Economic & Planning Systems

Public Finance
Real Estate Economics
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Land Use Policy

PUBLIC FACILITIES FINANCING PLAN FOR THE LAGUNA RIDGE SPECIFIC PLAN

Adopted by the Elk Grove City Council on May 11, 2005.

Prepared for:

City of Elk Grove
Laguna Ridge Owners Group

Prepared by:

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May 3, 2005

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I. INTRODUCTION AND SUMMARY

INTRODUCTION

The Laguna Ridge Public Facilities Financing Plan (Financing Plan) sets forth a strategy to finance the major backbone infrastructure and other public facilities required to serve the proposed land uses in the Laguna Ridge Specific Plan (LRSP or Specific Plan). The LRSP is located in the City of Elk Grove (City) as shown on **Map 1**. The Specific Plan lies west of Highway 99, south of Elk Grove Boulevard, east of Bruceville Road and the East Franklin Specific Plan (EFSP), and north of Bilby Road and the area referred to as the "Southeast Study Area." As shown on **Map 2**, the LRSP is directly east of the EFSP and northwest of the Lent Ranch Marketplace Special Planning Area (SPA).

The LRSP contains approximately 1,900 total acres. The LRSP is planned for approximately 7,700 residential units on approximately 1,200 acres, as well as approximately 285 acres of commercial development. The remaining acreage will be used for parks, open space, schools, and other public facility improvements, such as roadways. The LRSP likely will build out over 5 to 10 years.

SUMMARY

The Financing Plan has been prepared to comply with requirements of the City General Plan. The current City General Plan policy related to public facility financing is policy number PF-22, which states that

> *Infrastructure financing plans, which specify the extent, timing, and estimated cost of all necessary infrastructure shall be required for the approval of urban uses in the Laguna Ridge and Southeast Policy Areas, as defined in this General Plan. The resulting financing mechanisms shall be implemented before development of urban uses.*

As required, the Financing Plan provides the Elk Grove City Council with information needed to make entitlement decisions for the Laguna Ridge project.

PURPOSE OF THE FINANCING PLAN REPORT

The purpose of the Financing Plan is to identify and provide the estimated cost of backbone infrastructure, other public facilities (public infrastructure improvements), and public operation and maintenance services needed to serve new development in the LRSP. The Financing Plan also identifies the probable funding sources used to pay for

the backbone infrastructure and other public facilities. Specific purposes of the Financing Plan are to:

- Establish the policy framework for financing the required backbone infrastructure and other public facilities.
- Specify the backbone infrastructure and other public facilities to be constructed or acquired in association with the development of the Specific Plan.
- Identify the estimated costs, constraints, and phasing requirements for required backbone infrastructure and other public facilities.
- Identify funding mechanisms, both existing and new, to fund required backbone infrastructure and other public facilities.
- Identify and provide the estimated maintenance costs and funding sources for certain backbone infrastructure, other public facilities, and public operation and maintenance services.

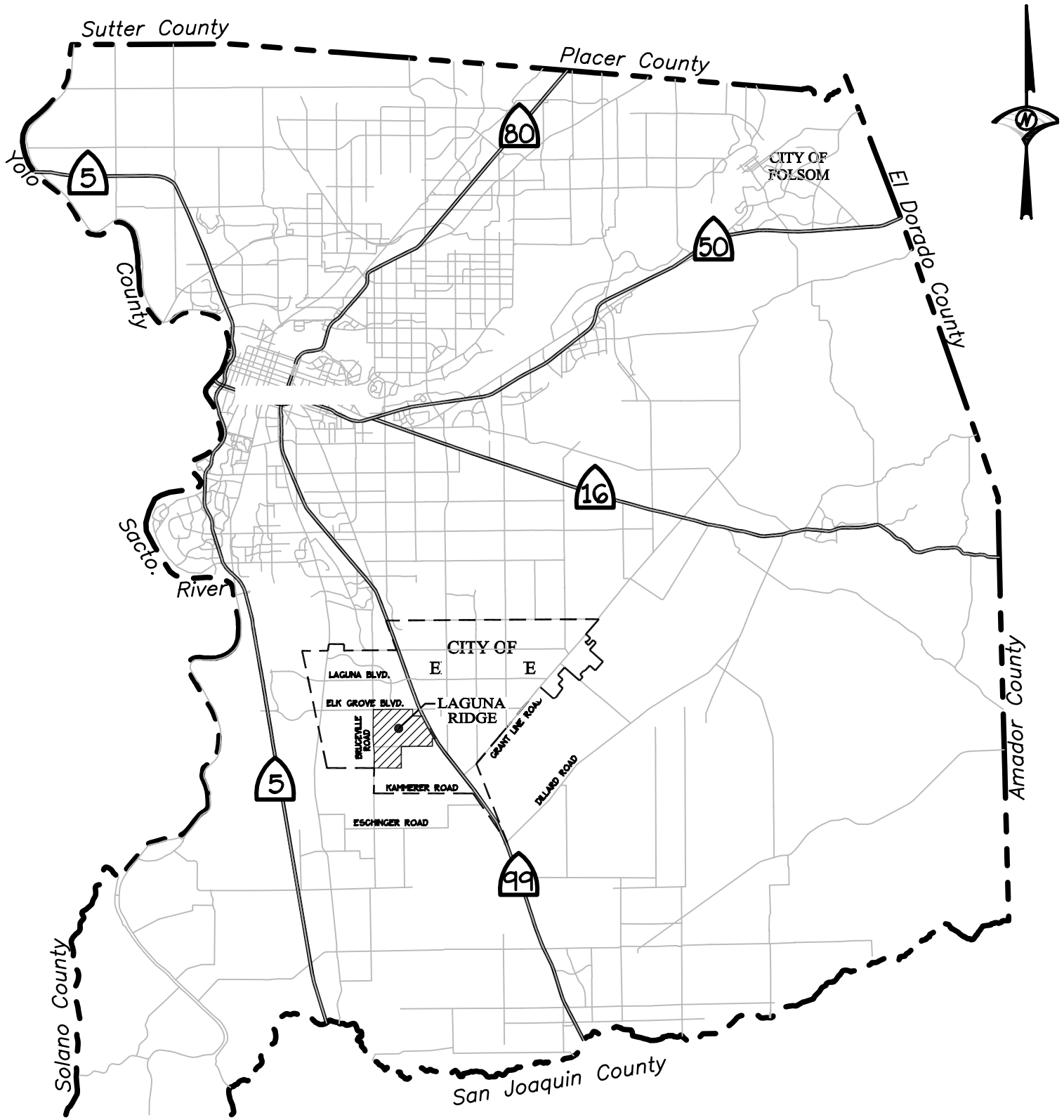
The Financing Plan also updates and clarifies the Specific Plan.

BACKBONE INFRASTRUCTURE AND OTHER PUBLIC FACILITY COSTS

Buildout of the LRSP will require construction of roadway, sewer, water, drainage, and a variety of other public facilities. The costs of major backbone infrastructure and other public facilities were estimated by Wood Rodgers Inc., as well as the City, the Elk Grove Community Services District (CSD), The HLA Group, HRP LanDesign, and the Elk Grove Unified School District (EGUSD). **Appendix A** contains a detailed Capital Improvement Program (CIP) for the backbone infrastructure and other public facilities required to serve the LRSP.

Table 1 summarizes the total costs (in 2005 $) of backbone infrastructure and other public facilities required for buildout of the LRSP. At buildout, LRSP backbone and other public infrastructure costs are anticipated to total approximately $446.6 million.

Table 1 includes both on- and off-site infrastructure and other public facility costs because the LRSP will be participating in fee programs with boundaries larger than those of the Specific Plan. Included in the total off-site facility costs are costs that may be the funding responsibility of adjacent planning areas, such as the EFSP and others. For example, off-site sewer facility costs are for a regional sewer interceptor that benefits a very large sewer shed in the City and unincorporated Sacramento County (County). In addition, backbone infrastructure and other public facility cost estimates do not include the costs of in-tract and other subdivision specific improvements, which are anticipated to be privately financed.



LAGUNA RIDGE SPECIFIC PLAN

CITY OF ELK GROVE, CALIFORNIA

Map 1 - Regional Location Map

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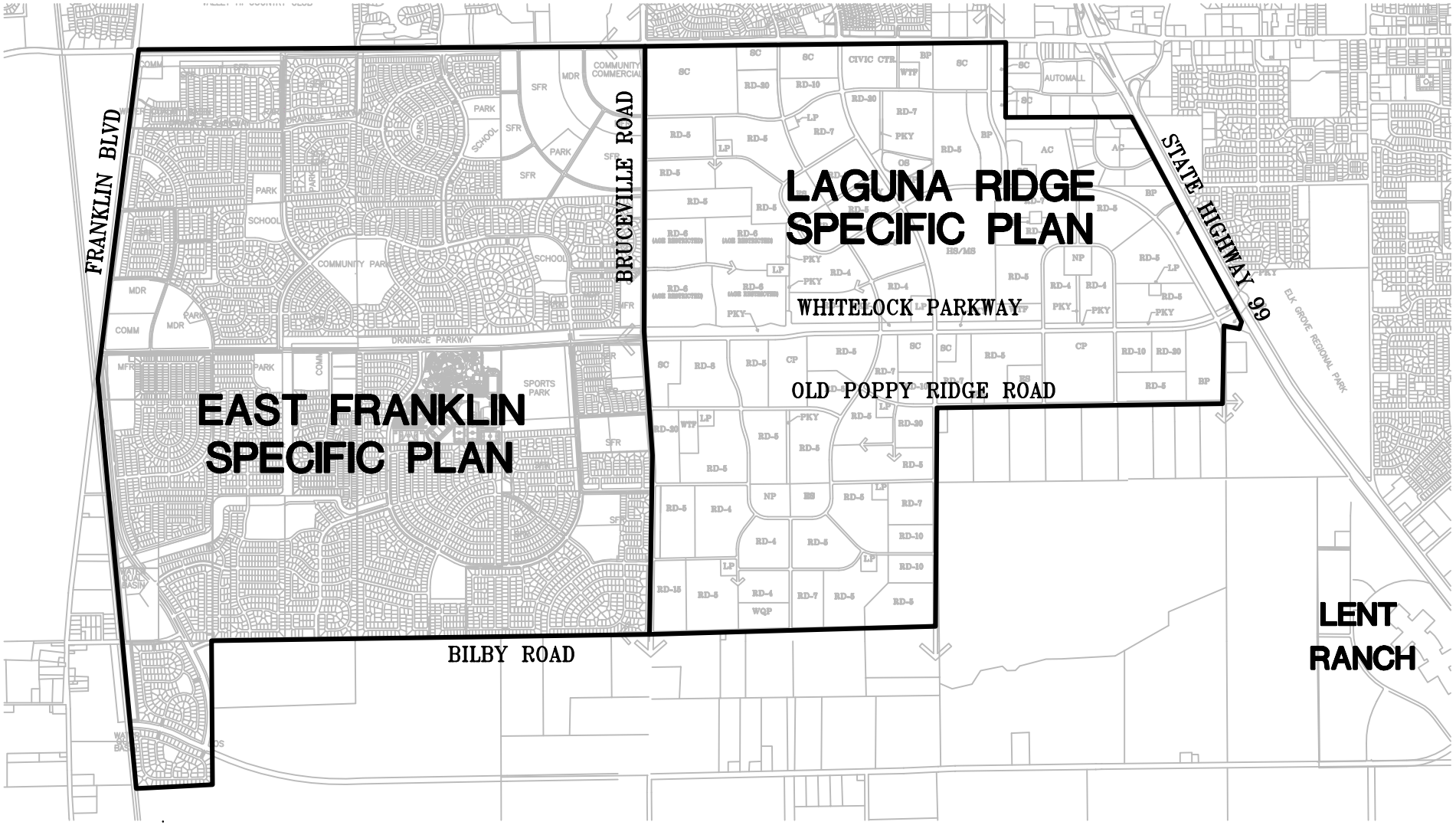

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LAGUNA RIDGE SPECIFIC PLAN

CITY OF ELK GROVE, CALIFORNIA

Map 2 - Local Area Map

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Table 1
Laguna Ridge Specific Plan Financing Plan
Summary of Backbone Infrastructure and Other Public Facility Costs at Buildout (2005 $)

Facility Type	Reference	Total Estimated Cost
BACKBONE INFRASTRUCTURE		
Roadways [1]		
On-site	Table A-2	$57,207,235
Off-site	Table A-2	$17,095,197
Roadways Total		**$74,302,432**
Drainage Facilities (includes Off-Site)	Table A-38	**$14,404,974**
Sewer		
Trunk Sewer	Table A-69	$9,425,666
Lift Stations and Force Mains	Table A-69	$4,962,594
Sewer Facilities Total		**$14,388,260**
Water (On-Site)	Table A-93	**$40,881,979**
Non-Potable Water	Table A-125	**$7,665,482**
Landscape Corridors	Table A-179	**$22,608,490**
SUBTOTAL INFRASTRUCTURE COSTS		**$174,251,617**
OTHER PUBLIC FACILITIES [2]		
Parks, Parkways, Open Space	Table A-171	$75,165,862
Community/Recreation/Aquatics Center	Table A-234	$50,000,000
Fire Protection	Table A-235	$23,429,514
Schools	Table A-236	$123,702,876
SUBTOTAL OTHER PUBLIC FACILITIES		**$272,298,252**
TOTAL		**$446,549,869**

"cost_summary"

Source: Wood Rodgers, Inc., Elk Grove CSD, and Elk Grove USD

[1] Includes center lanes, median, intersections, signals, bridges, as well as frontage (curb lanes).
[2] Library, transit, and other City capital facilities are funded through the City's Capital Facilities Fee Program and therefore are not shown on this table. Such facilities may or may not be located in the Laguna Ridge Specific Plan.

FINANCING STRATEGY, FEASIBILITY, AND IMPLEMENTATION

Financing Strategy

The Financing Plan is structured to ensure backbone infrastructure and other public facilities are constructed when necessary to serve development in the Specific Plan. The strategy of the Financing Plan is to:

- Construct all backbone infrastructure and other public facility costs needed to serve the entire LRSP and individual projects as they are phased.
- Have development fully fund all backbone infrastructure and other public facilities needed to serve the LRSP.
- Phase backbone infrastructure and other public facility improvements to ensure they are constructed when necessary for new development consistent with the City's growth management policy and the LRSP phasing policies.
- Utilize existing City, County, and other agency fee programs for backbone infrastructure funding.
- Establish the Laguna Ridge Fee Park Program (LRFP) to fund park, parkway, open space, and recreational facilities not funded through existing City, County, or other agency fee programs. This will require preparation of a nexus study to implement the park fee for the LRSP.
- Participate in a citywide or other area-wide fee program established to fund backbone infrastructure and other public facilities not funded through existing funding mechanisms.
- Permit the use of land-secured debt financing programs to provide up-front funding for needed backbone infrastructure and other public facilities where other funding sources are unavailable to provide sufficient funds concurrent with development demands.
- Ensure flexibility in financing mechanisms to accommodate different combinations of infrastructure timing and funding requirements.

The financing strategy was developed based on the following goals:

- Development shall fully fund and/or construct all infrastructure and public facilities needed to serve the entire LRSP and individual projects as they are phased.
- Make maximum use of "pay-as-you-go" funding mechanisms.
- Make appropriate use of public land-secured debt financing mechanisms.
- Build in flexibility to allow response to market conditions.

The financing strategy results in the greatest optimization of available revenue sources to meet the backbone infrastructure and public facilities requirements of the LRSP.

Table 2 shows the financing sources used to fund backbone infrastructure and other public facility improvements for LRSP buildout. As shown, the financing strategy includes utilization of:

- Existing development impact fee programs;
  - City;
  - County; and
  - EGUSD.
- Private or School District funding; and
- Other funding (State School Matching Program and others).

Existing City, County, and EGUSD fee programs will provide funding for storm drainage, sanitary sewer, water, roadways, library, transit, fire protection, and school facilities. Development impact fee revenues from other planning areas will also provide funding for storm drainage and off-site sewer facilities.

Other funding programs include funds from the State School Building Program and private funding. Private funding may be provided through equity or debt financing sources.

The proposed Laguna Ridge Fee Program (LRFP), once implemented, will provide funding for parks, parkways, recreation facilities and open space, which are not funded by existing City, County, EGUSD fees, or other funding sources.

The Financing Plan also proposes that one or more phases of the LRSP form a land-secured financing district such as a Mello-Roos Community Facilities District (CFD) or an Assessment District. Bond financing would be utilized to advance fund public improvements included in established fee programs, to pre-pay development impact fees, or to construct other eligible public facilities as necessary.

Financing Plan Implementation

Implementation of the Financing Plan would take place following Elk Grove City Council approval of the LRSP Financing Plan.

Table 2
Laguna Ridge Specific Plan Financing Plan
Sources and Uses at Buildout (2005 $) [1]

BUILDOUT

		Buildout Financing Sources									
		Existing Sacramento County Fee Programs [2]				**Existing City Fee Program [2]**			**LRSP Financing Sources [2]**		
		Fee Revenue Contributed by LRSP Development [3]									
Item	**Estimated Costs in 2005 $**	Drainage Fee Program Zone 11A	Sewer Fee Program CSD-1	Sewer Fee Program SRCSD	Water Fee Program Zone 40	Elk Grove Roadway Fee Program	**EGUSD Fee Program**	**Laguna South Fire Facilities Fee Program**	LRFP	Fin. District/ Private [4]	**School District/ Other [5]**
Roadways	$74,302,432	-	-	-	-	$44,954,735	-	-	-	$29,347,698	-
Drainage	$14,404,974	$7,099,281	-	-	-	-	-	-	-	$7,305,692	-
Trunk Sewer	$9,425,666	-	$6,922,009	-	-	-	-	-	-	$2,503,657	-
Lift Station & Force Mains	$4,962,594	-	$4,962,594	-	-	-	-	-	-	-	-
Water	$40,881,979	-	-	-	$31,497,171	-	-	-	-	$9,384,808	-
Non-Potable Water	$7,665,482	-	-	-	$6,862,042	-	-	-	-	-	$803,441
Landscape Corridors	$22,608,490	-	-	-	-	-	-	-	-	$22,608,490	-
Parks, Parkways, & Open Space	$75,165,862	-	-	-	-	-	-	-	$72,647,000	-	$2,518,862
Comm./Rec./Aquatics Center	$50,000,000	-	-	-	-	-	-	-	-	$25,000,000	$25,000,000
Fire Protection	$23,429,514	-	-	-	-	-	-	$10,641,595		-	$12,787,919
Schools	$123,702,876	-	-	-	-	-	$58,746,322	-	-	-	$64,956,554
TOTAL	**$446,549,869**	**$7,099,281**	**$11,884,602**	**-**	**$38,359,213**	**$44,954,735**	**$58,746,322**	**$10,641,595**	**$72,647,000**	**$96,150,345**	**$106,066,776**

"sources_uses_buildout"

Note: Cost estimate detail is in **Appendix A**, and existing development impact fee revenue calculations are in **Appendix C**.

[1] Costs of public land acquisition not included on this table.
[2] Some of these facilities may be funded through a special financing district, which could include either a Mello-Roos CFD or an Assessment District. The $25.0 million for the Comm./Rec./Aquatics Center will be CFD funded.
[3] Based on estimated fee revenue from LRSP development. It is possible that not all costs for a facility will be creditable/reimbursable through an agency's fee program. Any non-reimbursable costs would be handled through private financing.
[4] An example of private financing is that portion of the infrastructure cost that is not reimbursable through a fee program, such as the cost that exceeds scheduled reimbursements. The $25.0 million for the Comm./Rec./Aquatics Center will come from the proceeds of a land-secured financing district.
[5] Includes EGUSD Mello-Roos CFD and State funding for schools, funding from other planning areas for a particular infrastructure facility (e.g., fire facilities and parks, parkways, and open space), or other sources for non-potable water facilities and the Community/Recreation/Aquatics Center.

Implementation of the Financing Plan will require the following actions:

- Establish the Laguna Ridge Park Fee Program (for park, parkway, open space, and recreational facilities development costs);
- Establish City of Elk Grove CFD No. 2005-1 (for backbone infrastructure financing and maintenance of parks, parkways, open space, landscape corridors and medians);
- Annex LRSP development into City of Elk Grove Police Services CFD No. 2003-2;
- Annex LRSP development into the Street Maintenance District No. 1; and,
- Form or annex into an assessment district or other financing district to fund street light maintenance costs.

The City will also monitor the infrastructure CIP, development activity (including monitoring of the LRSP Infrastructure Phasing Checklist), identified revenue sources, and fee program cash flows. Based on this monitoring, the City will update the financing mechanisms (as necessary) to ensure the required infrastructure is constructed as required to serve development in the LRSP.

LAGUNA RIDGE FEE PROGRAM COST ALLOCATION METHODOLOGY

The basis for fees in the proposed LRFP will be a cost allocation methodology that will spread the cost of required infrastructure and other public facilities over the land uses that use such improvements. The cost allocation formulas in **Chapter IV** calculate the relative demand for an infrastructure facility for each particular land use based on dwelling unit equivalent (DUE) factors.

ORGANIZATION OF THE REPORT

In addition to the introduction and overview contained in this chapter, the Financing Plan contains the following chapters:

- **Chapter II** summarizes the proposed land uses in the LRSP;
- **Chapter III** identifies the public facilities and estimated facility costs anticipated for the LRSP;
- **Chapter IV** identifies all potential funding sources and describes the financing strategy for the various backbone infrastructure and other public facilities;
- **Chapter V** discussed funding sources for ongoing operation and maintenance costs in the LRSP;
- **Chapter VI** discusses the proposed LRFP public facility cost allocations; and
- **Chapter VII** describes implementation of the Financing Plan.

In addition to the text, Financing Plan contains the following appendices:

- **Appendix A** shows the detailed CIP for each backbone infrastructure and other public facilities required to serve new development in the LRSP;
- **Appendix B** contains the LRSP Infrastructure Phasing Checklist;
- **Appendix C** shows the estimated fee revenue for existing City, County, and other agency fee programs generated by new Specific Plan development;
- **Appendix D** contains estimated park, parkway, landscape corridor, and other open space maintenance costs;
- **Appendix E** contains DUE factors, cost allocations, and LRFP fee revenue estimates from LRSP document; and
- **Appendix F** contains a buildout estimate of Mello-Roos CFD special taxes, bonding capacity, and bond proceeds.

II. LAND USE

LAND USE ASSUMPTIONS

The LRSP encompasses approximately 1,900 acres of land and is located in the southwestern portion of the City. As shown in **Map 2**, the LRSP lies west of Highway 99, south of Elk Grove Boulevard, east of Bruceville Road and the EFSP, and north of Bilby Road and the area referred to as the "Southeast Study Area." **Map 3** shows the land use plan for the LRSP.

The LRSP land use plan includes a balanced mix of land uses that are organized and distributed in a logical manner that can be efficiently served by infrastructure. Single-family residential land uses have been distributed evenly throughout the LRSP. Multifamily residential development generally is located adjacent to arterial roadways and public transit opportunities and is in close proximity to commercial land uses. Community-oriented commercial and office uses generally have been directed toward Elk Grove Boulevard and State Route 99 to capitalize on the vehicular access and visibility provided by these major roadways. Neighborhood-serving commercial uses have been located off of Whitelock Parkway, which bisects the LRSP in an east-west direction. Park and school land uses have been located in the LRSP in each neighborhood to promote the use of non-vehicular modes of transportation.

Table 3 is the LRSP land use summary outlining Specific Plan acres and estimated residential units at buildout. As shown, the LRSP encompasses approximately 1,200 residential acres and is anticipated to contain approximately 7,767 residential units. At buildout, the LRSP will have approximately 6,650 single-family units, including approximately 640 age-restricted units, and approximately 1,110 multifamily units.

The Specific Plan also includes approximately 250 acres of commercial land use consisting of approximately 126 acres of shopping commercial use, 51 acres of office park use, and approximately 70 acres of auto commercial use.

The auto commercial use includes Phases I and II of the Elk Grove Automall (EGAM). EGAM Phase I (not in the LRSP) and EGAM Phase II are almost entirely built out as they were approved for development before the LRSP was approved. Because EGAM Phase II is almost entirely built out, estimates of fee revenues and certain cost allocations exclude the EGAM Phase II property.

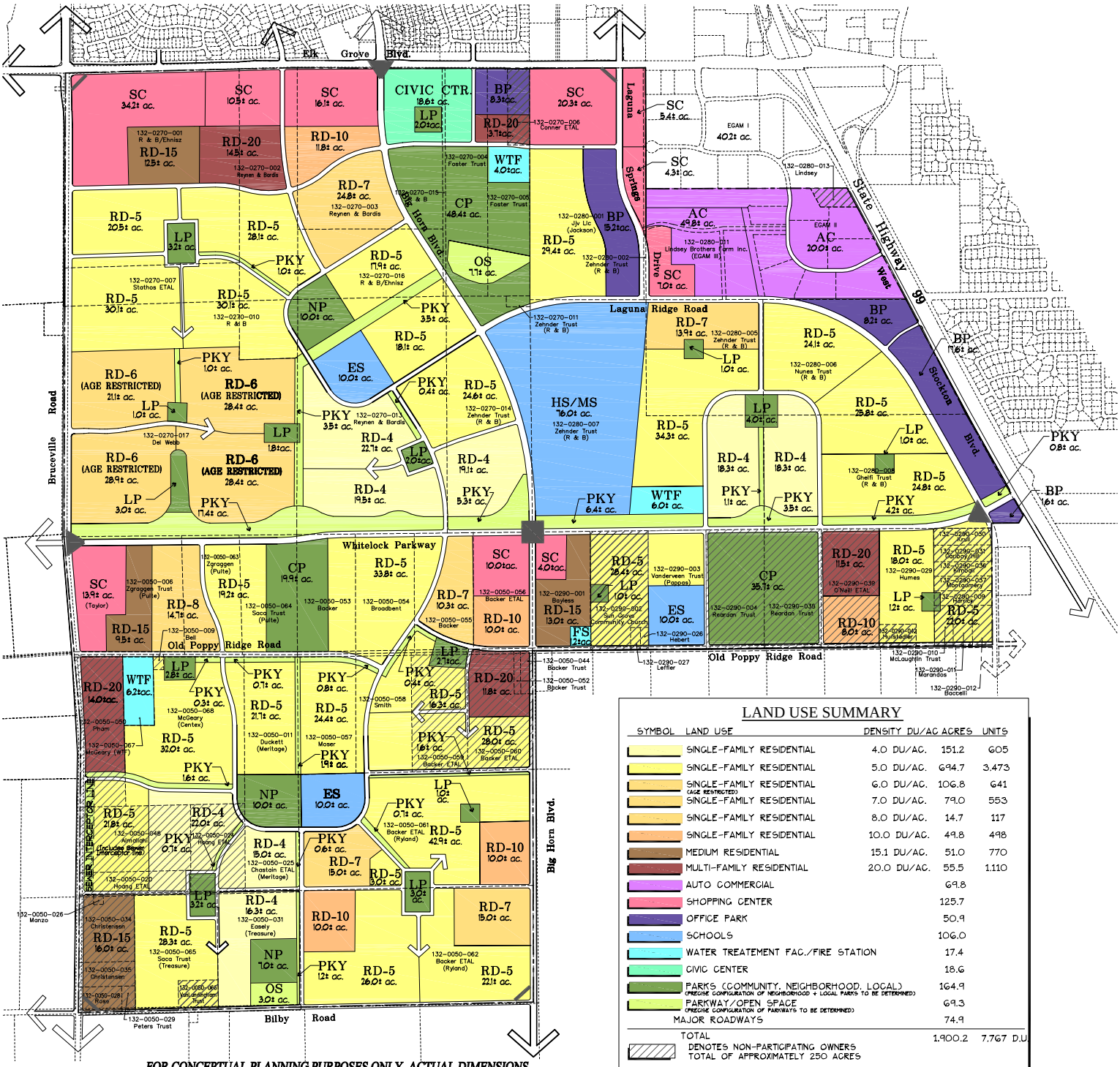
Table 3
Laguna Ridge Specific Plan Financing Plan
Land Use Summary

Land Use		Buildout: Gross Developable Acres [1]	Buildout: Residential Units or Non-Residential Sq. Ft.
Residential			
Single-Family	*estimated density*	1,040.4	6,016
Multifamily	20.0 du/acre	55.5	1,110
Age-Restricted	6.0 du/acre	106.8	641
Subtotal Residential		**1,202.7**	**7,767**
Nonresidential	*estimated FAR*		
Auto Commercial	0.175	69.8	532,085
Office	0.330	50.9	731,677
Shopping Commercial	0.237	125.7	1,297,175
Subtotal Nonresidential		**246.4**	**2,560,938**
Total		**1,449.1**	n/a
Public and Other Uses			
Schools		106.0	
Parks		164.9	
Parks (Parkways/Open Space)		69.3	
Major Streets (arterial roads)		74.9	
Water Treatment Facility/Fire Station		17.4	
Civic Center		18.6	
Total Public and Other Uses		**451.1**	
TOTAL (Acres and Units Only)		**1,900.2**	**7,767**

"land_use_summary"

Source: Wood Rogers, Inc., and the Laguna Ridge Specific Plan.

[1] Gross developable acres are net of school, park, open space, and major street acreage, but do not account for interior subdivision streets or any other public dedication requirements.



LAND USE SUMMARY

SYMBOL	LAND USE	DENSITY DU/AC	ACRES	UNITS
	SINGLE-FAMILY RESIDENTIAL	4.0 DU/AC.	151.2	605
	SINGLE-FAMILY RESIDENTIAL	5.0 DU/AC.	694.7	3,473
	SINGLE-FAMILY RESIDENTIAL (AGE RESTRICTED)	6.0 DU/AC.	106.8	641
	SINGLE-FAMILY RESIDENTIAL	7.0 DU/AC.	79.0	553
	SINGLE-FAMILY RESIDENTIAL	8.0 DU/AC.	14.7	117
	SINGLE-FAMILY RESIDENTIAL	10.0 DU/AC.	49.8	498
	MEDIUM RESIDENTIAL	15.1 DU/AC.	51.0	770
	MULTI-FAMILY RESIDENTIAL	20.0 DU/AC.	55.5	1,110
	AUTO COMMERCIAL		69.8	
	SHOPPING CENTER		125.7	
	OFFICE PARK		50.9	
	SCHOOLS		106.0	
	WATER TREATEMENT FAC./FIRE STATION		17.4	
	CIVIC CENTER		18.6	
	PARKS (COMMUNITY, NEIGHBORHOOD, LOCAL) (PRECISE CONFIGURATION OF NEIGHBORHOOD + LOCAL PARKS TO BE DETERMINED)		164.9	
	PARKWAY/OPEN SPACE (PRECISE CONFIGURATION OF PARKWAYS TO BE DETERMINED)		69.3	
	MAJOR ROADWAYS		74.9	
	TOTAL		1,900.2	7,767 D.U.

DENOTES NON-PARTICIPATING OWNERS
TOTAL OF APPROXIMATELY 250 ACRES

PRIMARY ENTRY FEATURE

CROSSROADS FEATURE

PROJECT EDGE FEATURE

NOTE: FOR CONCEPTUAL PLANNING PURPOSES ONLY. ACTUAL DIMENSIONS, ROAD ALIGNMENTS, ACREAGES AND YIELDS WILL VARY WITH MORE ACCURATE MAPPING AND DESIGN.

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LAGUNA RIDGE SPECIFIC PLAN

CITY OF ELK GROVE, CALIFORNIA

Map 3 - Land Use Map

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The remaining approximately 21.9 acres of EGAM Phase III will be built out in the future. The Specific Plan also includes approximately 165 acres of parks, 70 acres of parkways and open space, and 106 acres of elementary, middle, and high school uses, and a 19 acre civic center. The remaining acreage will be dedicated for infrastructure and roadway improvements.

SPECIFIC PLAN PHASES AND DEVELOPMENT AREAS

For the purposes of managing LRSP growth and identifying infrastructure required of new development projects and for backbone infrastructure phasing, the LRSP has been divided into four development phases—Phases I, II, III, and IV. **Map 4** shows each of the LRSP development phases, which are described in more detail in **Chapter IV.**

As shown in **Map 5**, land uses in each of the LRSP phases are further subdivided into "Development project areas" which generally coincide with individual projects or tentative subdivision maps, or in some cases, groups of smaller properties. Infrastructure requirements have been identified for each Development project area as shown in the LRSP Infrastructure Phasing Checklist. This Checklist and its purpose are discussed in **Chapter IV** of this Financing Plan.

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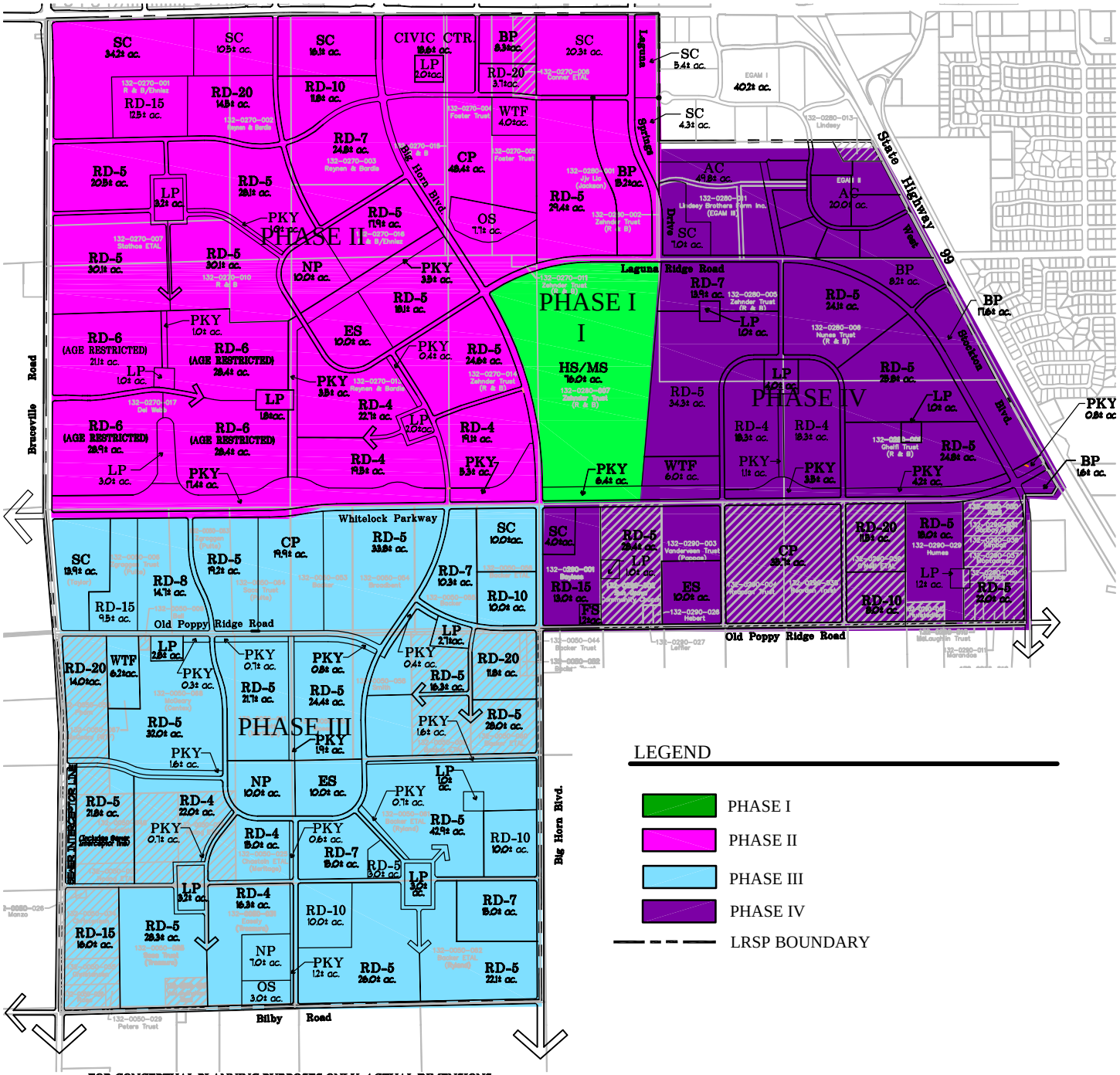

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LAGUNA RIDGE SPECIFIC PLAN

CITY OF ELK GROVE, CALIFORNIA

Map 4 - LRSP Phasing Plan

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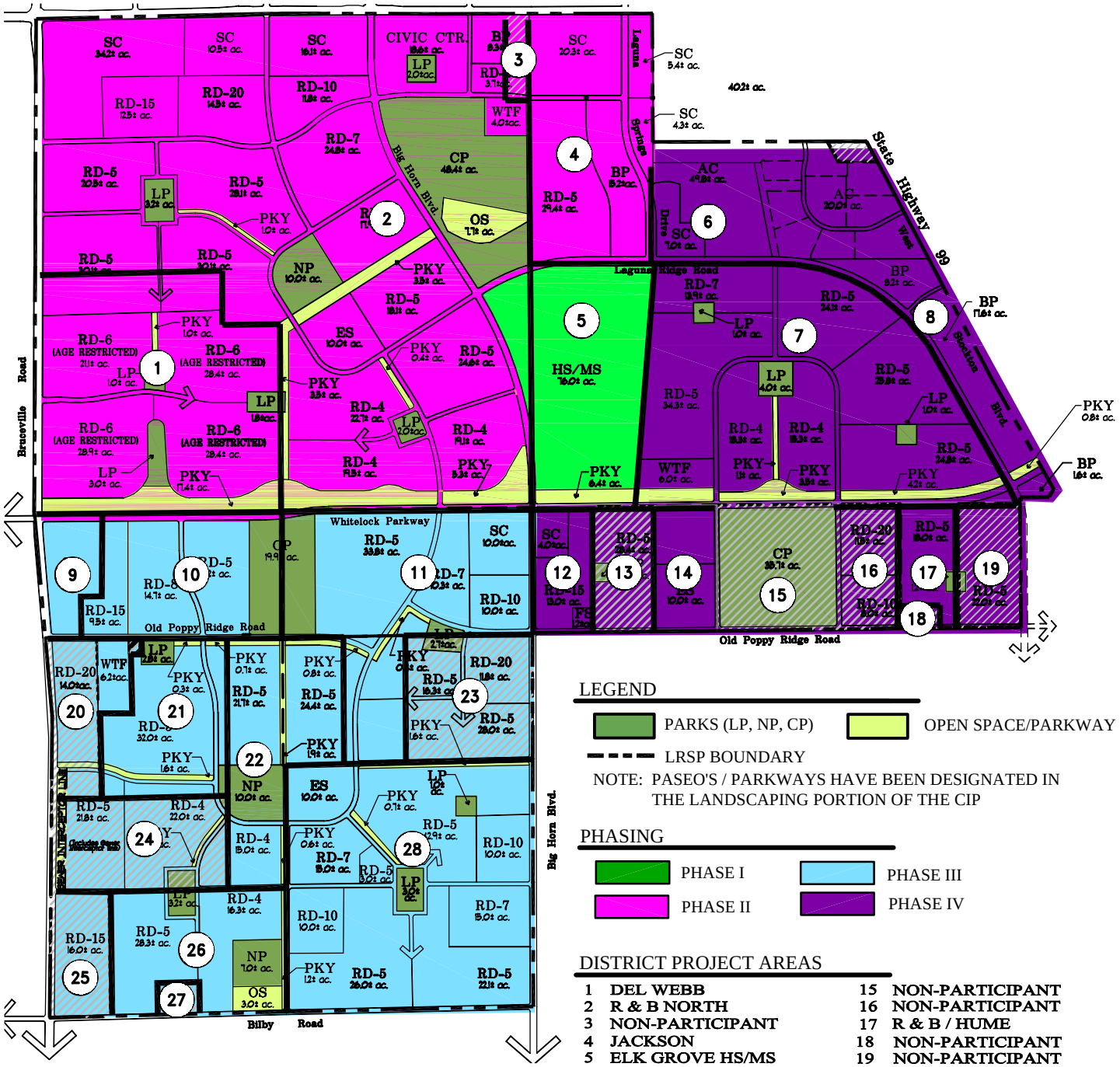

FOR CONCEPTUAL PLANNING PURPOSES ONLY. ACTUAL DIMENSIONS, ROAD ALIGNMENTS, ACREAGES AND YIELDS WILL VARY WITH MORE ACCURATE MAPPING AND DESIGN.

LEGEND

PARKS (LP, NP, CP)

OPEN SPACE/PARKWAY

LRSP BOUNDARY

NOTE: PASEO'S / PARKWAYS HAVE BEEN DESIGNATED IN THE LANDSCAPING PORTION OF THE CIP

PHASING

PHASE I

PHASE II

PHASE III

PHASE IV

DISTRICT PROJECT AREAS

1	DEL WEBB	15	NON-PARTICIPANT
2	R & B NORTH	16	NON-PARTICIPANT
3	NON-PARTICIPANT	17	R & B / HUME
4	JACKSON	18	NON-PARTICIPANT
5	ELK GROVE HS/MS	19	NON-PARTICIPANT
6	ELK GROVE AUTOMALL PH III	20	NON-PARTICIPANT
7	R & B EAST	21	CENTEX HOMES
8	ZEHNDER	22	MERITAGE HOMES
9	TAYLOR PROPERTIES	23	NON-PARTICIPANT
10	PULTE HOMES	24	NON-PARTICIPANT
11	R & B SOUTH	25	NON-PARTICIPANT
12	BAYLESS	26	TREASURE HOMES
13	SUN GROVE CHURCH	27	NON-PARTICIPANT
14	PAPPAS	28	RYLAND HOMES

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NORTH

0 1600

800 2400

LAGUNA RIDGE SPECIFIC PLAN

CITY OF ELK GROVE, CALIFORNIA

Map 5 - Project Areas by Phase

J:\Jobs\Laguna Ridge\Civil\Finance Plan 012805\Exhibits\2nd Submittal\Map 5 – Project Areas by Phase.dwg 2/16/05 2:15pm tparham

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III. BACKBONE INFRASTRUCTURE AND OTHER PUBLIC FACILITY COSTS

Buildout of the LRSP will require construction of backbone infrastructure including roadway, sewer, water, drainage, and a variety of other public infrastructure facilities. This chapter discusses all of the required backbone infrastructure and other public facilities and provides the estimated costs associated with each.

As shown in **Table 4**, LRSP backbone infrastructure and other public facility costs total approximately $446.6 million at buildout.

As will be discussed in **Chapter V**, many of the major backbone infrastructure costs will be funded through existing City, County, and other agency fee programs. A portion of backbone infrastructure and other public facilities will also be financed with Mello-Roos CFD bond proceeds.

BACKBONE INFRASTRUCTURE AND OTHER PUBLIC FACILITY COSTS

The costs of major backbone infrastructure and other public facilities were estimated by Wood Rodgers, Inc., as well as the City and the EGUSD. The following section briefly describes the estimated cost and anticipated phasing for each of the major public infrastructure improvements. **Appendix A** contains detailed CIP for the backbone infrastructure and other public facilities required to serve the LRSP.

ROADWAYS

The development of new residential, office, and other commercial land uses in the LRSP will generate vehicular trips and the need for additional roadway capacity to maintain adequate levels of service. Wood Rodgers Inc., City staff, and engineering consultants for the LRSP designed roadway improvements according to City General Plan policy guidelines requiring a minimum Level of Service (LOS) D. The California Department of Transportation requires all freeways and freeway ramps be designed to a minimum LOS D. Although designed to the LOS standards outlined above, many roadways will experience higher levels of service. The LOS will vary by roadway segment, intersection, and freeway lane/ramp in the LRSP. The LRSP EIR contains LOS requirements for specific roadways in the LRSP.

Table 4
Laguna Ridge Specific Plan Financing Plan
Summary of Backbone Infrastructure and Other Public Facility Costs at Buildout (2005 $)

Facility Type	Reference	Total Estimated Cost
BACKBONE INFRASTRUCTURE		
Roadways [1]		
On-site	Table A-2	$57,207,235
Off-site	Table A-2	$17,095,197
Roadways Total		**$74,302,432**
Drainage Facilities (includes Off-Site)	Table A-38	**$14,404,974**
Sewer		
Trunk Sewer	Table A-69	$9,425,666
Lift Stations and Force Mains	Table A-69	$4,962,594
Sewer Facilities Total		**$14,388,260**
Water (On-Site)	Table A-93	**$40,881,979**
Non-Potable Water	Table A-125	**$7,665,482**
Landscape Corridors	Table A-179	**$22,608,490**
SUBTOTAL INFRASTRUCTURE COSTS		**$174,251,617**
OTHER PUBLIC FACILITIES [2]		
Parks, Parkways, Open Space	Table A-171	$75,165,862
Community/Recreation/Aquatics Center	Table A-234	$50,000,000
Fire Protection	Table A-235	$23,429,514
Schools	Table A-236	$123,702,876
SUBTOTAL OTHER PUBLIC FACILITIES		**$272,298,252**
TOTAL		**$446,549,869**

"cost_summary"

Source: Wood Rodgers, Inc., Elk Grove CSD, and Elk Grove USD

[1] Includes center lanes, median, intersections, signals, bridges, as well as frontage (curb lanes).
[2] Library, transit, and other City capital facilities are funded through the City's Capital Facilities Fee Program and therefore are not shown on this table. Such facilities may or may not be located in the Laguna Ridge Specific Plan.

Cost Estimates

The proposed LRSP roadway improvements include major thoroughfares, arterials, collector, and residential streets designed to meet anticipated travel demand of LRSP land uses. Wood Rodgers Inc. provided the roadway improvement cost estimates, which total approximately $74.3 million at LRSP buildout. Costs identified include roadway related improvements adjacent to, and in the LRSP. **Table A-2** in **Appendix A** shows the proposed roadway CIP for the LRSP.

Roadway improvement costs included in the Financing Plan include both on- and off-site roadway facilities. On-site roadway facilities are those included in and adjacent to LRSP boundaries. Off-site roadway facilities include roadway improvements required as mitigation measures for the LRSP that are not within the Specific Plan boundaries.

On and off-site roadway improvement costs detailed in the Financing Plan include, but are not limited to, the following items:

- Center lanes and medians (for thoroughfares and arterials);
- Curb lane improvements (for thoroughfares and arterials);
- Bridges;
- Intersections;
- Signalization;
- Signage and Striping;
- Storm drainage;
- Freeway-related improvements.

The roadway improvement CIP includes both costs that are and are not reimbursable through the existing Citywide Elk Grove Roadway Fee Program. Examples of non-reimbursable costs include roadway frontage or curb lanes, which are financial the responsibility of adjacent development.

<u>On-Site Roadway Improvements</u>

On-site roadway improvements for the LRSP, which total approximately $57.2 million at buildout, include the types of roadway improvement costs outlined for the following roadways:

- Elk Grove Boulevard;
- Bruceville Road;
- Big Horn Boulevard;
- Whitelock Parkway;

- Bilby Road;
- Laguna Springs Drive; and
- Laguna Ridge Road.

Off-Site Roadway Improvements

Off-site roadways for the LRSP include those identified as mitigation measures in the LRSP EIR. Off-site roadway costs, which total approximately $17.1 million, include improvements in the following roadways:

- Highway 99/Elk Grove Boulevard southbound off-ramp widening;
- Bruceville Road (improvements from Elk Grove Boulevard to Laguna Boulevard);
- Bruceville Road (improvements from Laguna Boulevard to Big Horn Boulevard);
- West Stockton Boulevard (east and south of the Specific Plan);
- Traffic signal phasing (Laguna Boulevard and Bruceville Road and Laguna Boulevard and Franklin Boulevard);

An itemized listing of off-site improvements is included in the roadway CIP in **Appendix A**.

STORM DRAINAGE

The Sacramento County Water Agency Zone 11A administers the fee program that provides funding for LRSP storm drainage facilities. The LRSP Storm Drainage Master Plan, prepared by Wood Rodgers Inc., was developed using Sacramento County Water Agency Zone 11A guidelines.

Storm drainage facilities (identified in **Table A-39** in **Appendix A**) that are required for development of the LRSP include these:

- Storm drainage pipelines;
- Storm drainage channels;
- Storm drainage box culverts; and
- Detention and water quality basins.

The LRSP is in part of two larger watersheds that drain to the Beach Stone Lakes area called Beach Stone Lakes Local Areas B and C, referred to in the Financing Plan as the Central Drainage Shed (Local Drainage Area B) and the South Drainage Shed (Local Drainage Area C). Storm drainage runoff from the LRSP in the Central Drainage Shed

(Central Shed) runs in a westerly direction through the LRSP and EFSP where it is ultimately discharged in the Beach Stone Lakes area. Storm drainage runoff from the LRSP in the South Drainage Shed (South Shed) runs in a southwesterly direction also ultimately draining in the Beach Stone Lakes area.

Drainage costs in the Financing Plan are based on the most recent drainage cost information available and unit prices utilized in the Sacramento County Water Agency Zone 11A reimbursement programs. The estimated facilities costs include construction costs plus a 35 percent allowance for surveys, engineering design, and contingencies. Zone 11A will reimburse up to eight percent of the construction costs for engineering and design costs. The remainder of the difference between estimated costs and reimbursable costs, if applicable, will be borne by the developer without remedy.

Zone 11A drainage costs include the following facilities:

- Storm drainage pipelines draining more than 30 acres;
- Permanent detention and water quality basins including landscaping; and
- Drainage channel construction (excavation and fencing).

The cost of acquiring the LRSP land in which the drainage channels will be constructed has not been included in the CIP as land acquisition will be dealt with privately by the LRSP landowners.

In addition to the cost of ultimate storm drainage solutions shown in the Financing Plan, development in LRSP may require interim drainage solutions depending the location and pace of new development. Interim drainage solutions may be utilized where permitted by the Sacramento County Water Agency and the City. As such interim solutions are not identified at this time; the Financing Plan provides that such costs would be privately borne.

Cost Estimate

Wood Rodgers Inc. provided the storm drainage improvement cost estimates, which total approximately $14.4 million at buildout for onsite drainage improvements. **Table A-39** in **Appendix A** shows the proposed storm drainage CIP facilities for the LRSP. Storm drainage costs are separated by drainage shed (central and southern).

<u>On-Site Storm Drainage Facilities</u>

Central shed drainage improvements include pipelines and channel construction. The channel construction is a major conveyance facility to drain future developed LRSP lands. Channel construction also includes channel parkway grading and landscaping.

Southern shed drainage improvements include pipelines, channel construction and a combination detention/water quality basin in the southern area of the LRSP. The channel is mainly needed to route existing upstream flows through the LRSP and is not intended to convey LRSP developed flows. Channel construction includes landscaping.

Off-Site Storm Drainage Facilities

Central shed off-site storm drainage facilities required to serve the LRSP include the downstream portions of the central drainage channel. These costs include Zone 11A–eligible facilities and the drainage channel land acquisition cost (currently acquired in the EFSP through the East Franklin Supplemental Drainage Fee). Because all of the off-site central drainage facilities that serve both East Franklin and the LRSP have been completed, the Financing Plan does not include any of these off-site costs.

The East Franklin Supplemental Drainage Fee was established to fund the drainage channel land acquisition for the north, central, and southern drainage sheds. The north drainage shed is wholly contained in the East Franklin Specific Plan. The south drainage shed is wholly contained in the LRSP. Only the central drainage shed contains land in both the EFSP and LRSP. When the East Franklin Supplemental Drainage Fee was created, drainage channel land acquisition was funded through separate supplemental drainage fees for the north and central drainage sheds.

Because the LRSP was not an approved project, only the East Franklin central drainage channel land acquisition costs were allocated to East Franklin central shed land uses. The East Franklin Supplemental Drainage Fee was adopted with the expectation that upon LRSP approval and development, the EFSP and LRSP central drainage shed land acquisition costs would be combined and allocated over all benefiting EFSP and LRSP central drainage shed land uses.

The Financing Plan proposes separating the EFSP and LRSP costs by specific plan area for purposes of central drainage channel land acquisition. The proposal to keep the drainage channel land acquisition costs separate is based on the following factors:

- Faster than anticipated EFSP buildout;
- Delayed LRSP approval and development; and
- Rapidly escalating land values.

Based on the above factors, the Financing Plan strategy is for drainage channel land acquisition to be accomplished through a private agreement between LRSP landowners.

Southern Shed off-site improvements are identified in **Table A-40** in **Appendix A**. Off-site improvements include the construction of approximately 3,850 feet of drainage channel south through undeveloped lands to a point upstream of the intersection of

Kammerer Road at Bruceville Road. Estimated off-site costs include channel excavation and landscaping. Off-site costs for the Southern Shed total approximately $0.7 million.

SANITARY SEWER

The Elk Grove General Plan requires that all residential land uses developing at greater than one-half dwelling unit to the acre, plus all commercial and industrial land uses, must be served by the public sanitary sewer system. The LRSP does not currently contain required sanitary sewer facilities to serve new development.

As the LRSP is located in the Sacramento County Sanitation District No. 1 (CSD-1) and the Sacramento County Regional Sanitation District (SCRSD), new development in the LRSP will receive sanitary sewer service from these providers.

CSD-1 is responsible for local sewer collection facilities (trunk sewers with capacity of 1.0 to 10.0 million gallons per day (mgd). SRCSD is responsible for the interceptor sewer collectors (sanitary sewers with flows exceeding 10.0 mgd) and treatment of wastewater.

In the November 2000 Sanitary Sewer Master Plan, Wood Rodgers Inc. planned sanitary sewer service to the LRSP in accordance with Sewerage Master Plans prepared by CSD-1 and SRCSD. Ultimately, the LRSP and adjacent EFSPA will connect to a major SRCSD interceptor line (the South Interceptor Sewer) that leads to the Sacramento Wastewater Treatment Plant. The South Interceptor Sewer is currently programmed by SCRSD for construction after the year 2014.

Interim sewer facilities are required to effectively serve buildout of the LRSP (and EFSP). Sanitary sewer cost estimates included herein include both interim and ultimate sanitary sewer facilities. Sanitary sewer facilities will be funded through existing SRCSD and CSD-1 fee programs and developer private funding.

The Plan Area is divided into two major sewer shed areas, the Northern Shed (Sub-Shed A) and the Southern Shed (Sub-Shed B). When the Northern Shed is fully built out, it will discharge 6.8 mgd, peak wet weather flow. The Southern Shed will discharge 10.6 mgd peak wet weather flow when combined with buildout of all planned upstream areas east and south of the LRSP.

Cost Estimate

Wood Rodgers, Inc. provided the sanitary sewer improvement cost estimates, which total approximately $14.4 million at buildout. **Table A-70** in **Appendix A** shows the proposed sewer CIP for the LRSP. Sanitary sewer improvements include these items:

- Trunk sewers;
- Interim sewage lift stations and force mains; and
- Odor control facilities.

On-site ultimate sewer costs have been estimated based on the LRSP Sewer Master Plan. Interim sewer costs have been estimated based on the LRSP sewer master plan and various sources of information. On-site and off-site categories of sanitary sewer costs are summarized as follows.

On-Site Sanitary Sewer Facilities

On-site ultimate sewer facilities include the construction of trunk sewer facilities, lift stations, and force mains as shown in **Table A-70** in **Appendix A**. Trunk facilities are funded by CSD-1 and collector facilities are funded by the developer. The trunk facilities in the northern shed range from 15" to 27" diameter and sewer only on-site development. The trunk facilities in the southern shed range from 15" to 33" diameter and sewer both on-site and future off-site developed lands to the east and south. On-site trunk sewer facilities total approximately $9.4 million. Costs for sewer collectors are not quantified in the Financing Plan as these costs are assumed to be privately funded.

On-site interim sewer facilities are shown in **Table A-70** in **Appendix A**. On-site interim sewer facilities include the construction of two sewer lift stations: one to serve the northern sewer shed and another to serve the southern sewer shed. These lift stations will be connected to existing CSD-1 facilities near the intersection of Bruceville Road and Laguna Boulevard with parallel 12" and 16" sewer force mains. The on-site force main construction is in Bruceville Road along the west boundary of the LRSP. On-site interim sewer facilities total approximately $5.0 million.

Off-Site Sanitary Sewer Facilities

There are several off-site ultimate sewer facilities needed to serve the LRSP. These include a relatively short section of 27"trunk sewer (LRSP northern shed), the South Interceptor and a proposed regional sewer lift station near the intersection of Elk Grove Boulevard and Franklin Boulevard. The south interceptor is a proposed 36" to 42" diameter sewer that extends from the west boundary of the LRSP west and north to the SCRSD Regional Treatment Plant. This south interceptor will be constructed by SCRSD. Note that construction of off-site ultimate sewer facilities identified herein provides sewer service to a very large service area of which the LRSP is only a portion. As a result, off-site ultimate sewer costs have not been included in the Financing Plan.

Off-site interim sewer facilities, which are being constructed in Bruceville Road from Elk Grove Boulevard north to Laguna Boulevard, were completed as a combined project

with the EGUSD. **Map A-6** in **Appendix A** shows the location of off-site interim sewer facilities. Off-site interim sewer facilities include construction of the 12" and 16" force mains, a short section of gravity sewer and an odor control facility.

Under the combined developer-EGUSD project, separate interim force main systems are being constructed to serve the EFSP and LRSP. Although the interim force mains are separate, the two plan areas are sharing the cost of an odor control facility and a small section of gravity sewer. The cost of the interim force mains and odor control facility are included in the sewer facilities CIP.

WATER

The Elk Grove General Plan and state law requires that new development areas provide solutions to the water needs of the area before approval of any land use entitlements. Specifically, the City requires that residential subdivisions greater than one quarter dwelling unit to the acre be served by a public water system. Water facility solutions need to identify long-term water supply alternatives, as well as the major water supply, treatment, and distribution facilities needed to service the development projects in the project area.

The LRSP is within the boundaries of the Sacramento County Water Agency (SCWA) Zones 40 and 41. Zone 40 will serve as the water wholesaler while Zone 41 will operate and maintain the distribution system in the LRSP. Proposed water transmission and distribution facilities will be developed in accordance with SCWA's standards for the water systems improvements.

Zone 40 was created in 1984 in the area of Sacramento County between the American and Consumnes Rivers in accordance with SCWA's Ordinance 18 for the purpose of planning, constructing, and maintaining water facilities in the Zone. SCWA Ordinance 18 provides that water development fees and user charges collected pursuant to the ordinance shall not be used for operation and maintenance expenses for major facilities. Accordingly, the responsibility for operation and maintenance of water facilities in Zone 40 is assigned to Zone 41, which finances its operations through user charges (water rates).

Water facilities design, included in the LRSP Water Master Plan prepared by Wood Rodgers Inc., has been completed based on Sacramento County Water Agency Zone 40 requirements. The LRSP Water Master Plan, summarized below, identifies required LRSP water facilities as well as the estimated costs and phasing.

Cost Estimates

Wood Rodgers Inc. provided the on-site water improvement cost estimates, which total approximately $40.9 million at buildout. **Table A-94** in **Appendix A** shows the proposed water CIP for the LRSP. Water facility improvements in the Water Master Plan include on-site water facilities. The current master-planned wells, treatment, and storage facilities in Laguna Ridge provide the majority of potable water supply and storage for the LRSP, EFSP, Lent Ranch Marketplace SPA, and other future undeveloped areas. Therefore, ultimate on-site water system costs benefit an area much larger than the LRSP.

Three treatment and storage facilities have been planned in the LRSP. Specific water facilities needed to provide domestic water and fire protection service to the LRSP and surrounding areas include these:

- Water Wells and Raw Water Mains;
- Water Treatment/Storage; and
- Water Transmission main facilities.

Water facility cost estimates are based on unit prices utilized in County reimbursement programs and the best available information. The facilities costs include construction costs plus a 35 percent allowance for surveys, engineering design, materials and inspection, and contingencies.

On-site Water Facilities

On-site ultimate water facilities are shown in **Table A-94** in **Appendix A**. On-site water facilities include three treatment and storage facilities supported with well fields. Transmission mains connect these facilities and tie into existing facilities in Elk Grove Boulevard. As stated previously, the on-site water facilities proposed in the LRSP provide service to LRSP, EFSP, Lent Ranch Marketplace SPA, and other future developed areas in the area.

On-site water treatment and storage facilities include the following facilities:

- Poppy Ridge Facility (existing);
- Laguna Ridge Facility; and
- Big Horn Facility.

The Poppy Ridge Facility is located in the west central area of the LRSP and is supported by six wells and ultimately planned for approximately 13.0 mgd capacity with 7.0 million gallons of storage. The Laguna Ridge Facility is located in the east central area of the LRSP and is supported by four wells and ultimately planned for

approximately 6.7 mgd of capacity with 2.0 million gallons of storage. The Big Horn Facility is located in the northern area of the LRSP and is supported by seven wells and ultimately planned for 13.0 mgd capacity with 2.0 million gallons of storage. Laguna Ridge groundwater supply and distribution is described on Table 7-2 of the *Laguna Ridge Specific Plan Area Study*, dated January 30, 2002. Because the water well locations have not been approved by the appropriate agencies (Zone 40 and the City), they are subject to change.

The Big Horn facility and wells have been proposed to replace the existing well system located north of Elk Grove Boulevard as the existing system would need to be upgraded for new arsenic treatment standards by 2006. Rather than retrofit the existing system, Zone 40 is instead proposing to use the Big Horn facility as a replacement facility. Transmission mains ranging from 16" to 24" diameter have been identified in most of the arterial roads around and through the LRSP. On-site ultimate water system costs total approximately $40.9 million.

Off-Site Water Facilities

Off-site water facilities have not been identified. They are not required for buildout of the LRSP.

NON-POTABLE WATER

The Sacramento County Water Agency requires that the LRSP provide non-potable water service to serve development in the Specific Plan. The non-potable water is taken from the SCRSD Regional Wastewater Treatment Plant. The non-potable water is intended to be used for irrigation of recreational and landscape corridors. The Sacramento County Water Agency (Zone 40) and the Sacramento County Water Maintenance District will operate and maintain non-potable water facilities once installed.

Non-potable water facilities design and cost estimates have been prepared based on Sacramento County Water Agency Zone 40 requirements and unit prices. The LRSP Water Master Plan, summarized below, identifies required LRSP non-potable water facilities as well as the estimated costs.

Cost Estimates

Wood Rodgers Inc. provided the on-site ultimate non-potable water improvement cost estimates, which total approximately $7.7 million at buildout. **Table A-126** in **Appendix A** shows the proposed on-site ultimate non-potable water CIP for the LRSP. There is a proposed off-site system in EFSP that will deliver non-potable water to the LRSP.

Specific on-site facilities needed to provide non-potable water service to development in the LRSP include Recycled Water Transmission facilities.

On-site ultimate non-potable water facility cost estimates are based on unit prices utilized in Subzone A of the Zone 40 Fee Ordinance. The facilities costs include construction costs plus a 35 percent allowance for surveys, engineering design, materials and inspection, and contingencies. The County Zone 40 Subzone A fee structure provides reimbursement for non-potable water facilities.

Off-Site Non-Potable Water Facilities

The cost for the off-site non-potable system (portion of the system in EFSP) is based on the non-potable water cost estimates in Subzone A of the Zone 40 Fee Ordinance. The ability of the LRSP to utilize the non-potable water system will depend on completing the off-site non-potable water transmission facilities in the EFSP.

PARKS, PARKWAYS, OPEN SPACE, AND RECREATION FACILITIES

The LRSP includes approximately 235 acres of parks, parkways, and open space. The approximate acreage associated with each category is itemized below.

- 165 acres of parks;
- 68 acres of parkways (including the Grand Parkway and adjacent drainage channel corridor); and
- 11 acres of open space.

Development of approximately 165 active park acres in the LRSP equates to approximately 7.3 park acres for every 1,000 residents. Including parkways and other open space areas, the total park, parkway, and open space area equates to over 10 acres per 1,000 residents. Multiple types of recreation facilities will be included throughout the parks, parkways, and open spaces of the LRSP; however, some open space areas may prohibit the inclusion of recreation facilities.

The Specific Plan requires that park, parkway, and open space lands be dedicated to the City. Park, parkway and open space land dedication requirements will not be included with the costs to develop such facilities. The City requires the balancing of over- and under-dedication of park, parkway, and open space land be the burden of LRSP developers. The City does not intend to adopt a Quimby fee for LRSP park and parkway land. In addition to land dedication requirements, City standards require provision of on-site improvements to parks, parkways, and open space areas (e.g., drainage channel corridor). The City will administer the development of park,

parkways, and open space as well as the ongoing maintenance requirements for such facilities.

Cost Estimates

The City and its consultants developed the park, parkway, and open space development CIP for the LRSP. The Financing Plan contains preliminary draft cost estimate of $75.2 million at buildout for parks, parkways, open space, and other recreation facilities. **Tables A-171** through **A-178** show the information used to calculate the preliminary draft cost estimate.

It is important to note the Financing Plan cost estimates are preliminary draft cost estimates at this time. For example, there are several regional-serving recreation and entertainment facilities, which will be located within the LRSP, for which LRSP development will have a cost share. At this time, the ultimate mix of funding sources and the LRSP cost share for such regional-serving facilities has not been determined. Consequently, this Financing Plan includes placeholder numbers for the share of costs for regional-serving facilities that will be allocated to LRSP development.

When the City prepares the LRFP development impact fee nexus study, the park, parkway, and open space CIP and associated cost estimates will be updated. At that same time, the cost share for regional-serving facilities will be calculated in order to establish the park fee for new development. The LRFP will include the LRSP, the existing EGAM, and the Lent Ranch SPA. **Map 15** in **Chapter VII** shows the proposed boundaries of the LRFP.

The Laguna Ridge Park Fee Program will be the successor fee program to the Laguna South Public Facilities Fee Program for Lent Ranch and will also be the successor fee program to the interim Laguna Ridge/Poppy Ridge Park and Landscape Corridor Fees for the EGAM (Note: Lent Ranch must also complete its own Financing Plan). At this time, the LRFP will not include the Southeast Study Area. Park requirements and associated development costs for the Southeast Study Area will be determined if and when this area is planned for development. In the future, once park requirements, development costs, and land uses are known, the Southeast Study Area may be included in the LRFP. The City is considering consolidating various plan-area park fee programs. The LRFP ultimately may be included in this consolidation.

<u>Parks</u>

Park cost estimates include both communitywide facilities as well as neighborhood facilities. Community wide facilities include some items that benefit an area larger than just LRSP development (e.g., Citywide recreation and other facilities and the Bartholomew Sports Park). Consequently, LRSP development is only allocated a share of the total cost for Citywide recreation and other facilities and the Bartholomew Sports

Park. Community park and neighborhood park facilities are 100 percent LRSP development's responsibility. The park cost estimates were prepared by the City's consultant, The HLA Group.

Communitywide Facilities

As shown on **Table A-171**, the total estimated cost for communitywide facilities is $37.2 million. This cost estimate includes costs for the following items:

- Community Parks;
- Citywide Recreation and Other Facilities;
- Bartholomew Sports Park; and
- Other Costs.

Table A-172 shows the estimated $31.1 million in cost for approximately 100 acres of community parks within the LRSP. This cost includes full park development of the three LRSP community parks. **Table A-173** shows the estimated $5.7 million for the citywide recreation and other facilities, which will be located within the LRSP, for which LRSP development will have a cost share. Citywide recreation and other facilities within the LRSP include the following items:

- Community Amphitheatre cost;
- Interactive Water Feature;
- Parking and Restrooms in Citywide Facilities; and
- Other Citywide Facilities costs.

At this time, the Financing Plan includes a placeholder number of 50 percent for the LRSP cost share for such facilities, which equates to approximately $2.9 million. The cost estimates and cost shares will be refined with more information regarding the ultimate mix of funding sources for these facilities.

Table A-174 shows the $2.3 million share of the Bartholomew Sports Park costs allocable to the LRSP based on information contained in the City's East Franklin Park Fee Update Nexus Study dated April 4, 2005.

Other communitywide facilities costs, which total approximately $900,000, include the park master plan and design work, LRFP update costs, and a one percent contingency.

The citywide recreation and other facilities list and cost estimate above does not include the planned Community/Recreation/Aquatics center that will be in the LRSP. This item

is included elsewhere in the Financing Plan with its own capital improvement program designation.

Neighborhood Facilities

Table A-171 also shows the estimated $19.6 million in neighborhood facilities costs. As shown in **Table A-175**, the estimated cost for approximately 65 acres of local and neighborhood parks totals approximately $19.4 million. This cost estimate includes full local and neighborhood park development costs, but does not include any roadway frontage adjacent to any of the parks. The construction and financing of such roadway frontages adjacent to parks will be private development's responsibility and may be subject to a private cost share agreement. Approximately $200,000 in cost for a master central controller system and one percent contingency are also included in the total neighborhood facilities costs.

Parkways and Open Space

In addition to communitywide and neighborhood park and recreation facilities, the Financing Plan also includes development costs for parkways and open space. As shown in **Table A-171**, cost estimates are included for Grand Parkway, all other parkways, and open space areas.

Grand Parkway

A unique LRSP feature is the Grand Parkway, which will be developed along the north side of Whitelock Parkway from Bruceville Road to Big Horn Boulevard. In addition to parkway improvements, the Grand Parkway includes storm drainage conveyance via the central drainage channel. Cost estimates for the Grand Parkway, which total approximately $6.0 million, include the following items:

- Parkway landscaping and irrigation;
- Bikeway/Trail/Pedestrian Pathways; and
- Drainage Channel Corridor landscaping.

Parkways (including Open Space)

The approximately 44 acres of LRSP parkways (acreage excluding the Grand Parkway) will be designed and completed based on City-approved design guidelines. The estimated $12.2 million in parkways and open space costs include the following improvements:

- Parkway landscaping;
- Bikeways, Trails, and Pedestrian Pathways;
- Pedestrian Bridges; and
- Open Space Agricultural Well.

In addition, a 1-percent contingency is included in the parkway and open space cost estimate.

As stated above, LRSP park, parkway, and open space development costs will be funded through the LRFP. The LRFP park fee nexus study will be completed based on the LRSP park, parkway, and open space CIP as determined by the City. Upon further analysis of park improvements and the associated benefiting land uses, the City may calculate the park fee using different assumptions than those used in the Financing Plan. The City reserves the right to modify the facilities, costs, boundaries of the fee program, and cost allocation methodology for the proposed LRSP park fee. Each of these items will be clearly identified in the City's park fee nexus study for the LRSP.

LANDSCAPE CORRIDORS

Similar to the EFSP, the LRSP Financing Plan includes landscape corridor costs for the Specific Plan area. Because the City does not intend to fund landscape corridor improvements through a development impact fee program, the Financing Plan currently assumes landscape corridor costs will be privately constructed and financed. The City may consider using fee program funding for landscape corridor improvements adjacent to nonresidential development and school sites.

Cost Estimates

HRP LanDesign provided the landscape corridor cost estimates, which total approximately $22.6 million. **Table A-179** in **Appendix A** shows the proposed landscape corridor CIP for the LRSP.

The landscape corridor CIP includes cost estimates for landscape corridors adjacent to arterial and thoroughfare roadways plus adjacent to Bilby Road, which is not an arterial or thoroughfare roadway. **Maps A-11 and A-12** in **Appendix A** show the location of all of the LRSP landscape corridors, which vary in width from 25 to 36 feet. The CIP also includes the cost of improvements along the future light rail corridor. This corridor will be landscaped and maintained similar to the other landscape corridors.

The landscape corridor facilities and cost estimates are based on the Landscape Corridor Design Guidelines prepared for LRSP Phase I and II development by HRP LanDesign. The streetscenes and monumentation identified for Phase I and II landscape corridors was used to derive the landscape corridor CIP and cost estimates for the entire LRSP.

The cost estimates in **Appendix A** divide the landscape corridor costs into streetscene improvements and monumentation improvements. As shown in **Table A-179** the

landscape corridors costs are shown by roadway segment and are further divided into the following two categories:

- Landscape corridors adjacent to nonresidential development; and
- Landscape corridors adjacent to residential development.

The landscape corridor costs are separated as indicated above because of unresolved issues regarding the timing and financing of landscape corridors, especially those that will be adjacent to nonresidential development and schools. Having the cost estimates presented in this manner gives the City flexibility to consider financing all or a portion of the landscape corridor costs through a development impact fee program, Mello-Roos CFD, or other financing mechanism.

COMMUNITY/RECREATION/AQUATICS CENTER

The City is planning to construct a Community/Recreation/Aquatics Center. **Table A-234** shows the total estimated $50.0 million cost and the placeholder 50 percent, or $25.0 million cost allocated to LRSP development. Like the citywide and other recreation facilities costs, the placeholder number for the LRSP development cost share is 50 percent. This placeholder 50 percent cost share will be revised when the LRFP park nexus study is completed.

FIRE PROTECTION

The LRSP is within the boundaries of the Elk Grove CSD. The Elk Grove CSD's Fire Master Plan establishes minimum service standards for response times and similar performance goals of the Fire Department. In addition, the Fire Master Plan also specifies the criteria used by the Elk Grove CSD to choose sites for new fire stations.

Cost Estimate

The Elk Grove CSD provided the fire protection facility cost estimates, which total approximately $23.4 million at buildout. **Table A-235** in **Appendix A** shows the fire facility CIP for the entire the Laguna South area. Fire protection facilities funded in this cost estimate include these facilities:

- Fire stations (land acquisition and construction);
- Fire apparatus (trucks, vehicles, and equipment);
- Fire Training Facility;
- Vehicle Maintenance Facility Expansion; and
- Fire station and apparatus financing costs.

Using the criteria in the Elk Grove CSD Fire Master Plan and estimated development in the LRSP, the Elk Grove CSD Fire Department has identified the need for one new fire station in the LRSP. When determining fire protection facility requirements for the LRSP, however, the Elk Grove CSD considered fire protection facility requirements for the entire Laguna South area. The close proximity of all planning areas in the Laguna South area resulted in some cost savings in terms of required fire apparatus.

In addition to fire stations and apparatus, the fire-facilities CIP includes a share of the regional fire training academy. The Laguna South Area has been allocated a pro-rata share of this facility cost based on the number of units in Laguna South as compared to the total number of units that benefit from this facility. Similarly, Laguna South has been allocated costs to expand the regional vehicle maintenance facility to serve the additional fire protection and emergency service vehicles that will be required for development in Laguna South.

As fire station construction and equipment acquisition will precede funding availability to pay for fire protection costs, the Financing Plan includes associated financing costs. Inclusion of financing costs is based on the Elk Grove CSD policy to finance required fire protection facilities to ensure they are constructed when necessary to serve new development. The EGCSD is considering consolidating various plan-area fire facilities fee programs. The Laguna South Fire Facilities Fee Program may ultimately be included in this consolidation.

LIBRARY AND TRANSIT

The City requires all new development participate in the Citywide Capital Facilities Fee Program (CFF). Among other facilities, the CFF funds library and transit facilities.

Cost Estimate

The Financing Plan does not include a library or transit CIP because the cost of such facilities is funded through the CFF. Estimated LRSP fee revenue from this fee is shown in **Appendix C**.

AFFORDABLE HOUSING

On a citywide basis, the City requires all new residential development to pay the Affordable Housing Fee and all new nonresidential development to pay the Very Low Income Housing Trust Fund Fee. These fees help fund the provision of low income housing in the City.

Cost Estimate

The Financing Plan does not include an affordable housing cost estimate because the cost of such facilities is funded through the citywide fees noted above. Estimated LRSP fee revenue for both of these fees is shown in **Appendix C**.

SCHOOLS

The LRSP is located in the EGUSD. The EGUSD determines school facility cost estimates using anticipated enrollment and average costs per student that are quantified in the district's School Facilities Needs Analysis (SFNA) documentation. Based on State law, the district's SFNA should be updated annually.

Cost Estimate

The Financing Plan estimated LRSP school facility costs using the EGUSD student yield rates and average school facility cost per student. This methodology determines the anticipated LRSP demand for school facilities or estimated student housing cost (e.g., number of students and average cost per student), rather than actual cost of school facilities that will be constructed in the LRSP. The estimated student housing cost versus actual cost of school facilities constructed in the LRSP will vary, as in most cases school facilities may only be completed in entire units (i.e., one complete elementary school). Using the estimated student housing cost methodology, the LRSP school facilities cost estimate totals approximately $123.7 million at buildout. **Table A-236** in **Appendix A** details the estimated LRSP school facility costs.

EGUSD school facilities identified in the LRSP include these facilities:

- Three elementary schools;
- One middle school; and
- One high school**.**

AGRICULTURAL AND SWAINSONS HAWK MITIGATION

LRSP development will be responsible for providing agriculture and Swainsons hawk mitigation land for the entire approximately 1,900 Specific Plan acres, including land previously dedicated to the City.

Cost Estimate

The Financing Plan can not include a cost estimate for this mitigation because the mitigation will be met through dedication of land and/or easements. Because the cost will be privately negotiated, there is no way of estimating it for the Financing Plan.

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IV. PHASING OF BACKBONE INFRASTRUCTURE AND OTHER PUBLIC FACILITIES

This chapter summarizes the LRSP infrastructure phasing plan. The text in this chapter updates and clarifies the Specific Plan. It describes the phasing by major area in the LRSP and summarizes the required backbone infrastructure needed to serve each phase of development. This chapter includes the following items:

- LRSP Phasing Plan; and
- Project Specific Infrastructure Requirements.

LRSP PHASING PLAN

The LRSP provides a comprehensively planned infrastructure system coordinating the phasing and construction of facilities so facilities are constructed to meet City service standards and the requirements of the Specific Plan. As described below, the LRSP Phasing Plan is based on the City's Growth Management Policy and specific LRSP phasing requirements as established in the LRSP document approved by the City Council in June 2004.

GROWTH MANAGEMENT POLICY

On June 2, 2004, the City Council adopted its Growth Management Policy with the intent to manage future development in the City in a manner consistent with the adopted General Plan and implementation measures. The LRSP has been prepared consistent with this policy and all of the requirements of the Elk Grove General Plan.

As stated in the Growth Management Policy, it is policy of the City to regulate rate, location, and timing of growth as follows:

> *In the area of the city south of Elk Grove Boulevard and west of Hwy 99, the City shall require that all new development (with the exception of Lent Ranch Mall and the South Pointe Policy Area) shall occur within an approved Specific Plan. (Lent Ranch Mall was approved through a Special Planning Area. All future development within Lent Ranch will be required to prepare detailed District Development Plans and to provide detailed phasing and financing plans.) These Specific Plans shall address rate, location, and timing of growth, and shall include financing provisions which comply with and implement the City's General Plan policies regarding levels of service, provision of*

> *infrastructure ahead of need, maintenance of ongoing operations, etc. Each Specific Plan may contain policies and/or requirements as deemed necessary by the City to regulate the rate of development; this may include a numeric cap, a cap on percentage of growth from year to year, or any other method deemed appropriate.*

To address this specific requirement of the Growth Management Policy, development within the LRSP area shall be governed by the following policies.

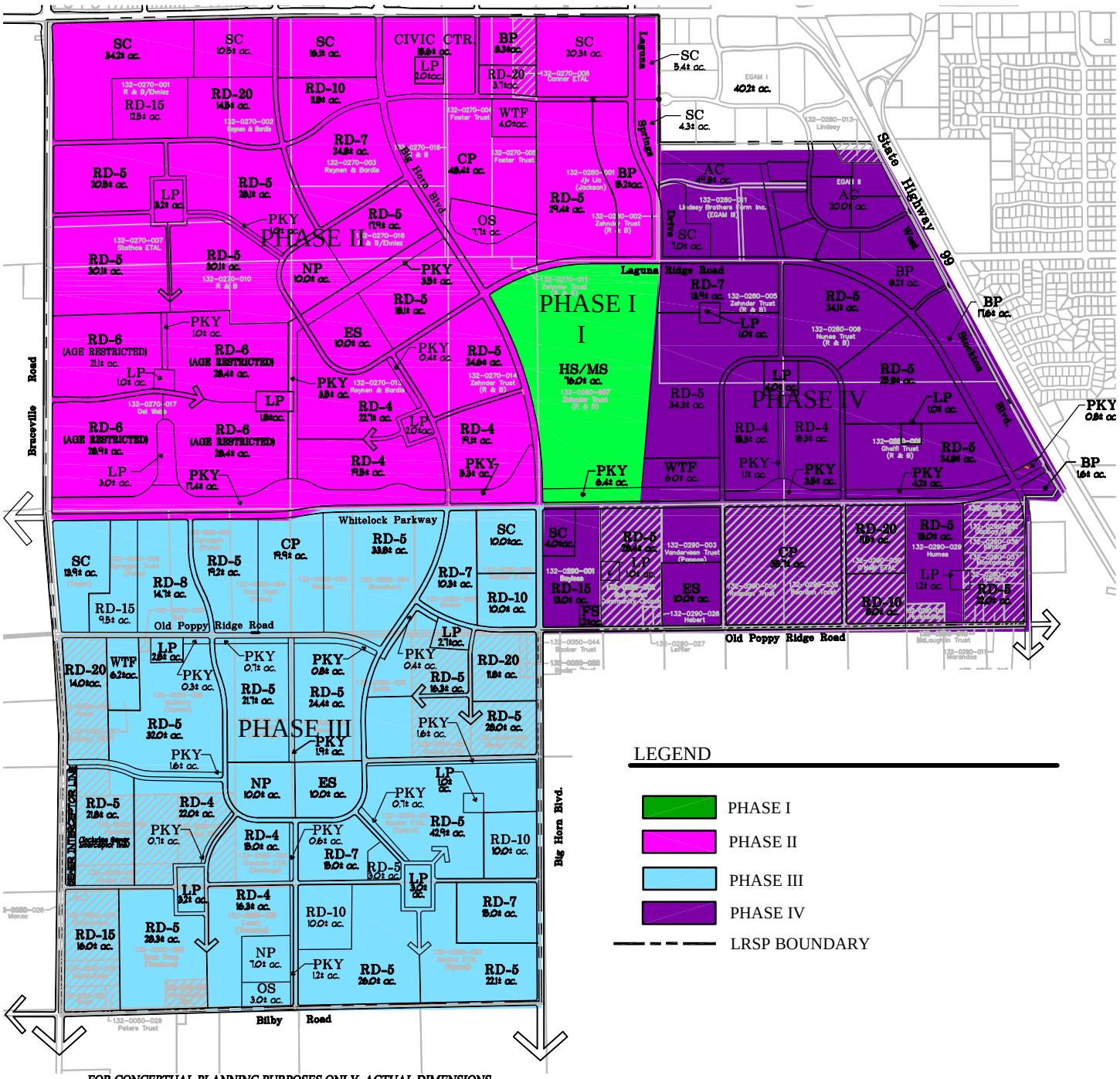
Rate of Development

The rate of development in the Specific Plan shall be such that no more than 1,200 building permits can be issued annually, commencing with adoption of the Specific Plan. The issuance of building permits subject to this allocation applies only to the low- and medium-density ranges from RD 4 to RD 10 (fewer than 15.1 units per acre). Any unused allocation of building permits from an individual year shall be carried over to subsequent years consistent with the specific requirements of the Growth Management Policy. All other residential and nonresidential development may occur at any time provided all other required infrastructure is available and all finance requirements are met.

Building permits shall not be issued in the LRSP the low- and medium-density ranges from RD 4 to RD 10 (fewer than 15.1 units per acre) in any of the defined phases until such time as the required on- and off-site infrastructure is provided for that phase of development, consistent with the Public Facilities Policies of the General Plan and in accordance with **Maps 6** through **10**. All other development may proceed provided the infrastructure and finance requirements are satisfied for that specific development and development occurs in conformance with all applicable General Plan policies.

Location of Development

The location of development in the LRSP the LRSP shall be consistent with **Map 6**, defining the location of growth in the LRSP the Specific Plan. No building permits may be issued in Phase II for low- and medium-density ranges from RD4 to RD10 (fewer than 15.1 units per acre) until such time as all required improvements have been substantially completed as defined by Policy 13 under Timing and Development and as determined by the City to serve the requirements of the High School / Middle School and Phase II of the Specific Plan. No building permits will be issued in any other area of the Specific Plan for low- and medium-density ranges from RD4 to RD10 (fewer than 15.1 units per acre) until such time as all required improvements have been substantially completed for that defined area.



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Map 6 - LRSP Phasing Plan

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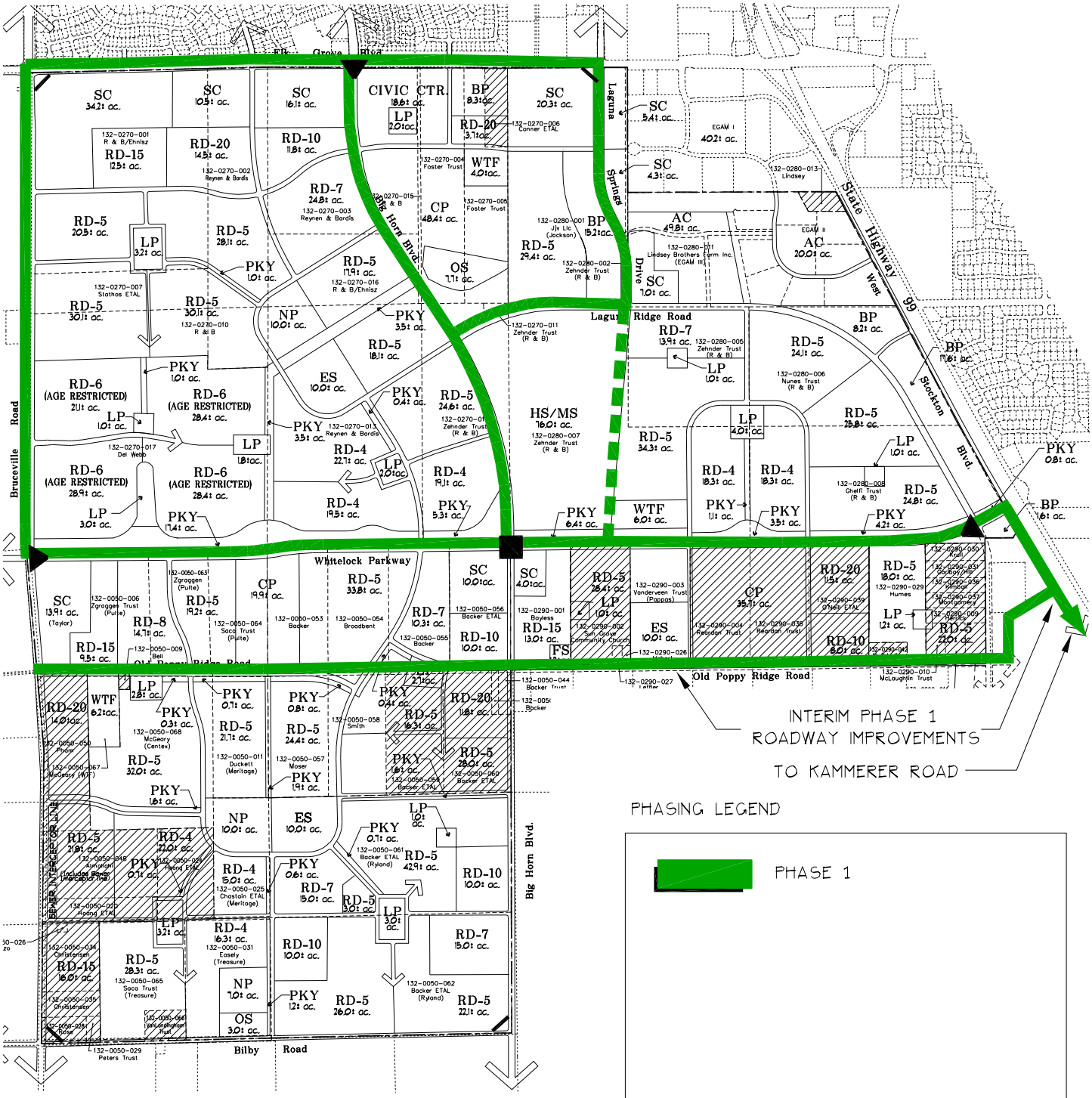

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Map 7 - Phase I Roads

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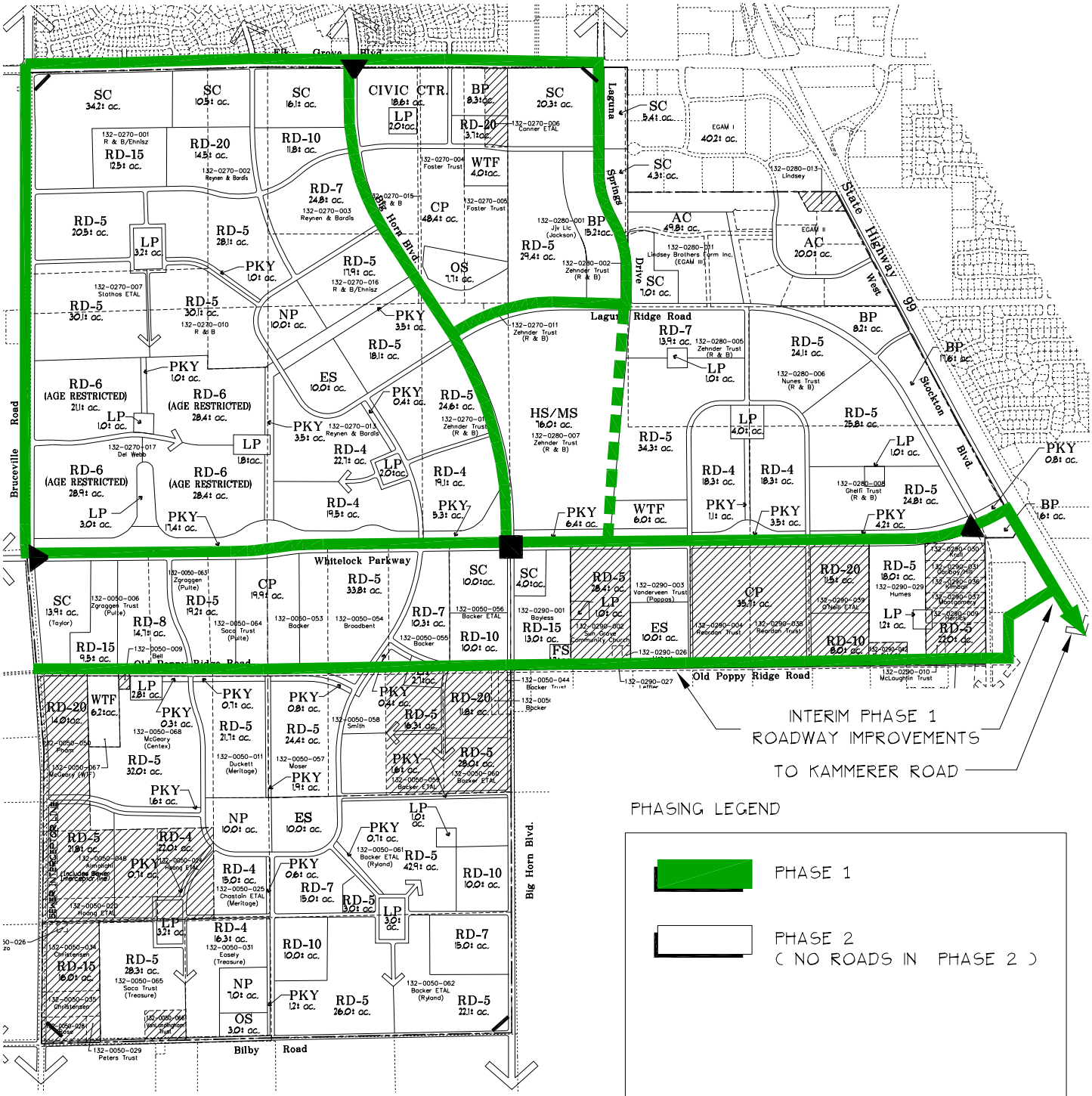

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Map 8 - Phase II Roads

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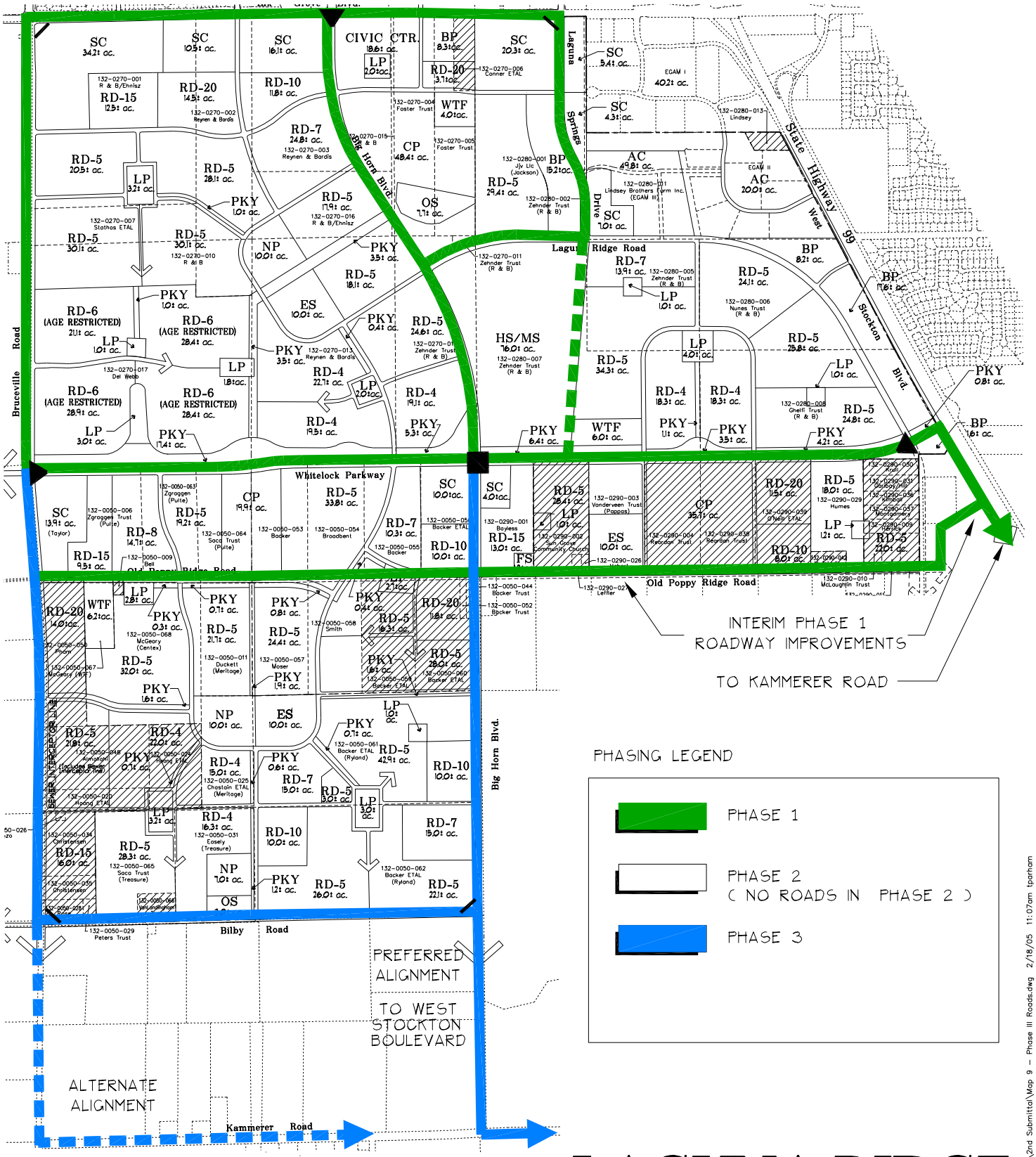

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Map 9 - Phase III Roads

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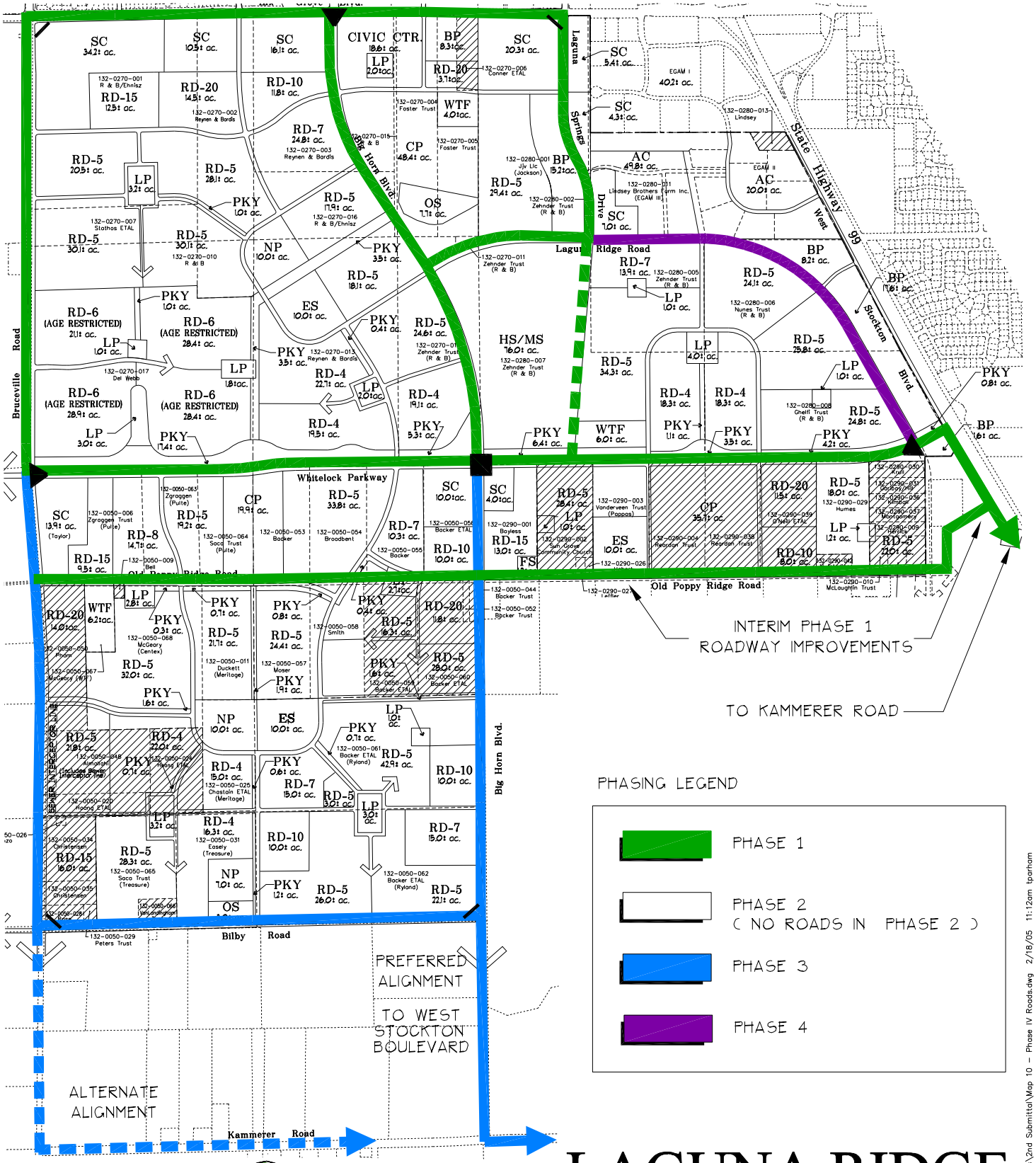

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Map 10 - Phase IV Roads

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J:\Jobs\Laguna Ridge\Civil\Finance Plan 012805\Exhibits\2nd Submittal\Map 10 - Phase IV Roads.dwg 2/18/05 11:12am tparham

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Timing of Development

The timing of all development in the LRSP shall be consistent with the following policies, which will be incorporated as Conditions of Approval for subsequent projects. Except where clarifications are noted, these policies are copied from the Specific Plan.

1. Backbone public facilities and infrastructure improvements shall be installed concurrent with projected development demands for both on-site (in the LRSP the Specific Plan area) and off-site (outside the physical boundaries of the Specific Plan area) to meet the City's and/or other agency infrastructure standards.
2. All infrastructure required of a specific project shall be constructed to the satisfaction of the City and consistent with General Plan policies PF-3 and PF-8 (see section 8.1.5) before building permit issuance in the LRSP the project area.
3. The CIP included in the Financing Plan shall include an estimate of the minimum infrastructure required to meet the development demands of that specific project or tentative subdivision map. These infrastructure requirements will be refined as part of the review and processing of individual projects.
4. No subdivision maps or building permits for projects not requiring tentative maps shall be approved in the LRSP until such time as all off-site infrastructure thresholds have been identified and the Financing Plan has been prepared and approved by the City. *Clarification: The term "subdivision map" is intended to mean tentative map.*
5. As required by General Plan policies, no final maps or building permits for projects not requiring subdivision maps shall be approved until finance mechanisms are in place to ensure funding will be available to deliver required infrastructure concurrent with the demands of development and consistent with the defined roadway improvements with each phase of development.
6. Before the approval of a Final Map, or building permits for residential projects not requiring subdivision maps, the subject property shall be included in a Community Facilities District that provides for additional ongoing police services costs.
7. Before the approval of a Final Map or building permits for projects not requiring subdivision maps, the subject property shall be included in a Benefit Assessment District or Community Facilities District that provides for additional ongoing street maintenance costs.
8. Before or concurrent with approval of any Final Map, Improvement Plan, Building Permit or within 180 calendar days following approval and adoption of the LRSP (whichever occurs first), all properties rezoned (excluding the non-participating owners as shown on the Land Use Plan) shall deliver to the City

executed right-of-way dedication documents for arterial and thoroughfare rights-of-way, and the corresponding landscape and public utility easements lying in the subject property. *Clarification: The intent of this language is to require all necessary dedications adjacent to arterial and thoroughfare rights-of-way, (e.g., pedestrian easements), and not be limited to those listed.*

9. Before or concurrent with approval of development by a non-participating property owner, that non-participating property owner, as shown on the Land Use Plan, shall deliver to the City executed dedication documents for arterial and thoroughfare right-of-way and any landscape and public utility easements that lay in the subject property. *Clarification: The intent of this language is to require all necessary dedications adjacent to arterial and thoroughfare rights-of-way, (e.g., pedestrian easements), and not be limited to those listed.*
10. All dedications shall be of a form approved by the City, including but not limited to grant deeds, easements, Irrevocable Offers of Dedication, or other approved instruments. The type and form of the dedication shall be at the sole discretion of the City.
11. All parklands, paseos and other open space shall be dedicated to the City. The timing for the delivery of parks, recreation facilities, paseos and open space in the LRSP development phases II, III and IV shall be determined before approval of the first tentative subdivision map in the corresponding phase of the Specific Plan.
12. All roadways, pedestrian facilities, and bikeways shall be constructed in logical and complete segments, connecting from intersection to intersection, to provide safe and adequate access with each phase of development as identified for each Area or Sub-Area (Development project area) by the Phasing Plan or as conditioned with the approval of tentative maps. Major arterial/thoroughfare loops shall be completed in the North, South, and East Development Areas as directed by the City.
13. Roadways shall consist of the full section from curb to curb, streetlights, sidewalks, and median landscaping where applicable. Phased construction of sidewalks, temporary asphalt sidewalks where adjacent to non-participating property owners and other measures may be allowed at the discretion of the City. Roadside landscaping (and walls where required) shall be installed concurrent with adjacent development consistent with project phasing.
14. Each phase of a project or tentative subdivision map shall include a collector or local street system that provides at least two points of access to arterial and/or thoroughfare streets, to the satisfaction of the City.
15. Wherever collector or local roadways intersect an arterial or thoroughfare roadway, that arterial or thoroughfare roadway shall be improved, as indicated

in 13 above, from that point to the next completed arterial or thoroughfare segment.

16. When intersections are part of the required roadway improvements, they shall be constructed to their planned ultimate configuration. Where an intersection is planned for signalization, it shall be signalized when it is constructed or improved. The pedestrian trail intersection with Whitelock Parkway shall be signalized concurrent with the construction of the trail.
17. Underground sewer, water and drainage facilities shall be installed to the ultimate planned capacity as part of required road construction.
18. Before the approval of a Final Map or building permits for projects not requiring subdivision maps, the subject property shall be included in a financing district or establish a financing mechanism to provide adequate funding for the annual operation and maintenance costs of street lights, drainageways, landscaping corridors, open space, parks, and other public spaces and facilities.

PROJECT-SPECIFIC INFRASTRUCTURE REQUIREMENTS

The LRSP provides for a comprehensively planned infrastructure system that coordinates the phasing and construction of facilities so that each phase of development provides the necessary infrastructure and facilities needed to meet the demands of this new development. The Specific Plan is the implementation of the City's desire and requirements that new development provides all infrastructure and public facilities needed to offset its impacts on the community.

The aforementioned LRSP phasing plan defines the "rules" regarding the funding and construction of infrastructure and the phasing of development in the LRSP. These rules will be applied in determining required infrastructure improvements for each project or tentative subdivision map as it is processed and approved by the City. Based upon the number of tentative maps being processed at a given point in time, the City at its sole discretion may consider multiple maps for the purpose of defining and requiring needed infrastructure. The City may require improvements beyond what is identified by the Phasing Plan for a given project as necessary to ensure infrastructure is provided concurrent with demands of future development.

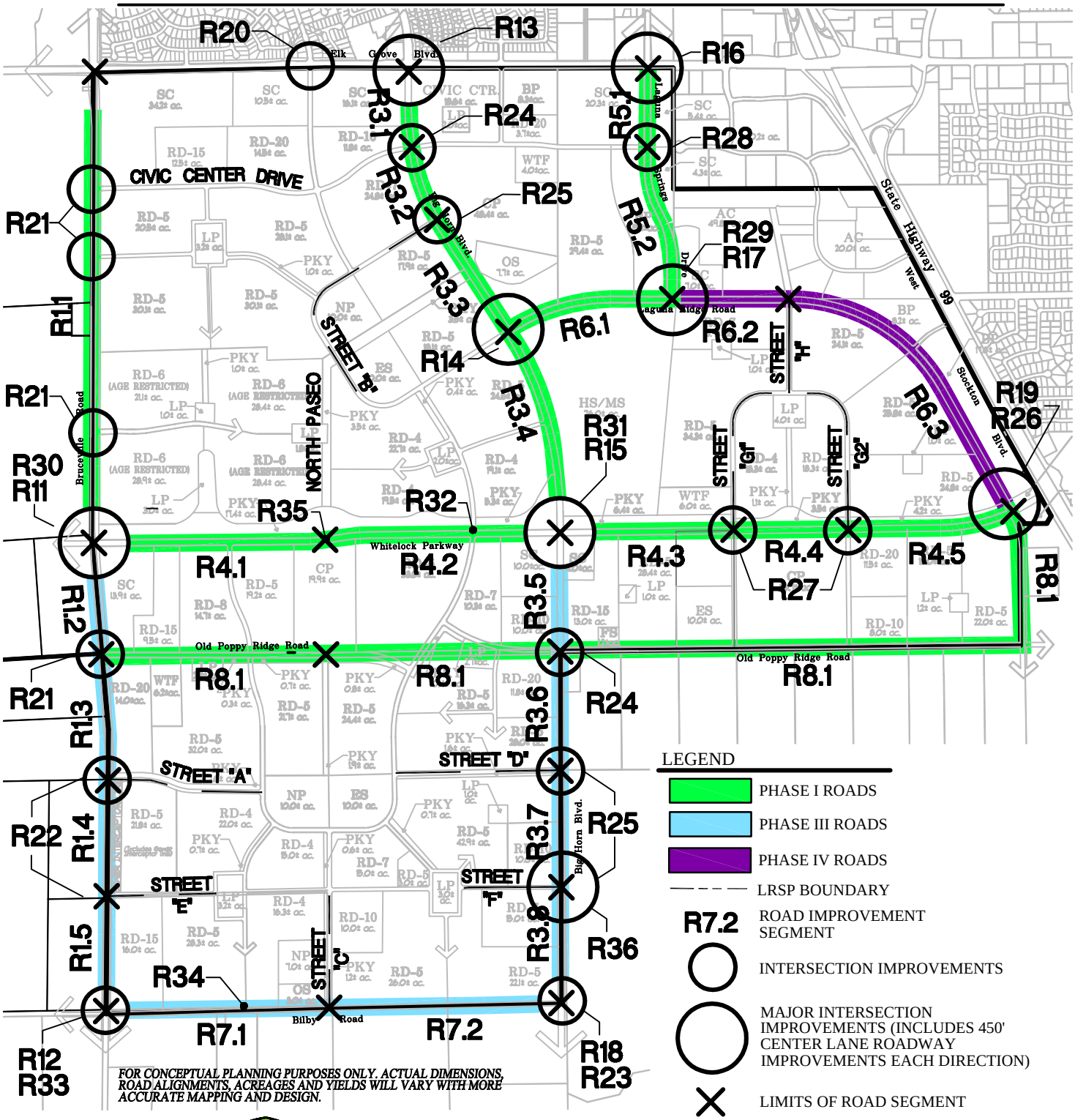
For the purposes of managing LRSP growth and identifying infrastructure required of new development projects and for backbone infrastructure phasing, the LRSP has been divided into four development phases—Phases I, II, III, and IV. **Map 6** shows each of the LRSP development phases.

As shown in **Map 5** (in **Chapter II**), each of the phases are further subdivided into "Development Project Areas," which generally coincide with individual projects or tentative subdivision maps, or in some cases, groups of smaller properties. Infrastructure requirements have been identified for each Development Project Area as shown in the **LRSP Infrastructure Phasing Checklist (Phasing Checklist)**, which is described below.

Detailed CIPs and accompanying backbone infrastructure facility maps have been prepared for each component of infrastructure (e.g. roadways, sewer, water and drainage) required to serve new LRSP development. These detailed CIPs and infrastructure facility maps are contained in **Appendix A**. The CIPs and maps include reference numbers for each segment of roadway or other infrastructure facility. The infrastructure segments and estimated cost by segment have been keyed into the Phasing Checklist, which is included in **Appendix B**. **Map 11** illustrates the Backbone Roadways and identifies each roadway segment and proposed signalization. **Map 12** illustrates the Backbone Sewer system by segment, **Map 13** illustrates the Backbone Water System, and **Map 14** illustrates the Backbone Drainage system.

The City provided the Phasing Checklist to identify the minimum infrastructure improvements that must be in place to meet the demands of a particular project or tentative subdivision map. The intent of the Phasing Checklist is to provide future developers and the City with the initial listing of infrastructure that will be required for individual projects in the LRSP the Specific Plan. This checklist is not intended to define the exact requirements that may be imposed by the City for any given project. The City may require additional infrastructure as necessary to comply with its General Plan policies, the LRSP phasing policies identified in this Chapter, or to address unforeseen impacts that may arise as a result of specific phasing of development that occurs following the approval of the Specific Plan.

For development in the LRSP a given Development Project Area to proceed in advance of another, off-site infrastructure may be required. Where a project is required to install off-site improvements for which the developer is unable to obtain the necessary land interest, the City will work with the developer to identify a suitable alternative to installing those improvements and pursue adoption of revised conditions of approval for the project, if applicable. If no suitable alternative to installing the improvements is identified and the improvements are required by a tentative map condition, the City shall initiate condemnation proceedings, at the Subdivider's expense, pursuant to Government Code Section 66462.5. If no suitable alternative to installing the improvements is identified and the improvements are **not** required by a tentative map condition, the City may initiate condemnation proceedings, at the developer's request and expense, once the City is satisfied that the developer has made a good faith offer to



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LEGEND

- PHASE I ROADS
- PHASE III ROADS
- PHASE IV ROADS
- LRSP BOUNDARY
- R7.2 ROAD IMPROVEMENT SEGMENT
- INTERSECTION IMPROVEMENTS
- MAJOR INTERSECTION IMPROVEMENTS (INCLUDES 450' CENTER LANE ROADWAY IMPROVEMENTS EACH DIRECTION)
- LIMITS OF ROAD SEGMENT

NOTE: NO ROADWAY IMPROVEMENTS IN PHASE II

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Map 11 BACKBONE ROADWAYS

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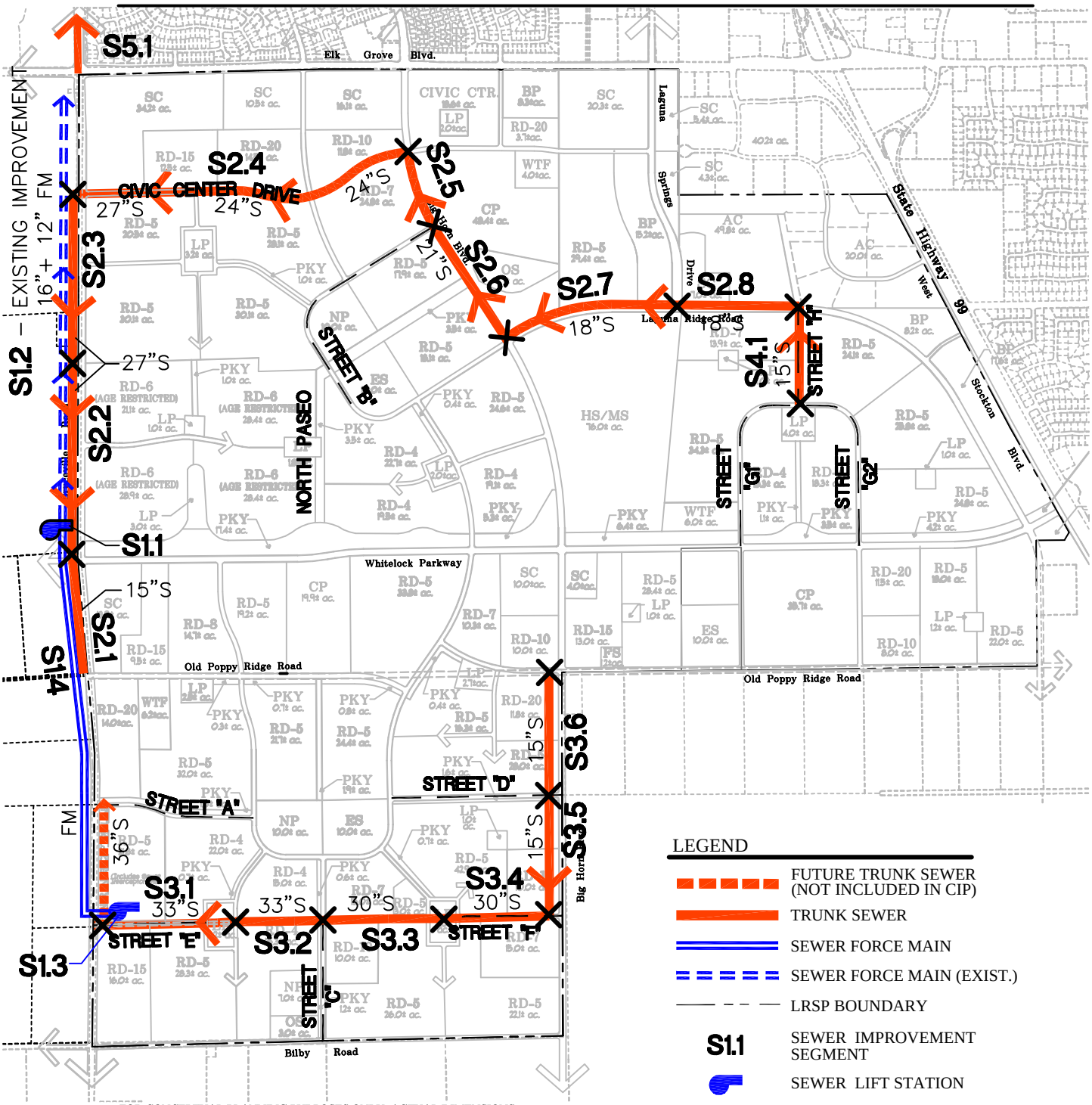

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LEGEND

- FUTURE TRUNK SEWER (NOT INCLUDED IN CIP)
- TRUNK SEWER
- SEWER FORCE MAIN
- SEWER FORCE MAIN (EXIST.)
- LRSP BOUNDARY
- S1.1 SEWER IMPROVEMENT SEGMENT
- SEWER LIFT STATION
- LIMITS OF TRUNK SEWER SEGMENT

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Map 12 - Backbone Sewer

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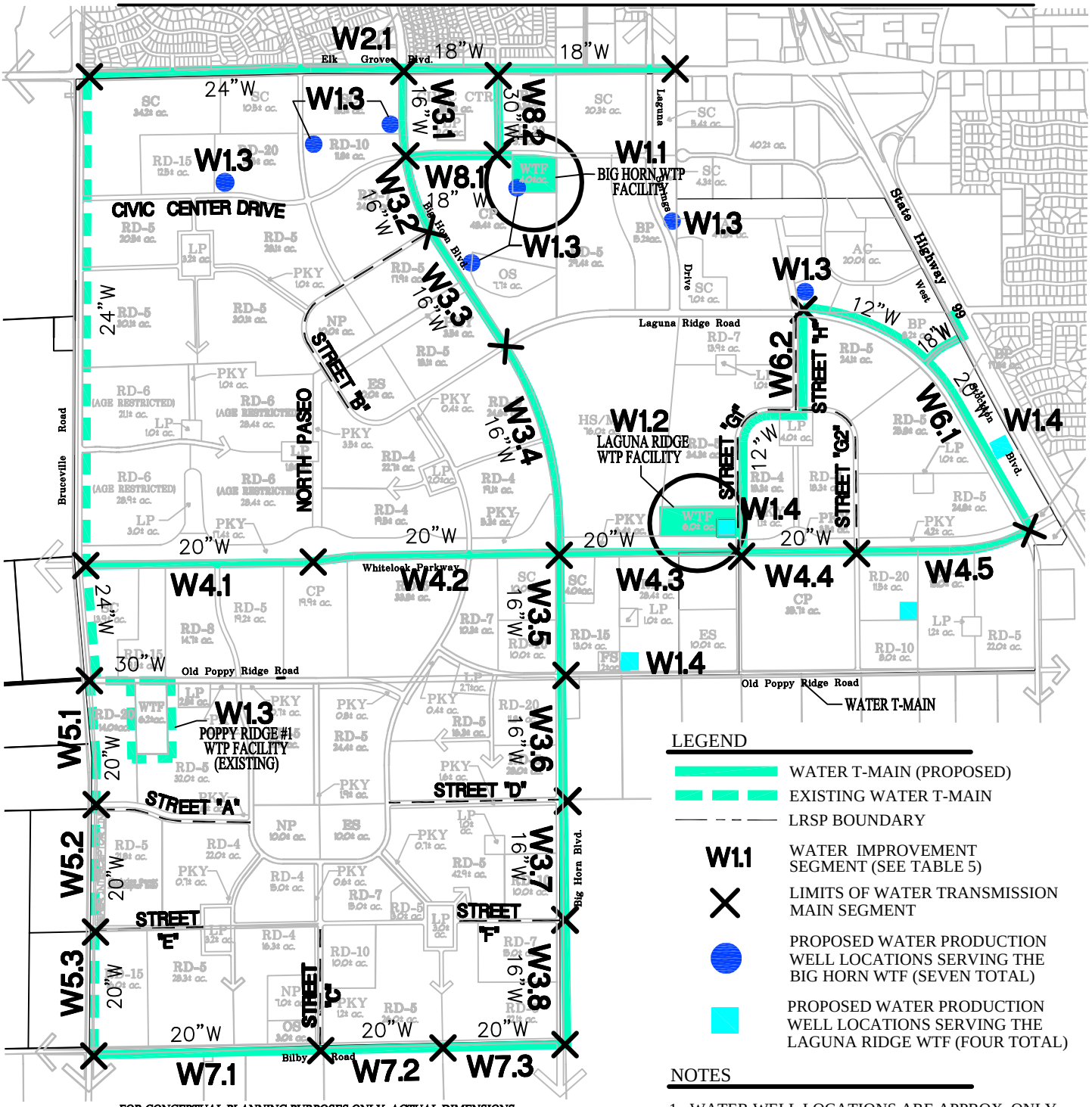

LEGEND

- WATER T-MAIN (PROPOSED)
- EXISTING WATER T-MAIN
- LRSP BOUNDARY
- W1.1 — WATER IMPROVEMENT SEGMENT (SEE TABLE 5)
- LIMITS OF WATER TRANSMISSION MAIN SEGMENT
- PROPOSED WATER PRODUCTION WELL LOCATIONS SERVING THE BIG HORN WTF (SEVEN TOTAL)
- PROPOSED WATER PRODUCTION WELL LOCATIONS SERVING THE LAGUNA RIDGE WTF (FOUR TOTAL)

NOTES

1. WATER WELL LOCATIONS ARE APPROX. ONLY
2. LAND ACUISITION FOR LAGUNA RIDGE WTF SHALL BE ACQUIRED IN PHASE I/II PER ZONE 40.

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Map 13 - Backbone Water

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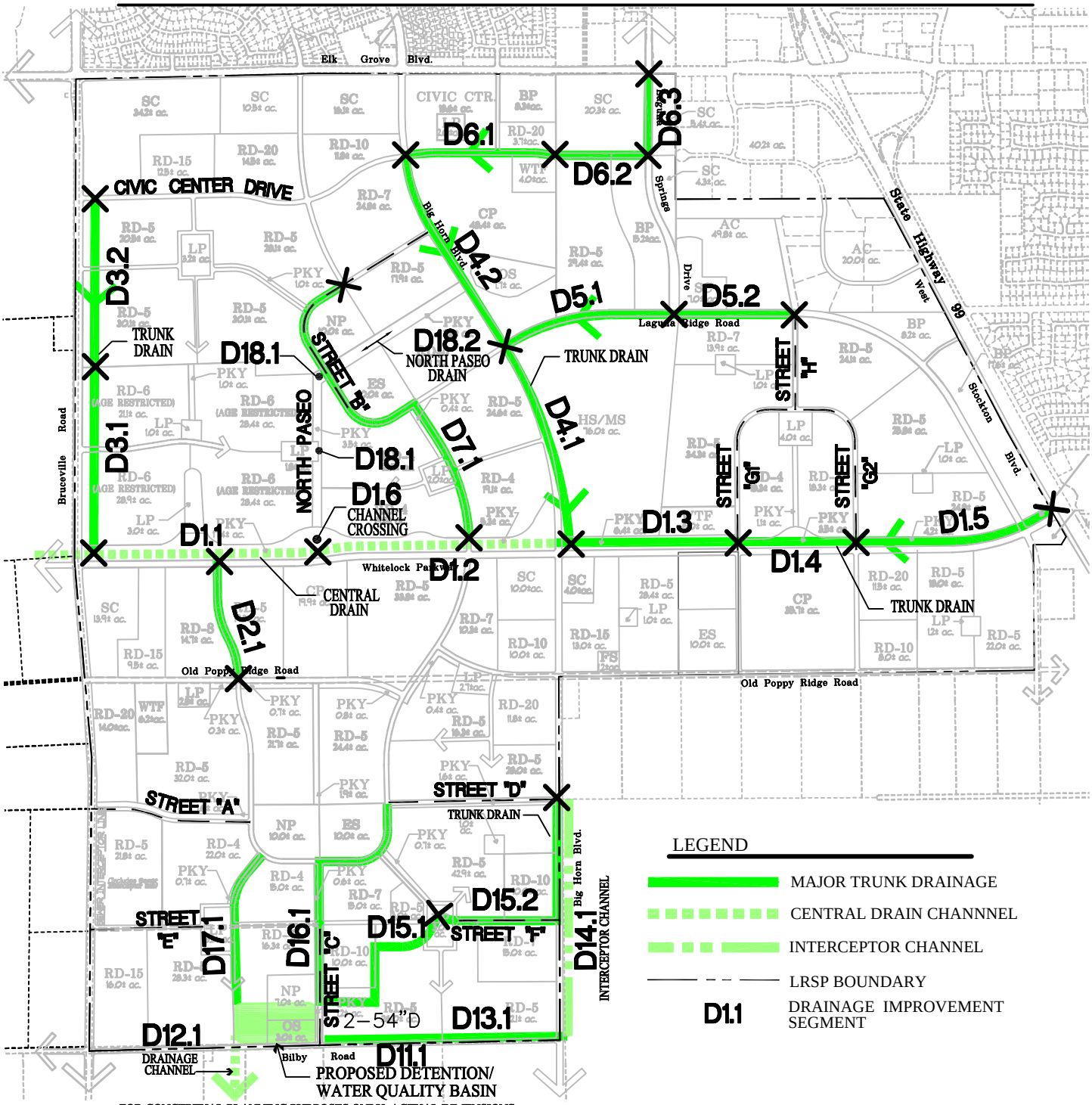

LEGEND

- MAJOR TRUNK DRAINAGE
- CENTRAL DRAIN CHANNNEL
- INTERCEPTOR CHANNEL
- LRSP BOUNDARY
- D1.1 DRAINAGE IMPROVEMENT SEGMENT

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LAGUNA RIDGE SPECIFIC PLAN

CITY OF ELK GROVE, CALIFORNIA

Map 14 - Backbone Drainage

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the owner(s) of the property to be acquired in an amount not less than the property's appraised value.

The phasing checklist is not intended to be a restriction on future development or a guarantee that a certain amount of development can proceed. Development in the LRSP the Specific Plan will be allowed to proceed provided sufficient infrastructure is available to offset the demands of new development consistent with the City's and other agency's requirements. *Clarification: The intent of this language is only to enable the City to allow alternatives to the Infrastructure Phasing Checklist for RD-15, RD-20, and non-residential land uses if the City determines that adequate infrastructure and circulation are provided.*

Building permits in the LRSP any Development project area shall not be issued until the facilities outlined in the Phasing Checklist, along with any other improvements required by the City, are completed to the satisfaction of the City Engineer. Furthermore, the Phasing Checklist shall provide a basis for analyzing and identifying the phased project requirements determined as tentative maps and/or special permits are being processed.

During LRSP implementation, the precise number of properties and acres participating in a particular phase may change. This would cause the list of needed infrastructure and public facilities needed to serve a particular phase to change, and as a result, costs would change for a particular Phase or Development project area. To accommodate this need for flexibility, the CIPs would be periodically updated and will define the improvements to be provided by each individual project in the LRSP the Specific Plan. The City may consider multiple projects for the purposes of identifying and requiring improvements based upon the number of applications being processed at the same time.

Reimbursement agreements or fee credits may be utilized so that the developers fronting the cost of improvements benefiting other land areas will be able to recover those costs.

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V. FINANCING STRATEGY AND SOURCES OF FUNDING

FINANCING STRATEGY

This chapter outlines how a series of funding sources will be used to fund the $446.6 million of backbone infrastructure and other public facilities costs required to serve the LRSP. The Financing Plan recommends development impact fees as the primary funding source for the required LRSP public infrastructure improvements.

Development impact fee revenue will come from the following existing development impact fee programs:

- City fee programs;
  - Roadway Fee Program
  - Capital Facilities Fee Program
  - Laguna South Fire Facilities Fee Program
- County fee programs;
  - Zone 11A Drainage Fees
  - CSD-1 and SRCSD Sewer Fees
  - Zone 40 Water Fees; and,
- The EGUSD Fee Program.

Development impact fee revenue will also come from a new Laguna Ridge Fee Program, which will be formed by the City following Financing Plan approval. The City will prepare a fee nexus study for the Laguna Ridge Fee Program, which will justify fees for park, parkway, open space, and recreational facilities.

In addition, some public infrastructure improvements will be funded by other sources. For example, some school development costs may also be funded through the EGUSD's Mello-Roos CFD and the State School Building Program.

A portion of infrastructure costs will be advance-funded through the use of land-secured financing (e.g., Mello-Roos CFD and/or Assessment District), particularly improvements that would need to be installed at the outset of development and ones that would need to be oversized to accommodate future development.

The Financing Plan provides that one or more land-secured financing districts will be formed to cash flow backbone infrastructure and other public improvements. Participation in proposed financing districts will be determined at the time of district

formation. If one or more district(s) already exist(s), the City has an option to annex future development into an existing district or form a separate district. To the extent that land-secured bond financing is utilized, the Financing Plan provides that developers will be reimbursed for the facilities and receive credits against the appropriate fees for facilities that otherwise would have been funded by fees.

The Financing Plan expects developers will privately finance the construction costs for many public facilities needed at the outset of development. After constructing such facilities, the developers will receive credits and/or reimbursements from the appropriate fee programs once such public facilities meet credit/reimbursement eligibility and policy requirements of the receiving agency.

Table 5 shows the proposed funding source for each public infrastructure improvement at buildout. Under this funding strategy, approximately $244.3 million will be funded with the existing or future City, County, and EGUSD development impact fee programs; $96.2 million will be privately funded; and $106.1 million will be funded from the EGUSD Mello-Roos CFD bond programs and the State School Building Program, and other sources, such as a Laguna Ridge infrastructure CFD and development impact fees from other plan areas.

The proposed funding sources and the respective amounts are estimates based on the most current information available. Actual public facility costs funded under each category may be revised as more detailed information regarding project phasing and facility construction becomes available.

SOURCES OF FUNDING

A variety of financing mechanisms will be used to fund the backbone infrastructure and other public facilities required to serve the LRSP. The type of financing mechanism used to fund a given facility will be dependent upon the type of facility, when the facility is needed, and the phasing of facility construction. As previously noted, the primary financing mechanism will be the existing development impact fee programs.

Phasing of public infrastructure improvements will be guided by the LRSP phasing policies and the City's subsequent conditions of approval of development projects. The City's conditioning, which will be guided by the Phasing Checklist, will ensure infrastructure service standards and Specific Plan requirements are being met by new development.

Table 5
Laguna Ridge Specific Plan Financing Plan
Sources and Uses at Buildout (2005 $) [1]

BUILDOUT

		Buildout Financing Sources									
		Existing Sacramento County Fee Programs [2]				Existing City Fee Program [2]					
		Fee Revenue Contributed by LRSP Development [3]							LRSP Financing Sources [2]		
Item	Estimated Costs in 2005 $	Drainage Fee Program Zone 11A	Sewer Fee Program CSD-1	Sewer Fee Program SRCSD	Water Fee Program Zone 40	Elk Grove Roadway Fee Program	EGUSD Fee Program	Laguna South Fire Facilities Fee Program	LRFP	Fin. District/ Private [4]	School District/ Other [5]
Roadways	$74,302,432	-	-	-	-	$44,954,735	-	-	-	$29,347,698	-
Drainage	$14,404,974	$7,099,281	-	-	-	-	-	-	-	$7,305,692	-
Trunk Sewer	$9,425,666	-	$6,922,009	-	-	-	-	-	-	$2,503,657	-
Lift Station & Force Mains	$4,962,594	-	$4,962,594	-	-	-	-	-	-	-	-
Water	$40,881,979	-	-	-	$31,497,171	-	-	-	-	$9,384,808	-
Non-Potable Water	$7,665,482	-	-	-	$6,862,042	-	-	-	-	-	$803,441
Landscape Corridors	$22,608,490	-	-	-	-	-	-	-	-	$22,608,490	-
Parks, Parkways, & Open Space	$75,165,862	-	-	-	-	-	-	-	$72,647,000	-	$2,518,862
Comm./Rec./Aquatics Center	$50,000,000	-	-	-	-	-	-	-	-	$25,000,000	$25,000,000
Fire Protection	$23,429,514	-	-	-	-	-	-	$10,641,595		-	$12,787,919
Schools	$123,702,876	-	-	-	-	-	$58,746,322	-	-	-	$64,956,554
TOTAL	**$446,549,869**	**$7,099,281**	**$11,884,602**	**-**	**$38,359,213**	**$44,954,735**	**$58,746,322**	**$10,641,595**	**$72,647,000**	**$96,150,345**	**$106,066,776**

"sources_uses_buildout"

Note: Cost estimate detail is in **Appendix A**, and existing development impact fee revenue calculations are in **Appendix C**.

[1] Costs of public land acquisition not included on this table.
[2] Some of these facilities may be funded through a special financing district, which could include either a Mello-Roos CFD or an Assessment District. The $25.0 million for the Comm./Rec./Aquatics Center will be CFD funded.
[3] Based on estimated fee revenue from LRSP development. It is possible that not all costs for a facility will be creditable/reimbursable through an agency's fee program. Any non-reimbursable costs would be handled through private financing.
[4] An example of private financing is that portion of the infrastructure cost that is not reimbursable through a fee program, such as the cost that exceeds scheduled reimbursements. The $25.0 million for the Comm./Rec./Aquatics Center will come from the proceeds of a land-secured financing district.
[5] Includes EGUSD Mello-Roos CFD and State funding for schools, funding from other planning areas for a particular infrastructure facility (e.g., fire facilities and parks, parkways, and open space), or other sources for non-potable water facilities and the Community/Recreation/Aquatics Center.

EXISTING DEVELOPMENT IMPACT FEE PROGRAMS

Development in the LRSP will participate in a few existing development impact fee programs:

- City fee programs;
- County Agency fee programs; and
- EGUSD Fee Program.

Table 6 summarizes the estimated buildout revenues from LRSP development and compares those revenues to estimated on-site buildout costs. The components of each of these development impact fee programs are summarized below. The costs in **Table 6** do not include the costs of off-site infrastructure constructed by the City or other development from which LRSP development will receive benefit (e.g., Grant Line Road/Highway 99 Interchange).

City Development Impact Fee Programs

The City has adopted development impact fee programs to fund a variety of backbone infrastructure and other public facilities. The fees are due at the time of building permit issuance. City fees are typically automatically adjusted each January 1 for inflation. Existing City fee programs are summarized below.

Roadway Fee Program

Development in the LRSP will be subject to the Citywide Roadway Fee Program (Zone 1 of the Roadway Fee Program). This roadway fee program provides funding to construct citywide roadway improvements that are needed to support new development, as discussed in the Elk Grove Roadway Fee Program Nexus Study. This fee program automatically adjusts for inflation each January 1 and has recently been updated to include LRSP facilities and other changes made by the City. The City expects to update the roadway fee program in late 2005. The fee program funds the following types of roadway improvements:

- Arterial and thoroughfare roadways (center lanes and medians);
- Intersections between arterials and thoroughfares;
- Traffic signals on arterials and thoroughfares;
- Bridges;
- Culverts;
- Arterial and thoroughfare roadway at-grade railroad crossings; and
- Highway/freeway interchanges.

Table 6
Laguna Ridge Specific Plan Financing Plan
Comparison of Projected Buildout Revenue and Costs

Buildout

Item	Fee Program	Reference	LRSP Revenue	LRSP Reimbursable Cost	Difference At Buildout	Funding Source for Difference
			[1]	*See Table 2*	[2]	
Existing Fee Programs						
Roadways	City Fee	Table C-6	$88,571,253	$44,954,735	$43,616,518	
Drainage	Zone 11A	Table C-1	$18,264,428	$7,099,281	$11,165,147	
Sewer						
Trunk Sewer	CSD - 1	Table C-2	$15,578,097	$6,922,009	$3,693,495	
Lift Stations and Force Mains			included above	$4,962,594		
Water	Zone 40	Table C-4	$64,421,124	$31,497,171	$32,923,953	
Non-Potable Water	Zone 40	Table C-5	$5,111,124	$6,635,086	($1,523,962)	Other plan areas within Zone 40
Schools - Elk Grove USD	EGUSD Fees	Table C-11	$58,746,322	$123,702,876	($64,956,554)	School District, State, & EGUSD CFD
Fire Station	City Fee	Table E-2	$10,641,595	$23,429,514	($12,787,919)	Other Laguna South Plan Areas
Subtotal Existing Fee Programs			**$261,333,943**	**$249,203,266**	**n/a**	
LRFP Plan Area Fees [3]						
Parks, Parkways, & Open Space	LRFP	Table E-2	$72,647,000	$75,165,862	($2,518,862)	Other Laguna South Plan Areas
Subtotal LRFP Fees			**$72,647,000**	**$75,165,862**	**($2,518,862)**	
Other						
Comm./Rec./Aquatics Center [4]	n/a		$25,000,000	$25,000,000	$0	Other plan areas and Citywide sources
Total All Fee Programs [5]			**$333,980,943**	**$324,369,128**	**n/a**	

"buildout compare"

[1] Does not account for fee credits/reimbursements for facilities funded via land-secured financing districts such as Mello-Roos CFDs.
[2] Buildout difference will be financed through a combination of developer advances, bond financing, revenues from other planning areas and other revenues such as State and School Building Program revenues or other school district funds. Revenues in excess of costs accrue to the agency's fee program for regional improvements.
[3] Estimated Laguna Ridge Fee Program revenues are rounded to the nearest $1,000.
[4] Based on current placeholder number for the Comm./Rec./Aquatics Center that may be located in the LRSP. The LRSP amount will be funded through CFD bond proceeds.
[5] Total cost excludes roadway frontage costs as they are assumed to be privately funded.

Roadway frontage lanes (curb lanes) are to be constructed by the adjacent developer as a private responsibility except where frontage lanes are adjacent to permanent open space or property that has already been developed to the land use specified in the General Plan Land Use Policy Map.

The current estimated cost of required LRSP "backbone" roadway system improvements that may be funded through the Elk Grove Roadway Fee Program is approximately $45.0 million. As shown in **Appendix C**, LRSP development would generate approximately $88.6 million in roadway fee revenue. The $43.6 million difference between revenues and reimbursable roadway costs would be used to fund other regional improvements included in the Elk Grove Roadway Fee Program, which provide benefit to LRSP development.

LRSP improvements in the Elk Grove Roadway Fee Program include arterial and thoroughfare roadways; intersection improvements; signalization, signage and striping; and bridge improvements. In most cases, the roadway fee will fund the median and center lanes of these arterial and thoroughfare roadways, while the adjacent property will provide the frontage improvements (curb lanes) and landscaping improvements.

As is typical of many fee programs, it is anticipated that the fee program will not have sufficient fee revenues to construct the roadways in the timeframe the improvements are necessary to serve the new development. As discussed previously, other funding sources such as developer advances and debt financing will be utilized to construct the improvements when needed. In the scenario of developers advancing funds for eligible improvements in the fee program, the developer would be eligible to receive fee credits or a fee reimbursement as determined by the City.

Capital Facilities Fee Program

New LRSP development will be subject to the Citywide Capital Facilities Fee which currently funds new development's share of the following public facilities**:**

- Civic Center
- Police Facilities
- Railroad Overcrossings
- Corporation Yard
- Intelligent Transportation System
- Library Facilities
- Transit—rapid transit facilities
- Transit—bus facilities

The fee varies by on land use and is automatically adjusted each January 1 for inflation. The use of this fee, in conjunction with other City funding sources, will provide for the construction of these public facilities. Typically, the City will construct these facilities rather than the development community. The City expects to update the CFF in 2005.

Laguna South Fire Facilities Fee

The EGCSD treats fire protection facilities as regional public facility improvements that benefit the entire Laguna South area. In that regard, no one specific plan area has the responsibility for funding specific fire facilities. As fire facilities benefit all plan areas, total costs were allocated to all remaining development after accounting for the fees collected to date from existing development in the East Franklin area. Fire facility costs are allocated to each land use based on that land use's relative benefit received from fire facilities based on DUE factors.

Total fire facilities costs are net of approximately $5.0 million in existing fee revenue from previous fee collections. The remaining $18.5 million is used to calculate the updated fire facility fee. From the Fire Protection Fee, the LRSP will generate approximately $10.6 million for the acquisition and construction of fire facilities, a portion of the fire training facility, and fire apparatus acquisition.

The Elk Grove CSD has agreed to advance fund these facilities through debt financing to ensure they are in place when needed to serve new development. The annual debt service costs are to be funded by Laguna South Fire Protection Fee revenues. The City collects the Fire Protection Fee on behalf of the Elk Grove CSD and passes this funding through to the CSD.

County Agencies Existing Fee Programs

County agencies collect development impact fees to finance certain capital facilities. Sewer fees are paid at the time of final map. Drainage fees and $200 of the Zone 40 water fee are collected upon improvement plan approval. The remainder of the water fee is due at building permit.

Credits or reimbursements for facilities otherwise funded by the County fee programs may be available if developers fund and construct fee funded facilities. Fee credits and reimbursements are available within different timeframes, depending on the type of public facility constructed. Major backbone sewer, water, and drainage facilities will be funded through the County fee programs.

County fee programs applicable to the LRSP are described in more detail in the following sections.

Drainage Fees (Zone 11A)

Based on current Zone 11A fees, buildout LRSP development will generate approximately $18.3 million in Zone 11A drainage fee revenue. As shown in **Appendix A**, the estimated LRSP costs of Zone 11A storm drainage facilities total $14.4 million. Using Zone 11A Fee Ordinance reimbursement schedule prices, approximately $7.1 million of the $14.4 million in estimated costs will be eligible for fee credit or reimbursement. The approximately $7.3 million in non-reimbursable costs will be privately financed or may be reimbursed through Mello-Roos CFD or other land-secured financing mechanism. The difference between reimbursable costs and total fee revenue, approximately $11.2 million, will accrue to Zone 11A for area-wide drainage improvements.

Zone 11A of the Sacramento County Water Agency funds or reimburses trunk drainage pipes, manholes, wetland mitigation, channel construction, detention ponds, and water quality facilities. Typically, the County approves the design of the basins and reimburses the developer for the eligible construction costs through the collection of Zone 11A impact fees.

Up-front funding for drainage improvements in each shed will be the responsibility of the developers in that shed with the developer or developers receiving credits or reimbursements from the Sacramento County Water Agency Zone 11A fees. Drainage facility construction requirements for each development project will be determined by conditions of approval for each project.

The fee credits for drainage improvements may be offset against drainage fees collected by Zone 11A from the first units constructed by the developer until the fee credits are expended. If the cost of the facility exceeds the potential credits for a developer, the County will enter into a reimbursement agreement with the developer. Zone 11A reimbursements are typically funded within 5 years after construction of the improvements. However, reimbursements may take longer than 5 years depending on the availability of Zone 11A fee revenues.

The reimbursement program for LRSP follows the typical Zone 11A program. The phasing of drainage improvements in LRSP also follows the Zone 11A program guidelines. Although the phasing is typical, there may be cases when infrastructure costs and construction assigned to particular subdivision may be infeasible for that subdivision. It would then be necessary for a group of developers wishing to move forward with development to work together to fund construction of specific phases of infrastructure. This may require developer advances or the use of bond financing.

Sewer Fees (CSD-1 and SRCSD)

The LRSP is part CSD-1 and the SRCSD. The Financing Plan includes $14.4 million of sewer costs, which will be funded, through the CSD-1 and SRCSD fees. This estimate excludes costs for regional sanitary sewer infrastructure that will be constructed by SRCSD.

The $14.4 million cost for CSD-1 eligible sanitary sewer infrastructure comprises approximately $7.0 million in trunk sewer facilities, approximately $2.4 million in interim sanitary sewer facilities, and approximately $5.0 million in lift station and force main costs. As permitted by the recently adopted CSD-1 fee ordinance, the Financing Plan assumes permanent and interim sanitary sewer facilities will be reimbursable through the CSD-1 fee program. The estimated $15.6 million in buildout LRSP CSD-1 fee revenues exceeds the $11.8 million in estimated reimbursable facility costs. The difference of approximately $3.7 million will be collected by CSD-1 for areawide sanitary sewer facilities.

Sewer facility construction requirements for each development project, including sewer trunk and interceptor sewers, as well as sewer lateral lines, will be determined by conditions of approval for each project. Developers may initially fund the construction of interim, trunk, or sewer interceptor facilities. Costs for trunk and interceptor sewers would be reimbursable from the CSD-1 and SRCSD sewer fees respectively.

CSD-1 funds construction of local sewer collection facilities (trunk sewers with capacity of 1.0 to 10.0 mgd). Typically, developers advance construct local sewer collection facilities and then apply for fee credits and/or reimbursements through the CSD-1 fee program.

SRCSD funds construction of the regional sewer facilities through the collection of regional sewage facility impact fees. SRCSD will construct regional sewer interceptor facilities once tributary development generates sufficient wastewater flows to warrant construction without causing undue maintenance and operations costs. When sufficient peak dry weather flow exists to produce self-cleansing velocities of the proposed regional facility, SRCSD will initiate design and construction of the interceptor facility.

SRCSD's Regional Connection Fee Ordinance provides for the reimbursement of design and construction of regional facilities when required by SRCSD as a condition of approval for development. As sufficient flow velocity usually requires significant development, SRCSD directly initiates design and construction of regional facilities, and does not generally need to enter into reimbursement agreements with the development project proponents. Therefore, funding of the major regional facilities by means other than the collection of facilities impact fees is generally not required of new development.

Water Fee (Zone 40)

Based on current Zone 40 fees, buildout LRSP development will generate approximately $64.4 million in Zone 40 fee revenue. As shown in **Appendix A**, the estimated costs of Zone 40 water production treatment, storage, and transmission facilities in the LRSP total approximately $40.9 million. Using Zone 40 Fee Ordinance reimbursement schedule prices, approximately $31.5 million of the $40.9 million in estimated costs will be eligible for fee credit or reimbursement. The approximately $7.5 million in non-reimbursable costs will be privately financed or may be reimbursed through Mello-Roos CFD or other land-secured financing mechanism. The difference between reimbursable costs and total fee revenue, approximately $32.9 million, will fund the LRSP's share of Zone 40 conjunctive use facilities.

In addition, the LRSP will generate approximately $5.1 million in Special Service Area A Fees for non-potable water. As shown in Appendix A, non-potable water costs total approximately $7.7 million, of which $6.6 is reimbursable. The $1.5 million difference between reimbursable costs and estimated LRSP fee revenue will be funded by fee revenues from other plan areas within the Zone 40 boundary.

The Sacramento County Water Agency usually reimburses conveyance facilities, such as water transmission main pipes, or provides credits towards the development fee. In some cases, developers, individually or as a group, may need to advance fund water facilities and then be credited or reimbursed through Zone 40 water fees. For reimbursement, the developer will enter into an agreement with Zone 40 that provides for repayment within 5 years. In the past, Zone 40 has typically provided reimbursement upon acceptance of facilities; however, this practice may change in the future. Larger facilities such as wells and treatment facilities may need to be financed through special finance districts such as Mello-Roos CFDs or development fee funding with long term repayment by Zone 40.

The developers will be responsible for constructing distribution lines in their projects, the costs of which are not included in this Financing Plan because they are typical in-tract development costs.

In addition to potable water facility requirements, the Sacramento County Water Agency requires the LRSP provide non-potable water facilities. Following adoption of their new fee ordinance, Subzone A of the Zone 40 fee program provides for reimbursement of non-potable water facilities in the LRSP.

EGUSD Fee Program

The LRSP is located within the boundaries of the EGUSD; therefore, the LRSP will participate in the EGUSD existing school development impact fee program to pay for its share of school facility construction costs.

Proposition 1A and SB50 now govern school financing statewide. Proposition 1A and SB50 restricts cities and counties from placing school mitigation conditions on development approvals. As a result, the EGUSD currently has adopted the SB50 Level II fee.

The school fee revenue is based on the SB50 Level II fee of $3.95 per square foot for residential development as per the District's most recent SFNA. The school fee revenue is also based on $0.36 per square foot for age-restricted or senior community single-family and $0.36 per square foot for nonresidential development.

Based on fee revenue estimates, buildout of the Specific Plan is estimated to generate approximately $58.7 million in EGUSD Level II development impact fee revenues at buildout. The remaining $65.0 million in school facilities cost will be funded through the existing EGUSD Mello-Roos CFD and the State School Building Program.

PROPOSED LAGUNA RIDGE PARK FEE PROGRAM

After Financing Plan approval, the City will complete the proposed Laguna Ridge Fee Program (LRFP) to establish fees to fund parks, parkways, open space, and recreation and other improvements not currently funded by any existing fee programs or private development. The LRFP will include funding for the following facilities:

- Parks;
- Parkways;
- Open Space; and
- Recreation and Other Facilities.

Using park development cost estimates provided by consultants, the City will calculate appropriate fees per land use type for new LRSP development based on the final adopted Specific Plan land use designations.

For purposes of the Financing Plan, an estimated park fee has been calculated using the preliminary and, in some cases, placeholder cost numbers described in **Chapter III** and shown in **Appendix A**. It is important to note that this fee estimate is a placeholder only based on a preliminary park, parkway, and open space CIP and cost allocation

methodology. The City will provide an updated parks, parkways, open space, and recreational facilities CIP with associated costs that will become the basis of park development impact fees in the LRSP.

As discussed in **Chapter III**, the LRFP will include the LRSP, the existing EGAM, and the Lent Ranch SPA. The Laguna Ridge Fee Program will be the successor fee program to the Laguna South Public Facilities Fee Program for Lent Ranch and will also be the successor fee program to the interim Laguna Ridge/Poppy Ridge Park and Landscape Corridor Fees for the EGAM (Note: Lent Ranch must also complete its own Financing Plan). At this time, the LRFP will not include the Southeast Study Area. Park requirements and associated development costs for the Southeast Study Area will be determined if and when this area is planned for development. In the future, once park requirements, development costs, and land uses are known, the Southeast Study Area may be included in the LRFP. The City is considering consolidating various plan-area park fee programs. The LRFP may ultimately be included in this consolidation.

Using the proposed park, parkway, open space, and recreational facilities CIP, total estimated costs for this area are approximately $75.2 million.

The Financing Plan has integrated the cost estimates and land use information into a preliminary LRFP fee model. **Table E-1** shows the preliminary estimated LRFP fees per unit and per gross leaseable square foot of nonresidential development. The City reserves the right to modify the facilities, costs, boundaries of the fee program, and cost allocation methodology for the proposed LRFP. Each of these items and the resulting fee will be determined in the City's park fee nexus study for the LRSP.

OTHER FUNDING SOURCES

EGUSD Mello-Roos Community Facilities District

To deal successfully with enrollment growth within its boundaries, the District had implemented a three part financing plan to build new schools and refurbish existing schools. The District's plan includes funding from local Mello-Roos bonds (19 percent), statewide school bonds (41 percent), and developer fees (40 percent).

Developing properties within the boundaries of the EGUSD are also required to participate in the District's Mello-Roos CFD No. 1. In an effort to replace the deficiency in the funding program, the EGUSD Board of Education approved a local bond plan effective 1998-2010 on October 20, 1997. This plan, approved by voters in March of 1998, will provide funding where there is currently a deficiency.

Properties in existing EGUSD Mello-Roos CFD No. 1 currently pay an annual tax that varies depending on the date when land use entitlements were approved, and whether or not the property is developed. The current maximum annual tax for developed property is approximately $200 per single-family/duplex unit, $120 per multifamily unit, and $800 per acre for nonresidential properties. State funding also contributes toward school funding.

Private Financing

As shown in **Table 5,** many of the backbone infrastructure and other public facility cost estimates include portions of the total costs that are not reimbursable through existing fee programs. Most development impact fee programs will reimburse the lesser of actual cost or fee program–scheduled costs for completed infrastructure items included in the fee program. Consequently, when actual costs exceed scheduled costs, the portion that exceeds the scheduled costs (the non-reimbursable cost) would be privately financed. This non-reimbursable cost portion may be reimbursed through land secured financing districts, with private financing, or through a private cost-share agreement.

In addition, the in-tract subdivision costs, roadway frontage costs (including roadway frontage adjacent to parks) and landscape corridor costs will be privately financed.

Proposed Bond Financing

The financing strategy includes land-secured financing mechanisms, such as Mello-Roos CFD and/or Assessment District bond financing, for some of the backbone infrastructure facilities such as sewer, water, drainage, roadway facilities, and other public facilities. **Table 7** shows the estimated bond capacity and construction proceeds from all LRSP land uses, which are based on preliminary assumptions and are likely to change once land secured financing is established. **Appendix F** contains the land use and maximum special tax assumptions used to derive the CFD estimates shown in **Table 7**.

The Financing Plan estimates LRSP development would have the capacity to bond for approximately $77.8 million in public facilities costs. The Financing Plan analysis of potential bond capacity is based on the amount of bonds that could be supported by a preliminary estimate of the maximum annual special tax. It is possible that the initial bond issue amount may be limited by the appraised value of the property at the time of the bond sale. The exact features of the CFD will be determined during the CFD formation process. These features are listed here.

- CFD boundaries;
- Eligible infrastructure facilities;
- Special tax rates; and
- Bond authorization.

Table 7
Laguna Ridge CFD No. 2005-1
Estimated CFD Bonds and Construction Proceeds

Estimated Annual Tax
$800-$1,400 per SF Unit
$5,000 per Acre

		Estimated CFD Bonds and Construction Proceeds			
Total Bonds	**Assumptions**	**Phases I and II**	**Phase III**	**Phase IV**	**All Phases**
Assumptions					
Interest Rate	7.0%				
Bond Term	30 years				
Average Maximum Annual Special Tax Requirement					
Residential Development					
Single-Family Residential [1]	See Table F-1	2,362 units	2,881 units	1,414 units	6,657 units
Multifamily Residential	See Table F-1	18.2 acres	25.8 acres	11.5 acres	55.5 acres
Nonresidential Development					
Shopping Center	See Table F-1	89.6 acres	23.9 acres	12.2 acres	125.7 acres
Auto Commercial	See Table F-1	0.0 acres	0.0 acres	0.0 acres	0.0 acres
Office Park	See Table F-1	23.5 acres	0.0 acres	27.4 acres	50.9 acres
Estimated Annual CFD Costs					
Total Annual Maximum Special Tax Revenue	See Table F-2	**$3,440,520**	**$3,535,776**	**$1,886,346**	**$8,862,642**
Estimated Annual Administrative Costs	3.0%	$91,341	$93,870	$50,080	$235,291
Delinquency Coverage	10.0%	$304,471	$312,901	$166,933	$784,305
Estimated Net Revenue Available for Debt Service		$3,044,708	$3,129,005	$1,669,333	$7,843,046
Estimated Total Bonds *(Rounded)*	PV of debt service	**$37,780,000**	**$38,830,000**	**$20,710,000**	**$97,320,000**
Capitalized Interest [1]	12 months	$2,640,000	$2,720,000	$1,450,000	$6,810,000
Bond Reserve Fund	1 year debt service	$3,040,000	$3,130,000	$1,670,000	$7,840,000
Formation and Issuance Costs	5.0%	$1,890,000	$1,940,000	$1,040,000	$4,870,000
Estimated Total Construction Proceeds		**$30,210,000**	**$31,040,000**	**$16,550,000**	**$77,800,000**
Less Funds for Community/Recreation/Aquatics Center [3]					**($25,000,000)**
Estimated Construction Proceeds After Comm./Rec./Aquatics Center					**$52,800,000**
Average Bonds per Unit [2]	*7,702 unit equivalents*				*$12,636*
Avg. Construction Proceeds per Unit [2]	*7,702 unit equivalents*				*$10,102*

"bond proceeds"

[1] Assumes an average single-family home density of 4.5 units per acre and a CFD tax rate of $1000 per unit.
[2] Represents the total bond or bond proceeds averaged over total single-family equivalent units. This assumes that one acre of multifamily or nonresidential development is equal to 4.5 single-family units.
[3] Based on 50% placeholder share of Community/Recreation/Aquatics Center.

Table 7 shows the estimated bond proceeds available for LRSP backbone infrastructure and other facilities at approximately $77.8 million. After accounting for the $25.0 million LRSP placeholder cost for the Community/Recreation/Aquatics center (based on a 50 percent placeholder number for the LRSP cost share for the facility as discussed in **Chapter III**), the amount of bond proceeds available for other LRSP backbone infrastructure and facilities is approximately $52.8 million.

As discussed, one or more land-secured financing districts may be formed in the LRSP. The size of potential land-secured financing districts will be driven by the number of willing participants and amount of infrastructure proposed for financing. Individual projects, or group of projects may form a district, or if one already exists, may annex into the existing district. Typically, land-secured financing districts would be formed when 1) the infrastructure requirement for a Specific Plan Development Area or sub-area is disproportionate to the level of development projected, 2) the facilities to be funded in the district meet City guidelines, and 3) the area under consideration is large enough to justify the formation of a district and to support the bond debt.

If a facility that is included in an existing fee program is instead funded with bond financing in a Mello-Roos Community Facilities District, a developer may be given a non-transferable "fee reduction" or "fee credit." Eligibility for such fee credits will be determined by the respective agency responsible for the public facility for which credits are being requested.

The following two subsections briefly describe mechanisms of Mello-Roos CFDs and Assessment Districts.

Mello-Roos Community Facilities District

The 1982 Mello-Roos Community Facilities District Act enables cities, counties, special districts, and school districts to establish CFDs and to levy special taxes to fund a wide variety of public facilities and services. Proceeds of Mello-Roos special taxes can be used for direct facility funding and/or to pay off bonds that were sold to finance public facilities.

Assessment Districts

California statutes give local governments the authority to levy several special assessments for specific public improvements such as streets, storm drains, sewers, streetlights, curbs, gutters, and sidewalks. The agency creates a special assessment district that defines both the area to benefit from the improvements and the properties that will pay for the improvements. Thereafter, each property in the district will be assessed a share of the cost of improvements that is proportional to the benefit it receives from those improvements.

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VI. FINANCING SOURCES FOR ONGOING OPERATION AND MAINTENANCE COSTS

Although the primary focus of the Financing Plan is capital facilities financing, this chapter includes additional information regarding certain ongoing operation and maintenance funding sources.

Once backbone infrastructure and other public facilities are completed, they will be dedicated to or acquired by public agencies. These public agencies (e.g., City, County,) will be responsible for operating and maintaining the facilities. Consequently, the Financing Plan provides preliminary estimates of the operations and maintenance costs.

As described below, funding for ongoing operation and maintenance of infrastructure and public facilities comes from a variety of sources including fees, special taxes, assessments, and other revenue sources. This chapter also includes a taxes-and-assessments feasibility analysis for LRSP single-family homes. The feasibility analysis includes estimated property taxes, schools taxes, other services taxes and assessments, and CFD infrastructure taxes.

OPERATION AND MAINTENANCE COSTS TO BE FUNDED

This chapter will summarize annual maintenance funding sources for the following facilities:

- Road maintenance;
- Street lighting and safety lighting maintenance;
- Sewer, water, and drainage maintenance;
- Neighborhood and Community Park, parkway, open space, landscape corridor, and median maintenance; and
- Police services.

Funding for these services in the LRSP will come from fees, special taxes, assessments, or other revenue derived from LRSP development. Other services provided to the LRSP will be funded through the City's General Fund or other appropriate funds.

SOURCES OF FUNDING FOR IDENTIFIED OPERATION AND MAINTENANCE COSTS

EXISTING FEES, ASSESSMENTS, AND SPECIAL TAXES

Road Maintenance

The City will condition LRSP development to annex into the existing multi-zonal Street Maintenance District No. 1 to fund ongoing road maintenance costs. A new Zone 5 in the Street Maintenance District No. 1 will be formed for the LRSP. Assessment rates for a single-family unit in Zones 1 through 4 for Fiscal Year (FY) 2005/06 vary from $104 to $131.18. This annual assessment is subject each July 1st to an automatic annual adjustment factor tied to a construction cost index. The Zone 1 single family $131.18 assessment rate, rounded to $131 for FY 2005/06, is used as a placeholder number in the Financing Plan.

Street and Safety Light Maintenance

Street and safety lighting currently is funded through County Service Area (CSA) 1. The City is working to de-annex from CSA 1 and, if successful, will form a new financing mechanism to fund the maintenance of LRSP street- and safety lighting. The current single family (RD-7 or less) CSA 1 assessment rate of $17.88, rounded to $18, is used as a placeholder number in the Financing Plan. The actual assessment is expected to be higher because of the planned use of decorative street lighting in the LRSP.

Sewer, Water, and Drainage Maintenance

Sewer, water, and drainage maintenance will be funded through a combination of fees and assessments. Sewer, water, and drainage utility fees are charged and collected by the County and the City. In addition, the LRSP is included in the Sacramento County Water Agency (SCWA) Zone 13 assessment district, which has an annual assessment for water and drainage studies. The current single-family assessment, rounded to $7, is used as a placeholder number in the Financing Plan.

Neighborhood and Community Park, Parkway, Open Space, Median, and Landscape Corridor Maintenance

The Financing Plan assumes annual local, neighborhood, and community park; parkway; open space; median; and landscape corridor maintenance costs will be funded by annual assessments or special taxes collected through a City Lighting and Landscaping District or a City CFD. The City will condition LRSP development projects to participate in the agreed upon park, parkways, landscape corridor, and other open space–funding mechanism. LRSP development will participate via landowner election in favor of the proposed funding mechanism.

The EGCSD's Lighting and Landscaping District includes the LRSP. This district is to fund maintenance costs associated with park facilities having a regional benefit located offsite from the LRSP. The City anticipates the Elk Grove Boulevard median will continue to be maintained by the EGCSD. If this assumption is correct, the maintenance cost associated with this facility would not be part of the aforementioned funding mechanism. The current single-family assessment, rounded to $70, is used as a placeholder in the Financing Plan.

Appendix D includes an annual cost estimate for park, parkway, open space, median, and landscape corridor maintenance. The per-acre, per-square foot, or per-item maintenance costs were developed by the City's consultant. Using on the estimated annual maintenance costs, **Appendix D** also estimates the annual assessment or special tax that may be collected per residential unit or per nonresidential building square foot to fund ongoing maintenance costs. The City will refine estimates of annual operation and maintenance costs when the park and other open space funding mechanism is updated or created. The single-family special tax of $562 is used as a placeholder number in the Financing Plan.

City Police Services

The City conditions LRSP development to annex into CFD No. 2003-2 (Police Services) to fund police services. This CFD provides funding for ongoing police protection services in the City. CFD No. 2003-2 has a FY 2004/05 maximum annual special tax of $326.65 per single-family unit. This maximum annual special tax is subject each July 1st to an automatic annual adjustment factor tied to inflation.

TAXES AND ASSESSMENTS FEASIBILITY ANALYSIS

Table 8 shows the estimated taxes and assessments as a percent of home sales price for two different proposed LRSP single-family products. The total annual amount includes the following taxes and assessments:

- Property taxes;
- Other general ad valorem taxes (e.g., school general obligation bonds);
- School taxes (e.g. school CFD No. 1);
- Services taxes and assessments (estimated in this chapter); and
- LRSP Infrastructure CFD taxes (proposed in this Financing Plan).

Under the "2-percent test," a total taxes and assessments percent of sales price that is less than two percent indicates financial feasibility. The taxes and assessments for LRSP homes range from 1.45 percent to 1.65 percent for three example single-family dwelling unit types, indicating an annual tax-burden feasibility for each example unit type.

Table 8
Laguna Ridge Specific Plan Financing Plan
Two-Percent Test of Total Tax Burden to Home Price Estimate

$1,400 Maximum Tax

Item	Assumption	Unit Type 1	Unit Type 2	Unit Type 3
Home Price Estimate		**$380,000**	**$500,000**	**$600,000**
Homeowner's Exemption [1]		($7,000)	($7,000)	($7,000)
Assessed Value [2]		$373,000	$493,000	$593,000
Property Tax	1.00%	$3,730	$4,930	$5,930
Other *Ad Valorem* Taxes [3]				
Los Rios Community College G.O. Bond	0.0015%	$6	$7	$9
Regional Sanitation Bonds	0.0070%	$26	$35	$42
Total *Ad Valorem* Taxes		$32	$42	$50
Total Ad Valorem Taxes		**$3,762**	**$4,972**	**$5,980**
Special Taxes and Assessments				
Elk Grove USD CFD No. 1	*flat*	$200	$200	$200
City of Elk Grove CFD No 2003-2 (Police Services)	*[4]*	$327	$327	$327
Water & Drainage Studies (SCWA 13)	*flat*	$7	$7	$7
County Service Area 1, Street & Safety Lights [5]	*flat*	$18	$18	$18
Elk Grove CSD Landscaping & Lighting District	*flat*	$70	$70	$70
City of Elk Grove Parks & Landscaping CFD [6]	*Fin. Plan Estimate*	$562	$562	$562
City of Elk Grove Street Maintenance A.D. No. 1	*[4]*	$128	$128	$128
Proposed Laguna Ridge Infrastructure CFD [7]	***flat***	**$1,200**	**$1,200**	**$1,400**
Total Special Taxes and Assessments		**$2,512**	**$2,512**	**$2,712**
Total Tax Burden		**$6,273**	**$7,484**	**$8,692**
Tax Burden as a % of Home Price		**1.65%**	**1.50%**	**1.45%**

"2 percent"

Source: City of Elk Grove, Sacramento County and EPS.

[1] An owner-occupied single-family residence is allowed a $7,000 reduction of the assessed value of the property for the purposes of calculating the annual property tax.
[2] The adjusted assessed value is the value upon which the 1% property tax rate, as allowed under Proposition 13, is calculated.
[3] Other *ad valorem* taxes include property tax rate overrides such as general obligation bonds for schools. This rate is an estimate by EPS.
[4] Annual tax rate may increase over time because of escalation factors and/or increased costs associated with maintenance.
[5] Placeholder estimate based on current rates. The actual number will be higher because of decorative lighting within the LRSP
[6] Park maintenance and operation costs will be refined by the City.
[7] This is a proposed rate estimated by EPS.

VII. LRFP COST ALLOCATION METHODOLOGY

The purpose of this chapter is to describe the cost allocation methodology used for the proposed LRFP. The cost allocation methodology described herein identifies how the costs of park, parkway, open space, and recreational facilities will be allocated across appropriate land uses based on the relative demand for such improvements.

PUBLIC FACILITIES FUNDED THROUGH THE LRFP

As discussed in **Chapter IV**, the LRFP will provide funding for:

- Parks (including citywide and other recreation facilities);
- Parkways; and
- Open Space and Recreational Facilities.

The basis for LRFP fees will be to spread the estimated cost of these public facilities over the land uses that benefit from such improvements. This spreading of costs is accomplished through infrastructure cost allocation formulas.

COST ALLOCATION METHODOLOGY

To ensure developed land uses will fund their pro-rata share of public facility costs, the cost of such improvements is allocated across all appropriate land uses based on the relative demand for such improvements.

As discussed in **Chapter II**, the land use information used for cost allocation purposes is based on LRSP land use designations.

Table E-2 shows the cost allocation factors for park and recreation facilities and parkways to be included in the LRFP. These cost allocation factors calculate the relative demand by land use based on DUEs. The DUE factors shown in this table are typical of most existing development impact fee programs in the City and surrounding jurisdictions.

The proposed LRFP methodology for allocating costs to benefiting land uses is summarized below:

1) Determine the cost of new public facilities required to serve the new development that need to be included in the fee program.

2) Determine the net cost of facilities to be funded by development impact fees after accounting for other financing sources such as private financing, other citywide sources, State and Federal sources, and Mello-Roos CFDs.
3) Determine the fee program boundaries.
4) For public facilities in the fee program:
    a. Determine the appropriate DUE factors by which to allocate to different land uses the cost of the various public facilities needed to serve new development.
    b. Apply the appropriate DUE factors to the acreage by proposed land use zoning categories to determine the allocation of costs to each land use category.
    c. Divide the total cost allocated to each land use zoning category: 1) by the number of dwelling units for residential land uses to determine the cost per dwelling unit, or 2) by the number of building square footage for nonresidential land uses to determine the cost per building square foot.
5) Add appropriate allowance for administration of the fee program to the allocated costs.

Communitywide facilities are assumed to benefit both residents and employees; therefore, facilities costs are allocated to both residential and nonresidential development. Neighborhood parks and parkways are assumed to primarily benefit residents only; therefore, these costs have been allocated only to residential development. The table below briefly summarizes the proposed LRFP allocation methodology.

Facility Type	**Beneficiaries**	**Costs Allocated to**
Communitywide Facilities	Residents and Employees	LRSP, EGAM, and Lent Ranch Residential and Nonresidential development
Neighborhood Facilities	Residents	LRSP and Lent Ranch Residential development
Parkways and Open Space	Residents	LRSP Residential development

Detailed DUE and cost allocation tables are included in **Appendix E. Table 9** (in **Chapter V**) shows the preliminary proposed LRFP fees for new LRSP development. Preliminary fees for LRSP development are shown per dwelling unit for residential development or per building square foot for nonresidential development. **Table 10** shows the estimated LRFP revenues (excluding administration) anticipated from LRSP development.

It is important to note that the estimated LRFP fees are preliminary and will be subject to change when the actual fee program is adopted. Per-unit or per-building-square-foot fees in the LRFP may be lower or higher than estimated in the Financing Plan once the nexus study is completed. Some factors that may modify the resulting LRFP park fees include:

- The cost of forming the LRFP may be included and allocated to all development in the fee program.
- Unit counts and nonresidential building square footage estimates may be further refined to account for development occurring at less than maximum Specific Plan densities.
- The City or developers may require changes to the LRFP not currently anticipated in the Financing Plan.

As is typical with all fee programs, the LRFP will require periodic updates as new infrastructure cost, land use, and revenue information becomes available. When updates occur, fees will be adjusted to account for the updated information.

Table 9
Laguna Ridge Specific Plan Financing Plan
Facilities Cost Allocation - Parks, Parkways, and Open Space Facilities

Land Use Type	Cost per Unit/Sq. ft. Community and Citywide Facilities	Neighborhood Facilities	Parkways and Open Space	Subtotal	3% Admin.	Total Fee per Unit/Sq. ft.
Laguna Ridge [1]						
Residential						
Single-Family	$4,802	$2,681	$2,581	**$10,064**	$302	**$10,366**
Multifamily	$3,201	$1,788	$1,721	**$6,709**	$201	**$6,910**
Age-Restricted	$2,744	$1,532	$1,475	**$5,751**	$173	**$5,923**
Non-Residential						
Commercial	$0.36	n/a	n/a	**$0.36**	$0.01	**$0.37**
Office	$0.60	n/a	n/a	**$0.60**	$0.02	**$0.62**
Auto Commercial	$0.36	n/a	n/a	**$0.36**	$0.01	**$0.37**
Lent Ranch						
Residential						
Multifamily	$3,201	$1,788	n/a	**$4,989**	$150	**$5,138**
Non-Residential						
Commercial	$0.36	n/a	n/a	**$0.36**	$0.01	**$0.37**

"fee sum"

[1] Includes uses in the Elk Grove Automall.

Table 10
Laguna Ridge Specific Plan Financing Plan
Estimated LRFP Buildout Revenues from the LRSP [1]

Revenue Source	Total	Residential (Units)			Nonres. (Bldg. Sq. Ft.)	
		Single-Family	Multi-family	Age-Restricted	BP Office	Commercial
Estimated Units/Sq. Ft. at Buildout [3]		6,016	1,110	641	731,677	1,464,195 [2]
		rounded to the nearest $1,000				
Parks, Parkways & Open Space						
Fee per Unit or per Bldg. Sq. Ft.		$10,064	$6,709	$5,751	$0.60	$0.36
Total Revenue	**$72,647,000**	$60,543,000	$7,447,000	$3,686,000	$441,000	$530,000
Total Revenue	**$72,647,000**	**$60,543,000**	**$7,447,000**	**$3,686,000**	**$441,000**	**$530,000**

"buildout revs"

Note: Revenue estimates exclude administration costs and are rounded to the nearest thousand except where shown.

[1] Based on preliminary estimated fees (excluding administration costs) and costs as estimated in this Laguna Ridge Specific Plan Public Facilities Financing Plan.
[2] Excludes Phase II of the Elk Grove Auto Mall, which is already developed.
[3] See Table 3 for a summary of Laguna Ridge land uses.

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VIII. IMPLEMENTATION

Implementation of Financing Plan strategies will require utilization of existing development impact fee programs, including existing City fee programs, County fee programs, the EGUSD fee program and the proposed LRFP. The LRSP may be subject to other future City development impact fees as well. In addition, the City will receive one or more applications for Mello-Roos CFD and/or Assessment District formation. The use of bond financing will provide the up-front funding required for significant infrastructure and other public facilities required at the outset of development.

FINANCING PLAN IMPLEMENTATION ACTION ITEMS

Table 11 details the actions that are required for implementation of the Financing Plan. Implementation of the Financing Plan will require the following actions:

- Establish the Laguna Ridge Park Fee Program (for park, parkway, open space, and recreational facilities development costs);
- Establish City of Elk Grove CFD No. 2005-1 (for backbone infrastructure financing and maintenance of parks, parkways, open space, landscape corridors and medians);
- Annex LRSP development into City of Elk Grove Police Services CFD No. 2003-2;
- Annex LRSP development into the Street Maintenance District No. 1; and,
- Form or annex into an assessment district or other financing district to fund street light maintenance costs.

CHANGES IN THE CAPITAL IMPROVEMENT AND FINANCING PROGRAMS

It is anticipated that as the Financing Plan is implemented, the infrastructure costs and available funding sources will change as development occurs. As a result, the Financing Plan must be flexible enough to appropriately adjust to such changes. Changes in the actual or assumed infrastructure cost estimates or funding of the infrastructure and facilities should be re-evaluated in the context of the overall financing strategy to ensure required funding is available when needed.

Table 11
Laguna Ridge Financing Plan
Financing Plan Implementation Actions

Category/Item	Action	Responsible Party	Timing
Development Impact Fee Programs			
Laguna Ridge Fee Program (LRFP)	Adopt LRFP nexus study to implement development impact fees for parks, parkways, open space and recreation facilities.	City	Before Final Map or Building Permit if subdivision is not required.
Mello-Roos Community Facility District(s) for Infrastructure			
CFD No. 2005-1 (Laguna Ridge)	Form Mello-Roos CFD No. 2005-1 to fund portion of backbone infrastructure and other public facilities.	City/LRSP Participating Developers	Concurrent with or immediately following Tentative Map Approval
Financing Districts for Ongoing Operation and Maintenance Costs			
Police Services CFD No. 2003-02	Annex Property into CFD No. 2003-02	City/LRSP Participating Developers	Before Final Map or Building Permit if subdivision is not required.
Street Maintenance District / Lighting Maintenance District	Annex Property into the Street Maintenance District No. 1 or form a new Street Maintenance and Lighting Maintenance District for the LRSP	City/LRSP Participating Developers	Before Final Map or Building Permit if subdivision is not required.
CFD No. 2005-1 (Laguna Ridge)	Form Mello-Roos CFD No. 2005-1 to fund park, parkway, open space, and landscape corridor maintenance.	City/LRSP Participating Developers	Concurrent with or immediately following Tentative Map Approval/

"impl"

Possible changes in the CIP include these:

- New or revised infrastructure projects;
- New cost information based on actual construction costs, updated engineering estimates, or changes in the land use plan;
- New funding source data; and
- Inflationary adjustments to cost and funding data.

Changes in the overall financing program could include either higher or lower public facility costs or different funding source information than initially assumed. The Financing Plan costs and funding sources are shown in year 2005 dollars.

FEE CREDITS AND REIMBURSEMENTS

The City has determined that developers will advance fund certain backbone infrastructure and other public facilities contained in the CIP. The infrastructure and/or other public facilities that are advance funded may be part of existing fee programs or may be funded by bond proceeds or private financing.

When advance funded public facilities are included in development impact fee programs, developers will seek fee credits/reimbursements from the appropriate fee program out of which the public facility would have otherwise been constructed. For example, if storm drainage improvements (eligible for Zone 11A funding) are advance funded and constructed, developers who advance funded the drainage improvements will seek a 100-percent credit against the Zone 11A development impact fees up to the amount of completed and accepted drainage facilities.

In the case when the amount of advance funded facilities exceeds available fee credits, developers will await reimbursement from the appropriate fee program. Using the drainage example, if a developer advance funded $3.0 million in completed and accepted drainage facilities and had exhausted $2.0 million in available Zone 11A fee credits, that developer would be owed a reimbursement from Zone 11A of $1.0 million (to be repaid at some future time from Zone 11A fee revenue from other fee payers).

Fee credit/reimbursement programs for existing and proposed development impact fee programs will need to be agreed upon between the developers, the City, and the appropriate agencies who administer development impact fee programs. Most development impact fee programs will reimburse the lesser of actual cost or fee program scheduled costs for completed infrastructure items that are included in the fee program. Consequently, when actual costs exceed scheduled costs, the portion that exceeds the scheduled costs (the non-reimbursable cost) would be privately financed.

ADMINISTRATION

The City will administer the public facilities financing program, which will include:

- Completion of the Financing Plan implementation action items identified above;
- Monitoring of the infrastructure CIP and development activities; and
- Periodically updating the financing mechanisms to ensure the necessary infrastructure is constructed as required to serve the development in the LRSP.

In addition, implementation of the Financing Plan will require monitoring identified revenue sources and estimating fee programs cash flows.