NOTICE OF PREPARATION

DATE: December 12, 2003

TO: Responsible Agencies, Organizations and Interested Parties

LEAD AGENCY: City of Rancho Cordova

Contact: Hilary Anderson 3121 Gold Canal Drive Rancho Cordova, CA 95670

SUBJECT: Environmental Impact Report for the Rio del Oro project.

In discharging its duties under Section 15021 of the California Environmental Quality Act (CEQA) Guidelines, the City of Rancho Cordova (as Lead Agency) intends to prepare a "joint" Environmental Impact Report (EIR), and Environmental Impact Statement (EIS), consistent with Article 14, Sections 15220 and 15222, of the CEQA Guidelines, for the Rio del Oro project. The City will be the lead agency for compliance with the California Environmental Quality Act ("CEQA") and the U.S. Army Corps of Engineers ("Corps") will be the lead agency for compliance with the National Environmental Policy Act ("NEPA").

In accordance with Section 15082 of the CEQA Guidelines, the City of Rancho Cordova has prepared this Notice of Preparation to provide Responsible Agencies and other interested parties with sufficient information describing the proposal and its potential environmental effects.

The determination to prepare an Environmental Impact Report was made by the City of Rancho Cordova. An Initial Study, attached hereto, has been prepared pursuant to CEQA Guidelines Section 15063, which identifies the anticipated environmental effects of the project. The Initial Study satisfies the City's obligation under CEQA Guidelines section 15082, subdivision (a)(1)(C), to identify the "probable environmental effects of the project."

As specified by the CEQA Guidelines, the Notice of Preparation will be circulated for a 30-day review period. The City of Rancho Cordova welcomes public input during this review. In the event that no response or request for additional time is received by any Responsible Agency by the end of the review period, the Lead Agency may presume that the Responsible Agency has no response.

PUBLIC MEETING

A Public Scoping Meeting will be held in the Rancho Cordova City Hall (3121 Gold Canal Drive, Rancho Cordova)

During the month of January or February 2004

A notice of the meeting will be sent once a date has been determined.

Comments may be submitted in writing during the review period and addressed to:

Hilary Anderson City of Rancho Cordova 3121 Gold Canal Drive Rancho Cordova, CA 95670

The comment period closes on February 12, 2004

A. PROJECT LOCATION AND CURRENT USE

The Rio del Oro project area consists of approximately 3,828.5-acres, which is located in eastern Sacramento County (see **Figure 1**, Project Location Map). The property is located south of White Rock Road, north of Douglas Road, and east of Sunrise Boulevard. The site is located south of Interstate Highway 50, within the City of Rancho Cordova. The property currently carries General Plan designations of Intensive Industrial, Extensive Industrial and Extensive Industrial with Aggregate Resource Overlay. As part of the project, the General Plan designations will be changed to Low Density Residential, Medium Density Residential, Commercial and Office, Intensive Industrial, Public/Quasi Public, and Open Space and Recreation. The current zoning designations of the project site is SPA (AG-80) Agriculture – 80-acre min., SPA (M-2) Heavy Industrial, SPA (IR) Industrial Reserve, and M-2 Heavy Industrial.

B. PROJECT OBJECTIVES

The following are objectives of the proposed Rio del Oro project:

- Conform the Urban Policy Area boundary to past land use decisions which already designated the property for urban development.
- Provide a mixed-use master-planned community, which includes employment generating
 uses, retail and support services, recreation opportunities, and a broad range of housing
 types with particular emphasis on affordability and proximity to jobs and services.
- Provide a ready source of housing, affordable to a broad range of income levels and in close proximity to the major job generating centers along the Highway 50 corridor.
- Facilitate the implementation of regional transportation circulation linkages, especially Jaeger Road and Americanos Boulevard, from the project site north to Highway 50.
- Achieve an economically viable reuse of a prior industrial site.
- Convert land from an existing urban use designation, which is in oversupply (i.e. industrial) to that which is in need, especially along the US 50 corridor (i.e. residential, mixed-use).
- Contribute to the economic development of the City of Rancho Cordova and the greater Sacramento region.

C. PROJECT CHARACTERISTICS

The Rio del Oro project consists of approximately 3,828.5 total acres (see **Figure 2**, Proposed Land Use Map). **Table 1** illustrates the proposed land use categories, the associated acreage and the approximate amount of residential units anticipated for each land use designation.

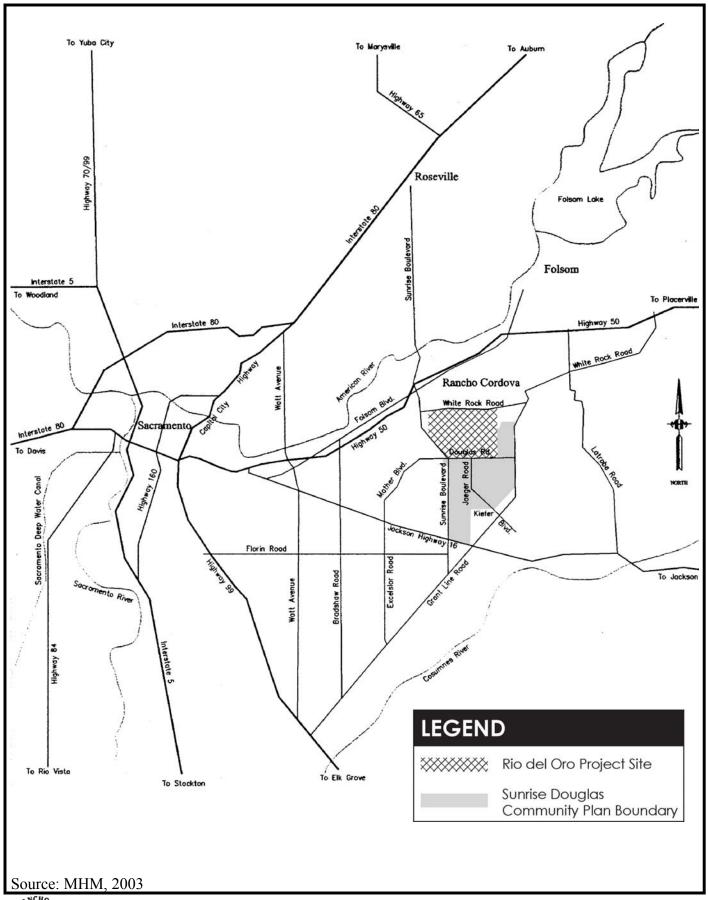




FIGURE 1
RIO DEL ORO
PROJECT LOCATION MAP

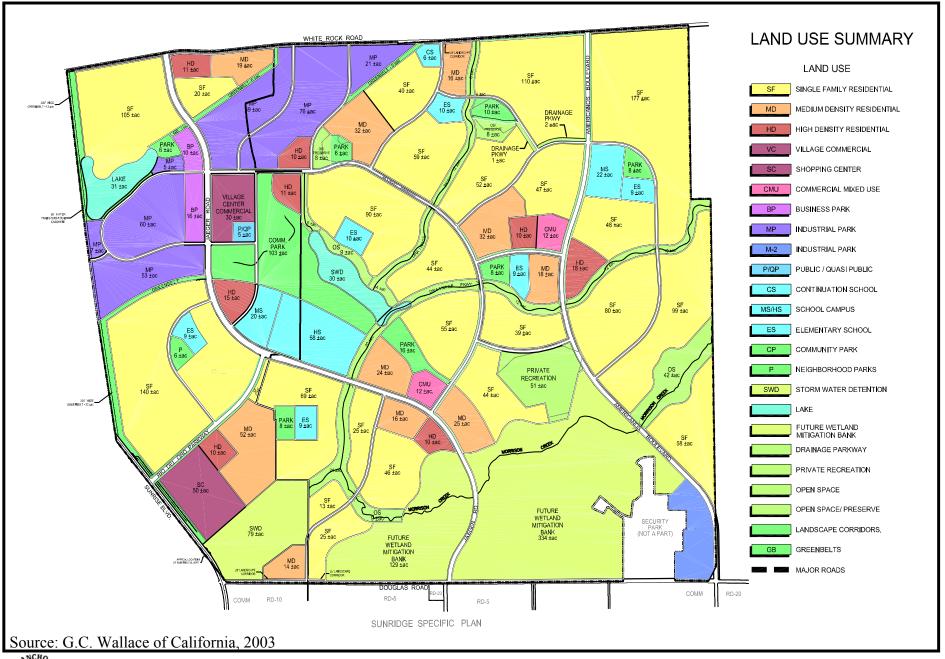




TABLE 1 PROPOSED LAND USES

Land Use	Acres	Units
Single Family Residential	1,546	7,730
Medium Density Residential	248	1,984
High Density Residential	95	1,900
Village Commercial	30	
Shopping Center	50	
Commercial Mixed Use	24	
Business Park	26	
Industrial Office Park	281	
Industrial Park	36	
Public	5	
High School/Middle School	100	
Continuation School	6	
Elementary School	56	
Community Park	103	
Neighborhood Parks	68	
Storm Water Detention	109	
Lake/Open Space	31	
Future Wetland Mitigation Bank	463	
Drainage Parkway	122	
Private Recreation	51	
Open Space	60	
Open Space Preserve	16	
Landscaping	50	
Greenbelts	49	
Major Roads	203.5	
Totals	3828.5	11,614

Residential

As indicated in **Table 1**, the proposed Rio del Oro project provides for the construction of approximately 11,614 dwelling units in three residential land use classifications. The single-family residential category proposes a density of 5 units per acre (du/ac). The medium density residential category proposes a density of 8 units per acre (du/ac). The high-density residential category proposes a density of 20 units per acre (du/ac).

Commercial/Industrial

The Rio del Oro project includes the commercial land use classifications of Village Commercial, Shopping Center, Commercial Mixed Use, Business Park, and Industrial Park (**Table 1**). The Village Commercial portion of the project is proposed for the southeast corner of Jaeger Road and Villagio Parkway, on an approximate 30-acre parcel. The project's Commercial Mixed Use development is proposed at various locations throughout the project site, and comprises approximately 24 acres. The Business Park portion of the project comprises 26 acres, and is

proposed along Jaeger Road near the northwest corner of the site. The project also proposes 281 acres of Industrial Park and 36 acres of Industrial Park.

Open Space/Parks/Recreation/Public

The Rio del Oro project includes the development of a 103-acre Community Park and various Neighborhood Parks that total 68 acres. The project also proposes 60 acres of Open Space and 16 acres of Open Space Preserve. The project proposes 51 acres for Private Recreation and 5 acres for Public use. A component of the project includes 50 acres designated for Landscape Corridors and 49 acres for Greenbelts.

Lakes/Drainages/Wetlands

The Rio del Oro project proposes the creation of 31 acres of lakes within the project boundary. The project also proposes 122 acres for Drainage Parkways and 109 acres for Stormwater Detention areas. The project proposes a large Future Wetland Mitigation Bank area in the southern portion of the site that encompasses 463 acres.

Schools

There are approximately 162 acres designated for school uses within the Rio del Oro project area. The project would include a high school site, two middle school sites, a continuation school site, and various elementary school sites.

Public Utilities and Services

Public services, utilities and other infrastructure improvements will be needed to serve the Rio del Oro project. The project proponent has coordinated with various service providers to provide these services on an as needed schedule.

Roadway Improvements

The project proposes the development of approximately 203.5 acres of major roadways within the project area.

D. REQUIRED APPROVALS

City of Rancho Cordova: Actions that would be required from the City Council, Planning Commission and/or City staff may include, but is not limited to, the following:

- General Plan Amendment;
- Amending the Aerojet Specific Planning Area (SPA) Ordinance (SCZ 95-0014);

- Amendment to the Urban Policy Area boundary;
- Adoption of a Public Facilities Financing Plan; and,
- Adoption of a Development Agreement

E. PROJECT BACKGROUND

The following is a summary of the background of the Rio del Oro project area. The Rio del Oro project site has a history of grazing and gold mining. Approximately one third of the site has been used for grazing, while the remaining two thirds is land which has been significantly altered by gold mining activities. The mining activities consisted of dredging ancient alluvial deposits. A considerable amount of this dredging occurred in the 1920s with additional dredging occurring in the 1950s. The areas that were mined are marked today by alternating piles of rocky tailings and lower areas where the finer sediment settled out.

The Rio Del Oro Project is located on a former rocket testing facility. In 1956, McDonnell Douglas leased the land for its rocket testing activities and bought the land from Aerojet in 1961. McDonnell Douglas stopped its operations at the site in about 1969. Aerojet re-acquired the land in 1984 as a buffer for its operations along White Rock Road. During Aerojet's ownership, the site was used primarily as buffer land and as a place to burn excess rocket fuel and to test small quantities of energetic material. In 1994, McDonnell Douglas and Aerojet agreed to investigate eleven primary areas of concern pursuant to the requirements of a Consent Order with the California Department of Toxic Substances Control (DTSC), and to complete the necessary remediation of contaminated areas. The areas of concern include several former aerospace complexes and assembly areas and two landfill sites. The Consent Order established a process to evaluate the potential for contamination at the various areas.

During the mid-1990's while the site evaluations were proceeding, Aerojet met with the DTSC on numerous occasions to discuss the long-range re-development plans for the entire property. These discussions covered many areas, including the large passive buffer areas that were not utilized in either aerospace or industrial operations. In 1997, the DTSC agreed with Aerojet that soils within much of the passive buffer area was indeed clean, should not be included within the Order and were suitable for potential development use and thus removed some 1,114 +/- acres of the Rio del Oro project land from the Order.

The balance of the site (approximately 2,800 acres) is still under the Consent Order. Currently all ten areas of concern (approximately 260 acres) as well as the groundwater are undergoing various levels of review and/or remedial action. Some areas have been fully investigated and DTSC has determined that two locations require no remedial action. Approved remedial action plans are underway in some areas, while others are still in the investigation phase. Any plan must comply with the requirements of the California Environmental Quality Act. Once a remedial action plan for an area of concern is developed, the plan is subject to a 30-day public comment and meeting period.

The proposed project site formerly belonged to McDonnell-Douglas. Approximately 1,100 acres are now owned by Elliott Homes, and GenCorp owns the remaining acreage totaling approximately 2,800 acres.

F. POTENTIAL ENVIRONMENTAL EFFECTS

See attached Initial Study Checklist.