

DATE: November 29, 2011

TO: Mayor and City Council Members

FROM: Richard Lorenz, Public Works/Utilities Director

SUBJECT: RESOLUTION NO. 8938 - A RESOLUTION OF THE CITY COUNCIL EXPRESSING SUPPORT FOR THE TRUCK MANAGEMENT PLAN AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE TRUCK MANAGEMENT PLAN AGREEMENT UPON ADOPTION BY THE SACRAMENTO COUNTY BOARD OF SUPERVISORS

BACKGROUND / ISSUE

The County of Sacramento has approved an application by Teichert for a new hard rock mining quarry south of the Sphere of Influence ("SOI") in the unincorporated area of the county. Other quarries are proposed in the same vicinity, with one application pending before the County Board of Supervisors ("Board"). The Board is scheduled to hear the application of Stoneridge Quarry on December 7, 2011. Conditions of approval for the Teichert quarry and the Stoneridge quarry require participation in the Truck Management Plan ("TMP") process designed to arrive at funding solutions to pay for roadway improvements in the participating jurisdictions. The TMP was also designed to address the quarry operators' concerns over access to U.S. Highway 50 and roadways in the jurisdictions, as well as quality of life issues within jurisdictions in which the trucks will operate.

The City has been very concerned over the impact on roads in the SOI from quarry truck traffic. The City has been actively engaging in discussions with the County of Sacramento, Stoneridge Quarry, Teichert, and other stakeholders regarding the quarry operations and quarry trucks originating south of the City. This process has been going on for nearly three years. After many meetings and negotiation sessions over the TMP, the County has drafted a TMP and it appears that consensus has been reached by all participating parties subject to some minor modifications. City staff understands that the TMP plan could be presented to the Board for approval as early as December 14, 2011. The TMP is presented to the City Council for its review, and if acceptable, its support for the proposed plan.

POLICY / RULE

The City Council is authorized to approve contracts on behalf of the City. The City Council has approved the annexation application and various entitlements associated with the SOI. The City Council provides policy direction to staff associated with important transportation and land use issues in the City.

ANALYSIS

The City of Folsom has continued to express concerns over significant volumes of quarry truck traffic that would potentially travel through the SOI area and how to mitigate the environmental and "quality of life" impacts on the SOI area. The quarry operators also have concerns about having a guaranteed truck route to U.S. Highway 50 through the SOI. After months of negotiation, the County has released a draft TMP that appears to have consensus of all the parties involved. City Staff understands the TMP is scheduled to be heard by the Sacramento County Board of Supervisors on December 14, 2011. Staff believes the TMP that is now proposed by the County is generally acceptable and will provide a funding source by way of a \$.12 per ton fee that is paid by the quarry operators for all material that is produced at the quarries. Staff will continue to work on several elements, but the substance of the TMP is outlined below:

1. All new quarry or other mining proposals and renewals of existing quarry or other mining permits ("quarry" or "quarries"), located within the Quarry TMP Participation Area ("Participation Area") may elect to participate in the Quarry TMP Funding Mechanism Program, which shall be incorporated into development agreements.
2. The Quarry TMP Funding Mechanism Program shall consist of a twelve (12) cents per ton contribution on all aggregate material produced and sold from the participating quarries, including the sale of recycled materials.
3. The Quarry TMP Funding Mechanism Program contribution ("contribution") shall be collected for the term of each quarry use permit and any extensions thereto granted up to a total of one hundred (100) years, subject to adjustment as described below.
4. The cents per ton fee shall be adjusted every eight years through year 24 to reflect the value of \$.12 in current dollars. At year 24, the fee will be reevaluated by County based on a number of factors including:
 - A. The total amount of the contribution collected to date;
 - B. The total amount of contributions that have been expended to date;
 - C. The quality of life improvements that have been constructed to date;
 - D. The quality of life improvements that still need to be constructed;
 - E. The maintenance costs associated with the quality of life improvements;
 - F. The total amount of funding and adjustments to that funding collected and expended toward quality of life improvements by non-quarry contributors; and
 - G. Whether the participating quarry operations will be competitive in the regional market given the contribution.
5. If a jurisdiction approves a new quarry or renews an existing quarry that is located within the Participation Area and that quarry elects to not participate in the Quarry TMP Funding Mechanism Program or provides a cents per ton contribution that is less than the amount established in Paragraphs 3 and 6 above, then the contribution amount applicable to all quarry operators shall be adjusted to reflect the lowest contribution amount and the jurisdiction that approved such quarry shall not be entitled to receive any of the benefits of the Quarry TMP Funding Mechanism Program including the cents per ton contribution. Additionally, a quarry approved or renewed by a jurisdiction other than

Sacramento County will not require any subsequent approvals from Sacramento County prior to commencing operations.

6. The County shall be responsible for the collection and distribution of the per ton fee which shall be distributed based on volumes of trucks on the affected roadways. Truck traffic volumes shall be reviewed every four years.
7. As additional quarries are approved and elect to participate, distribution figures shall be added to this program for those quarries. Said distribution figures shall be based upon the anticipated distribution of quarry truck traffic as established at the time of the project approval.
8. The County shall review and revise the truck volume figures every four years to represent changes that may occur over time to the trip distribution patterns associated with each participating quarry or changes in jurisdiction boundaries. Participatory quarries shall be responsible for ensuring that their through quarry trucks utilize the through truck haul routes established on the distribution exhibits.
9. Participating jurisdictions shall share those contributions intended for quarry truck routes which straddle jurisdictional boundaries. However, the County will assign any contributions it receives for Prairie City Road or Scott Road (east) towards quality of life improvements on Prairie City Road.
10. That distribution of contributions is made by the County on an annual basis consistent with the agreed upon formula.
11. These contributions shall only be used for the purpose of designing, approving, financing, constructing and maintaining quality of life roadway improvements related to quarry truck traffic from participating quarries.
12. These contributions shall not be used in lieu of nexus based traffic mitigation fees and/or CEQA based mitigations for road capacity improvements or for normal road maintenance.
13. Appropriate CEQA review is required by the jurisdiction proposing roadway and "quality of life" improvements. Where the quality of life improvements are located within more than one jurisdiction, the jurisdictions may review such improvements jointly.
14. An annual report shall be provided to the County by any jurisdiction receiving contributions which accounts for the use of those contributions during the prior year.
15. Contributions shall be held in an independent account, specifically identified for Quarry TMP quality of life improvements, and shall not be available to the general fund of the receiving jurisdiction.
16. Guaranteed access is required by the County and the City of Rancho Cordova on specifically designated roads and by the City to U.S. Highway 50.

17. Folsom will set no limit, following annexation, on the volume of participating quarry truck traffic which is allowed to pass through the Folsom SOI area, but may manage the traffic flow.

The process to reach agreement has been long, but staff believes this TMP will provide the City the flexibility it needs to control quarry truck traffic in the SOI as it builds out in order to minimize "quality of life" concerns. The funding solution is acceptable to staff and will, with other contributions, provide an adequate fund to design, construct and ultimately maintain the improvements. Provided the Sacramento Board of Supervisors is presented with and adopts a TMP with the terms substantially similar to those set forth in this staff report, staff seeks authority to have the City Manager execute the TMP agreement. Should the terms materially change, staff would return to the City Council for final approval.

FINANCIAL IMPACT

The funds generated will be shared among the jurisdictions with Folsom receiving approximately 70%. The amount of funds will be dictated by the volume of materials shipped. The funds generated will not be sufficient alone to construct the improvements, but will provide an adequate funding source when coupled with other contributions over time.

ENVIRONMENTAL REVIEW

This agreement does not constitute a "project" as defined by CEQA. This agreement is solely to identify a future revenue stream. Roadway or other similar projects associated with physical improvements to land will receive the CEQA analysis and approval as required by law.

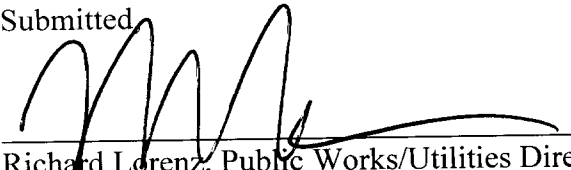
ATTACHMENTS

1. Resolution No. 8938 - A Resolution of the City Council Expressing Support for the Truck Management Plan and Authorizing the City Manager to Execute the Truck Management Plan Agreement Upon Adoption by the Sacramento County Board of Supervisors

RECOMMENDATION / CITY COUNCIL ACTION

Staff recommends adoption of Resolution No. 8938 - A Resolution of the City Council Expressing Support for the Truck Management Plan and Authorizing the City Manager to Execute the Truck Management Plan Agreement Upon Adoption by the Sacramento County Board of Supervisors.

Submitted


for Richard Lorenz, Public Works/Utilities Director

RESOLUTION NO. 8938

A RESOLUTION OF THE CITY COUNCIL EXPRESSING SUPPORT FOR THE TRUCK MANAGEMENT PLAN AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE TRUCK MANAGEMENT PLAN AGREEMENT UPON ADOPTION BY THE SACRAMENTO COUNTY BOARD OF SUPERVISORS

WHEREAS, Sacramento County ("County") has received three separate applications for aggregate quarries to be located in the eastern sector of the County and south of the City of Folsom's proposed annexation area; and

WHEREAS, the City of Folsom has expressed concern pertaining to the Teichert, Stoneridge and other quarries, and that if approved, these and other quarries will generate considerable truck related traffic and impact the quality of life in the City of Folsom's annexation area; and

WHEREAS, Sacramento County, the City of Folsom, the City of Rancho Cordova ("Rancho Cordova"), Stoneridge, other existing and potential future quarry operators, and other interested parties have been attempting for a considerable period of time to agree upon an East Sacramento Regional Aggregate Mining Truck Management Plan ("TMP") in order to address beyond nexus quality of life impacts associated with quarry truck traffic in the eastern area of Sacramento County; and

WHEREAS, conditions of approval for the Teichert and Stoneridge quarries required participation in the TMP process; and

WHEREAS, the parties to the TMP process have reached consensus regarding a funding contribution by the quarries based on a cents per ton fee, voluntary participation, sharing of funding based on volumes of truck traffic on roads within the participating jurisdictions, and guaranteed access to U.S. Highway 50 and other roads identified in the proposed TMP agreement; and

WHEREAS, the funds generated by the cents per ton fee and other funding will be utilized for roadway and quality of life improvements in the Sphere of Influence ("SOI") and within other participating jurisdictions; and

WHEREAS, as roadway and other projects associated with the TMP are developed, appropriate CEQA analysis will be performed and any impacts analyzed and mitigated as required by law.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom expresses its support for the Truck Management Plan, the terms of which are outlined in Exhibit 1 to this Resolution and authorizes the City Manager to execute the Truck Management Plan upon adoption by the Sacramento County Board of Supervisors.

PASSED AND ADOPTED this 6th day of December, 2011, by the following roll-call vote:

AYES: Council Member(s):
NOES: Council Member(s):
ABSENT: Council Member(s):
ABSTAIN: Council Member(s):

Andrew J. Morin, MAYOR

ATTEST:

Christa Saunders, CITY CLERK