

Memorandum of Understanding between the
Sacramento Local Agency Formation Commission and the City of Sacramento
Relating to the Preparation of a Coordinated Environmental Review Process
for the Airport South Industrial Project and Establishment of Co-Lead Agencies for the
purpose thereto

A. Recitals

1. The CITY OF SACRAMENTO is a California municipal corporation and charter city (the "City"), and the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION ("LAFCo"), is an independent, county-wide agency, pursuant to the Cortese-Knox-Hertzberg Act of 2000, which can be found at California Government Code § 56000, et. seq.

2. The City and LAFCo desire a Memorandum of Understanding that outlines the steps for preparation of a coordinated environmental review process, which may include preparation of an Environmental Impact Report regarding a Sphere of Influence Amendment, and related subsequent reorganization Annexation and detachments) for the Airport South Industrial Project and related actions.

3. The affected territory is comprised of approximately 450 acres located immediately south of I-5, extending from Powerline Road on the west to the City of Sacramento city limits on the east and south to the West Drainage Canal. The project site is south of Metro Air Park (and the new Metro Air Parkway/I-5 interchange) and southwest of the City of Sacramento Greenbriar development project (now known as Northlake), which is currently under construction and east of the existing Westlake community. City roads, water, sewer, and drainage are all located immediately adjacent to the Airport South Industrial area.

4. The development proposal is comprised of a General Plan Amendment, Rezoning, Master Tentative Parcel Map, Planned Unit Development, Development Agreement and Public Facilities Financing Plan. In addition, the proposed development would require the City to apply to LAFCo for a Sphere of Influence Boundary Amendment (including a related Municipal Services Review) and Reorganization (annexation and related detachments).

5. Taken together these applications would comprise a "project" within the meaning of and subject to the California Environmental Quality Act (Pub. Res. Code, § 21000 et seq.) (CEQA) for which an environmental review will be conducted, to

determine the appropriate level of environmental review. This is referred to collectively in this Memorandum of Understanding as the Airport South Industrial Project.

6. LAFCo is the appropriate Lead Agency for the proposed Sphere of Influence Boundary Amendment(s). (Gov. Code, § 56425 subd. (a); Pub. Res. Code, § 21067; LAFCo Policies, IV.F.1, p. IV-7.) LAFCo will require that the EIR adequately address all environmental issues associated with LAFCo proceedings related to this application. The City is the appropriate Lead Agency for the remaining elements of the proposed Airport South Industrial Project and will require that the environmental document adequately address the environmental issues associated with applications related to all land use entitlements and reorganization requests, except the Sphere of Influence Amendment. (14 Cal. Code Regs., § 15051 subd. (b)(2); LAFCo Policies, § IV F.1.d... p. IV-7.)

7. The City and LAFCO desire to have a single EIR prepared for the Airport South Industrial Project. LAFCo will consider the adequacy of the necessary LAFCo related CEQA analysis in a single EIR. The City and LAFCo will cooperate in the CEQA review process. It is the intent of this MOU to support the completion of the most efficient CEQA review process, in a mutually acceptable manner.

8. A Lead Agency may comply with CEQA by adopting EIR materials provided by an applicant or an applicant's consultant so long as the Lead Agency independently reviews, evaluates, and exercises its independent judgment over the documents and the issues they raise and address. (14 Cal. Code Regs., § 15084 subd. (d) and (e); *Friends of La Vina v. County of Los Angeles* (1991) 232 Cal App 3rd 1446 (disapproved on other grounds in *Western States Petroleum v Superior Court* (1991) 9 Cal.4th 559, 570 fn. 2, 576 fn. 6); *San Franciscans Upholding the Downtown Plan v. City and County of San Francisco* (2002) 102 Cal App4th 656); *Eureka Citizens for Responsible Government v. City of Eureka* (2007) 147 Cal.App.4th 357, 369

9. City and LAFCo enter into this Memorandum of Understanding to establish themselves as Co-Lead Agencies for the Airport South Industrial Project and to establish their respective roles and responsibilities relating to the oversight and management of the preparation of the necessary CEQA analysis, findings, and mitigation measures. The purpose of this Memorandum of Understanding is to ensure that the resulting Airport South Industrial Project EIR adequately addresses the environmental issues of the Airport South Industrial Project as a whole and provides both LAFCo and the City with the information each needs to review, consider, and act on the Airport South Industrial Project applications in full compliance with the law.

B. Determinations

LAFCo and the City agree to the following:

1. LAFCo and the City may allow the Airport South Industrial Project applicant to select and contract directly with a consultant chosen from a list of qualified consultants, as contained in the "Consultant List" mutually agreed to by LAFCo and City; to prepare the necessary CEQA analysis, findings, and mitigation measures on the Project. The environmental document must include the environmental review of all of the following: the Sphere of Influence Amendment, General Plan amendment, Rezoning, Master Tentative Parcel Map, Development Agreement, Reorganization (annexation and detachments), Planned Unit Development approval and any related issues identified by LAFCo relating to the requirements of the Cortese-Knox-Hertzberg Act. Prior to any commencement of work by such a consultant, the scope of work must be reviewed and approved by responsible staff of each agency. The scope of work must include description of responsibility for preparation of the CEQA Findings of Fact, Statement of Overriding Considerations, if required, and for preparation and circulation of the various documents required by the CEQA process (e.g., Notice of Determination).

2. The City and LAFCo shall cooperate and work collaboratively to ensure that the necessary CEQA analysis, findings, and mitigation measures fully satisfies LAFCo's requirements for conducting a legally adequate environmental review of the Sphere of Influence Amendment in accordance with CEQA, the CEQA Guidelines, the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000 (Gov. Code §56000 *et seq.*), and LAFCo's locally adopted Policies, Standards and Procedures. The following protocols for preparation of the EIR apply:

2.1. The City, through its staff, shall be the primary contact point for the applicant's CEQA consultant for purposes of generally directing the work of preparing the necessary CEQA analysis, findings, and mitigation measures; transmitting, receiving, and disseminating reports, studies, drafts, and other documents related to the EIR; transmitting, receiving, and responding to questions, comments, requests for clarification or additional information; scheduling meetings; and the like.

2.2. LAFCo, through its Commission staff, and independent consultants, shall have final oversight, review, and approval authority over the content of the environmental document (i.e., administrative draft EIR (ADEIR), the draft EIR (DEIR), and the final EIR (FEIR)) as they each relate to the Sphere of Influence Amendment and shall have Responsible Agency review over the Reorganization (annexation and related detachments). The City, through its staff, shall coordinate and work cooperatively and collaboratively with LAFCo to ensure that LAFCo has sufficient

and meaningful opportunity to review, evaluate, and exercise its independent judgment over the content of the EIR as it relates to the Sphere of Influence Boundary Amendment and as a responsible agency over the Reorganization (annexation and related detachments). To this end, LAFCo shall retain the right to approve all studies, reports, drafts, and other documents prepared for or in connection with the environmental document before public release, to edit or request changes to the environmental document (i.e., ADEIR, DEIR, and FEIR), to review and recommend responses to comments submitted on the DEIR, and to request additional work as LAFCo, in the exercise of reasonable judgment and discretion, determines to be necessary to ensure the adequacy and objectivity of the environmental document as needed for LAFCo's action as lead agency for the Sphere of Influence Amendment and as responsible agency for the Reorganization (annexation and related detachments). The City and LAFCo shall mutually copy ("cc") one another with their CEQA related correspondence (if any) to the CEQA consultant, except those related to solely to contract and billing issues. LAFCo shall receive fair and adequate notice, (not less than 72 hours) and reserve the opportunity to attend all meetings with the environmental consultant.

2.3. City and LAFCo shall each identify and notify the other of their respective staff contacts responsible for implementing this MOU. Staff contacts are as follows:

LAFCo
Executive Officer
(Address/Phone/email)

City of Sacramento
Cheryle Hodge, New Growth Manager
(Address/Phone/email)

2.4 City and LAFCo staffs shall hold regular status meetings, at a mutually agreed to time and location, to discuss the progress of the work in conformance with the agreed upon schedule.

2.5. LAFCo shall schedule and hold at least one public hearing during the DEIR public review and comment period to receive comments on and proposed revisions to the DEIR.

3. City and LAFCo agree that the Project Applicant shall be fully and solely responsible for the costs of the environmental consultant and for the costs incurred by LAFCo for retaining its independent environmental consultant as well as its normal processing fees, including, but not limited to, consultant fees, staff time, and legal review.

4. City and LAFCo shall use all reasonable effort and due diligence to process the Project through to the final hearings in a timely fashion to meet City's objective of having LAFCo set for public hearing the SOIA prior to City Council consideration of related entitlements. City and LAFCo agree to work cooperatively with each other, and the project applicant and/or environmental consultants as necessary to develop a project schedule listing key steps and dates to aid in achieving City's objectives, which schedule shall be attached to and become a part of this Memorandum of Understanding.

5. The following is a sequence of actions to be taken to complete processing of the Airport South Industrial Project subject to all LAFCo and City criteria:

- 5.1. Project scoping, environmental document preparation and circulation (i.e., NOP, ADEIR and DEIR) thru Completion of the final environmental document and submittal to LAFCo.
- 5.2. LAFCo public hearing(s) and exercise of discretionary action on certification of the final environmental document and Sphere of Influence Amendment.
- 5.3. If the Sphere of Influence Amendment(s) are approved, a City public hearing and action on the General Plan Amendment, Prezone, Master Tentative Parcel Map, Planned Unit Development, Development Agreement and LAFCo filing of a Reorganization (detachments and related annexation) will follow.
- 5.4. If the City approves the items in subsection 5.3 above, a LAFCo hearing and action on the Reorganization (annexation and related detachments) will follow.

Nothing contained in this Memorandum of Understanding is intended, nor shall it be construed, to commit, control, or influence in any manner whatsoever the authority, judgment, or discretion of the LAFCo Commission or the City Council of the City of Sacramento in their respective future hearings on all or any aspect of the Airport South Industrial Project and the ultimate decision of each to approve, modify and approve, approve with conditions, or disapprove the Airport South Industrial Project, in whole or in part, or to require or impose mitigation measures as a result of the environmental review of the Airport South Industrial Project.

This Memorandum of Understanding is entered into as of July 30, 2021.

By Thomas S. Pace
Thomas S. Pace for
Howard Chan, City Manager
City of Sacramento

By: 
Don Lockhart, Executive Officer
Sacramento Local Agency
Formation Commission

Approved as to form:

Approved as to form:

By 
City Attorney

By 
Sacramento LAFCo Counsel

Airport South Industrial Project Preliminary Schedule

May 16, 2021	Airport South Industrial Project Applicant submits application to Sacramento LAFCo and the City of Sacramento
July 30, 2021	LAFCo/City completion of MOU for City & County to serve as co-Lead Agencies for CEQA purposes for the Airport South Industrial Project
September 27, 2021	Notice of Preparation (NOP) is made available for a 30-day public review period
October 4, 2021	NOP Public Scoping Meeting is held
October 26, 2021	NOP 30-Day Public Review Period Concluded
December 13, 2021	Administrative Draft Environmental Impact Report is released
January 13, 2022	City, LAFCo and applicant comments are delivered to Environmental Impact Report preparer
March 1, 2022	Draft Environmental Impact Report is released and distributed for a 45-day public review period
April 15, 2022	Draft Environmental Impact Report public comment period closes
May 16, 2022	Administrative Final Environmental Impact Report and Mitigation Monitoring Plan is released
May 31, 2022	City, LAFCo and applicant comments are delivered to Environmental Impact Report preparer
June 30, 2022	Final Environmental Impact Report and Mitigation Monitoring Plan is released and distributed
August 3, 2022	Sacramento LAFCo hearing on Sphere of Influence amendment, certification of the Final Environmental Impact Report and acceptance of the Municipal Services Review

August 4, 2022	City of Sacramento Planning and Design Commission hearing on the Final Environmental Impact Report, General Plan Amendment, Pre-zone, Planned Unit Development Establishment, Tentative Master Parcel Map, Development Agreement, Annexation, and any other necessary items as determined by City staff
August 16, 2022	Sacramento City Council hearing on the Final Environmental Impact Report, General Plan Amendment, Pre-zone, Planned Unit Development Establishment, Development Agreement, Annexation, and any other necessary items as determined by City staff
September 7, 2022	Sacramento LAFCo hearing on the Reorganization (Detachments & Annexation)