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**Planning and Design  
Commission**

**City Hall Complex**

**915 I Street**

**Sacramento, CA 95814**

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**SUPPLEMENTAL MATERIAL**

**Description:** Attached is supplemental material received after publishing the agenda. This supplement includes a new Attachment 33 – Final EIR Errata Sheet. This attachment clarifies information and specifies status update to the Final Environmental Impact Report.

**For the Meeting of:** Thursday, May 22, 2025, at 5:30 p.m.

**Agenda Item:** Public Hearing Item 6

**6. Airport South Industrial Annexation (P21-017) [Noticed 05/02/2025]**

File ID: 2025-01031

**Location:** Southeast of the intersection of Powerline Road and Interstate 5 (I-5) in Sacramento County, California. The project site is located south of Metro Air Parkway (and the new Metro Air Parkway/I-5 interchange), and west of the existing Westlake residential community adjacent to the current City of Sacramento boundary. Portions of Bayou Way and Metro Air Parkway are located within the project site.

**Recommendation:** Conduct a public hearing and upon conclusion recommend approval and forward to the City Council: 1) Resolution certifying the Environmental Impact Report and adopting the Mitigation Monitoring Program, Findings of Fact, and a Statement of Overriding Considerations; 2) Resolution for the annexation/reorganization of approximately 447.19 acres into the City of Sacramento; 3) Ordinance approving the Airport South Industrial Annexation Development Agreement between the City of Sacramento and Northpoint Development; 4) Ordinance approving the Airport South Industrial Annexation Development Agreement between the City of Sacramento and JTS Engineering Consultants; 5) Resolution amending the 2040 General Plan Land Use Diagram to include  $\pm 420.9$  acres of Employment Mixed-Use,  $\pm 6.7$  acres of Open Space, amending the General Plan circulation element in accordance with the proposed Airport South Industrial Annexation project, and include within the North Natomas Community Plan; 6) Ordinance establishing zoning designations for the Airport South Industrial Annexation project; 7) Resolution approving the Airport South Industrial Annexation Planned Unit Development Guidelines and Schematic Plan; 8) Resolution approving the Airport South Industrial Public Facilities Finance Plan; 9) Resolution approving a Master Parcel Map to subdivide  $\pm 352$  acres into 25 master parcels; 10) Resolution approving an amendment to the City's Bicycle Master Plan to incorporate bikeway facilities in the Airport South Industrial Planned Unit Development; and 11) Resolution approving the Water Supply Assessment Report for the Airport South Industrial Annexation project.

**Contact:** Cheryle Hodge, Principal Planner, (916) 808-5971, [chodge@cityofsacramento.org](mailto:chodge@cityofsacramento.org); Garrett Norman, Senior Planner, (916) 808-7934, [gnorman@cityofsacramento.org](mailto:gnorman@cityofsacramento.org); Matthew Aijala, Assistant Planner, (916) 808-7176, [maijala@cityofsacramento.org](mailto:maijala@cityofsacramento.org); Community Development Department

City of Sacramento  
**Planning and Design Commission Report**  
915 I Street Sacramento, CA 95814  
www.cityofsacramento.org

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**File ID:** 2025-01031

5/22/2025

**Item 6.**

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**Airport South Industrial Annexation (P21-017) [Noticed 05/02/2025]**

File ID: 2025-01031

**Location:** Southeast of the intersection of Powerline Road and Interstate 5 (I-5) in Sacramento County, California. The project site is located south of Metro Air Parkway (and the new Metro Air Parkway/I-5 interchange), and west of the existing Westlake residential community adjacent to the current City of Sacramento boundary. Portions of Bayou Way and Metro Air Parkway are located within the project site.

**Recommendation:** Conduct a public hearing and upon conclusion recommend approval and forward to the City Council: 1) **Resolution** certifying the Environmental Impact Report and adopting the Mitigation Monitoring Program, Findings of Fact, and a Statement of Overriding Considerations; 2) **Resolution** for the annexation/reorganization of approximately 447.19 acres into the City of Sacramento; 3) **Ordinance** approving the Airport South Industrial Annexation Development Agreement between the City of Sacramento and Northpoint Development; 4) **Ordinance** approving the Airport South Industrial Annexation Development Agreement between the City of Sacramento and JTS Engineering Consultants; 5) **Resolution** amending the 2040 General Plan Land Use Diagram to include ±420.9 acres of Employment Mixed-Use, ±6.7 acres of Open Space, amending the General Plan circulation element in accordance with the proposed Airport South Industrial Annexation project, and include within the North Natomas Community Plan; 6) **Ordinance** establishing zoning designations for the Airport South Industrial Annexation project; 7) **Resolution** approving the Airport South Industrial Annexation Planned Unit Development Guidelines and Schematic Plan; 8) **Resolution** approving the Airport South Industrial Public Facilities Finance Plan; 9) **Resolution** approving a Master Parcel Map to subdivide ±352 acres into 25 master parcels; 10) **Resolution** approving an amendment to the City's Bicycle Master Plan to incorporate bikeway facilities in the Airport South Industrial Planned Unit Development; and 11) **Resolution** approving the Water Supply Assessment Report for the Airport South Industrial Annexation project.

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**Presenter:** Garrett Norman, Senior Planner, (916) 808-7934, [gnorman@cityofsacramento.org](mailto:gnorman@cityofsacramento.org), Community Development Department

**Applicant:** Nick Avdis, Avdis & Cucchi LLP, 1415 L Street, Suite 410, Sacramento, California 95814, (916) 548-8554

**Property Owners:** NP Map Land Holding Company LLC, 3315 N Oak Trafficway, Kansas City, MO 64116; JTS Engineering Consultants Inc Profit Sharing Plan, 1808 J St, Sacramento, CA 95811; Anthony J. Scalora Jr., Trustee of the Survivor's Trust and Family Trust, 18807 Allendale Avenue, Saratoga, CA 95070; Ashok Patel Family Revocable Living Trust, 10924 Cresson St, Norwalk, CA 90650; Michael S Isgur Separate Share Trust, 4621 Dorchester Ln, Granite Bay, CA 96746, Lolly R Sangster Living Trust, 7654 Allegro Ln, San Diego, CA 92127; California Department of Transportation, 1120 N St, Sacramento, CA 95814

**Attachments:**

- 1-Description/Analysis
- 2-Background
- 3-Resolution: Environmental Impact Report, Mitigation Monitoring Program, Findings of Fact, and Statement of Overriding Considerations (Item 1)
- 4-Exhibit A: CEQA Findings of Fact and Statement of Overriding Considerations
- 5-Exhibit B: Mitigation Monitoring and Reporting Program
- 6-Resolution: Annexation/Reorganization (Item 2)
- 7-Exhibit A: Airport South Industrial Annexation Boundary Description
- 8-Exhibit B: Airport South Industrial Annexation Map
- 9-Ordinance: Development Agreement between City of Sacramento and Northpoint Development (Item 3)
- 10-Exhibit A: Development Agreement with Northpoint Development
- 11-Ordinance: Development Agreement between City of Sacramento and JTS Engineering Consultants (Item 4)
- 12-Exhibit A: Development Agreement with JTS Engineering Consultants
- 13-Resolution: Amendments to 2040 General Plan Land Use Diagram and Circulation Element (Item 5)
- 14-Exhibit A: Land Use Diagram (Map LUP-5 in General Plan)
- 15-Exhibit B: Minimum Floor Area Ratio (Map LUP-7 in General Plan)
- 16-Exhibit C: Maximum Floor Area Ratio (Map LUP-6 in General Plan)
- 17-Exhibit D: Circulation Diagram (Map M-2a in the General Plan)
- 18-Ordinance: Establishing Zoning Designations (Item 6)
- 19-Exhibit A: Rezone/Prezone Exhibit
- 20-Resolution: Airport South Industrial Annexation Planned Unit Development Guidelines and Schematic Plan (Item 7)
- 21-Exhibit A: Airport South Industrial Planned Unit Development Guidelines and Schematic Plan
- 22-Resolution: Airport South Industrial Public Facilities Finance Plan (Item 8)
- 23-Exhibit A: Airport South Industrial Public Facilities Finance Plan
- 24-Resolution: Tentative Master Parcel Map (Item 9)

25-Exhibit A: Tentative Master Parcel Map  
26-Resolution: Amendment to City's Bicycle Master Plan (Item 10)  
27-Exhibit A: Airport South Industrial Bicycle Master Plan Amendment  
28-Resolution: Water Supply Assessment Report (Item 11)  
29-Exhibit A: Water Supply Assessment  
30-General Plan Policies  
31-Plan for Services  
32-Community Comments  
**33-Final EIR Errata Sheet**

### Description/Analysis

**Issue Detail:** The Airport South Industrial project proposal is a request to allow the annexation and the future development of approximately 447 acres into the City of Sacramento from Sacramento County. The project site consists of undeveloped vacant land located southeast of the intersection of Powerline Road and Interstate 5 (I-5). The project lays the groundwork for development of primarily light industrial and highway commercial development, allowing for construction of up to 5,204,500 square feet of industrial uses and approximately 98,200 sf of retail/highway commercial uses. The project requires City Council approval and final approval from LAFCo of the annexation.

Public/Neighborhood Outreach and Comments: To increase awareness of the proposed project and encourage participation in the planning and environmental process, public meetings and community outreach have been conducted by the City of Sacramento, Sacramento LAFCo, and the project applicant. The following provides a summary of the outreach conducted:

- Project Website
  - The Community Development Department created a project website page to inform all interested persons about the project at:
    - Airport South Industrial Annexation | City of Sacramento  
<https://www.cityofsacramento.gov/community-development/planning/major->
  - The project webpage includes project meetings, a project description and project documents. Additionally, contact information is provided for anyone with questions or interested in receiving additional information. The project webpage includes a link to the Sacramento LAFCo website at:
    - Airport South Materials | LAFCo (saccounty.gov)  
<https://sacdafco.saccounty.gov/AirportSouth/Pages/default.aspx>
- Project Notification
  - Project notifications have been provided by mailings, electronic email notifications, newspaper, site signage and the City's website.

- Public Meetings
  - Notice of Preparation Scoping Meeting (March 16, 2022)
  - Community Townhall (Nov. 9, 2022, and June 12, 2023)
  - Several Community Gatherings/HOA Presentations
    - Westlake HOA Board of Directors Presentation (2023)
    - Heritage Park HOA Presentation (2023)
    - North Natomas Community Coalition Presentation (April and October 2023)
- Individual/ Stakeholder Meetings
  - Meetings have been held with stakeholders such as federal, state, and local government agencies in addition to numerous organizations and individuals.
- Door to Door Notification/Project Flyers
  - Members of the project applicant team visited the Westlake community most adjacent to the proposed project to provide information and answer any questions. A project fact sheet was created and distributed door-to-door and made available on the project website

Throughout the entitlement process, staff kept the community informed of updated plans and project status. Staff utilized an email list generated from the comments and community meetings in addition to notifying the following community groups: North Natomas Community Association; Natomas Community Association; North Natomas Community Coalition; Westlake Master Association; Natomas Chamber of Commerce; Preservation Sacramento; Environmental Council of Sacramento; Preservation Sacramento; Civic Thread; Sacramento Area Bicycle Advocates.

Comments received from the community can be found in Attachment 32. Many of the comments were voiced to the applicant and staff at the various public meetings held on the project. The applicant has made revisions to the project layout and description to address many of the concerns raised. Specifically, the applicant has created smaller parcels along the eastern edge where adjacent to the Westlake neighborhood and imposed maximum building size, maximum height limits, a 125-foot setback (in addition to the ±200-foot city-owned buffer), and require truck bays to be located away from the eastern property line. These requirements are included in the PUD Guidelines that provide the regulations for the future development proposals that occur on these parcels. The land owned by the nonparticipating owner on the southeastern portion for the annexation area that abuts a portion of Paso Verde School includes a 125-foot buffer that is zoned Agriculture Open-Space and designated Open Space in the General Plan to ensure light industrial development is not developed within this buffer area. This buffer requirement cannot be included in the PUD Guidelines because the property is not participating in the overall land development proposal. The applicant is also constructing a roundabout at the northeastern edge of the property along South Bayou Way to

prevent truck traffic from heading eastbound towards the residential neighborhood of Westlake.

**Commission/Committee Action:**

Planning and Design Commission (April 11, 2024)

- The Airport South Industrial Annexation project was presented to the Planning and Design Commission on April 11, 2024, for review and comment, which generated several questions from Commissioners. Questions asked were related to project phasing, noise, employment benefits, detention basins, and visual impacts. The applicant has provided additional responses to these inquiries:
  - Project Phasing: Phase 1 will begin at the western portion along Powerline Road, ensuring connectivity to the Metro Air Parkway interchange.
  - Noise Mitigation: In addition to compliance with the City's noise ordinance, Mitigation Measure 4.10-2 requires a noise barrier along a portion of the eastern and southeastern project boundary adjacent to the city-owned buffer and Paso Verde school.
  - Employment Benefits: The project is estimated to generate over 5,000 operational jobs at full buildout, though specific sectors and wage breakdowns are not available at this stage.
  - Detention Basin Design: Detention basins are designed primarily as buffers to conservation lands and stormwater management features that will remain relatively dry year-round and will not be suitable for recreational activities. These basins will also be compliant with the Airport Land Use Commission regulations.
  - Visual Impacts: The PUD Guidelines include example elevations and establish minimum design standards to ensure visual quality at residential interfaces. The applicant estimates that each warehouse building will be no taller than 35-feet in height for the easternmost buildings adjacent to the Westlake neighborhood. Specific building and landscaping design will be determined with future Site Plan and Design Review entitlements.

Active Transportation Commission (March 20, 2025)

- The Airport South Industrial Annexation - Amendments to the City Bicycle Master Plan were presented to the Active Transportation Commission on March 20, 2025, which resulted in a recommendation to change all Class II bicycle facilities (striped, on-street bike lanes) in the Proposed Bicycle Network to Class I facilities (off-street trails). The recommendation was considered by the applicant and it was determined that converting all the Class II bicycle facilities to Class I facilities would be infeasible in a development that predominately caters towards heavy truck traffic and will see minimal bicycle traffic. Further discussion of the proposed bicycle facilities is provided in the

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Background section of this report.

Local Agency Formation Commission (LAFCo)

- Public Hearing (June 12, 2024). The LAFCo held a hearing on June 12, 2024, regarding the Draft Environmental Impact Report (DEIR) prepared for the Airport South Industrial Project. The hearing was held during the 45-day public review period for the DEIR. LAFCo staff presented an overview of the DEIR and an opportunity for public comment for LAFCo consideration was provided during the hearing.
- Sphere of Influence Amendment Hearing (April 2, 2025). The LAFCo held a hearing on April 2nd, 2025, regarding the adoption of the project Environmental Impact Report and the respective amendments to the Spheres of Influence for the City of Sacramento and Sacramento Area Sewer District to include the Airport South Industrial project area. During the hearing, presentations were made by the project applicant team, City staff, and the Environmental Council of Sacramento, followed by public comments. The commission continued deliberations and the vote on the Sphere of Influence Amendment (SOIA) to the May 7th, 2025 meeting.
- Sphere of Influence Amendment Hearing (May 7, 2025). The LAFCo held a hearing on May 7, 2025 and unanimously approved the project, amending the City's sphere.

**Policy Considerations:** The 2040 General Plan Update was adopted by City Council on February 27, 2024. The 2040 General Plan's goals, policies, and implementation programs define a roadmap to foster a more sustainable, equitable, and prosperous city for all. The subject site has a current General Plan designation of "Special Study Area." The Special Study Area designation is applied to unincorporated locations adjacent to City limits where careful coordination between the City and the County is needed since these areas bear relation to the planning of the City of Sacramento, through the efficient provision of services, future growth, and other concerns. The 2040 General Plan designation of Special Study Area acknowledges potential future annexations. Post annexation, the subject site will receive conforming General Plan designations for the intended development of the entire site. During review of this annexation project, City Staff was sensitive to the context of the Airport South Industrial project area as it is situated adjacent to the existing Westlake neighborhood. There are many goals and policies in the General Plan and North Natomas Community Plan that support the project. A comprehensive list of the supporting goals and policies are provided in Attachment 30. A few of the key general plan goals and policies that support this project are provided below.

**Goal LUP-1: Growth and Change.** A compact urban footprint and sustainable development pattern with infrastructure that supports efficient delivery of public services while protecting surrounding open space lands.



- **Policy: LUP-1.3 New Growth Annexation.** The City shall strategically plan for the annexation of any new growth areas by considering land use, circulation, housing, climate change, infrastructure capacity, and public facilities and services needs, and analyze the associated fiscal impacts.

*The subject site is within the overflight zones of the Sacramento International Airport which restricts certain land use developments for health and safety purposes. The proposed light industrial and highway commercial uses are compatible land uses with the Sacramento International Airport Land Use Compatibility Plan because they have higher noise tolerances and fewer concentration of people. With the annexation process, and a requirement of LAFCo, the project has prepared a Plan for Services (Attachment 31) that identifies how the City of Sacramento will provide the necessary services once the area is annexed into the City limits. Additionally, a public facilities finance plan has been prepared for the project which identifies funding strategies for the backbone infrastructure required to service the project area. It has been determined that City services can adequately serve the annexation area, and the project will generate significant revenue to the City.*

- **Policy: LUP-1.4 Annexation Prior to City Services.** Prior to the provisions of City services to new development in unincorporated areas, the City shall require that the unincorporated properties be annexed into the City. Alternatively, the City may provide utility service to properties in advance of annexation only if the annexation process has been initiated and the landowner and City have executed a conditional agreement for services that stipulates minimum standards for the development of roads and urban infrastructure and criteria and conditions for annexation into the City.

*The subject site is within the County of Sacramento and the City currently does not provide any services to the area. Post annexation, the City will detach the area from various special districts that currently provide services to the site and the City will then accept responsibility to provide a full level of services to the property (i.e. water, police, fire, parks and recreation, etc.). Sewer service will be provided by the Sacramento Area Sewer District.*

- **Policy: LUP-1.12 Development Adjacent to Agriculture.** The City shall require open space or other appropriate buffers for new development abutting productive agricultural areas to protect the viability of active agricultural operations outside of the city and ensure compatibility of uses with residents in adjacent areas.

*The project site includes several detention basins strategically placed throughout the development. These basins exceed 300 feet in width and serve both as stormwater*

*management as well as natural buffers between the development and surrounding undeveloped agricultural land and open space to the west and south. The buffer approach aligns with the North Natomas Community Plan policy NN-LUP-5, which encourages the use of open space buffers, including detention basins and drainage canals, to minimize land use conflicts between urban and agricultural areas.*

**Goal LUP-2: Land Use Framework.** Balanced and connected community with thriving neighborhoods and centers and development intensities linked to transit.

- **Policy: LUP-2.5 Design for Connectivity.** The City shall require that all new development maximizes existing and new connections with surroundings and with centers, corridors, parks, and neighborhoods to enhance efficient and direct pedestrian, bicycle, and vehicle movement. When feasible, grid patterns should be utilized to facilitate multiple routes.

*Access to the project site would be provided from the north by Metro Air Parkway, which would connect to the proposed Airport South Industrial Drive. The project includes a new internal roadway system with Airport South Industrial Drive that would bisect the property west to east by connecting Power Line Road to a future street that would run north along the site's eastern border. Bicycle lanes will be provided and designed per Sacramento City Bicycle Master Plan, while sidewalks will be provided from the street sidewalks to building entrances, creating an integrated network for pedestrian and bicycle movement throughout the development.*

**Goal: LUP-7 Industrial Areas.** Industrial opportunities in suitable locations to provide employment for Sacramento residents and promote inclusive economic growth in the city.

- **Policy: LUP-7.5 Industrial Aesthetics.** The City shall encourage the development and maintenance of well-designed industrial and light industrial properties and structures that meet adopted standards for visual quality and design, especially where interfacing with other uses

*The Airport South Industrial PUD Guidelines establish minimum site layout/building design standards for the development of warehouse and light industrial buildings. The buildings will incorporate vertical and horizontal offsets and accents to provide scale, balance, rhythm, and interest to the façade. The project design includes landscape buffers from right-of-way lines and property lines, as well as extensive truck court screening requirements where the development interfaces with streets. Additionally, all buildings will be constructed of durable and sustainable materials, with architectural features such as score lines, windows and glazing, and changes in finishes and colors to ensure visual quality. These design elements will create a cohesive development that*

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*is both functional and aesthetically pleasing.*

North Natomas Community Plan Policies:

- **Policy: NN-LUP-5 Open Space Buffers.** The City shall maintain open space buffers at least 200 feet wide adjacent to agricultural and open space areas to the north and west of the Community Plan Area to minimize land use conflicts between urban uses and agricultural operations or, in the event that agricultural areas are rezoned to urban uses, to provide green space for heat reduction, flood control, and recreation. Allowed uses within the buffer include shared use paths and bikeways, linear parks and open space, drainage canals or detention basins, irrigation canals, public roads, utilities, and maintenance roads.

*The project contains multiple detention basins that create effective open space buffers between different uses. The largest of these, Lot B Detention Basin and Lot C Detention Basin, are placed along the project boundaries to capture stormwater runoff from the impervious surfaces while creating natural transitions between the industrial development and surrounding uses. To the east, an existing 200-foot buffer known as the Egret Park extension separates the project site from the Extra Space Storage facility and the Westlake single-family residential subdivision. To the south, the project interfaces with the West Drainage Canal, vacant agricultural land, open space land, and the Paso Verde K-8 School. The project's design, including building setbacks and detention basins, creates appropriate transitions to these existing uses.*

Sacramento Climate Action and Adaptation Plan:

- **Measure E-5:** Support Infill Growth with the goal that 90% of new Growth is in the Established and Center/Corridor Communities and 90% Small-lot and Attached Homes by 2040, Consistent with the Regional Sustainable Communities Strategy. Project-level VMT Should be 15% Below (or 85% of) the Regional Average.

*This measure supports residential infill growth with the goal of achieving 90% of new growth in established and center/corridor communities and 90% small-lot and attached homes by 2040. The action items associated with this measure are specific to supporting infill housing projects. The proposed project does not include residential development, and the Climate Action and Adaptation Plan does not preclude the City's ability to annex new territory for purposes that support the 2040 General Plan, such as economic development and job creation.*

**Environmental Considerations:** The City, as a lead agency, has prepared an Environmental Impact Report (EIR) for the Airport South Industrial Annexation (SCH No. 2022030181). The EIR was

prepared in compliance with the requirements of the California Environmental Quality Act (CEQA). Preparation included circulation of a Notice of Preparation, from March 4, 2022 to April 4, 2022, to receive comments regarding issues to be evaluated in the EIR, circulation of a Draft EIR from May 31, 2024 to July 17, 2024, for agency and public comment, and preparation of a Final EIR. The Final EIR includes changes made in the Draft EIR, written comments submitted on the Draft EIR, and responses to comments raising environmental concerns.

The Final EIR concluded that even with implementation of all feasible mitigation measures and consideration of project alternatives, the project would have the following significant and unavoidable impacts:

- Impact 4.1-3: Degradation of visual character and public views
- Impact 4.1-5: Cumulative changes to visual character
- Impact 4.2-1: Conversion of Important Farmland
- Impact 4.2-4: LAFCo agricultural conversion policies
- Impact 4.2-5: Cumulative loss of agricultural land
- Impact 4.3-2: Operational conflict with air quality plan
- Impact 4.3-6: Cumulative increase in non-attainment pollutants

The City has included all feasible mitigation measures with respect to these impacts, which further lessen the impacts, but would not reduce them below a level of significance.

Because the project would have significant and unavoidable effects, the project may be approved only if the economic, legal, social, technological or other benefits, including region-wide or statewide environmental benefits, outweigh the unavoidable adverse environmental effects. (CEQA Guidelines section 15093)

The CEQA findings, included with the resolution certifying the EIR, identifies the considerations identified as justifying approval of the project notwithstanding its environmental effects.

The complete EIR, including the Final EIR is available on the City's website at the following URL: <https://www.cityofsacramento.gov/community-development/planning/environmental/impact-reports>

## **Natomas Basin Habitat Conservation Plan (NBHCP)**

### State and Federal Endangered Species Acts Requirements

The Airport South Industrial project site is located in the Natomas Basin, which is home to various animal and plant species protected under state and federal law as endangered or threatened species. Applicants for projects that could have an adverse effect on protected species (generally referred to as "take") must obtain approval from the state (CDFW) and the federal (USFWS) resource

agencies authorizing the activities in question. The City obtained authorization in 2003 to undertake development in North Natomas and South Natomas following the adoption of the Natomas Basin Habitat Conservation Plan (NBHCP) by the City of Sacramento, Sutter County, the USFWS and CDFW. The Natomas Basin Conservancy (TNBC) is the non-profit organization that on behalf of the City, Sutter County and wildlife resource agencies has the responsibility of managing the implementation of the NBHCP conservation program, including acquisition, management and operation of the habitat reserve lands under the plan in perpetuity.

The NBHCP identifies 22 sensitive species that could be adversely affected by development within the Natomas Basin. The City has ongoing responsibilities under the NBHCP that include annual monitoring and reporting on the plan's progress in protecting species, and enforcing avoidance and minimization measures identified in Chapter V of the NBHCP. The NBHCP identified the total authorized development for the City of Sacramento as 8,050 acres. Private developers pay a NBHCP fee to the City of Sacramento, which is then transferred to TNBC and may then utilize the City's Incidental Take Permit (ITP) issued by the wildlife resource agencies to demonstrate compliance with the state and federal laws protecting endangered species.

A portion of the Airport South Industrial project site (approximately 121.68 acres) comprising two parcels (Parcels 5A-5F and SCALORA) immediately adjacent to the City boundary are located within the NBHCP approved Incidental Take Permit (ITP) area, while the remainder of the proposed annexation land is outside this area. For the portion within the City's ITP area, the project will follow the established NBHCP process, paying the required mitigation fees (currently \$33,281 per acre with land dedication in 2025) and providing land dedication as required for projects over 50 acres. For portions of the site outside the permit area, the project may potentially utilize a portion of the City's unused surplus HCP coverage acreage, subject to approval by the wildlife resource agencies and the City. The City will not exceed the NBHCP authorized 8,050-acre cap regardless of the proposed annexation area potentially developing in the future. The proposed annexation could provide over 200 acres of protected open space in Natomas Basin to the Conservancy in addition to payment of approximately \$13,678,791 million in HCP fees (based on the 2025 HCP fees).

The City's total remaining acreage of the NBHCP authorized 8,050 acres is 1,185.42 acres which includes 533.85 acres that are outside of the City's existing boundary. The 533.85 acres of the 8,050 total authorized acres that are outside of the City's boundary is equivalent to over \$23 million dollars in NBHCP fees (per the current HCP impact fee amount) and 267 acres of potential dedicated open space. The total development of 8,050 acres was assumed by the NBHCP conservation strategy, biological opinion and the economic finance plan for the NBHCP. Currently, 325.7 acres of open space mitigation to be located in Natomas Basin is all that is needed to complete the full build-out of North Natomas and South Natomas.

The EIR for the project requires pre-construction surveys for covered species and implementation of appropriate avoidance and minimization measures. If special-status plant species are identified

during surveys, specific protection measures will be implemented in coordination with USFWS and CDFW. The project will preserve off-site agricultural/open space lands as required by Mitigation Measure 4.2-1, which includes 86 acres of detention basins, 37.9 acres of freeway buffer, and 2.3 acres of canal buffers as on-site open space, plus off-site mitigation lands totaling approximately 259 acres.

#### Project effects on the NBHCP Conservation Strategy

The NBHCP applies to the 53,537-acre land area of the Natomas Basin. While the NBHCP takes the entire land area into consideration, only the City of Sacramento and the County of Sutter rely on the NBHCP to support the incidental take permit requirements of state and federal law. The NBHCP implements an Operating Conservation Program to adequately minimize and mitigate the effects of take of covered species due to development authorized by the NBHCP for the City of Sacramento and County of Sutter. One aspect of the strategy was to limit development by the City and County of Sutter to 17,500 acres when combined with development within Metro Air Park, which has its own HCP. The parties to the NBHCP entered into an Implementation Agreement (IA) as part of the NBHCP adoption process.

The EIR evaluated potential effects of the proposed development on key components of the NBHCP, including:

1. The project would not affect the efficacy of the 0.5:1 mitigation ratio identified by the NBHCP.
2. Development is not anticipated to adversely affect any Site-Specific Management Plans for existing or future TNBC reserves.
3. The project would not affect the TNBC's ability to establish appropriate buffers within reserve lands.
4. The project would not significantly affect habitat connectivity for covered species, including Swainson's hawk and giant garter snake.
5. The project's effects on Swainson's hawk foraging habitat would not alter the viability of any Natomas Basin HCP covered species.
6. Implementation of the project would not prevent the TNBC from establishing the required reserve lands (8,750 acres), as the project site constitutes less than one percent of the total acreage in the Natomas Basin. The annexation area is heavily constrained by the existing Bayou Way, Metro Air Park Interchange, Interstate 5, residential urbanization and the international airport flight patterns over the property.

The NBHCP implementation dates back to 1996 when HCP fees were first collected for development in Natomas Market Place and River Plaza Office Complex. The NBHCP requires by year 2052, a 2,500-acre block reserve be completed. The 2,500-acre reserve block which is the largest land acquisition milestone, was successfully completed in 2022. The fees to be paid by the Airport South

Industrial project will contribute to the continued acquisition and management of habitat land by TNBC, supporting the implementation and successful completion of the NBHCP conservation strategy.

**Flood Protection:** State Law (SB 5) and Planning and Development Code chapter 17.810 require that the City must make specific findings prior to approving certain entitlements for projects within a flood hazard zone. The purpose is to ensure that new development will have protection from a 200-year flood event or will achieve that protection by 2025. The project site is within a flood hazard zone and is an area covered by SAFCA's Improvements to the State Plan of Flood Control System, and specific findings related to the level of protection have been incorporated as part of this project. Even though the project site is within a flood hazard zone, the local flood management agency, SAFCA, has made adequate progress on the construction of a flood protection system that will ensure protection from a 200-year flood event or will achieve that protection by 2025. This is based on the SAFCA Urban level of flood protection plan, adequate progress baseline report, and adequate progress toward an urban level of flood protection engineer's report that were accepted by City Council Resolution No. 2016-0226 on June 21, 2016 and the *SAFCA 2024 Adequate Progress Annual Report* accepted by City Council Resolution No. 2024-0311 on October 22, 2024.

**Rationale for Recommendation:** Staff recommends the Commission recommend approval and forward to the City Council the resolutions and ordinances attached to this report, based on the findings of fact and subject to the conditions of approval. Staff supports the project because it:

1. Is a logical and contiguous expansion of City limits and is within the City's Sphere of Influence.
2. Is consistent with ensuring logical City boundaries that facilitate the ability to efficiently provide City services, address economic development needs, social and economic interdependencies, and optimize municipal costs and revenues.
3. Is consistent with ensuring that prior to the provisions of City services to new development in unincorporated areas, the City shall require that the unincorporated properties be annexed into the City.
4. Is consistent with General Plan Goals for Industrial Areas, which aim to provide industrial opportunities in suitable locations to promote economic growth and encourage well-designed industrial properties, particularly where interfacing with other uses.
5. Creates an industrial and commercial development that supports the North Natomas Community Plan's broader goals for creating a complete community with diverse land uses, providing employment opportunities that complement the area's existing and

planned residential neighborhoods.

6. Provides an opportunity to benefit the Natomas Basin Habitat Conservation Plan by supporting the long-term objectives of the Conservation Strategy.

**Financial Considerations:** The annexation is subject to a property tax exchange agreement between the City and County. The property tax exchange agreement is required to be completed prior to LAFCo action on the proposed annexation and is subject to City Council approval and County Board of Supervisors approval. Based on the economic impact study prepared by EPS and the Public Facilities Finance Plan (PFFP), the Airport South Industrial Project will result in a positive fiscal impact to the City. The proposed Airport South Industrial Finance Plan will result in payment of fair share contributions to the cost of backbone infrastructure and public facilities required to serve the Project area. The draft Resolution and finance plan for this project are included with this staff report (see Attachments 22 & 23).



# **Airport South Industrial Project Final Environmental Impact Report**

## **Errata Sheet May 2025**

### **Introduction**

In the time since the environmental analysis for the Airport South Industrial Project was published, the legal protection status of the burrowing owl was revised, and minor administrative clarifications in the text of the environmental analysis were identified. This Errata presents the revisions to the Airport South Industrial Project Final Environmental Impact Report (EIR). Revisions to the Final EIR text are presented in ~~strike-through~~ and double-underline format, and new revisions to the Draft EIR text are **highlighted**. The revisions to the Final EIR reflected in this Errata are meant to address minor administrative clarifications in the Final EIR text and the current status of the burrowing owl, and do not affect the adequacy of the previous environmental analysis contained in the Airport South Industrial Project Final EIR. Because the changes presented below would not result in any new significant impacts or increase in impact significance from what was identified in the Final EIR, recirculation of the Airport South Industrial Project Final EIR is not required.

The burrowing owl was designated as a candidate species under the California Endangered Species Act (CESA) on October 24, 2024, subsequent to when the Notice of Preparation (NOP) and Draft EIR for the Airport South Industrial Project were published. While the protected status of any species could change over time, even following the certification of an EIR, compliance with the requirements established by CESA would ensure adequate protection of such species at the time that development would occur. Furthermore, because burrowing owl is currently only a candidate species under CESA, it is unknown if, at the time of initiation of construction activities, the species will be officially protected under CESA or not. With respect to burrowing owl in the context of the Airport South Industrial Project, implementation of Mitigation Measure 4.4-6 would require a preconstruction survey for the presence of the species, and appropriate actions should burrowing owl be found, pursuant to Natomas Basin Habitat Conservation Plan (HCP) Take Avoidance, Minimization, and Mitigation Measures. Furthermore, Mitigation Measure 4.4-5(b), as amended on page 2-27 of the Final EIR, addresses potential impacts to Swainson's hawk by requiring, in part, that, prior to the issuance of any grading permit and commencement of project-related ground-disturbing activities outside of the Natomas Basin HCP permit area, the project applicant would consult with CDFW for a Section 2081 Incidental Take Permit, demonstrate to the City that none was required by CDFW, or pay fees (and dedicate land as applicable) under the Natomas Basin HCP if a portion of the City's surplus HCP coverage is made available to the proposed project. Such mitigation would not only apply to the protection of Swainson's hawk, but would apply to any species encountered on-site that is protected under CESA. As such, the existing mitigation included in the Final EIR adequately addresses potential impacts to special-status species that could occur on-site, including burrowing owl. Nonetheless, the Final EIR has been updated to reflect the status of the

burrowing owl, and specifically reference Mitigation Measure 4.4-5(b) as it relates to burrowing owl.

Along with the changed status of the burrowing owl, another change relevant to the Airport South Industrial Project that has occurred since the Draft EIR was published is the completed drafting of the Development Agreement for the project. As defined in Section 18.16.020 of the City's Municipal Code, the Development Agreement allows the City and the applicant to enter into an agreement to assure the City that the proposed project would be completed in compliance with the plans submitted by the applicant and assure the applicant of vested rights to develop the project. The Development Agreement was listed as an entitlement of the Airport South Industrial Project and was generally analyzed as part of the Draft EIR with the anticipation that the Development Agreement would not include any improvements that could result in physical impacts to the environment beyond what was included in the Draft EIR. Now that the Development Agreement has been finalized and is available for review, the conclusion that additional physical impacts to the environment would not occur beyond what was analyzed in the Draft EIR has been confirmed. As such, approval of the Development Agreement would not warrant further CEQA review beyond what is already included in the Draft EIR.

For clarification and disclosure purposes, the Final EIR has been updated to reflect the status of the burrowing owl, as well as to address other administrative clarifications.

### **Changes to the Final EIR text**

Page 2-27 of the Final EIR is hereby revised as follows:

Mitigation Measure 4.4-4(b) is hereby revised as follows:

*Industrial Park and Nonparticipating Parcels*

4.4-4(a) Prior to the issuance of any grading permit and commencement of ground-disturbing activities, the project applicant shall ensure that the following Natomas Basin HCP Take Avoidance, Minimization, and Mitigation Measure has been implemented:

*Natomas Basin HCP Section V.A.5.j:*

- 1. Take of the northwestern pond turtle as a result of habitat destruction during construction activities, including the removal of irrigation ditches and drains, and during ditch and drain maintenance, will be minimized by the dewatering requirement described above for giant garter snake (see Section 5.a.(3)).*

4.4-4(b) Implement Mitigation Measures 4.4-1(a), 4.4-3(a), and 4.4-3(b).

Page 3-12 of the Final EIR is hereby revised as follows:

Mitigation Measure 4.4-4(b), on page 4.4-50 of Chapter 4.4, Biological Resources, of the Draft EIR is hereby revised as follows:

Industrial Park and Nonparticipating Parcels

4.4-4(a) Prior to the issuance of any grading permit and commencement of ground-disturbing activities, the project applicant shall ensure that the following Natomas Basin HCP Take Avoidance, Minimization, and Mitigation Measure has been implemented:

Natomas Basin HCP Section V.A.5.j:

2. Take of the northwestern pond turtle as a result of habitat destruction during construction activities, including the removal of irrigation ditches and drains, and during ditch and drain maintenance, will be minimized by the dewatering requirement described above for giant garter snake (see Section 5.a.(3)).

4.4-4(b) Implement Mitigation Measures 4.4-1(a), 4.4-3(a), and 4.4-3(b).

[...]

Mitigation Measure 4.4-6, beginning on page 4.4-54 of Chapter 4.4, Biological Resources, of the Draft EIR is hereby revised as follows:

Industrial Park and Nonparticipating Parcels

4.4-6 Prior to the issuance of any grading permit and commencement of ground-disturbing activities, the project applicant shall comply with applicable portions of Measure 4.4-5(b) regarding consultation with CDFW, demonstration that no incidental take permit was required, or payment of fees (with or without land dedication as applicable) under the Natomas Basin HCP and shall ensure that the following Natomas Basin HCP Take Avoidance, Minimization, and Mitigation Measure has been implemented:

Natomas Basin HCP Section V.A.5.h:

1. Prior to the initiation of grading or earth disturbing activities, the applicant/developer shall hire a CDFG approved qualified biologist to perform a pre-construction survey of the site to determine if any burrowing owls are using the site for foraging or nesting. The pre-construction survey shall be submitted to the City prior to the developer's commencement of construction activities and a mitigation program shall be developed and agreed to by the City and developer prior to initiation of any physical disturbance on the site.
2. Occupied burrows shall not be disturbed during nesting season (February 1 through August 31) unless a qualified biologist approved by the CDFG verifies through non-invasive measures that either: 1) the birds have not begun egg-laying and incubation; or 2) that

- juveniles from the occupied burrows are foraging independently and are capable of independent survival.
3. If nest sites are found, the USFWS and CDFG shall be contacted regarding suitable mitigation measures, which may include a 300 foot buffer from the nest site during the breeding season (February 1 - August 31), or a relocation effort for the burrowing owls if the birds have not begun egg-laying and incubation or the juveniles from the occupied burrows are foraging independently and are capable of independent survival. If on-site avoidance is required, the location of the buffer zone will be determined by a qualified biologist. The developer shall mark the limit of the buffer zone with yellow caution tape, stakes, or temporary fencing. The buffer will be maintained throughout the construction period.
  4. If relocation of the owls is approved for the site by USFWS and CDFG, the developer shall hire a qualified biologist to prepare a plan for relocating the owls to a suitable site. The relocation plan must include: (a) the location of the nest and owls proposed for relocation; (b) the location of the proposed relocation site; (c) the number of owls involved and the time of year when the relocation is proposed to take place; (d) the name and credentials of the biologist who will be retained to supervise the relocation; (e) the proposed method of capture and transport for the owls to the new site; (f) a description of the site preparations at the relocation site (e.g., enhancement of existing burrows, creation of artificial burrows, one-time or long-term vegetation control, etc.); and (g) a description of efforts and funding support proposed to monitor the relocation.

Relocation options may include passive relocation to another area of the site not subject to disturbance through one way doors on burrow openings, or construction of artificial burrows in accordance with the CDFG's October 17, 1995, Staff Report on Burrowing Owls Mitigation (see Appendix D).

5. Where on-site avoidance is not possible, disturbance and/or destruction of burrows shall be offset through development of suitable habitat on TNBC upland reserves or in other suitable preserved uplands. Such habitat shall include creation of new burrows with adequate foraging area (a minimum of 6.5 acres) or 300 feet radii around the newly created burrows. Additional habitat design and mitigation measures are described in CDFW's March 7, 2012, Staff Report on Burrowing Owl Mitigation.

The above modification is for clarification purposes only and does not change the analysis or conclusions of the Final EIR.