

ORDINANCE NO. 2008-017

Adopted by the Sacramento City Council

April 10, 2008

AN ORDINANCE REQUIRING PAYMENT OF ANY INCREASE IN THE NORTH NATOMAS PUBLIC FACILITY FEE FOLLOWING ISSUANCE OF A BUILDING PERMIT AND DECLARING THE ORDINANCE TO BE AN EMERGENCY MEASURE THAT TAKES EFFECT IMMEDIATELY

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

BACKGROUND

Section 1. The North Natomas Financing Plan and Nexus Study (collectively, the "Financing Plan") require periodic updating to reflect changes in land uses and infrastructure costs and to set the appropriate fees. Changes in land uses and infrastructure costs since the 2005 update of the Financing Plan indicate the potential for a significant increase in the Public Facilities Fee (the "PFF"), which is paid when building permits are issued. This increase was to be presented to the city council earlier in 2008, so that it would take effect April 1, 2008, the beginning of the 2008 building season. But because of continuing discussions about the PFF increase between North Natomas stakeholders, city staff, and consultants, the city council is not likely to act on the increase until June or July 2008.

The 2008 building season has begun, and landowners and developers have begun to apply for, and receive, building permits. In addition, landowners and developers know that a PFF increase is imminent, so they have incentive to apply for permits early, thereby avoiding the increase. Thus, unless the city council acts, the delay in implementing the PFF increase will likely result in a potential shift of the PFF burden to future PFF payers (who will have to make up for revenues not collected from those who avoid the increase) and a reduction in revenue for needed infrastructure (with the potential loss to the city of \$250,000 to \$500,000 per month). Shifting the PFF burden to future payers is inequitable, and a reduction in PFF revenue will mean insufficient funds to construct infrastructure required to meet the needs of North Natomas residents and to protect public health, safety, and welfare.

Accordingly, the city council finds that facts recited in this section constitute an emergency and that this ordinance, which takes effect immediately, will alleviate the emergency by requiring persons and entities that receive building permits before the 2008 update of the Financing Plan is approved to pay the difference between the PFF actually paid when their building permits are issued and any PFF increase adopted by the city council as part of the 2008 update.

- Section 2. Effective April 11, 2008, each person or entity that receives a building permit within the Financing Plan area before amendment of the PFF as part of the 2008 update of the Financing Plan shall, as a condition of receiving the building permit, enter into an agreement, satisfactory to the city attorney's office, requiring that the person or entity pay the difference between the PFF paid when the building permit is issued and the PFF as thereafter amended.
- Section 3. This ordinance expires six months from its effective date unless the city council extends it by action before the end of the six-month period.
- Section 4. This ordinance is an emergency measure that becomes effective immediately upon its adoption. The facts constituting the emergency are set forth in section 1 above.

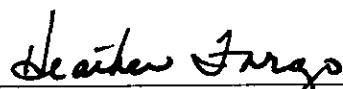
Adopted by the City of Sacramento City Council on April 10, 2008 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk

Effective: April 10, 2008