendment" or "proposed Amendment") is consistent with the General Plan as required by

Government Code Section 65454. The Amendment is consistent with and implements the following provisions of the City's adopted General Plan:

General Plan Goals, Policies, and Actions:

§ Land Use Action.1.1.1 – Regularly evaluate the mix of land uses as the City grows to analyze build out conditions, market conditions, etc.

Finding: Section 23.325.090 will refine the allowed uses for four GC zoned sites within the Sunridge Specific Plan. The refinement is necessary to ensure that commercial development that occurs within these sites is focused on serving the residents within the surrounding neighborhoods. It will ensure that the market conditions remain competitive amongst the properties that are relying upon the same customer base.

C. **Required Findings.** The attached Zoning Code Amendment is consistent with the following additional required findings:

Finding: The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the city.

Evidence: The proposed Section 23.325.090 will refine uses for four GC zoned sites within the Sunridge Specific Plan. The SGC overlay is necessary and is in the public interest to ensure existing and future residents are provided with the appropriate commercial services within close proximity to their homes. The refinement in allowable uses is aimed at improving the convenience of these services and in turn, improving the welfare of the residents. There are not health or safety concerns associated with the proposed amendment.

Finding: The amendment is internally consistent with other applicable provisions of the Code.

Evidence: Section 23.325.090 has been reviewed for internal consistency with the Code and includes references to the appropriate related sections.

Section 3. Amendments

The City Council hereby adopts the new Section 23.325.090 of the Zoning Code attached in **Exhibit A**.

Section 4. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance, is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

Section 5. Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its inception.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Dan Skoglund, Mayor

ATTEST:

_____
Mindy Cuppy, MMC, City Clerk

Chapter 23.325
OVERLAY ZONING DISTRICTS

Sections:

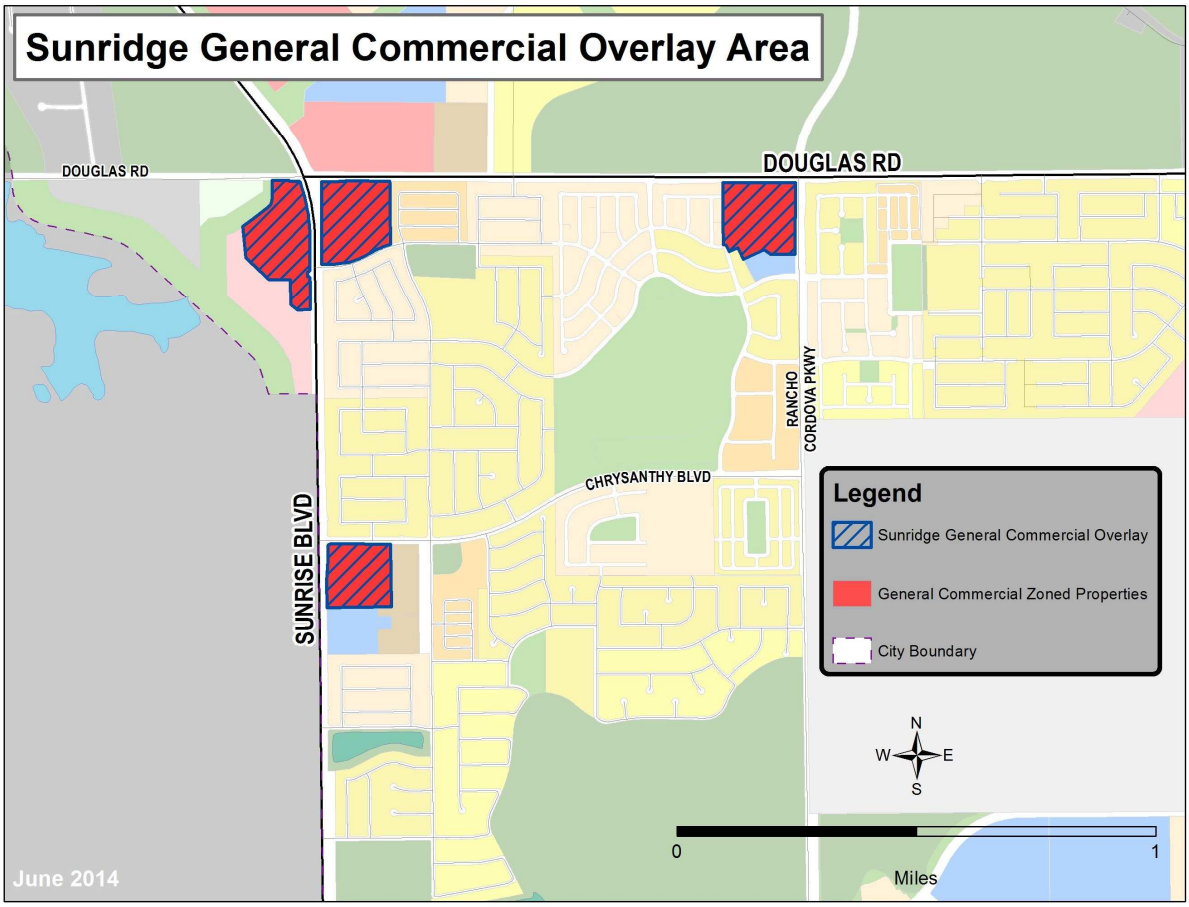
23.325.010 Purpose.
23.325.020 Convention (CO) overlay zoning district.
23.325.030 Transit oriented development (TOD) overlay zoning district.
23.325.040 Flood (F) overlay zoning district.
23.325.050 Planned development (PD) overlay zoning district.
23.325.060 Planned development – County/city initiated (PDC) overlay zoning district.
23.325.070 Parkway corridor (PC) overlay zoning district.
23.325.080 Surface mining (SM) overlay zoning district.
23.325.090 Sunridge general commercial (SGC) overlay zoning district

23.325.090 Sunridge general commercial (SGC) overlay zoning district.

A. Purpose and Intent. The purpose of the Sunridge general commercial (SGC) overlay is to ensure commercial development sites will be available to meet the retail and commercial demands of residents in the southern portion of the City. The SGC overlay district is intended to provide ample opportunity for a variety of community serving commercial endeavors while limiting those land uses that may detract from successful retail, grocery, and restaurant users. Where there is a conflict between this overlay district and the underlying base district, the overlay district regulations prevail.

B. The Sunridge general commercial overlay zoning district is applied to those parcels described in Figure 23.325-# (Sunridge General Commercial Overlay District). The district is generally defined as those parcels zoned General Commercial (GC) located south of Douglas Road within the Sunridge Specific Plan Area.

Figure 23.325-8 Sunridge General Commercial Overlay Area



C. Allowed Uses. The permitted uses in the GC zone are set forth in Table 23.316-1, Allowed Use and Permit Requirements for General Commercial and Industrial Zoning Districts except in the SGC overlay zone, the following additional restrictions apply:

Land Use Category	Sunridge General Commercial Overlay Zoning District
Dwelling, Multifamily	N[1]
Recreational Vehicle Parks	N
Equipment Sales and Rental	C
Maintenance and Repair, Small Equipment	C
Auto and Vehicle Sales	C
Auto and Vehicle Rental	C
Auto and Vehicle Storage	N
Vehicle Services, Major	C
Vehicle Services, Minor	C

Manufacturing, Small Scale	C
Storage, Warehouse	N
Wholesaling and Distribution	N
1 – Multifamily dwellings may be approved upon issuance of a Conditional Use Permit for the GC zoned sites within the SGC overlay zone located at the southwest corner of Sunrise Boulevard and Douglas Road and at the southeast corner of Sunrise Boulevard and Chrysanthy Boulevard, subject to the following finding: a. At full build-out of the Specific Plan, the retail and commercial needs of residents in the vicinity of the SunRidge GC Overlay properties can be met upon the remaining SunRidge GC overlay sites. The Applicant shall provide supporting evidence, prepared by a qualified marketing consultant, to demonstrate consistency with this finding at application submittal.	

RMM

REMY | MOOSE | MANLEY
LLP

Howard "Chip" Wilkins III
cwilkins@rmmenvirolaw.com

August 18, 2014

VIA HAND DELIVERY and
ELECTRONIC MAIL

Mayor Don Skoglund
Honorable City Council Members
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Email: rmcgarvey@cityofranchocordova.org
dskoglund@cityofranchocordova.org
dsander@cityofranchocordova.org
dterry@cityofranchocordova.org
lbudge@cityofranchocordova.org

Re: Proposed Zoning Code Amendment - Sunridge General Commercial Zoning Overlay District (August 18, 2014, Agenda Item 10.4)

Dear Mayor and Honorable City Council Members,

We submit this letter on behalf of our client Donahue Schriber Realty Group, LP ("Donahue Schriber") regarding item 10.4 on the August 18, 2014 City Council meeting agenda. Item 10.4 involves a proposed zoning code amendment to create a new overlay zone limiting allowable uses for General Commercial (GC) zoned properties, but would only apply to four GC-zoned parcels within the Sunridge Specific Plan area. Donahue Schriber owns one of the four parcels (APN 067-0030-038, located at the southwest corner of Douglas Road and Sunrise Boulevard) that the City proposes to restrict through the new overlay zone. As our client has previously expressed to the City and the planning department, Donahue Schriber requests that the City not apply the overlay zone to its parcel. While Donahue Schriber shares the City's desire to provide grocery and other commercial services to the people who live in the Sunridge Specific Plan area, the currently proposed overlay language is likely to delay commercial development in the area. Moreover, if the overlay is approved as currently proposed, it could result in unintended environmental impacts and potentially expose Donahue Schriber and the

City to unnecessary delays, as well as litigation, if a mixed-use development is ultimately proposed at the site.

As Donahue Schriber has explained to City staff, present conditions do not warrant changing any zoning designations in the Specific Plan area and the City should reject the proposed ordinance on this ground. Donahue Schriber's property was approved for a commercial shopping center (RC-03-028) in April 2004. To date, however, Donahue Schriber has been unable to lease its site to an anchor tenant. Despite the City's desire for a commercial center in the area, the major tenants have all said there are still not enough "roof tops" to sustain a viable center. As the Sunridge Specific Plan area continues to build out, Donahue Schriber believes anchor tenants will locate in the area. Eliminating multi-family from the four GC-zoned properties parcels within the Sunridge Specific Plan area, however, could actually delay commercial development as explained below. Simply put, this is not the appropriate time to restrict multi-family housing in the Sunridge Specific Plan area.

Donahue Schriber believes a commercial center will eventually be developed on one of the two sites at the corner of Sunrise and Douglas. However based on the surrounding uses it is possible that two commercial centers in this location would not be viable. In response comments from council member at the recent workshop, Donahue Schriber reviewed a nearby dual commercial center in Sacramento County (Madison Avenue and Hazel Avenue). Based on the Google Earth image the density of residential homes far exceeds the residential homes that will be constructed within the Sunridge Specific Plan area. Even with the future Rio Del Oro Specific Plan there is not enough residentially zone property to meet the needs of two commercial centers. The Sacramento County site is surrounded by residentially zoned properties on all 4 sides of the intersection. The two properties at Sunrise and Douglas have residential zoned property in the southeast quadrant currently and potentially in the northeast quadrant in the future. The northwest quadrant is zoned industrial and the southwest is zoned recreational. In addition, both the Sunridge Specific Plan and Rio Del Oro Specific Plan have much more open space/wetlands throughout the plan area making residential densities even less.

Our client, Donahue Schriber, is a real estate investment trust (REIT) with a large portfolio of high quality shopping centers in the Western United States. They own and manage 71 shopping centers located throughout California, Arizona, Nevada, Oregon

and Washington. Donahue Schriber specializes in necessity-based retail, which includes the neighborhood, community, and power center formats. As a fully integrated retail property company, the company is comprised of experts in the field of development, acquisitions, leasing, construction, asset management, and marketing of shopping centers.[1] The company is not a residential developer. Thus, the company does not have some hidden plan to develop multi-family housing on its parcel located at the southwest corner of Douglas Road and Sunrise Boulevard. In fact, Donahue Schriber plans to develop the site as a commercial property, has a proposed site plan that includes only commercial development, and is actively searching for commercial tenants for the parcel. (See http://www.donahueschriber.com/ProjectsInDevelopment.aspx [Sunridge Plaza].) However, should it be necessary to revise the current site plan to include some amount of multi-family housing to make the development pencil out, the proposed overlay language would effectively eliminate that possibility as explained below. Therefore, on behalf of Donahue Schriber, we request the City delay voting on the proposed overlay language and work with the affected property owners to find a mutually agreeable solution that ensures both timely and sufficient development of grocery and other commercial services in close proximity to the Sunridge Specific Plan area. The present proposal accomplishes neither.

Rather, the present proposal would substantially restrict the allowable uses on the four affected parcels and eliminate the possibility of a mixed-use project on these parcels. Without the overlay, the GC zoning designation allows a wide range of uses, including multi-family residential. The proposed overlay zone, however, would substantially restrict the allowable uses on the four affected parcels. Specifically, several uses previously allowed by right, including multi-family housing, would no longer be permitted or would require a discretionary Conditional Use Permit from the City. Although multi-family housing would still technically be allowed on two of the four parcels (including the Donahue Schriber parcel) through a Conditional Use Permit, as drafted the proposed overlay requirements are so vague that it would impose regulatory burdens that would effectively eliminate multi-family housing as a potential land use for these sites.

Specifically, an applicant proposing any amount of multi-family housing would be required to demonstrate that "[a]t full build-out of the Specific Plan, *the retail and*

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[1] / Information about Donahue Schriber can be found at http://www.donahueschriber.com.

commercial needs of residents in the vicinity of the SunRidge GC Overlay properties can be met upon the remaining SunRidge GC overlay sites." The proposed ordinance, however, does not define "*retail and commercial needs.*" Does this mean every retail and commercial need for every resident in the vicinity of the SunRidge GC Overlay properties? How are the needs of the residents distinguished from their desires under the ordinance? What distance does "within the vicinity of the SunRidge GC Overlay properties" mean? Unless reasonable and clear criteria are established for these terms, any future proposal that includes multifamily housing would potentially subject the property owner and the City to litigation if any resident felt their retail and commercial needs were not being met. Similarly, a competitor or union could substantially delay a project, and potentially kill it, if it brought a CEQA lawsuit.

Again, Donahue Schriber requests the City delay voting on the proposed overlay and work with the affected property owners to establish reasonable criteria that both meets the City's desires to ensure sufficient commercial development within the area and provides the affected property owners with some level of certainty regarding future development proposals. In addition to the foregoing concerns, as explained in greater detail below, we are concerned that present proposal: (1) constitutes improper spot zoning; (2) is inconsistent with the stated objectives in the Sunridge Specific Plan; (3) fails to comply with the California Environmental Quality Act ("CEQA") (Pub. Resources Code, § 21000 et seq.); and (4) fails to comply with the Ralph M. Brown Act ("Brown Act") (Gov. Code, § 54950 et seq.).

1. The Proposed Overlay Zone Constitutes Impermissible Spot Zoning.

California courts have long established the principle that "by a zoning ordinance, a city cannot unfairly discriminate against a particular parcel of land." (*Reynolds v. Barrett* (1938) 12 Cal.2d 244, 251.) "The principle limiting judicial inquiry into [a] legislative body's police power objectives does not bar scrutiny of a quite different issue, that of discrimination against a particular parcel of property. A city cannot unfairly discriminate against a particular parcel of land, and the courts may properly inquire as to whether the scheme of classification has been applied fairly and impartially in each instance." (*Arnel Development Co. v. City of Costa Mesa* (1981) 126 Cal.App.3d 330, 336.) A zoning regulation that treats a particular parcel different from surrounding or similarly situated parcels, is generally referred to as "spot zoning." (*Id.*; see also *Foothill Communities Coalition v. County of Orange* (2014) 222 Cal.App.4th 1302, 1311 ["Spot zoning is one

type of discriminatory zoning ordinance"].) Discriminatory spot zoning is unconstitutional and local ordinances that constitute spot zoning are invalid. (See, e.g., *Ross v. City of Yorba Linda* (1991) 1 Cal.App.4th 954; *Hamer v. Town of Ross* (1963) 59 Cal.2d 776, 790.)

The currently proposed zoning overlay would result in discriminatory spot zoning because it would apply only to the few designated parcels and not to other parcels that are similarly situated (i.e., the other properties zoned for General Commercial). In other words, as is strikingly apparent from the zoning map included with the staff report, it would apply only to four arbitrary "spots." And even among the four parcels, the overlay would be applied differently. For example, the parcel on Rancho Cordova Parkway already has a development agreement in place, and therefore, the amendment to the GC zone would not affect the property owner's rights to develop multi-family housing on that property. Further, no multi-family housing would be allowed on one parcel, and multi-family housing would only be allowed on the remaining two parcels after the developer obtains a Conditional Use Permit and specific findings are made. The City has not provided any reasonable justification for treating these individual parcels different from other similar situated parcels in the area. Again, "[a] city cannot unfairly discriminate against a particular parcel of land, and the courts may properly inquire as to whether the scheme of classification has been applied fairly and impartially in each instance." (*Arnel Development Co. v. City of Costa Mesa, supra,* 126 Cal.App.3d at p. 336; accord, *Ehrlich v. City of Culver City* (1996) 12 Cal.4th 854, 900.) Accordingly, the City's proposed zoning amendment appears to constitute impermissible spot zoning and would likely be invalidated if challenged in court.

2. The Proposed Overlay Zone is Inconsistent with the Sunridge Specific Plan.

The proposed amendment is required to be consistent with the City's general plan and with the Sunridge Specific Plan. (Gov. Code, § 65860 ["County or city zoning ordinances shall be consistent with the general plan of the county or city..."]; § 65455 ["No ... zoning ordinance may be adopted or amended within an area covered by a specific plan unless it is consistent with the adopted specific plan."]; see also *Foothill Communities Coalition v. County of Orange* (2014) 222 Cal.App.4th 1302, 1314 [explaining requirement that zoning regulations must be consistent with general plans and specific plans].) To be deemed consistent with a general plan or specific plan, a zoning ordinance (including the land uses authorized by the ordinance) must be

compatible with the objectives, policies, general land uses, and programs specified in the plan. (Gov. Code, § 65860, subd. (a)(2); see also *Napa Citizens for Honest Government v. Napa County Bd. of Supervisors* (2001) 91 Cal.App.4th 342.)

Consistency with a general plan or specific plan is highly relevant to the validity of a zoning regulation. The general plan is the "constitution for all future development" within a local jurisdiction. (*O'Loane v. O'Rourke* (1965) 231 Cal.App.2d 774, 782.) "[T]he propriety of virtually any local decision affecting land use and development depends upon consistency with the applicable general plan and its elements."... ' [Citations.] 'The consistency doctrine has been described as "the linchpin of California's land use and development laws; it is the principle which infuse[s] the concept of planned growth with the force of law."...' [Citation.]" (*Families Unafraid to Uphold Rural etc. County v. Board of Supervisors* (1998) 62 Cal.App.4th 1332, 1336.) Because specific plans are intended to implement general plans for specific areas, a zoning regulation's consistency with a specific plan is equally important. (See Gov. Code, §§ 65450, 65451.)

Here, the proposed zoning overlay is inconsistent with the objectives of the Sunridge Specific Plan in significant ways. Most notably, by effectively eliminating multi-family housing from numerous parcels, the overlay would prevent the City from achieving its housing goals stated in the plan. For example, the Sunridge Specific Plan explains that it "plays a significant role in providing a location for new housing to meet the demand generated by job creation from development existing, approved or planned nearby in the Highway 50 Corridor." (Sunridge Specific Plan, p. 1-1.) It also notes that employment in Rancho Cordova will reach 125,954 jobs in 2020 and providing for an adequate supply of housing contributes to the economic development potential in the region. (*Ibid.*) Given the Specific Plan's emphasis on providing *more* housing in the area, the creation of the zoning overlay restricting multi-family residential in the Sunridge Specific Plan area is inconsistent with the Specific Plan's housing policies. In other words, the overlay would be an unnecessary constraint on the City's ability to provide adequate housing as contemplated in the plan. Further, the Specific Plan zoned the parcels as Limited Commercial to "accommodate a mix of uses" (Sunridge Specific Plan, p. 3-11), but the overlay would limit allowable uses on the designated properties, thereby prohibiting the mix of uses contemplated in the plan.

Although the City explains that the zoning amendment would be consistent with one General Plan Action (See Ordinance No 23-2014, section 2(B)), there is no

discussion regarding how the amendment would be consistent with the General Plan's Housing Element or other city-wide housing goals and policies. And importantly, none of the documents even mention how the proposed zoning ordinance would be consistent with the Sunridge Specific Plan. As explained above, the Government Code requires that such a determination be made. (Gov. Code, § 65455.) Given the short time for comments, we have not been able to carefully review the City's General Plan and Specific Plan to see how all relevant provisions would be affected by the proposed ordinance. We recommend that the City consider this issue carefully before making a decision on the item.

3. The City has Not Complied with CEQA or the Brown Act.

Before considering a proposed zoning code amendment, an analysis under CEQA must be performed regarding possible environmental impacts. CEQA applies to discretionary projects proposed to be carried out or approved by public agencies. (Pub. Resources Code, § 21080, subd. (a).) Among the activities specifically included in the definition of a "project" under the CEQA Guidelines is the "enactment and amendment of zoning ordinances. . . ." (CEQA Guidelines, § 15378, subd. (a)(1).) Thus, the proposed ordinance is clearly a project subject to CEQA and must comply with CEQA's requirements.

The City has put out inconsistent statements regarding CEQA compliance for the proposed zoning overlay, none of which offer appropriate justification for the City's actions. First, the ordinance itself (provided with the meeting materials on the City's website), states that no further environmental review is required because the zoning overlay is within the scope of the General Plan EIR. But the City has provided no explanation or evidence demonstrating that the impacts of the zoning amendment were covered in the General Plan EIR. Such a conclusory statement, without any explanation whatsoever, if not sufficient under CEQA.

The ordinance also states that no environmental review is required because the proposed amendments do not meet the criteria for preparing a subsequent EIR or negative declaration under CEQA Guidelines section 15162. But here too, the City has provided no explanation or evidence to support the statement that the zoning amendments do not meet the criteria for preparing a subsequent environmental document or that the zoning amendment will not result in any direct or indirect physical

change in the environment. Under CEQA, when an agency makes this determination, it must explain its reasoning, supported by substantial evidence, in an "addendum." (CEQA Guidelines, § 15164 ["The lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred."]; see also *Id.*, subd. (d) ["the decision-making body shall consider the addendum with the final EIR ... prior to making a decision on the project."]; CEQA Guidelines, § 15005(a) ["'shall' identifies a mandatory element which all agencies are required to follow"].) The addendum would explain why no subsequent EIR is required and would be supported by substantial evidence. Notably, most agencies use an environmental checklist to compare a subsequent approval with the analysis in a previous EIR. But here, none of the documents included with the meeting materials even mention an addendum.

Next, the City stated in a notice mailed to owners of affected properties that an addendum to the General Plan EIR was prepared under the CEQA Guidelines to address the proposed amendments to the zoning code. The notice further explains that the analysis concluded that the Zoning Code Amendments would not result in any additional impacts that were not analyzed in the General Plan EIR. But, as noted previously, the addendum described in the notice was not included with the meeting materials and was not posted on the City's website. As soon as we learned that the City had prepared an addendum to the General Plan EIR that analyzed the potential impacts of the amendments, we requested a copy. Last Friday afternoon, August 15, 2014, the City sent us an "addendum" to the Sunrise Douglas Community Plan/Sunridge Specific Plan EIR (not the General Plan EIR as stated in the notice) that purportedly addresses the potential impacts of the proposed zoning code amendment. But that document too is conclusory and includes no explanation or evidence demonstrating why the proposed land use changes were sufficiently covered in the Sunrise Douglas Community Plan/Sunridge Specific Plan EIR.

It appears, based on the inconsistent statements noted above, that the City has failed to properly consider whether the proposed overlay may in fact cause any new or more severe potential impacts that were not adequately covered previously or whether there has been any changed circumstances or new information that may trigger the need for subsequent review under Public Resources Code section 21166 and CEQA

Guidelines section 15162. Given the lack of notice and extremely short time to review the City's environmental document, we have not been able to analyze what type of additional review is required for the zoning overlay. Changing permitted land uses from what was previously analyzed at least has the potential to cause new or more severe impacts than what was analyzed in the Sunridge Specific Plan EIR. For example, by eliminating multi-family housing from the affected parcels, the zoning overlay could cause indirect impacts to traffic and air quality and perhaps other resource areas. Moreover, since the City is also considering additional zoning changes throughout the City, there is the potential that the proposed zoning amendment, in combination with the other changes, would have cumulative impacts. (CEQA Guidelines, § 15130.) Further, as demonstrated by the City's desire to enact the zoning overlay, circumstances in the area have clearly changed to some degree. (See, e.g., Ordinance 23-2014, Section 1 ["land use regulations within the Sunridge Specific Plan are complex due to a variety of factors that have occurred over time"].) But again, we have not had sufficient time to consider what type of document would be sufficient to analyze the changed circumstances. (See Pub. Resources Code, § 21166, subd. (b) [subsequent or supplemental EIR required if there are changes with respect to the circumstances under which the project is being undertaken]; CEQA Guidelines, § 15162, subd. (a)(2) [same].) These are precisely the types of issues that the City is required to address in its environmental document for the proposed zoning amendment. These issues are clearly not adequately covered in the City's "addendum" or in any other document at this time.

Moreover, under the Brown Act, the City was required to provide public notice at least 72 hours before its City Council meeting, that it had prepared an addendum for the proposed zoning code amendment. (See Gov. Code, § 54954.2, subds. (a)(1) [the legislative body of a local agency shall post, at least 72 hours before a regular meeting, "an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting"], (a)(2) ["[n]o action or discussion shall be undertaken on any item not appearing on the posted agenda"]; *San Joaquin Raptor Rescue Center v. County of Merced* (2013) 216 Cal.App.4th 1167, 1176-1179 [overturning agency's decision because the agency failed to provide adequate notice that it was considering an environmental document as part of its decision].) Again, the only notice of an addendum was provided in a flier mailed to only a few individuals (i.e., not the public). That flier did not even reference the actual document that we were provided

with; it stated that the City had prepared an addendum to the General Plan EIR, when in fact, it prepared an addendum to the Specific Plan EIR. More importantly, the City provided *no public notice* that it had prepared an addendum for the proposed zoning code amendment. Because the City did not provide notice that is was consideration adoption of an addendum for Agenda Item 10.4, the City is prohibited from taking action on the proposed addendum at the August 18, 2014 meeting. (*Id.*)

We recommend that the City carefully analyze whether the zoning code amendment will have any new or more significant impacts or whether circumstances have changed since 2001, triggering the need for subsequent environmental review. Ultimately, the City *may* be able to address the impacts of the proposed ordinance in an addendum if the statutory requirements are satisfied. The addendum must provide substantial evidence to support the City's decisions. The existing documents and explanation simply will not do not meet CEQA's requirements.

4. Conclusion

For all of the reasons described above, we request that the City reject the proposed zoning amendment. If the City still wishes to pursue a zoning amendment, the item must, at the very least, be postponed until the City can address the problems described in this letter. Donahue Schriber is hopeful that the City will accept its offer to meet with the City to find a mutually acceptable solution that ensures sufficient commercial development in the Sunridge Specific Plan area and does not unnecessarily expose property owners, and the City, to uncertainty and litigation risks.

Thank you in advance for your consideration of our comments. We look forward to working with the City on this matter. Please contact me if you have any questions.

Very truly yours,

Howard "Chip" Wilkins III

Cc: Dave Murray

ATTACHMENT 1

CITY OF RANCHO CORDOVA

ORDINANCE NO. 23-2014

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA ADDING SECTION 23.325.090, SUNRIDGE GENERAL COMMERCIAL OVERLAY ZONING DISTRICT, TO CHAPTER 23.325 OF TITLE 23 OF THE MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Purpose and Declarations

WHEREAS, land use regulations within the Sunridge Specific Plan are complex due to a variety of factors that have occurred over time; and

WHEREAS, the City Council reviewed the properties zoning history during a study session on July 15, 2014; and

WHEREAS, the City Council provided direction to amend the City's zoning code to clarify the allowed use rights for the General Commercial (GC) zoned properties within the Sunridge Specific Plan; and

WHEREAS, the City Council's intent for development of the commercial properties within Sunridge are to specifically serve the needs of Sunridge residents; and

WHEREAS, the Sunridge General Commercial (SGC) overlay district will achieve this outcome by providing ample opportunity for a variety of community serving commercial uses while limiting those land uses that may detract from successful retail, grocery, and restaurant users.

Section 2. Findings

The City Council hereby finds that:

A. **CEQA Compliance.** The City prepared an Addendum to analyze whether supplemental environmental review to the SDCP/SRSP EIR (State Clearinghouse Number 97022055) was required for the Project under CEQA ("2014 Addendum"). The analysis in the 2014 Addendum shows that none of the standards under CEQA for preparation of subsequent or supplement environmental review (either a Negative Declaration or EIR) have occurred or are met for the Project. The addition of Section 23.325.090 into the City's Zoning Code is an activity within the scope of the General Plan EIR and SDCP/SRSP EIR and requires no further environmental review. Further environmental review is not required because the proposed amendments do not meet the criteria for preparing a subsequent EIR or Negative Declaration under State CEQA Guidelines section 15162. Furthermore, the Project a procedural change in the Zoning Code that will not result in a direct, or reasonably foreseeable indirect, physical change in the environment. Therefore, adoption of the Ordinance is not subject to CEQA pursuant to Guidelines Section 15060(c)(2). All applications for development within any of the subject properties will be subject to the appropriate and applicable discretionary entitlements and will be required to comply with the requirements of CEQA prior to the approval of the permit.

B. **Consistency with the General Plan.** The attached Zoning Code Amendment ("Amendment" or "proposed Amendment") is consistent with the General Plan as required by Government Code Section 65454. The Amendment is consistent with and implements the following provisions of the City's adopted General Plan:

General Plan Goals, Policies, and Actions:

§ Land Use Action.1.1.1 – Regularly evaluate the mix of land uses as the City grows to analyze build out conditions, market conditions, etc.

Finding: Section 23.325.090 will refine the allowed uses for four GC zoned sites within the Sunridge Specific Plan. The refinement is necessary to ensure that commercial development that occurs within these sites is focused on serving the residents within the surrounding neighborhoods. It will ensure that the market conditions remain competitive amongst the properties that are relying upon the same customer base.

C. **Required Findings.** The attached Zoning Code Amendment is consistent with the following additional required findings:

Finding: The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the city.

Evidence: The proposed Section 23.325.090 will refine uses for four GC zoned sites within the Sunridge Specific Plan. The SGC overlay is necessary and is in the public interest to ensure existing and future residents are provided with the appropriate commercial services within close proximity to their homes. The refinement in allowable uses is aimed at improving the convenience of these services and in turn, improving the welfare of the residents. There are not health or safety concerns associated with the proposed amendment.

Finding: The amendment is internally consistent with other applicable provisions of the Code.

Evidence: Section 23.325.090 has been reviewed for internal consistency with the Code and includes references to the appropriate related sections.

Section 3. Amendments

The City Council hereby adopts the new Section 23.325.090 of the Zoning Code attached in **Exhibit A**.

Section 4. Severability

If any provision of this Ordinance or the application thereof to any person or circumstance, is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid or unenforceable.

Section 5. Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its inception.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Dan Skoglund, Mayor

ATTEST:

_____
Mindy Cuppy, MMC, City Clerk

CITY OF RANCHO CORDOVA
CALIFORNIA
Incorporated 2003

ZONING CODE AMENDMENTS

FOR THE

SUNRIDGE SPECIAL PLANNING AREA

(Addendum to the SDCP/SRSP Final EIR)

INTRODUCTION

This document is an addendum to the Sunrise Douglas Community Plan (SDCP) and SunRidge Specific Plan (SRSP) Environmental Impact Report (EIR) prepared pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15164 for the proposed zoning code amendments.

The Sunrise Douglas Community Plan ("SDCP") and Sunridge Specific Plan ("SRSP") approved by the County of Sacramento ("County") in July 2002. The County certified an environmental impact report ("EIR") for the SDCP and SRSP in July 2002 (State Clearinghouse Number 97022055) ("SDCP/SRSP EIR") prepared in accordance with the California Environmental Quality Act ("CEQA"). Subsequently, the City certified a Court-Ordered Partially Revised Draft Environmental Impact Report (Revised DEIR) to the SDCP/SRSP EIR addressing long-term water supply plan and other water supply related issues (State Clearinghouse Number 97022055). However, due to amendments to the City's General Plan that was adopted in June 2006, the City could not find the SunRidge Specific Plan to be consistent with the General Plan and therefore could not readopt the SunRidge Specific Plan. Specifically, the General Plan requires a minimum amount of high density zoned lands that were not programmed into the Specific Plan.

Subsequently, the City processed a zoning map amendment that reinstated the commercial and multi-family residential zoning in the SunRidge Planning Area that was lost, due to the courts action on the SunRidge Specific Plan EIR and the Specific Plan revocation.

PROJECT DESCRIPTION

The SunRidge GC (SGC) overlay district, as currently proposed, will be established to clarify appropriate uses for these properties. The SGC overlay district is intended to provide ample opportunity for a variety of community serving commercial endeavors while limiting those land uses that may detract from successful retail, grocery, and restaurant users. The boundaries upon which the SGC overlay zone will apply are shown in the figure below.

The overlay zone will work in conjunction with the city-wide GC zoning district and except where modified within the overlay zone, the standard allowed use table will apply (See **Figure 1** below). **Table 1** below identifies the adjustments to the specific allowed uses for the subject properties within the SGC overlay zone.

Figure 1 – SGC Overlay Zone

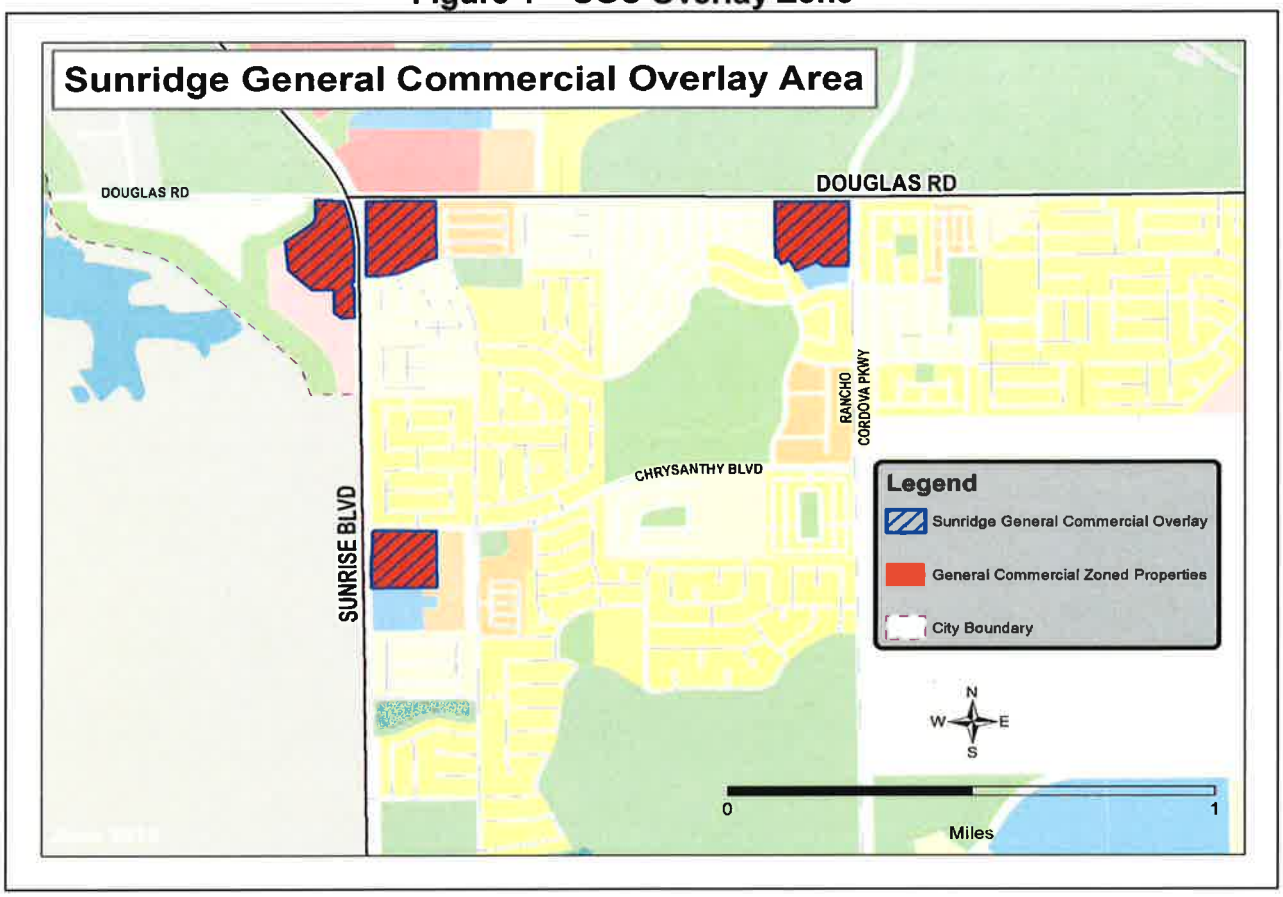

Table 1 – Proposed Adjustments

Use	Sunridge General Commercial Overlay Zoning District	Current Zoning
Dwelling, Multifamily	N[1]	P
Recreational Vehicle Parks	N	P
Equipment Sales and Rental	C	P
Maintenance and Repair, Small Equipment	C	P
Auto and Vehicle Sales	C	L
Auto and Vehicle Rental	C	P
Auto and Vehicle Storage	N	P
Vehicle Services, Major	C	P
Vehicle Services, Minor	C	P
Manufacturing, Small Scale	C	P
Storage, Warehouse	N	L
Wholesaling and Distribution	N	P

1 - Multifamily dwellings may be approved upon issuance of a Conditional Use Permit for the GC zoned sites within the SGC overlay zone located at the southwest corner of Sunrise Boulevard and Douglas Road and at the southeast corner of Sunrise Boulevard and Chrysanthy Boulevard, subject to the following finding:

a. At full build-out of the Specific Plan, the retail and commercial needs of residents in the vicinity of the SunRidge GC Overlay properties can be met upon the remaining SunRidge GC overlay sites.

The Applicant shall provide supporting evidence, prepared by a qualified marketing consultant, to demonstrate consistency with this finding at application submittal.

Key: P - Permitted
L – Permitted subject to Limited Use Permit
C – Permitted subject to Conditional Use Permit
N – Not Permitted

EXPLANATION OF THE DECISION NOT TO PREPARE A SUBSEQUENT ENVIRONMENTAL IMPACT REPORT OR MITIGATED NEGATIVE DECLARATION

CEQA Guidelines Sections 15162 and 15164 set forth the criteria for determining the appropriate environmental documents, if any, that must be completed when changes are proposed to a project for which an EIR has already been certified. These guidelines allow a lead agency to prepare an addendum if all of the following conditions are met:

- Substantial changes to the project do not require major revisions to the previously certified EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified potentially significant effects.

- Substantial changes with respect to the circumstances under which the project is undertaken do not require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

- No new mitigation measures or alternatives which are considered different from those analyzed in the EIR or which were previously found not to be feasible are identified.

- No new information of substantial importance becomes available which shows new significant effects or significant effects substantially more severe than previously discussed.

- Only minor technical changes or additions are necessary to make the EIR under consideration adequate under CEQA.

An addendum is considered the appropriate CEQA document for the proposed zoning amendments, as described above, because:

- There are no new substantial changes to the project that would result in new significant environmental effects or a substantial increase in the severity of a previously identified potentially significant effect, and

- There is no new information of substantial importance that shows new significant effects or significant effects would be substantially more severe than previously discussed.

POTENTIAL ENVIRONMENTAL IMPACTS AND MITIGATION MEASURES

The proposed zoning amendments would result in more restrictive use designations on the identified properties and would result in fewer impacts than identified in the Specific Plan EIR. Furthermore, the development footprint of the project site has not changed in relationship to the previously analyzed project. Impacts relating to Aesthetics, Air Quality, Agricultural Resources, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Traffic and Circulation, and Utilities and Service Systems would be less than previously disclosed.

No substantial changes have occurred to the project site and or the surrounding area that would change the prior analysis and or conclusions. The zoning amendments would not create any new or additional significant impacts that were not already identified in the Master EIR; nor would they cause any impacts peculiar to the project or parcels. Mitigation measures relating to these impact areas and included in the SDCP/SRSP EIR are still applicable and would reduce impacts to the furthest extent feasible.

Conclusion

The City has reviewed the potential environmental impacts related to the proposed zoning amendments. The City finds that no new or substantially more severe impacts would result from these amendments and that prior analysis contained in the originally certified Specific Plan EIR adequately address all environmental impacts. Based on the criteria discussed above, an addendum is considered the appropriate level of documentation to satisfy the requirements of CEQA, and no further analysis is required.

REFERENCES

City of *Rancho Cordova General Plan: Final Adopted Version. November 2006.*

Sunrise Douglas Community Plan/SunRidge Specific Plan EIR. *July 2002. State Clearinghouse Number 97022055.*

MEMORANDUM

DATE: August 18, 2014

TO: Honorable Mayor and Council Members

FROM: Amanda Norton, Economic Development

SUBJECT: **Rancho Cordova Innovation Center**

RECOMMENDATION

Review and comment on the Rancho Cordova Innovation Center presentation and report prepared by the City's Consultant, Ingrid Rosten of Rosten Consulting and Innovative Partners Incubation.

RESULT OF RECOMMENDED ACTION

Provide Staff and Consultant with next steps, if any.

BACKGROUND

Rancho Cordova staff formed an advisory team in 2012 to explore the formation of a Business Incubator. In October 2012, the team completed the Rancho Cordova Business Incubator Feasibility Study. The recommendation from the team was that there is pent up demand for an incubator and that opening one in Rancho Cordova would be a good idea. The challenges highlighted in the report were how to tap into the existing demand, how will the incubator be funded, and where would the incubator be located.

As follow-up to the above referenced report, staff contacted with Ingrid Rosten, Rosten Consulting, to further explore the viability of an incubator in Rancho Cordova. Ms. Rosten was tasked to:
-Interview 50 individuals to explore the potential support for an incubator. The list would include: entrepreneurs, investors, government officials, educators, existing programs, private industry.
-Demand for services – determine the need for incubation space and services to be provided.
-Determine focus – determine if the space should have a specific focus.
-Competitive analysis – determine if potential clients for an incubation space in Rancho Cordova are already using space in another incubation center.
-Model and funding determination – Review existing incubation center models and determine which is the most suitable for Rancho Cordova. For example will a combination of grants, sponsors, renters and membership and other fee based services will be used.
-Real estate evaluation – a full investigation into available real estate and meetings with developers and building owners to determine the best opportunity for a center.

Ms. Rosten presentation will highlight her findings on the feasibility of an innovation center in Rancho Cordova. Staff is asking for Council to review the report and presentation and to provide staff with thoughts on next steps or do discontinue their exploration of the topic.

ATTACHMENT

City of Rancho Cordova Business Innovation Center Feasibility

City of Rancho Cordova

BUSINESS INNOVATION CENTER FEASIBILITY

Draft 1

May 31, 2014

"THE ONLY HOPE WE HAVE IS ENTREPRENEURSHIP AND STARTUPS. I USED TO WORK FOR [HUGE CO.]; THEYRE LAYING OFF 16K PEOPLE. NOW I HAVE A STARTUP." – ENTREPRENEUR

Attention:

Curt Haven, *Director of Economic Development*
Amanda Norton, *Economic Development*
Jessica Hayes, *Housing Services Division*
Economic Development & Neighborhood Services
City of Rancho Cordova

Submitted by:

Ingrid Rosten
Rosten Consulting
2155 Pantages Circle, Rancho Cordova, CA 95670
(408) 691-4784
Ingrid@rostenconsulting.com

Ingrid Rosten is a Business Innovation Center Executive who works with public and private sector organizations to develop entrepreneurship, business innovation center, and innovation support programs with the intent to develop new businesses in order to support and grow the local economy.

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Acknowledgement

It's our pleasure to acknowledge the people who shared their time and experience with us in order to complete this report. The following individuals deserve our sincere thanks:

Dan Skoglund, Mayor

Robert J. McGarvey, Vice Mayor

Council Members Linda Budge and Donald Terry

Joe Chinn and Stacy Leitner, Interim City Manager and Executive Assistant

Curt Haven, Director, Economic Development

Amanda Norton, Economic Development

Jessica Hayes, Housing Services Division

Paul Junker, Planning Director and Lorianne Ulm

Diann Rodgers, Rancho Cordova Chamber President

A very special thank you to the 2012 Business Incubator Advisory Team made up of Dana Grossi, Daniel Sanchez, David Gassaway, Jessica Hayes and Micah Runner.

Also, heartfelt thanks to the other staff members of the City, Chamber and educational institutions, and the many private companies and entrepreneurs who operate in and around Rancho Cordova who contributed to this study.

Finally, special thanks to City interns Vanessa Martinez and Jenzel Arevalo for their dedicated work in arranging (and rearranging) our many interviews and providing market research updates.

Ingrid Rosten and Team

"We are in Rancho Cordova because it's well located and the rental prices are good! The City has improved the environment a lot. We even had a visit from the Mayor, we were so impressed they had time for us!" - Entrepreneur

Executive Summary

The purpose of the City of Rancho Cordova's Feasibility Study was to determine if there is sufficient evidence of a market demand for the development of a Business Innovation Center that would serve entrepreneurs, potential entrepreneurs and startups in Rancho Cordova and the region. The response has been overwhelmingly positive.

A Business Innovation Center's goal is to help firms become successful, freestanding and financially viable, in addition to encouraging new businesses to develop within the local community and surrounding region.

A Business Innovation Center, also called a Business Incubator, is a business support system that helps entrepreneurs, startups, and existing small businesses with an array of targeted resources, introductions, advice and space.

Resources, usually developed by those who run the Business Innovation Center, are available both in the Business Innovation Center and through its network of contacts. By providing below market rate space, entrepreneurs are provided office and possibly lab or manufacturing space otherwise unavailable. It further provides a hub or nexus for the community to network and share ideas for collaboration and support through networking events and meetings put on by the Center.

Introduction

The following report comprises the findings from Ingrid Rosten's 2014 Feasibility Study and the City of Rancho Cordova's 2012 Feasibility Study (updated where necessary).

Business Innovation Centers, aka Incubators, help entrepreneurs develop ideas, while supporting them to grow their companies and survive during the startup period when they are most vulnerable (Valley of Death). Business Innovation Centers provide their client companies with business support services and resources tailored to young firms, e.g., introductions to lawyers, accountants and management consultants at or below market rates or on a pro bono basis; sources of mentorship and funding that will support their growth; networking opportunities to connect with other entrepreneurs and collaborators; below market rate office, R&D or lab space and conference rooms; educational programs to support business; and a Maker Space for prototyping (and perhaps wet lab). The most common goals of innovation programs are to create jobs in a community; enhance a community's entrepreneurial climate;

retain businesses in a region; build or accelerate growth in a local industry; and diversify local economies.[1]

The City of Rancho Cordova has an opportunity to provide a Business Innovation Center to existing companies and entrepreneurs in the area. To gauge the need for a Business Innovation Center in Rancho Cordova, the City undertook a feasibility study in 2012 that determined there was not yet the support needed for a Center at that time. This 2014 study update looks at the support for a Business Innovation Center in today's market by answering these main questions:

1. **Demand for services:** What is the level of interest in and demand for a Business Innovation Center in Rancho Cordova?
2. **Determine focus**: What industry or industries should a Business Innovation Center in Rancho Cordova serve?
3. **Competitive analysis**: What competition exists, is collaboration feasible, and are there gaps in existing programs in Rancho Cordova?
4. **Model and funding determination:** What is the innovation center model most likely to succeed in Rancho Cordova?
5. **Real estate evaluation:** Does suitable real estate exist in Rancho Cordova?
6. **Costs:** What are the costs associated with the development of a Center?

"RANCHO CORDOVA HAS A SILICON VALLEY FLAVOR" - ENTREPRENEUR

Recommendations

Based on the analysis conducted, we strongly believe that starting a Business Innovation Center in Rancho Cordova is viable and would be beneficial to our local economy now. The survey results from interviews conducted in the community reveal that there is demand locally for both the space and services of a Business Innovation Center. Secondarily, with the diversity of companies and individuals, attracting international companies to the Center could be a focus down the road and should be considered.

The following recommendations provide Rancho Cordova with a good foundation for establishing its Business Innovation Center. Our findings indicate that the City of Rancho Cordova's Business Innovation Center needs to:

1. Provide plenty of below market rate office and development space for young companies to grow and expand within, and be close to services (public transit and restaurants). Provide private offices as well as co-location space. IP protection is very important, even at the idea stage, thus privacy and lockable spaces are highly desirable.

[1] From National Business Incubation Association (NBIA)

2. Serve a broader range of industry types since such diversity exists already. In time a particular focus may occur naturally, technology in general is desirable long term, looking to focus as it develops. Consider Lab and Maker space for R&D and prototyping.
3. Have a professional Manager. Management must be flexible, especially during the Business Innovation Center's formative years, so that it can effectively respond to possible changes in clientele, changes in the types of services that clients need, and changes in the economy.
4. Be driven by one or more individuals who would serve as champions of the Business Innovation Center, pursue funding opportunities and engage the business community to promote and ensure the success of the Center. This champion does not need to be the professional manager of the Business Innovation Center but could serve in a board capacity.
5. Foster a culture of entrepreneurship and collaboration among tenants to promote networking, knowledge sharing, and creativity.
6. A Community Manager who will focus on collaborating with regional partners; networking and marketing to entrepreneurs, associations and existing businesses and organizations in the region through social media and internal newsletters; and participate in Meetups (important). Marketing should take place within and beyond the Sacramento region. . Host events which are tech centric, as opposed to those attended primarily by service providers. "Young professionals attend events with causes as opposed to listening to politicians (and other famous people), so host some events we're interested in that support tech, like mentoring High School students or what's trending on FB and Twitter."
7. Develop measurable goals and metrics that will help focus the effort and send a clear message to potential tenants and the community about the Business Innovation Center's value and purpose.
8. Collaborating with existing centers and programs is highly desirable and recommended, especially in the area of educational programs. Most have a strong desire to partner. Being a feeder into their and other entrepreneurial training and educational programs is welcome and desirable and is suggested in the initial stages. Unique programs should be developed,e.g., tech women centric leadership. As stated by a local CEO, "There are so many business educational programs around."
9. We recommend using a nonprofit model for the center. If the City can pay for the space, remaining funds will cover staffing costs via membership dues, event fees, sponsorships, and grants. The Center could go under an existing entity (e.g. Chamber of Commerce Foundation) or create a new one.
10. Hosting a competition is a tried and true way of attracting desired participants and brings a community together to participate.

11. Have the center, or a section of it, be a showcase facility for local products for outsiders to come view.
12. Partner with educational institutions and private companies, public private partnerships work well.
13. Write a Business Plan to include a detailed budget, marketing plan, staff requirements, detailed services to be provided, strategy for implementation.
14. Locate a suitable space and commence searching for funding opportunities. STEM has been mentioned many times during interviews. Collaborating and tapping into these funds needs to be researched more fully. The suggestion is to work with High School students at some level.

Overview of Study

This feasibility study begins with the survey methodology we used to conduct the study comprising interviews and surveys. We interviewed 50+ individuals encompassing startups, service providers, large companies, educational institutions, entrepreneurs and government representatives. We asked individuals if space is needed and, if so, for any specific industry niche. The survey questions are available in Attachment C. We then provide background data and a summary of the City of Rancho Cordova's economic and demographic status to determine industry strengths and weaknesses. Lastly, we wrap it up with our list of recommendations. The 2012 study team did a good job on providing regional market analysis and more, which is included in Attachment E.

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Statement of Work and Methodology

The objective of this study was to examine all the factors which could impact development of a Business Innovation Center in the City of Rancho Cordova. We used both primary and secondary data to analyze local needs and the ability of a Center to meet them. The main factors to be determined were: Demand for services; focus; competition; the best model; real estate availability; costs; and budget.

We conducted surveys of entrepreneurs, existing companies, service providers, academic institutions, investors and other relevant community members to determine the support they would provide, as well as the entrepreneurial activity and market demand we could expect. Further, we spoke with representatives of different incubators in the region and nationally. Lastly, we evaluated secondary source data and some real estate to derive some preliminary financial projections.

Interviews

A critical element in the development of this study was to understand the business environment in Rancho Cordova by meeting with opinion and thought leaders in the community. We conducted 50 interviews (the list of interviewees is available in Attachment B). These interviews served two purposes:

1. They helped us gain insight into the needs of our local entrepreneurs, service providers, investors and corporations.
2. They helped us market the concept of a Business Innovation Center to our potential stakeholders.

The interviewees were asked their opinion of opening a Rancho Cordova Business Innovation Center, who could benefit from it, and how they might participate. We also wanted to determine if a specific industry focus is needed (see all the interview questions on Attachment C). We further used this as an opportunity to market the concept of a Business Innovation Center. We used a graphic (Attachment A) to depict the types of things an innovation center might provide and asked what they felt should be included. Many liked all the items including art.

Demand for Services 2014

Our interviewees' responses to the idea of a local Business Innovation Center were extremely positive. With a lot of low-cost space available, we strongly recommend that the City of Rancho Cordova move forward with a Center. Entrepreneurs need low-cost space which is expandable and existing programs around the region do not offer enough with easy access to parking. The Innovation Center must provide several conference rooms for use 24/7. Unanimously, interviewees stated Rancho Cordova is central, low cost, and has good space near services. For

law firms and other service providers located downtown, it is a short drive to Rancho Cordova. One of those interviewed stated, "The highway 50 corridor is much more acceptable than the highway 80 corridor, Rancho Cordova is easy to get to." Further, it would be a decided advantage if Rancho Cordova's Business Innovation Center offered special services unattainable in other locales. For example, the addition of a Wet Lab could lift Rancho Cordova head and shoulders above other cities in the region. Very little space like this exists regionally. One could start very simply with sinks and workbenches or go all out with exhaust connections, safe chemical handling equipment and more. Most go to UC Davis to use their labs. Though a large Wet Lab building exists for rent at McClellan Business Park, people do not want to go there.

Also, a Maker Space to provide support for prototyping and R&D is highly desirable. This would allow prototype building and provide a place for "makers" to be and thrive. According to Emma Fletcher, the Folsom Makers MeetUp would love to have a place to have meetings and network together.

Another item mentioned more than once is a Showcase space. Companies need a place to show their products. As at the SMUD Customer Service center where they have a partial house in which they have clean tech products they recommend customers use. It could be as complex as that or more simply, just a place to show products.

A Business Innovation Center could also serve as a hub or nexus for young professionals to meet and connect—such a hub does not currently exist along the Rancho Cordova/Highway 50 Corridor. Entrepreneurs Campus in Folsom is just starting out and plans to offer space for activities for entrepreneurs, but would not necessarily attract those from Rancho Cordova. Further, they have little space to house a decent numbers of companies.

The concept of a Business Innovation Center was warmly embraced by all respondents with the exception of one individual to whom the concept remained unclear. Most of the interviewees applauded Rancho Cordova for being forward thinking and innovative. However, many did acknowledge the blue collar aspect of Rancho Cordova and the need to infuse the community with young professionals, and attract them to live and participate here. The fact that, "millennials want to live close to where they work," is being demonstrated by the ever increasing numbers of young professional moving to Rancho Cordova. Many of Intel and Gencorp's employees reside in Rancho Cordova and those interviewed agreed that marketing our Center to such employees would benefit both the employees and the City.

Many business owners mentioned that there is a current lack of "know thy neighbor." Most have no idea who is in the suite or building next door. It was suggested that a map or directory be created. Most said that they would be interested in participating in any event(s) where they could meet other tech companies.

Most of the interviewees responded positively when asked if art and business mix. Service providers are available, although not necessarily in Rancho Cordova. While financial, marketing and IT support services in Rancho Cordova are strong, legal support is primarily in downtown Sacramento. Most of them have clients in Rancho Cordova and find it an easy commute.

Demand for a Business Innovation Center in 2012

The Survey of Small Businesses and Entrepreneurs done in 2012 captured level of demand for a Business Innovation Center in Rancho Cordova by asking firms about their level of interest in locating in and/or using services provided by a Center. Forty-seven percent of the firms surveyed indicated they would either: 1) consider using space and services in a Business Innovation Center if one opens in the area; or 2) use common resources and business assistance services at a Business Innovation Center (without renting physical space). Yet another 47% of respondents said they would probably not be interested in locating in or using services at a Business Innovation Center in the area. One firm expressed interest in locating in a Center as an anchor tenant (interested in using space but not needing the services provided by a Center).

One question posed in both surveys asked respondents whether those contemplating starting a new business in the Sacramento region could value from a local Business Innovation Center. Most respondents who took the Survey of Small Businesses and Entrepreneurs (88.2%) said yes; 85.7% of respondents from the Community Outlook Survey also agreed.

Industry Focus

Most respondents felt it important not to have a specific industry focus, since the companies already in existence in Rancho Cordova are so diverse; in time a specific set of industries will probably emerge. According to the 2012 Feasibility Study, there is indeed a need for a Business Innovation Center targeting a mix of industries "to include professional services—engineering, architecture, specialized design services, and consulting—and computer system design and related services. These two industries have the highest concentration of small businesses [1-9 employees] in the area.

From the City of Rancho Cordova's 2012 Feasibility Study regarding Industry Focus:

> *"With two exceptions—Sacramento State University's Center for Entrepreneurship and the Santa Fe Business Innovation Center—all innovation centers contacted were focused on specific industries. Some innovation centers had a broader industry focus, while others were more narrowly focused on a specific industry niche. However, the more specific the industry focus, the greater the likelihood that the innovation center will be affected by market fluctuations. Another point of concern is the reality that industries in demand today may not be in demand five years from now.*

"Since starting an innovation center comes with a certain level of risk, it is important for the management structure to be flexible enough to respond to unexpected market changes. San Jose had a software innovation center which was discontinued, in part because it was affected by market changes resulting from the dot com bust of the early 2000s.

"One final issue to consider was raised by several innovation center interviewees. When deciding what industry(ies) to serve, those starting an innovation center need to be sensitive to the reality that certain industries require significant early investment in expensive equipment. The innovation center's physical resource needs will be more costly for industries that require lab equipment, for example. A start-up innovation center with limited finances may decide to reduce the cost of initial capital investment by focusing on industries that do not require expensive equipment to function. However, this may present a specific challenge if market demand is for industries with high costs of startup due to equipment needs."

What is a Champion?

Business Innovation Centers achieve success because someone, or a group of individuals, took ownership of the project and made it their own. Very importantly, we asked interviewees to recommend people who might serve as our Business Innovation Center's *Champion* and received their confidential suggestions. An ideal champion plays a major role, either as Chairman or Executive Director, and has the following characteristics:

- Someone who recognizes the value of a Business Innovation Center as an economic development tool and part of a larger plan.
- An entrepreneur or investor (past or present) who has been successful and wants to share with others.
- A committed individual who has strong connections and elicits quick responses.
- Someone who can attract funding and attention.
- A person willing to mentor young companies and entrepreneurs.

Please note: A confidential list of suggested Champions will be provided separately.

Model

The below table outlines the various models non-profit centers use. The most effective is that of the non-profit staffed by professional innovation center experts in our experience. Government run centers often do not have the time nor experience to manage the center unless the staff person is

and experienced innovation center expert. It is important to state that no matter which model is adopted, this is not a money making venture but rather an economic development strategy, part of a larger picture. In Rancho Cordova the Chamber of Commerce has a non-profit 501(c)(3) arm which is the perfect status for an innovation center endeavor. Forming a separate non-profit may also be the right answer. In a non-profit entity it is still allowable for the innovation center to accept warrants from companies as they fund and IPO. A normal value is anywhere from 1%-5%, often settling on 3%.

The innovation center should take fees for service from clients, rents and services. These fees will pay for the staff, it may take 1-2 years for self-sufficiency. The industry focus does make a difference here in that software development firms have a much shorter product development cycle then a biotech company which can take years.

Based on our experience, Rancho Cordova can start with part of a building which could be expandable over time. The building could include offices for rent as well as a large common space useable as colocation space (drop in space) for a flat monthly fee. If the space was partial warehouse type in which a Maker space could be created it is desirable according to interviewees. Additionally, Lab space in which sinks, flume hoods and other equipment could be located may also make sense. It is suggested to start out with just a few items to determine if there is usage.

It has long been a best practice to have anchor tenants in the facility to ensure cash flow while providing a long term presence in the facility. While it can limit the amount of space available for other tenants the bottom line is an important.

Table 2: Matrix of Business Incubator/Innovation Center Types (2012)

RUN BY:	Structure	Funding	Revenues	Limitations
Government	One or a few dedicated city staff oversee the innovation center; ideally, one or more individuals experienced in the industry area(s) manage the day-to-day operations	City monies used to fund start-up (capital) costs; longer term funding comes from rents collected from tenants	Limited profitability; revenues primarily from rents	Innovation center may never be financially independent. City many not have capacity, staff, and experience to provide needed services.
Non-profit	Innovation center may be staffed by industry experts. A board of directors would need to be created.	Fundraising and private donations (e.g. banks, other businesses); attract venture capital, angel investors to fund companies; better chance at becoming financially independent	Limited profitability; revenues primarily from rents and donations	Funding may be overly reliant on government or a few sources.

Private company	A private management firm staffs the innovation center full-time, but may contract out for certain services.	Business loans, venture capital, angel investors to fund companies	Greater potential for profitability	May not generate enough revenue from rent and space to operate without additional city or grant funds

Physical Attributes

Rancho Cordova is attractive to many due to low rents and lots of available space. It's close to downtown and has plenty of parking. With two universities in proximity and many educational institutions in town from which to draw interns and potential entrepreneurs, Rancho Cordova is positively situated. The Business Innovation Center should be large enough for expansion and have a variety of office sizes available. A minimum of 3 conference rooms will be needed with some high tech video conferencing capability, although today Skype and many other forms of communication are utilized. A Maker Space or lab would be highly desirable. Plenty of free parking is necessary. A Showcase space is also highly desirable to market local company products and help put Rancho Cordova on the map. Both colocation and office space is needed.

Competitive Analysis for Collaborative Advantage

The Entrepreneurial Centers and programs in the region are outlined below. Most are located in downtown Sacramento, with the exception of Entrepreneurs Campus in Folsom and SARTA's center, an exceptionally small facility, on Power Inn Road. Nothing exists along the Highway 50 Corridor offering co-location or innovation space. We've met with many of them and they concur that collaboration is an important goal.

1. **Hacker Lab**: Offers co-location space; Maker Space; office rentals; events; educational programming; and membership.
2. **Entrepreneurs Campus:** A nonprofit arm of a for-profit venture capital firm, Velocity Venture Capital. Currently offers an annual Boot Camp for entrepreneurs (3 months), Showcase (pitchfest), Events. Plans for other offerings are being suggested to include a Maker Space.
3. **Capsity**: A colocation space for collaborative businesses.
4. **Synergex:** Has acceleration model offering back office and administrative services. Accelerated CleanWorld.

5. **The Urban Hive:** Creative focus (arts); shared workspace; private offices; coffee; entertainment events; collaboration and innovation community; and membership.
6. **SARTA:** The Venture Lab is a small incubator facility in which SARTA staff are located. A total of 5 small offices are made available to entrepreneurial technology companies with a primary focus on Clean and Med Tech. A not-for-profit 501(c)3 corporation located in Sacramento whose mission is to accelerate the growth and development of technology companies and the technology sector in the Sacramento region. SARTA is a virtual Business Innovation Center involved with Next Economy, a broad regional planning effort. SARTA's connections with nine counties in the region could be an invaluable resource in helping Rancho Cordova to market its Business Innovation Center regionally to entrepreneurs.
7. **Venture Start**: SARTA's mentorship program.
8. **Intel IT Innovation Center:** Provides Intel employees a place where they can build and develop products and ideas. Any IP developed there belongs to Intel. The center is open to the public for tours by appointment.
9. **Davis Roots:** Non-profit accelerator for UC Davis spinouts. The center is supported by the University of California Davis. This Center supports high-growth companies developing in Davis.
10. **Techcoire/InvestorFest:** For profit-investor/entrepreneur matchmaking that focuses on business-technology networking and education. It supports technology executives, entrepreneurs, investors and other related groups, and hosts numerous events throughout the Sacramento area. Not operating in our region currently.
11. **Impact Hub, Oakland:** Co-working space; community space; connections and resources; offices; startup space; yoga; art gallery; events; and workshops.
12. **Sacramento Entrepreneurship Academy:** Training for entrepreneurs.
13. **Entrepreneurs Organization:** CEO peer-to-peer mentoring; a closed group of under 40 years old.
14. **Sacramento State University's Center for Entrepreneurship:** Provides office space to startups from a wide range of industries. The Center is a part of the university's College

of Business Administration. Not only does the Center have access to university-quality business education and educators, it is in close proximity to Rancho Cordova. For these reasons, this innovation center could be a great starting point for networking to share resources and attract entrepreneurs. The City of Rancho Cordova may also want to consider forming a direct partnership with the Center for Entrepreneurship. As specified by several interviewees, developing relationships with local college and universities will be a great way to attract entrepreneurs who often come from these settings.

Rancho Cordova is in need of a networking space for attracting young professionals who work and live in the city or nearby. An entrepreneur likely to enter a facility here stated:

> ***"We need a Hacker Lab type space with more sizeable offices; [where we are now,] they only have 3 or 4 available with little space for expansion and parking is tough!"***

Entities in Sacramento are now in discussion to develop programs and centers for international business attraction of companies. Lt. Governor, Gavin Newsom, has a his "An Economic Growth and Competitiveness Agenda for California" plan in which he looks to move California back into the lead on sustainable growth and real job creation. He states the importance of public private partnerships to make this a reality. Rancho Cordova can and should be part of this growth and could consider attracting international companies since we have such diversity already. This can be done using the expertise of this team and the many international studends in Rancho Cordova through internships. Lastly, with the space shuttle program ending, new opportunities are arising in the private sector for aerospace. Private companies are already making the way for private space research and travel. Rancho Cordova has space related entities at our front door.

> ***"Folsom Makers Meetup group is always looking for places to meet. We'd love to come to Rancho Cordova!" Emma Fletcher, founder, Folsom Makers MeetUp***

Existing Resources

The existing entities listed above in the *Competitive Analysis for Collaborative Advantage* hold rich potential to be collaborative partners. Rancho Cordova's Business Innovation Center should seek to develop collaborative relationships with these noted Business Incubators and Accelerators. One interviewee, however, strongly recommended that our Rancho Cordova Business Innovation Center maintain a unique and separate identity in any collaborative efforts. Maintaining an individual identity will help the Center differentiate itself in regional, national and international marketing efforts.

Comments

The following quotes from our interviewees are a fair representation of the views and enthusiasm of the community for this project:

Startup: *"Providing Wet Lab space would be really great. We have a serious lack in the region as a whole. It could set Rancho Cordova apart from the rest."*

Corporation: "*We have lots of employees who live in Rancho Cordova, [and] this could be a real asset to them. We'd be happy to market an innovation MeetUp to them."*

Entrepreneur: *"Regarding Maker Space, you need 2 types of spaces, software development space and consumer designer space with 3 D printing, which is cool. Low-cost office and colocation space is good, too, of course."*

Investor*: "As someone who invests in local companies, I am interested in entrepreneurial activity which could feed into our portfolio."*

Educational Institution: *"This is fantastic! We want more partnerships with local businesses AND internships for our students. I hope this comes to fruition as it would be a win-win."*

Government Official: *"Great idea! This would really help the economy even more. Rancho Cordova did so well in the downturn due to our diversity of industries; we should be very diversified in our Innovation Center too, not too focused!"*

NGO: *"We would be very interested in providing youth and adults who come through our program some internships, paid or unpaid."*

Entrepreneur: *"Rancho Cordova has space to expand into and it's low cost (unlike some other centers in downtown). I would definitely move to an innovation center in Rancho Cordova if there were restaurants, access to bike lanes and public transit close by for my employees. We are currently located in the Hacker Lab but it's not expandable and parking is difficult."*

Service Provider: *"Great idea! Rancho Cordova has pieces for collaboration but needs a nexus."*

Young Professional: *"I moved here from DC and work in Rancho Cordova. There's not much to do here, so I'm moving downtown. In DC, we had a free center to go build things; it was called Hack DC. I'd commute to work every day and would stay if you had some interesting things for me to do here."*

Entrepreneur "Rancho Cordova has a Silicon Valley flavor"

Location

This task is still in its infancy stage, as it was determined that the City can provide much information and support in this area. Initial research has shown the importance of locating close to restaurants and coffee shops, the light rail, and bikeable routes are also needful. A few options that have come clear through the interview process include:

1. 2941 Sunrise Blvd. (Plaza De Oro); existing service providers in building, walk to Light Rail, close to restaurants
2. 11135 Trade Center Drive, Suite 100
3. 2865 Sunrise Blvd; 664-10,504 SF available
4. 3101 Zinfandel Place; Class A, Max contiguous 5,417 SF
5. 10600 White Rock Road; 13,825 SF available, visible from highway, walk to light rail
6. 3100 Zinfandel Rd. (Prospect Park - One Capital Center); 3 suites on first floor available (125, 150, 185 - max contiguous 3,091 SF)
7. 11135 Trade Center Dr. ; manufacturing space (M1) with heavy electricity/power, walk to light rail, close to new Entertainment Center, few restaurants, no coffee shop currently.

In the near term options could include:

1. Work with a developer or building owner to negotiate rental
2. Collaborate with an existing educational institution. FLC is building a new campus currently.
3. Go into existing space within a firm e.g. VSP

Ideally a location would include:

Open space for co-location and networking	Closed walled offices for rent	2-3 Conference rooms	Kitchen
Expandable space	Plenty of parking	High-speed data	Nearby restaurants and Coffee shops
Wet Lab (bonus)	Maker Space (Workshop with tools - 3D printers)	Ideation space with white boards/walls	Close to light rail and bikeable

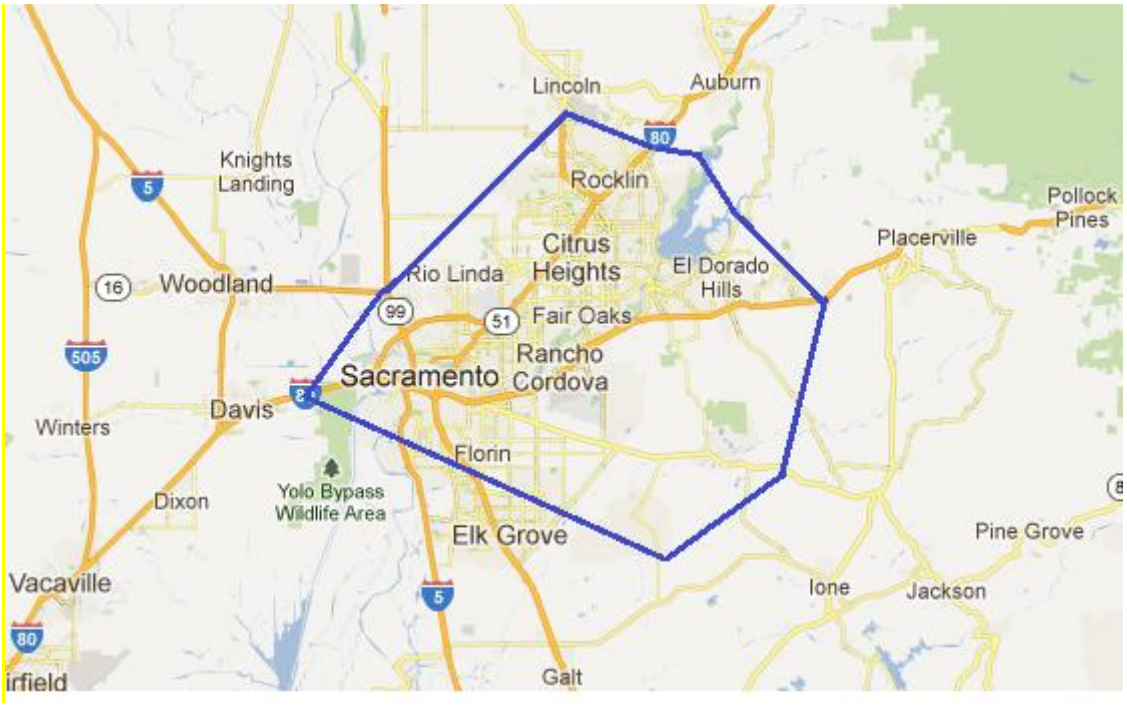
Rancho Cordova's Current Demographic and Economic Profile

City, Population and Accessibility

- Located within Sacramento County about 10 miles east of the City of Sacramento, the City of Rancho Cordova incorporated in July of 2003. Rancho Cordova's population of 67,893 makes up 4.6% of the total population of Sacramento County. The City is easily accessible to businesses and residents within the region.
- More than 800,000 people reside within a 10 mile radius of Rancho Cordova.[2]
- The City of Rancho Cordova is home to one of the largest employment sub-centers in Northern California with more available office space than downtown Sacramento,[3] including several fortune 500 companies. The city also has some of the most affordable Class A office rents in the region.[4]
- Accessibility is maximized through Rancho Cordova's existing infrastructure, including proximity to a major highway (U.S. Highway 50) and 5 local light rail stations that connect to neighboring cities.
- Rancho Cordova sees a daily influx of commuting employees that comprise more than 50,000 jobs.[5]
- Figure 1 outlines a "willingness to travel" 25-minute travel radius to places in and around Rancho Cordova. The travel radius is based on the Sacramento County average commute time of 25 minutes one-way.

[2] U.S. Census Bureau, Rancho Cordova Prospector
[3] Grubb and Ellis (2012, First Quarter)
[4] Rancho Cordova Chamber of Commerce
[5] Rancho Cordova Chamber of Commerce

Figure 1: Willingness to Travel In and Around Rancho Cordova



A combination of factors—location in an urban area, existing transportation and jobs infrastructure, and travel patterns of commuters—make Rancho Cordova a viable location for a Business Innovation Center.

Indicators of Economic Health

As of May 2014, Rancho Cordova's unemployment rate was 10.7 percent of the labor force. This rate is higher than that of Sacramento County as a whole (8.1).[6] In addition, median household income is lower in Rancho Cordova than for Sacramento County ($46,890 compared to $55,846, respectively). Rancho Cordova also has a slightly higher percentage of residents whose income is below the poverty line (16.9% compared to 16.5% in Sacramento County).[7] Rancho Cordova's employment as a percentage of total employment in Sacramento County is 4.1%. The city's 4.1% employment share is lower than its share of the county's total population (4.6%). As such, Rancho Cordova's jobs base is a critical component of the region's economic health.

A Business Innovation Center, which supports businesses by helping them grow and create jobs, would be one way to stimulate the economy, decrease unemployment, and reduce poverty.

[6] U.S. Bureau of Labor Statistics
[7] U.S. Census Bureau

Educational Attainment

While Rancho Cordova has a higher percentage of high school graduates and persons with an Associate degree than Sacramento County as a whole, the city lags behind the county in higher educational attainment (bachelor's, graduate, and professional degrees). Focusing on persons aged 25 and older, only 24% of Rancho Cordova residents have attained a bachelor's degree or higher, compared to 27.9% in Sacramento County as a whole. Only 6.9% of Rancho Cordova residents have a graduate or professional degree, compared to 9.1% in Sacramento County.

Table 1: Educational Attainment

EDUCATION	Rancho Cordova	Sacramento County
High school graduate	24.2%	28.0%
Some college, no degree	27.7%	26.8%
Associate's degree	10.1%	9.3%
Bachelor's degree	17.2%	18.8%
Graduate or professional degree	6.9%	9.1%

Market Analysis

This market analysis provides an overview of current occupations and industries in Rancho Cordova compared to Sacramento County. It also identifies growth industries in the Sacramento region, for the purpose of honing in on industry types that a business incubator in the region should consider serving.

Based on American Community Survey (ACS) data, the analysis includes comparative data on Sacramento County to determine what industries (if any) are uniquely concentrated in Rancho Cordova.

Table 3: Occupation Breakdown (from 2014)

OCCUPATION	Rancho Cordova	Sacramento County
Management, business, science, and arts	33.3%	37.4%
Service	20.6%	19.1%
Sales and office	27.5%	27.0%
Natural resources, construction, and maintenance	8.4%	7.8%
Production, transportation, and material moving	10.1%	8.8%

An occupational category is a classification system that groups workers into distinct sets based on the kind of work a person does on the job. Table 3 shows that the most prevalent occupation category in Rancho Cordova is management, business, science, and arts (33.3%), followed by sales and office (27.5%). Compared to Sacramento County, Rancho Cordova has a larger service occupation base.[8]

Table 4: Industry Breakdown[9] (from2014)

INDUSTRY	Rancho Cordova	Sacramento County
Agriculture, forestry, fishing and hunting, and mining	0.4%	0.7%
Construction	7.0%	6.4%
Manufacturing	7.2%	5.8%
Wholesale trade	2.8%	2.6%
Retail trade	10.7%	11.1%
Transportation and warehousing, and utilities	5.2%	4.8%
Information	2.0%	2.3%
Finance and insurance, and real estate and rental and leasing	7.8%	7.4%
Professional, scientific, and management, and administrative and waste management services	12.6%	11.6%
Educational services, and health care and social assistance	20.5%	21.9%
Arts, entertainment, and recreation, and accommodation and food services	7.9%	8.9%
Other services, except public administration	5.4%	5.2%
Public administration	10.6%	11.3%

Table 4 shows that the three most common sectors of economic activity, also referred to as *industries*, in Rancho Cordova are:

1. Educational services, including health care and social assistance (20.5%). Health care and social assistance includes nursing homes, doctors, medical assistants and social workers.
2. Professional, scientific, management, administrative and waste management services (12.6%). Professional, scientific, management and administrative industries includes accountants, interior designers, engineers, and environmental consultants, among others. Waste management refers to processing, transporting, storing, handling and recycling waste products. Compared to Sacramento County, Rancho Cordova has a

[8] Service occupations provide a service for a person or company, rather than producing a product. Examples include the job of a cleaner, sales person, or lawyer (Financial Times Lexicon).
[9]Detailed definitions of each industry are included in Appendix A.

larger presence in the professional, scientific, and management and waste management industries. Based on this data, a broad "niche" industry type in Rancho Cordova appears to be situated in the services arena. Retail trade (10.7%).

3. Retail trade (10.7%). The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

Growth Industries in the Sacramento Region

Over the next ten years the highest growing industries in the Sacramento region are projected to be education services, health care and social assistance and professional, scientific and technical services.[10]

Table 5: Growth Industries in the Sacramento Region (from 2014)

INDUSTRY	Projected % Growth
Education Services	25.6%
Health Care and Social Assistance	24.9%
Professional, Scientific and Technical Services	25.6%
Transportation, Warehousing and Utilities (this includes trucking companies, storage companies and energy companies)	16.7%
Retail trade	22.0%

The Sacramento region is also expected to face contraction in manufacturing, telecommunications and non-internet based publishing and real estate over the next ten years. Manufacturing refers to the process of transforming materials into new products; this is often done in plants, factories and mills. Telecommunications includes companies that provide cable television, internet access and satellite radio among others. Companies in the information industry that are non-internet based include traditional newspapers, print magazines, and books. This distinction is important because internet based publishing (online magazines, e-books) have grown.

The following industries had positive employment growth on average over the last 14 years in the Sacramento MSA (Metropolitan Statistical Area):

- Service Provision (includes trade, transportation and utilities, and retail trade)
- Professional, Scientific and Technical Services (includes accountants, lawyers, environmental consultants, and independent IT contractors)
- Architectural, Engineering and Related Services

[10] California Employment Development Department

- Education Services
- Health Care

Given the above analysis, the following NAICS sub-industries were identified as potentially high growth target areas:

- Motion Picture and sound recording
- Radio and television broadcasting and cable subscription programs
- Data processing, hosting and related services
- Other info services, digital publishing
- Architectural, engineering and related services
- Specialized design services (interior design, graphic design)
- Computer systems and related services
- Environmental consulting services and other scientific consulting services
- Scientific research and development services (research development in the physical, engineering and life sciences)
- Advertising, public relations and related services
- Other, including market research, photographic services, translation/interpretation services

Budget (see Attachment D)

Assuming a building space is rented or negotiated with the developer, the draft budget in Attachment D provides a sample of costs to consider for the first 12 months.

Recommendations 2014

As stated in the Executive Summary, the below recommendations provide Rancho Cordova with a good foundation for establishing its Business Innovation Center. Our findings indicate that the City of Rancho Cordova's Business Innovation Center needs to:

1. Provide below market rate office and development space
2. Serve a broad range of business types.
3. Have a professional Manager.
4. Be driven by champions.
5. Foster a culture of collaboration and entrepreneurship.

6. Hire a Community Manager to market and promote the Center through social media and programs.
7. Develop measurable goals and metrics
8. Collaborate with existing educational programs.
9. Have the center be nonprofit.
10. Host a competition.
11. Showcase local products.
12. Partner with educational institutions and private companies.
13. Write a Business Plan and commence space location and fund location.
14. Locate space and search for funding.

To recap, a full review of the 2012 Feasibility Study determined little change has occurred to regional demographics, industries, market and growth sectors. Interviews have been held with 50+ individuals with a strong level of support for the concept by all participants. The low cost and abundance of space make Rancho Cordova a premier location along the Highway 50 Corridor to set up. Potential users exist who may live in or near Rancho Cordova and many work at companies in the area. Other startups are in search of space which is expandable, has good parking, and is accessible by light rail or bike. Having a Wet Lab space would be valuable to the region as a whole; however, this is costly. The large corporations in the area are interested in partnering to promote any programs or a Center because it is beneficial for their employees. Young professionals need a place to congregate for idea sharing, events, and prototype development.

1. Good access to public transit and services such as restaurants and coffee shops is highly desirable. Services should include expandable office space; Maker Space; Wet Lab space or access to it; manufacturing space or access to it; mentoring; and introductions. The Center should focus on technology, as stated in the original 2012 Feasibility Study.
2. While there are some local service providers in Rancho Cordova, more will be attracted to the area when there is a stronger market for them.
3. Kicking off with a competition is a good way to inform the community about the new Center and the types of opportunities it offers (not to mention attracting would be entrepreneurs).
4. The regional competition is mostly located in downtown Sacramento, leaving the Highway 50 Corridor open. The exceptions include the new Entrepreneurs Campus in Folsom, which is just underway, and SARTA's Venture Lab. The Venture Lab only offers singular offices which hold no more than 3 individuals. The Entrepreneurs Campus offers Boot Camp and Showcases with which we can use a piggyback strategy. Developing

unique programs, e.g., Technology Women Leadership training would be welcome. Local large corporations are keen to provide their workforce information on places to network and strategize and will market the center and programs.

5. It is recommended to utilize a nonprofit model for the center. If the City can pay for the space, remaining funds will cover staffing costs via membership dues, event fees, sponsorships, and grants. More research is needed to determine whether the Center should go under an existing entity or create a new one.
6. Our list of potential Champions is growing. These individuals will be invited to be part of a “roll your sleeves up” Advisory Board, guiding the organizational goals and mission.
7. We want to look at the question of bringing in High School level participation, thereby utilizing STEM or STEAM funds.
8. Further real estate evaluation is needed. A location with flexible space with access to Light Rail, biking, restaurants and coffee shops is desirable. The options could be renting a space, or collaborating with an educational institution or company to locate within their space.

Attachment A: Business Innovation Center Concept Graphic

Attachment B: Interview List

	LAST	FIRST	ORG	CATEGORY
1	Arzola	Lucas	Inserogen/ UC Davis	Entrepreneur
2	Blanchard	Shelly		NGO
3	Boldt	Mike	Moss Adams	Service Provider
4	Brandt	Denise	National University	Education
5	Budge	Linda	City RC	Government
6	Chediak	Chris	Weintraub Genshlea Chediak	Service Provider
7	Chinn	Joe	City RC	Government
8	Clair	Jeff	Moss Adams	Service Provider
9	Coleborn	Andy	Clear Water Lights	Entrepreneur/Company
10	Dupavillon	Vincent	Ethan Conrad	Service Provider
11	Glatz	Jonathan	Cooley	Government
12	Crawford Jr.	Jack	Crawford Jr.	Investor/Support Org.
13	Daly	Jane	First Bank	Service Provider
14	DeRosa	Angela	Moss Adams	Service Provider
15	Devanna	Leonard	Clean Energy Systems	Company
16	Fletcher	Emma	Folsom Makers/Intel	Entrepreneur/Company
17	Garcia	Juanita	GenCorp Foundation	Company
18	Gatewood	Garrett	LimeWorks	Entrepreneur/Company
19	Gerard	Ada	Heald College	Education
20	Gregoire	Bob	Sacramento Entrepreneurship Academy	Entrepreneur
21	Hayes	Mary	SCORE	Service Provider
22	Islam	Saif	Center for Nano & Micro-Manufacturing	Entrepreneur
23	Juarez	Vince	Wells Fargo Insurance	Service Provider
24	Junker	Paul	City of Rancho Cordova	Government
25	Katonga	Josiah	Hyatt Place	Service Provider
26	King	Chuck	Intel	Entrepreneur/Company
27	Kuhlman	Michael	RCS	Local Bus/Entrepreneur
28	Leitner	Stacy	City of Rancho Cordova	Government
29	Madathil	Gopan	TechCoire	Support Org.
30	Marrone	Pamela	Marrone Bio Innovations	Entrepreneur
31	Mayer	Conrad	Running for City Council/Educator	Government/Education
32	McQueen	George	RC Training Center	Service Provider/Education
33	Murphy	Tim	Aerojet	Company
34	Nguyen	John	Intel	Company
35	Nolasco	Bob	City of Rancho Cordova	Government
36	O'Donnell	Tony	Moss Adams	Service Provider
37	Patton	Greg N.	Five Star Bank	Service Provider
38	Rizzo	Mike	Five Star Bank	Service Provider
39	Rodems	Jim	Cordova Rec & Park Dist., Exec. Dir.	Government
40	Rodgers	Diann	RC C of C	Support Org.
41	Rosario	Matthew	County of Sacramento	Support Org.
42	Russell	Tip	Embry-Riddle Aeronautical University	Support Org.
44	Skoglund	Dan	City of Rancho Cordova	Government

45	Terry	Donald	City of Rancho Cordova	Government
46	Thai	Trung	Dine Dutch	Entrepreneur
47	Torigney	Steve	CleanWorld	Start Up
48	Ullrich	Eric	Hacker Lab	Support Org.
49	Ulm	Lorianne	City of Rancho Cordova	Government
50	Van Dam	Dale	Folsom Lake College Rancho Cordova	Education
51	Wetmoreland	Colton	Moss Adams	Service Provider
52	White	Andrea	Comcast	Service Provider
53	Whitfield	John	Moss Adams	Service Provider
	Wiggins	Christopher	Glide Cruisers	Entrepreneur
	Wong	Michele	CleanWorld and Synergex	Company/Investor

Note: highlighted names are individuals scheduled but not yet met.

Attachment C Interview Questions

RANCHO CORDOVA INNOVATION CENTER

Interviewee (name/affiliation): _____ Date: _____ Interviewer: _____

1. The City of Rancho Cordova has asked us to look into the possibility of setting up an Innovation/Incubation/co-work space/Maker Lab here. *"a facility and mindset where passionate individuals can share ideas, locate start-up businesses, learn and network, gain access to prototyping space, and share ideas and problem solve issues in support of community"*. Is this a good idea? Why?

_____

_____

2. What services could it offer? □ Co-working space (shared environment) □ Event space □ Offices □ Maker Lab □ Classroom □ Art gallery □ Yoga or other □ Workshops □ Showcase Center □YP services e.g.? _____ □ _____ □ _____ □ _____

3. How can we collaborate personally or with your organization? (sponsorship, equipment donations, real estate, in-kind services,

_____

_____

4. Should there be a specific focus? _____

5. Demographic served? _____

6. Where should it be located? Do you know a specific building owner or developer?

_____

7. Do you know of any funding mechanisms, potential sponsors?

_____

8. Who could champion the effort? _____

9. What is unique about Rancho Cordova? _____

10. Can you help us get the word out? _____ How?_____

11. Whom else should we be speaking with?

Name: _____ Name: _____ Name: _____

Name: _____ Name: _____ Name: _____

12. What else should we know?

_____

Attachment D Sample Budget

Sample Development Budget

ITEMS		Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6	Mo 7	Mo 8	Mo 9	Mo 10	Mo 11	Mo 12	TOTALS
(INCOME)														
City	500,000	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	**800,000.00**
Clients		0.00	1,000.00	1,000.00	2,000.00	2,000.00	4,000.00	5,000.00	6,000.00	7,000.00	8,000.00	9,000.00	10,000.00	**55,000.00**
Program Fees		0.00	0.00	500.00	500.00	500.00	700.00	700.00	700.00	1,000.00	1,000.00	1,000.00	1,500.00	**8,100.00**
Grants							25,000.00			10,000.00			25,000.00	**60,000.00**
Sponsors				5,000.00		5,000.00			5,000.00				5,000.00	**20,000.00**
Equipment rental income			200.00	200.00	300.00	300.00	400.00	400.00	500.00	500.00	550.00	550.00	600.00	**4,500.00**
Warrants 3%														**0.00**
Monthly Income		**25,000.00**	**26,200.00**	**31,700.00**	**27,800.00**	**32,800.00**	**55,100.00**	**31,100.00**	**37,200.00**	**43,500.00**	**34,550.00**	**35,550.00**	**67,100.00**	**447,600.00**
(EXPENSES)														
Center Manager		9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	**108,000.00**
Office Manager		4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	**48,000.00**
Community Manager				3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	**30,000.00**
Benefits 25%		3,500.00	3,500.00	4,250.00	4,250.00	4,250.00	4,250.00	4,250.00	4,250.00	4,250.00	4,250.00	4,250.00	4,250.00	**49,500.00**
Mentorship					2,000.00	2,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	**25,000.00**
Travel, Training, Prof. Dev.		0.00	0.00	0.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	**4,500.00**
Materials & Supplies		1,000.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	**6,500.00**
Telecommunications		10,000.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	**13,300.00**
Office Rent		25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	**300,000.00**
Furnishings		50,000.00												**50,000.00**
Equipment rental		10,000.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	**12,200.00**
Tenant Improvements		#########												**100,000.00**
Monthly Expenses		**212,500.00**	**42,500.00**	**46,250.00**	**48,750.00**	**48,750.00**	**49,750.00**	**49,750.00**	**49,750.00**	**49,750.00**	**49,750.00**	**49,750.00**	**49,750.00**	**747,000.00**
Total Net		-187,500.00	-16,300.00	-14,550.00	-20,950.00	-15,950.00	-5,350.00	-18,650.00	-12,550.00	-6,250.00	-15,200.00	-14,200.00	-17,350.00	
NET BALANCE	**500,000.00**	**312,500.00**	**296,200.00**	**281,650.00**	**260,700.00**	**244,750.00**	**250,100.00**	**231,450.00**	**218,900.00**	**212,650.00**	**197,450.00**	**183,250.00**	**200,600.00**	

Attachment E—Findings from the 2012 Feasibility Study

Starting a Center

Some Business Innovation Centers were initiated by their city governments, e.g., San Jose BioCenter; BIZ Inc (in South Carolina); Santa Fe Business Innovation Center; Rocky Mountain Innosphere; and Ventura Ventures Technology Center (V2TC). San Jose BioCenter, which provides wet lab and office space to life science, nanotech, and clean tech companies, was subsidized by the city but is now self-sustaining. In most cases interviewed, the city government was a significant financial contributor for several years post start-up.

The manager of the Business Technology Center in Los Angeles noted that the person(s) present in the startup phase of a Business Innovation Center will not necessarily run the Center long-term because the skill sets needed for a startup vary from the skill sets needed to manage a Center in later stages.

Of the Business Innovation Centers we contacted, only the Ventura Ventures Technology Center and the Business Technology Center are operated directly by a city government. Aside from city funding, other typical sources for funding innovation centers include partnerships with business/entrepreneur development organizations or philanthropists, venture capital funds, and Community Reinvestment Act funds.[11]

The primary obstacle that government-run Business Innovation Centers encounter is difficulty in providing business advice. Governments are not business ventures by structure and they therefore lack the entrepreneurial expertise and experience to assist startup businesses. Additionally, governments traditionally do not have as much flexibility as businesses or nonprofits in managing staff; specifically, they are limited in terms of how they can fund staff and how quickly they can make personnel changes.

The Rocky Mountain Innosphere, a Business Innovation Center in Fort Collins, Colorado, is an exception to the government-business expertise obstacle. Originally started by the City of Fort Collins, Innosphere was operated by city staff members who had previous experience in the private sector. While Innosphere was government-run in its beginning stages, the private sector experience of the staff members resulted in a smooth transition away from City operation, allowing it to become a self-sustaining entity outside the City organization. It should be noted

[11] The Community Reinvestment Act (1977) was passed by Congress to reduce discriminatory credit practices against low-income neighborhoods, a practice known as redlining. The statute requires financial institutions to reinvest deposit funds back into the communities in which they are located.

that in the case of Innosphere, the original startup City staff continue to manage and operate the Center as non-City staff.

Management Structure

The management structure of Business Innovation Centers varies, although most Centers are operated as nonprofits. Several Business Innovation Center leaders noted that if a Center has access to enough funders and adequate community support, then it should form a nonprofit, as opposed to being operated by the City. San Jose's BioCenter is operated by a management consulting company, Prescient International.

Although most Centers are operated by nonprofits, there is no single operating structure that all successful Business Innovation Centers follow. Centers typically do not provide services directly to their client-companies but contract with third party service providers, e.g.,. lawyers, web designers and accountants. Regardless of the management structure, the services provided to tenants must be useful.

Nearly all Business Innovation Center interviewees voiced the importance of hiring an effective Business Innovation Center Manager who is an experienced expert in the industry area that the Center serves. The Business Innovation Center Manager administers the Center's day-to-day operations (hiring service providers, collecting rent, ensuring the space is maintained). In most Business Innovation Centers, this function is served by at least one fulltime employee.

Most Business Innovation Centers do not have specific timelines on how long a company can remain a tenant. Some of the interviewees felt that enforcing a strict timeline for exit could unnecessarily rush companies out before they are ready to be self-sufficient. Typically, the Center's management works extensively with each company to ensure that they can move to a larger space when they are ready.

Space, Rent, and Other Costs

Most of the Business Innovation Centers interviewed started by using existing space owned and provided by the city/local government entity. Only one interviewed, the Santa Fe Business Innovation center, constructed a new facility specifically to house the new Business Innovation Center. In Santa Fe's case, construction was the largest capital expense borne by the City in starting the Center. The space has since been expanded to nearly three times its original size due to growth and success of the Center over the previous decade.

Most Business Innovation Centers charge rent, but usually below market rate. Of those Centers interviewed, common methods of charging rent emerged:

> **Sliding Scale Rent:** This structure involves a customized rent scale that adjusts on predetermined parameters. For example, one Center has a rent system that reduces

rent if tenant companies add additional employees to the payroll. Another system involves increases in rent per years of tenancy, so that the longer a business is in tenancy, the higher their rent, gradually pushing them towards market rate.

Package Options: This system involves creating different rent package options. These packages typically range from a low-cost option for virtual space to high-cost options that include all the Business Innovation Center has to offer.

Square Footage Rate: This structure models commercial real estate by charging a rate per square foot of space occupied by business tenants. All the Centers interviewed that use this structure have per square foot pricing that is below market rate.

Revenue from rent almost always goes toward providing services to tenants, as well as covering the Center's operating expenses. Overall, the city/local government starting the innovation center subsidizes operational costs for a couple of years. One strategy to mitigate subsidy from the government was to partner with venture capital or Community Reinvestment Act banks to help cover these costs initially. The head of the Business Technology Center in Los Angeles noted that having an anchor tenant can help a Business Innovation Center financially. Anchor tenets are typically better able to pay full rent, which provides the Center with reliable income.

Most Business Innovation Centers provide 24-hour access to the space. Typically, the largest operating expenses are utilities, general upkeep, and maintenance. Business Technology Center noted that it might be difficult for a Center to break even with less than 10,000 square feet. Smaller Business Innovation Centers might not have enough tenants to cover operating expenses, i.e. the costs of hiring service providers, utilities and maintenance are collectively higher than the amount of rent that is collected.

Table 2 provides a matrix of different options for Business Innovation Center structure and management. The structure, funding and revenue are based on the most common Center models existing today, but variations/hybrids of these models are possible. For example, an Business Innovation Center may be partially funded by government and run by a non-profit group that brings in additional funding from private donations or banks.

Application, Retention, and Attraction

Most Business Innovation Centers require an application that includes a business plan and in-person interviews to discuss the business plan. Often, industry experts, who many times serve on the board, review the company's business plan, especially if the product requires technical knowledge. The most common criterion for admission into a Business Innovation Center is the degree to which a company's product is scalable. The most common industry foci we found were technology- and creative-based industries. However, one benefit of being open to a wider range of industry types is the flexibility to cater to market demands.

All Centers interviewed indicated that any new innovation center will have difficulty attracting entrepreneurs if it targets an industry that lacks a market in the region. Thus, an innovation center with a goal of providing resources and services to underrepresented industries in a region will be challenged. An aggressive marketing strategy may need to be implemented in order to attract those specific industries to the Center (and to the region, in general).

Finally, a central part of attracting and retaining entrepreneurs is creating the right environment. This might include hosting social and networking events in the Center, ensuring the location is accessible and convenient, and providing opportunities for casual client interaction.

2012 Survey Results

In 2012, the City of Rancho Cordova performed extensive research and interviews in order to gauge best practices for successful incubators and to gain general knowledge about the different components involved in running an incubator. We've updated some of the information and have included our collective findings in this report for your easy reference.

To gauge community demand and interest in a business innovation center in Rancho Cordova, two surveys were conducted:

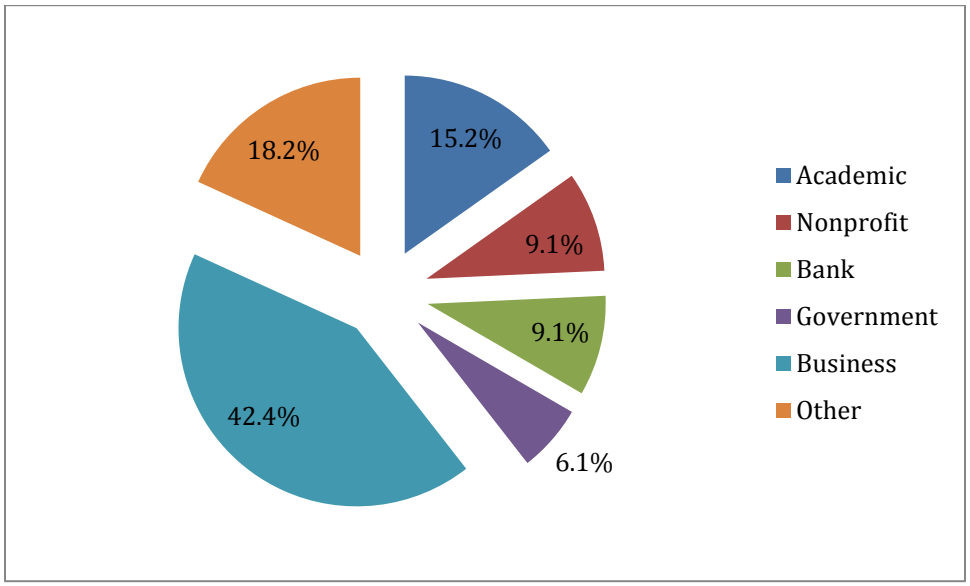
> ***Community Outlook Survey*:** targeted individuals within the City of Rancho Cordova and the Sacramento region with an interest in business development, incubation, or economic development. This included small business owners, large corporations, government leaders, nonprofit leaders, investors, service providers, banks and academic institutions.
>
> ***Survey of Small Businesses and Entrepreneurs*:** targeted start-ups, entrepreneurs, and existing businesses. Its primary purpose was to gauge the level of interest in an incubator as well as reveal the types of services that entrepreneurs would need or want to see in an incubator.

The Community Outlook Survey received 33 total responses, while the Survey of Small Businesses and Entrepreneurs received 18 total responses.

Community Outlook Survey Respondent Characteristics

Table 7 shows the breakdown of respondent affiliations for those who took the Community Outlook Survey.

Table 7: Community Outlook Survey – Respondent Characteristics[12]

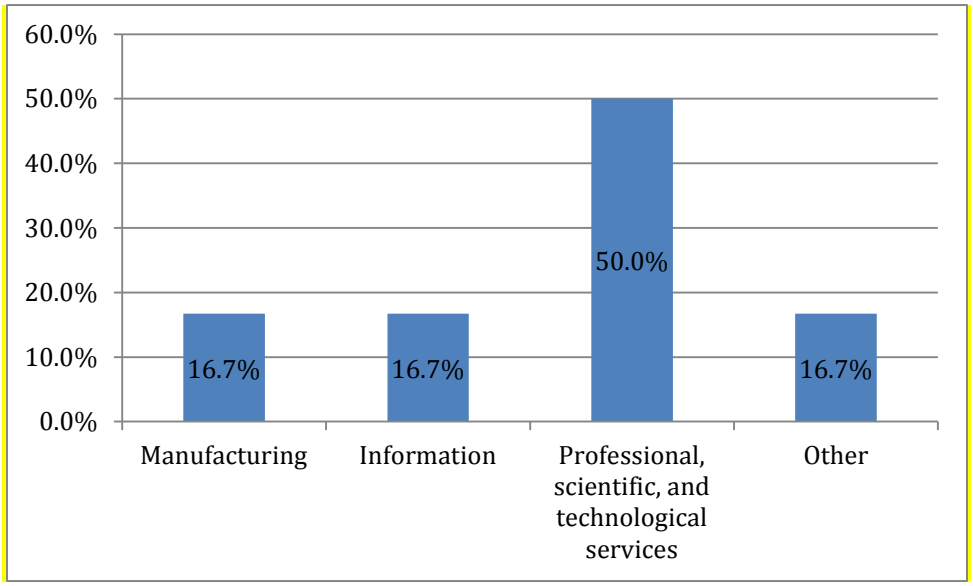


Survey of Small Businesses and Entrepreneurs Respondent Characteristics

The majority of respondents who took the Survey of Small Businesses and Entrepreneurs were existing firms (66.7%), averaging 11.5 years as active businesses. Of three broad industry clusters (manufacturing, information, and professional, scientific, and technological services), 50.0% of respondents identified in the professional, scientific, and technological services category. Table 8 shows the breakdown of respondents in these three broad industry clusters.

[12] Refer to Appendix C to view the question and responses, including open-ended responses to the 'Other' affiliation category.

Table 8: Survey of Small Businesses and Entrepreneurs Respondent Characteristics[13]



Access to Services

Both surveys gauged the level of access to six categories of support services that businesses commonly need, especially in the start-up phase: Human Resources; Legal Services; Manufacturing and Product Development; Financial Services; Marketing Services; and Information Technology Services.

Results from the Survey of Small Businesses and Entrepreneurs reveal that there was no one service category that all start-ups/existing firms had sufficient access to. The differences observed in reported level of access to and need for these support services reflect the diversity of business needs in the region and highlight the presence of a market demand for these services.

The observation that some businesses in the region reported having sufficient access to certain support services, while others reported having less than sufficient access, suggests a potential disparity. As one potential solution, a Business Innovation Center could address this disparity in access by leveraging resources to provide support services (either directly or indirectly) to those businesses that are otherwise unable to access them.

[13] Refer to Appendix C to view the question and responses, including open-ended responses to the 'Other' category. For detailed information on the types of businesses that took the Community Outlook Survey, refer to responses to questions 4 through 7 in the Community Outlook Survey.

Secondary Data Sources from the 2012 Feasibility Study

The California Employment Development Department highlights industries in the Sacramento Metropolitan Statistical Area (MSA) that are expected to grow. The Sacramento MSA is a geographic area defined and designated by the Office of Management and Budget, which includes seven counties in California (Sacramento, Yolo, El Dorado, Placer, Sutter, Yuba, and Nevada County). The Sacramento MSA is roughly the same size and shape as the Sacramento Region boundaries used by the Sacramento Area Council of Governments (SACOG). For this study we refer to both the MSA and the SACOG area as the Sacramento Region.

U.S. Bureau of Labor Statistics (BLS) 2014 data was used to estimate what industries are expected to grow and contract nationally.

The U.S. Census Bureau North American Industry Classification System (NAICS) was used to examine the number of small businesses (with 1-9 employees) in each targeted industry within a seven-county region surrounding Rancho Cordova. The NAICS is the standard used by federal agencies in classifying business establishments. NAICS reporting is conducted annually and the data are part of the BLS publication of County Business Patterns. The County Business Patterns data is obtained from the Business Register which holds information on all known single and multiple employer companies updated by the Census Bureau. The County Business Patterns organizes industries into 20 sectors that encompass all forms of commerce.

We retrieved data from the 2012 U.S. Census American Community Survey (ACS) to compare prominent industry types found in Rancho Cordova to those found in Sacramento County as a whole. ACS data also informed the city's demographic and economic profile, described in the next section. The ACS is an ongoing survey effort conducted by the U.S. Census Bureau that collects demographic information at the community level.

After compiling a list of high growth industries projected to expand in the seven-county region identified by the NAICS (includes El Dorado, Nevada, Placer, Sacramento, San Joaquin, Solano and Yolo Counties), we used that list to study how many small businesses are located in this area. [14]

[14] The seven counties surrounding Rancho Cordova are: Sacramento, Yolo, Placer, El Dorado, Solano, Nevada, and San Joaquin.

Please Hold…

Your Update Will Begin Shortly.

A long time ago (last year) in a galaxy far far away (across the lobby)….

a fresh take.
RANCHO CORDOVA
CALIFORNIA

The View From Space…

- Accomplishments
  - CDBG
  - MVV – Phase 1
  - Housing Element
  - Sun Creek Affordable Housing Plan
- Coming Soon!
  - Horizons
  - MVV – Phase 2 & 3
  - Youth Center
  - Regional Cooperation!

CDBG – Program Administration

- Critical services for our community
  - Seniors, Youth, Housing
  - ERGP, Fair Housing
  - Rental Housing Inspection & Code Enforcement
- CAPER and Amended Action Plan
- New Efficiencies!
  - ZoomGrants, Accounting, Grant Management
- Recaptured Funding…

Mather Veterans Village – Phase 1

- Funding
  - TCAC Award, Infrastructure Infill Grant, Supportive Housing Grant, City Housing Trust Grant
- Project Status
  - Groundbreaking – 10/30/2014
  - Building Permits
- Project Timeline
  - Construction Period
  - Occupancy ETA

2013-2021 Housing Element
&
The Sun Creek Affordable Housing Plan

- **Housing Element**
  - Certified December of 2013
  - Tool for evaluating housing performance
  - Guidelines for new development
  - Distinct Measureables & Specific Deadlines
- **Sun Creek Affordable Housing Plan**
  - Response to a range of housing need

Horizons @ New Rancho

- <u>Need</u> – no regulated affordable senior housing in the City
  - Silver Tsunami – need for senior housing expected to increase exponentially over next two decades
  - Project is Shovel Ready!
- Past Efforts
  - 3 HOME applications & 2 TCAC applications
- New Strategies
  - Infrastructure Infill Grant
  - New Money?

Mather Veterans Village Phases 2 & 3

- Mather Veterans Resource Center (Phase 2)
  - Transitional Living with intensive services and programs
  - Rehab of existing structure
  - Funding & Timeline
    - County Cooperation & Prop 41
- Phase 3
  - New Construction, 50 Permanent Supportive Units
  - Funding & Timeline

Youth Center

- Folsom Cordova Community Partnership (Operator)
- Rancho Cordova Neighborhood Center (Location)
- Project Opportunities (Partnerships)
- Project Funding & Timeline
  - Design Input
  - Tenant Improvement
  - Programming

Regional Cooperation!

- Fair Housing
- Social Services
- What Next?
  - Strategic Growth Council & Cap & Trade funding
  - Proposition 41 funding
  - Other opportunities