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*Public Finance*

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*Land Use Policy*

## **PUBLIC REVIEW DRAFT REPORT**

### **RIO DEL ORO SPECIFIC PLAN**

### **PUBLIC FACILITIES FINANCING PLAN**

Prepared for:

Elliott Homes, Inc. and GenCorp Inc.

Prepared by:

Economic & Planning Systems, Inc.

December 8, 2006

EPS #13535

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Tim Youmans served as principal-in-charge and oversaw all aspects of the assignment. Amy Lapin served as project manager and conducted the financing plan in conjunction with other staff.

The analyses, opinions, recommendations, and conclusions of this report are EPS's informed judgment based on market and economic conditions as of the date of this report. Changes in the market conditions or the economy could change or invalidate the conclusions contained herein. The contents of this report are based, in part, on data from secondary sources. While it is believed that these sources are accurate, EPS cannot guarantee their accuracy. The findings herein are based on economic considerations and, therefore, should not be construed as a representation or as an opinion that government approvals for development can be secured. Conclusions and recommended actions contained in this report should not be relied on as sole input for final business decisions regarding current and future development and planning, nor used for purposes beyond the scope and objectives of the current study.

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# I. INTRODUCTION AND SUMMARY

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## INTRODUCTION

The Rio del Oro Specific Plan, defined in this report as the “RDOSP” or “Project,” is located on approximately 3,800 acres in the City of Rancho Cordova (City), south of U.S. Highway 50 and White Rock Road, north of Douglas Road, and east of Sunrise Boulevard. The Project, located west of Grant Line Road, is not demarcated by a roadway on its eastern boundary. **Map 1** shows the RDOSP in its regional context—in relation to the Sacramento region, U.S. Highway 50, and the Sunrise Douglas Community Plan Area boundary.

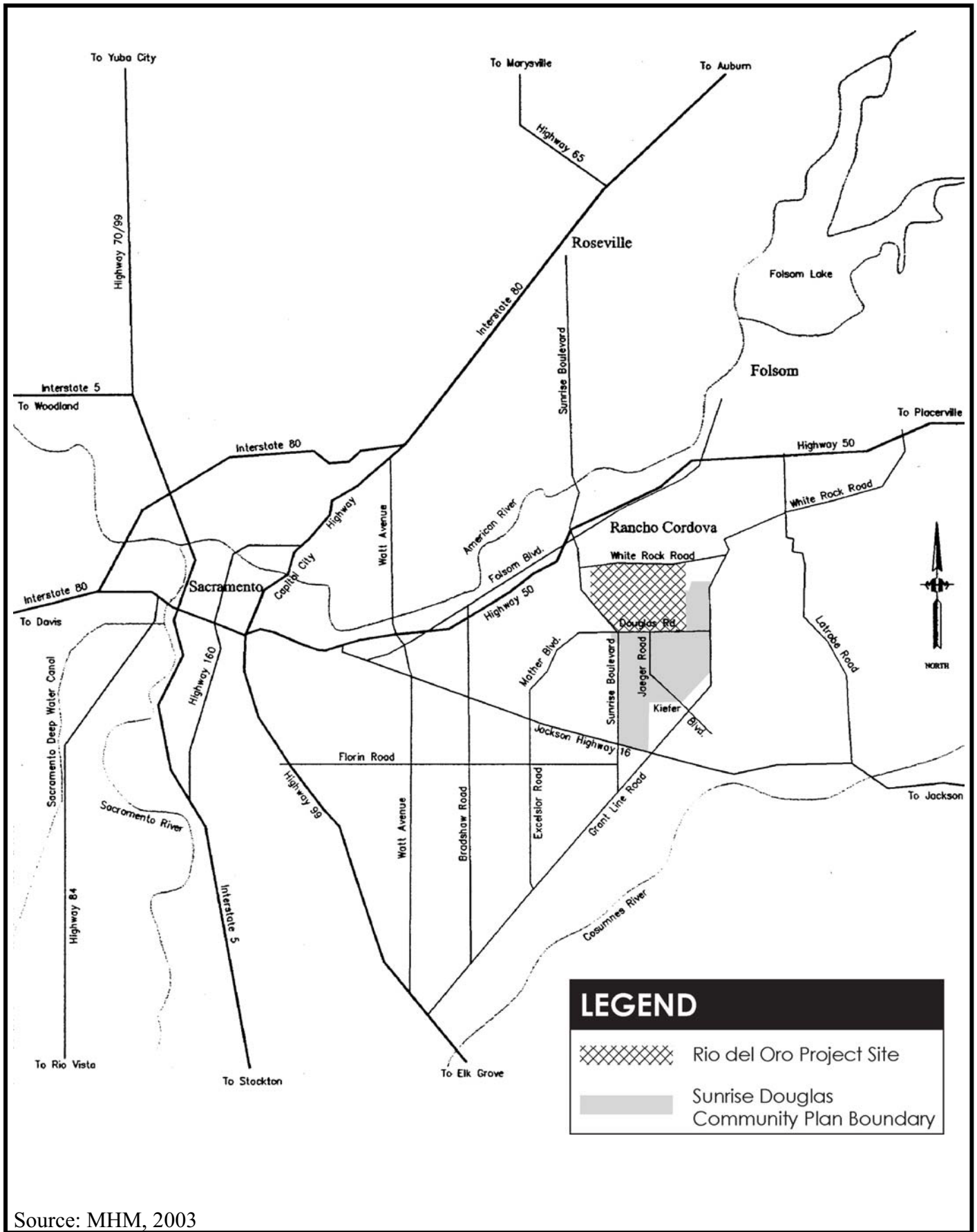
This Public Facilities Financing Plan (Financing Plan) is based on the RDOSP land use designations described in the December 8, 2006 Draft Rio del Oro Specific Plan (Specific Plan). The RDOSP, owned by two developers, Elliott Homes, Inc. and GenCorp Inc. (Master Developers), is envisioned to include a combination of residential, commercial, and park and open space land uses across the 3,800-acre site, providing up to 18,000 jobs and housing for approximately 31,000 new residents.

The RDOSP includes approximately 11,600 residential units spread over 1,900 gross developable acres, as well as 520 acres of commercial development, and nearly 1,400 acres of public and quasi-public land uses. **Map 2** shows the proposed land use plan of the Project and **Table 1** summarizes the buildout land use plan for the RDOSP.

Economic & Planning Systems, Inc. (EPS) prepared this Financing Plan. Wood Rodgers, Inc. and MacKay & Soms prepared the engineering design and cost estimates, which are current as of July 2006. The Financing Plan is a companion document to the joint environmental impact report/environmental impact statement (EIR/EIS) and Specific Plan, which will both be submitted to the City in December 2006.

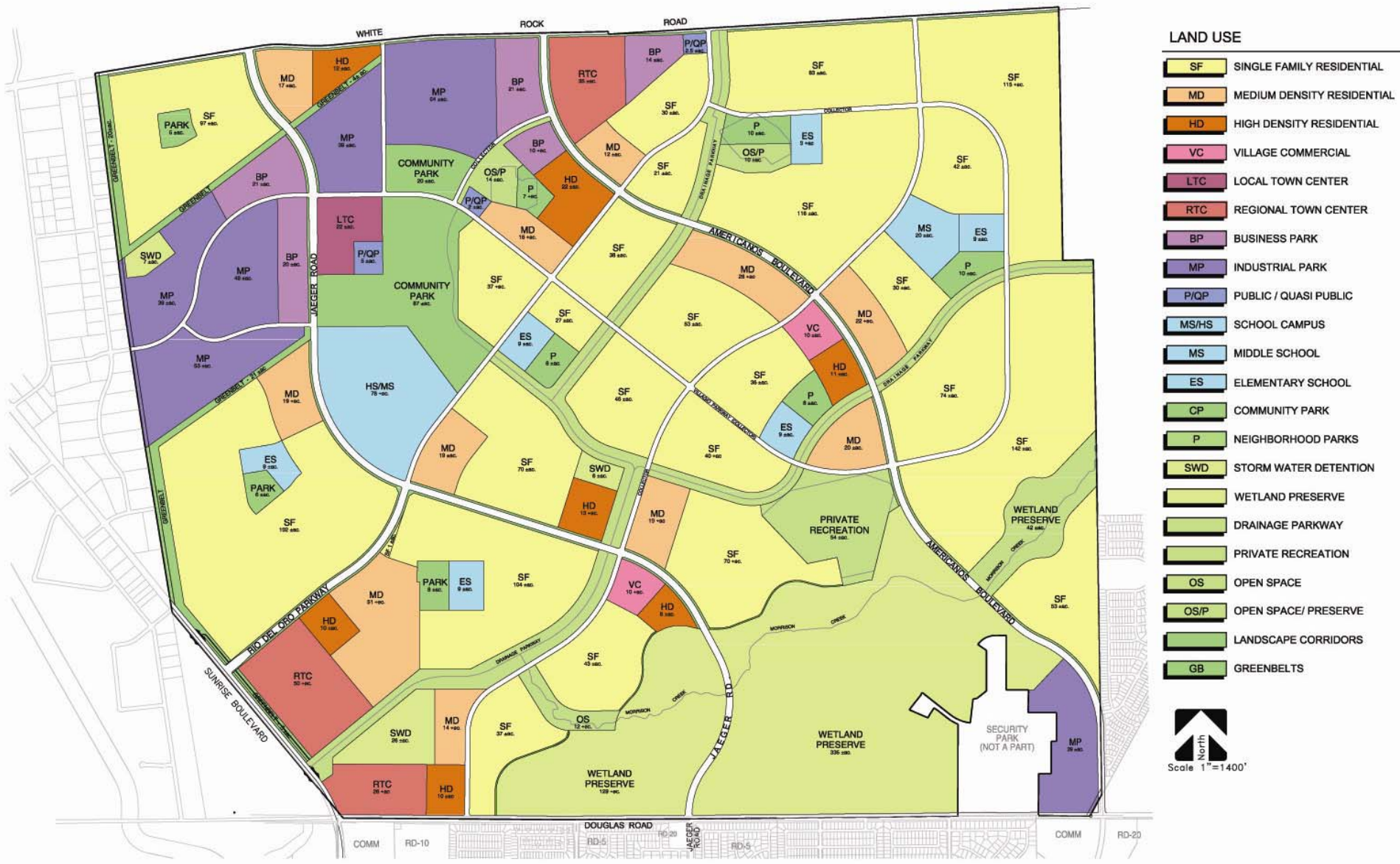
## PURPOSE OF THE FINANCING PLAN

The purpose of the Financing Plan is to describe the financing strategy to fund Backbone Infrastructure and Public Facilities (as defined later in this chapter) needed to serve new development in the RDOSP. The Financing Plan accomplishes this strategy by following these steps:



**Map 1**  
**Rio del Oro Project Site and General Vicinity**

# Map 2 Rio del Oro Land Use Plan





**Table 1**  
**Rio del Oro Specific Plan**  
**Infrastructure and Public Facilities Financing Plan**  
**Summary of Preliminary Land Uses**

Land Use by Area	BUILDOUT				
	Total Acres	Residential		Nonresidential	
		Units	Units/Acre	Bldg Sq. Ft.	FAR
<b>Residential Land Uses</b>					
Single-Family Residential	1,597.0	7,985	5.0		
Medium-Density Residential	237.0	1,896	8.0		
High-Density Residential	86.0	1,720	20.0		
<b>Total Residential</b>	<b>1,920.0</b>	<b>11,601</b>	<b>6.0</b>		
<b>Nonresidential Land Uses</b>					
Local Town Center	22.0			239,580	0.25
Regional Town Center	111.0			1,208,790	0.25
Village Center	20.0			217,800	0.25
Business Park	86.0			1,311,156	0.35
Industrial Park	282.0			5,527,764	0.45
<b>Total Nonresidential</b>	<b>521.0</b>			<b>8,505,090</b>	<b>0.37</b>
<b>Public and Other Land Uses</b>					
Public/Quasi-Public	9.5				
High/Middle School	78.0				
Middle School	20.0				
Elementary School	54.0				
Community Park	107.0				
Neighborhood Parks	63.0				
Storm Water Detention	39.0				
Wetland Preserve	507.0				
Drainage Parkway	143.0				
Private Recreation	54.0				
Open Space	12.0				
Open Space Preserve	24.0				
Greenbelts	50.0				
Landscape Corridors	44.0				
Right-of-Ways	183.0				
<b>Total Public</b>	<b>1,387.5</b>				
<b>Total All Land Uses</b>	<b>3,828.5</b>	<b>11,601</b>		<b>8,505,090</b>	

"lu\_buildout\_text"

Source: December 2006 Draft Rio Del Oro Specific Plan; EPS.

1. Specifying the major Backbone Infrastructure and Public Facilities to be constructed or acquired in association with the development of the RDOSP. Corresponding cost estimates are based on available engineering data and other estimates;
2. Identifying funding sources to pay for the Backbone Infrastructure and Public Facilities, including any existing and potential future fee programs or financing districts;
3. Providing information regarding the development timing of Backbone Infrastructure and Public Facilities improvements; and
4. Establishing the policy framework for financing the required major Backbone Infrastructure and Public Facilities improvements.

## OVERVIEW OF FINANCING STRATEGY

This Financing Plan shows the estimated costs to construct identified Backbone Infrastructure and Public Facilities and describes the proposed or identified financing mechanisms to fund those costs.

## FACTORS INFLUENCING THE FINANCING PLAN

The process of developing the Financing Plan for the RDOSP area includes several important considerations:

- Large amount of acreage (approximately 3,800 acres) with two Master Developers;
- Broad mix of land uses;
- Large amount of commercial space (roughly 8.5 million building square feet); and,
- Substantial amount of major infrastructure required in the early phases of development.

## GOALS OF THE FINANCING PLAN

The elements of the Financing Plan must work together to provide the optimal balance of fee, bond, and private financing so as not to burden undeveloped land while assuring that necessary facilities are constructed when needed. The goals of the Financing Plan are as follows:

- Allow the Master Developers to initially fund and construct Backbone Infrastructure and most Public Facilities with a combination of public and private funding;
- Implement new special financing programs and, if needed, modify existing fee programs to ultimately provide shared funding mechanisms for all development projects through fee credits and reimbursements;
- Make appropriate use of municipal debt financing mechanisms to reimburse developers for construction of facilities; and
- Build in flexibility to allow response to market conditions.

The Financing Plan proposes the following special financing program formation and update process that will be used to ultimately provide equal participation in financing for all development projects:

- Use existing City, County of Sacramento (County) and Special District fee programs to the extent possible; and
- Establishing a Rio del Oro Special Financing program (e.g., Mello-Roos Community Facilities District [CFD], RDOSP Plan Area Fee) to reimburse developers for construction of major Backbone Infrastructure and Public Facilities not included in existing or other new fee programs.

## DEFINITIONS OF INFRASTRUCTURE IN THE FINANCING PLAN

The term “backbone infrastructure” is often used to describe all publicly-owned facilities. This Financing Plan will use the following definitions to more precisely define these items:

**Backbone Infrastructure:** This term includes most of the essential public service-based items that are underground or on the surface. These items include storm drainage, water, reclaimed water, sewer, onsite arterial and collector roads<sup>1</sup> including onsite road frontage improvements<sup>2</sup> and dry utilities. Backbone Infrastructure is sized to serve numerous individual development projects in the Project and in some cases serves the broader region’s development areas.

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<sup>1</sup> According to the City of Rancho Cordova Capital Facility Program dated October 2005, arterial and collector roads are defined as follows. Arterial roads are major four-lane streets, typically on a 84’ ROW with turning lanes. Collectors are two-lane roads carrying local traffic to or from arterials.

<sup>2</sup> Typically, road frontage is not considered backbone infrastructure. However, the cost estimates and funding sources for onsite roadways include roadway frontage in this Financing Plan. Roadway frontage is not included in the City’s transportation fee program; thus, this Financing Plan identifies other sources of revenue to fund these improvements.

**Public Facilities:** This term includes these public facilities:

- Parks, trails, and open space;
- Landscape corridors along all arterial and collector streets that border subdivisions;
- Transit;
- Fire Stations;
- Libraries; and
- Schools.

This group of items provides amenities to the Project (e.g., park facilities and libraries) or houses employees providing services to the area (e.g., fire).

**Facilities:** This term is used generically in the Financing Plan to include a combination of Backbone Infrastructure and Public Facilities when a precise breakdown is not required.

**Subdivision Infrastructure:** This group of improvements includes two sub-sets: frontage improvements and in-tract improvements:

- **Frontage improvements** include sound walls. This frontage improvement will be funded privately, and the costs of this improvement is not estimated or included in the burdens presented in the Financing Plan. As noted under the definition of backbone infrastructure, this Financing Plan includes the following frontage improvements: onsite roadway frontage and landscape corridors along all arterial and collector streets that border a subdivision.
- **In-tract improvements** (e.g., storm drainage, sewer, water, roads, and dry utilities) in an individual subdivision, commercial and/or multifamily project.

## ITEMS EXCLUDED FROM THE FINANCING PLAN

The following items are specifically excluded from the Financing Plan:

1. The cost of Subdivision Infrastructure, including both frontage and in-tract improvements, which will be funded privately by developers;
2. Habitat mitigation, which will be funded by each project; and
3. The cost of right-of-way for roads, which will be dedicated, either as provided in the Development Agreement (DA) or upon any Large Lot Final Map.

In addition, land dedication, right-of-way (excluding roads) and easement costs will not be part of the RDOSP Special Financing Program.

## FINANCING STRATEGY COSTS AND FUNDING SOURCES

*Reader's Note: The Backbone Infrastructure and Public Facilities described in this section continue to undergo review. Improvements may be added or deleted in future Financing Plan updates. All costs are in 2006 dollars. Cost estimates will be adjusted for inflation or revised based on more detailed engineering information as the development process is implemented. Revenues generated from existing fee program revenue will be updated in the next iteration of this Financing Plan.*

Buildout of the RDOSP will require the construction of storm drainage, sewer, water, roadways, and a variety of other public facilities. Cost estimates for required backbone infrastructure and other public facilities have been derived from a combination of available preliminary engineering data provided by Wood Rodgers, Inc. and MacKay & Soms current as of July 2006, as well as by using data from the City's October 2005 Transportation System *et al.* Development Impact Fee Nexus Report and Capital Facility Program, EPS, and other sources.

### BACKBONE FACILITIES COSTS

**Table 2** summarizes the buildout costs of Backbone Infrastructure and other Public Facilities required to serve the RDOSP. At buildout, Backbone Infrastructure and other Public Facilities are estimated to cost approximately \$804.4 million (2006 \$). These costs are for Facilities located within the boundaries of the RDOSP, or beyond the boundaries of the RDOSP but are designed to serve the RDOSP and are required to be funded by the RDOSP developers. Wood Rodgers, Inc. and MacKay & Soms provided the engineering cost estimates, current as of July 2006. These costs do not include the costs of in-tract and other subdivision-specific improvements, which will be privately financed.

### SOURCES OF FUNDING

Several different funding sources will be used to fund Backbone Infrastructure and Public Facilities required to serve the Project. The developer will be required to initially fund and construct the required Backbone Infrastructure and Public Facilities with private funding until public funding becomes available. Public funding sources will primarily be used to reimburse the developer for the advance funding of facilities and to ensure that the development that occurs at a later time ultimately pays its proportionate share for the required Backbone Infrastructure and Public Facilities.

**Table 2**  
**Rio del Oro Specific Plan**  
**Infrastructure and Public Facilities Financing Plan**  
**Preliminary Infrastructure Improvement Costs by Phase (2006\$)**

Improvement	Table Reference	Phase 1	Remaining Phases	Buildout
<b>Infrastructure Improvements</b>				
Storm Drainage	Table B-1	\$19,271,048	\$19,234,125	\$38,505,173
Water	Table B-2			
On-Site Water		\$8,558,460	\$11,434,298	\$19,992,758
Initial Off-Site Water		\$310,500	\$0	\$310,500
Subtotal Water		\$8,868,960	\$11,434,298	\$20,303,258
Reclaimed Water	N/A	TBD	TBD	TBD
Sewer	Table B-3			
On-Site Sewer		\$6,644,957	\$7,151,065	\$13,796,022
Initial Off-Site Sewer		\$6,322,050	\$640,170	\$6,962,220
Subtotal Sewer		\$12,967,007	\$7,791,235	\$20,758,242
Roadway	Table B-4, B-5, B-6			
On-Site Roadway [1]		\$30,488,000	\$42,921,500	\$73,409,500
Subtotal Roadway		\$30,488,000	\$42,921,500	\$73,409,500
<b>Subtotal Infrastructure Improvements</b>		<b>\$71,595,015</b>	<b>\$81,381,158</b>	<b>\$152,976,173</b>
<b>Public Facility Improvements</b>				
Parks [2]	Table B-7	\$35,275,000	\$36,975,000	\$72,250,000
Trails [2]	Table B-8	\$1,254,900	\$465,106	\$1,720,005
Open Space [2]	Table B-9	\$3,290,909	\$9,905,158	\$13,196,066
Landscape Corridor [2]	Table B-10, B-11	\$14,696,000	\$31,041,000	\$45,737,000
Transit [3]	Table C-4	\$2,488,738	\$2,937,960	\$5,426,697
Fire Station [3,4]	Table C-4	\$5,611,973	\$10,119,859	\$15,731,832
Library [3,4]	Table C-4	\$1,551,318	\$4,562,229	\$6,113,547
Schools [5]	Table E-1, E-7, E-13	\$121,877,953	\$368,404,860	\$490,282,813
<b>Subtotal Public Facility Improvements</b>		<b>\$186,046,790</b>	<b>\$464,411,171</b>	<b>\$650,457,961</b>
<b>Subtotal Infr. and Public Facility Improvements</b>		<b>\$257,641,805</b>	<b>\$545,792,328</b>	<b>\$803,434,133</b>
Special Financing District Formation and Updates [6]		\$312,167	\$687,833	\$1,000,000
<b>TOTAL IMPROVEMENTS</b>		<b>\$257,953,972</b>	<b>\$546,480,161</b>	<b>\$804,434,133</b>

"cost\_summ"

Source: Infrastructure Cost Estimates: Wood Rodgers, Inc. (03/21/2006) and MacKay & Soms (07/06/2006); and EPS.

- [1] The cost of dry utilities, including electric, telephone, gas, cable and streetlight systems, are contained within the on-site roadway cost estimate.
- [2] Preliminary draft infrastructure costs are estimated by EPS, based on On-Site improvements and their associated costs as shown in Appendix B.
- [3] Table C-4 shows cost at buildout. See Table C-2 for calculation of Phase 1 costs and Table C-3 for calculation of Remaining Phases.
- [4] For the purposes of this analysis, facility costs are assumed to equal total fee revenue, as shown in Table C-2 (Phase 1), Table C-3 (Remaining Phases) and Table C-4 (Buildout).
- [5] Table E-13 shows costs at buildout. See Table E-1 for Phase 1 costs and Table E-7 for Remaining Phases costs.
- [6] Placeholder cost estimated to equal approximately \$1.0 million in total, allocated among phases based on percentage of developable acres. This cost will change based upon the actual financing mechanism implemented.

### **Existing Fee Programs**

The City, County, and Special Districts serving the RDOSP have established development impact fee programs to fund regional costs for storm drainage, sewer, water, roads, and other capital facilities. Existing and potential future fee programs are discussed in detail in **Chapter IV**.

The City, County, and other Special Districts have the following fee programs already in place:

- Sacramento County Water Agency (SCWA) Zone 11A (Storm Drainage);
- Sacramento Regional County Sanitation District (SRCSD) (Sewer, regional conveyance);
- Sacramento County Sanitation District 1 (CSD-1) (Sewer, local collection);
- SCWA Zone 40 (Water);
- Sacramento Metropolitan Fire District (SMFD) (Fire Facilities);
- Rancho Cordova Citywide Transportation Fee (Roads and Transit); and
- Rancho Cordova Community Facilities Fee (CFF) Program (Library, among other community facilities).

The fees described above will be paid at various entitlement stages. SCWA Zone 11A drainage fees will be paid at the time improvement plans are submitted to and approved by the City. CSD-1 fees will be paid at the final map approval stage for single-family subdivisions and at the building permit stage for multifamily and commercial properties. SCWA Zone 40 water fees will be paid in two increments, a per-acre fee at the time improvement plans are submitted to and approved by the City, and per DUE at the building permit stage. All other fees described above will be paid at building permit.

Some RDOSP Backbone Infrastructure improvements may be transferred to the Capital Improvement Program (CIP) of the existing fee programs listed above. In those cases, developers who build those improvements would receive a credit against the existing fee program.

### **Proposed RDOSP Special Financing District**

For those Backbone Facilities not funded by existing and/or proposed fee programs, this Financing Plan proposes that certain Backbone Facilities will be funded through a RDOSP Special Financing District program. The Special Financing District could be represented by one or more of the following mechanisms:

- Mello-Roos CFD;
- Plan area fee program;
- Assessment district; or
- Infrastructure charge.<sup>3</sup>

In addition, the Master Developers may choose different combinations of funding mechanisms to fund their respective Backbone Facilities.

Most Backbone Facilities will initially be funded and constructed by the developer. Other Backbone Facilities will be constructed by the responsible public agency. The RDOSP Special Financing District program will be used to reimburse the developer for advance funding improvements. As later phases occur, developers in those phases will pay their proportionate share of the RDOSP Special Financing District program costs; this funding will be used to reimburse the developer who funded and constructed more than his/her proportionate share of costs in the RDOSP Special Financing District program at the outset of development.

### **Private Financing**

Private developers will be conditioned to construct facilities needed to serve development through the subdivision map process. Commercial and multifamily projects will be conditioned through the subdivision map process, the conditional use permit process, and/or design review process.

Because of the scale of Backbone Infrastructure improvements required for Phase 1, private capital will initially be the primary source of funding for these public improvements. To the extent that fee revenues are available, the developers will receive fee credits or reimbursements for advance-funding eligible projects included in fee programs, based on the City, County, and Special District's reimbursement policies.

### **School Facility Funding**

Funding for school facilities to serve the Project will be accomplished through the following mechanisms:

- School development impact fees controlled by State law (Government Code §65995 *et seq.*);
- FCUSD School Facilities Improvement District No. 1 (SFID 1); and
- The State School Facilities Program.

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<sup>3</sup> Similar to a Plan Area Fee, but revenue may be collected privately by the Master Developer(s) either as a specific charge or as a component of the price of the land sale. This funding mechanism is implemented and managed as a private cost-sharing mechanism between developers.



### Potential Additional School Facilities Improvement District: SFID No. 3

The FCUSD approved a resolution of intention to establish another SFID, SFID No. 3 (SFID 3) through a ballot measure to be voted upon in the November 2006 election (Measure M). However, in November 2006, Measure M failed to achieve a two-thirds majority approval. If Measure M had passed, SFID 3 would fund school facilities in new development areas of the district, including the RDOSP, through General Obligation (GO) bond financing. Although Measure M failed to establish a new SFID, the FCUSD intends to place another measure on the ballot in a March or April 2007 election.

To show the impacts of Project feasibility if SFID 3 is approved by voters, the feasibility analysis shown in **Chapter V** includes the assumption of the average annual tax rate of \$73.61 per \$100,000 in assessed value. Based on an analysis prepared by the FCUSD for Measure M, the maximum tax amount would be \$100 per \$100,000 of assessed value. In the first fiscal year after the sale of the first series of bonds and based on the assessed valuations currently available, the FCUSD estimated the lowest tax rate at \$37.31 per \$100,000 of assessed value. In addition, the FCUSD estimated the highest tax rate at \$99.91 per \$100,000 of assessed value, and an average annual tax rate over the life of the bonds of \$73.61 per \$100,000 of assessed value.

### **Potential Cordova Recreation and Park Fee Program**

The CRPD is reviewing the establishment of a fee that would fund recreation and park facilities in new development areas of the district, including the RDOSP. This Financing Plan includes an estimated preliminary park fee amount, similar to the park fee amount established in a recently-approved Project in the City.

### **Potential Highway 50 Coalition Fee/Charge Program**

A group of developers and jurisdictional entities, collectively named the Highway 50 Coalition, are considering the establishment of a new Highway 50 fee or charge that would fund roadway improvements along the Highway 50 corridor in El Dorado and Sacramento counties. The purpose of this program is to identify regional roadway infrastructure improvements that would improve mobility in concert with the region's projected growth. The roadway improvement costs and actual fee/charge amounts are unknown at this time but may be included in future versions of this Financing Plan.

*Reader's Note: In addition to current fees, the City has proposed several additional fees and imposed development charges on new development through recent development agreements. The additional likely and/or proposed fees and/or development charges shown in this Financing Plan include: park renovation charge; Swainson's Hawk Trust Fund; and transportation shortfall charge. Fee amounts have yet to be determined for an affordable housing fee, habitat conservation fee, and Highway 50 Coalition fee but are also likely additional fees that will be imposed on*

*development in the RDOSP. Although a ballot measure to form another school improvement district failed in the November 2006 election, it is likely that the FCUSD will place another measure on the ballot which may be approved by voters. Thus, a preliminary annual special tax for SFID 3 is included in this Financing Plan. The CRPD is reviewing the establishment of a park fee in new growth areas of the City. Thus, a park fee, similar to the park fee negotiated for a recent project in the City, is included in this Financing Plan. A total listing of fees and special taxes/assessments included in this Financing Plan is shown in **Chapter V**.*

### **Summary of Funding Sources for Development of the RDOSP**

Phase 1 Backbone Facilities costs equal approximately \$258.0 million (2006 \$). **Table 3** shows the financing sources used to fund backbone infrastructure and other public facilities in Phase 1 of the RDOSP. As shown, approximately \$48.2 million will be funded by the RDOSP Special Financing District. The remaining costs will be funded through a combination of public and private financing.

Backbone Facilities costs in Phase 2 through Phase 5 (Remaining Phases) equal approximately \$546.5 million (2006 \$). **Table 4** shows the financing sources used to fund Backbone Facilities. As shown, approximately \$72.8 million will be funded by the RDOSP Special Financing District. The remaining costs will be funded through a combination of public and private financing.

As shown in **Table 5**, total Backbone Facilities costs at Project buildout equal approximately \$804.4 million (2006 \$). Of these costs, \$121.0 million is expected to be covered by RDOSP Special Financing District revenues, \$348.2 million is expected to be covered by existing and proposed City, County, and Special District fee programs, and the remaining \$335.2 million is expected to be covered by State grants and private and other financing.

**Table 3**  
**Rio del Oro Specific Plan**  
**Infrastructure and Public Facilities Financing Plan**  
**Preliminary Sources and Uses of Funds for Phase 1 (2006\$)**

Phase 1

Improvement	Estimated Improvement Costs for Phase 1 (2006\$)	Potential Funding Sources							Total Funding	
		Existing City, Sacramento County and Other Fee / Funding Programs					Rio del Oro Special Financing District [2]	State Grants		Private/Other [3]
		City Transportation Development Fee	FCUSD School Mitigation Fees	City Community Facilities Fee Program	Other Agency Funding [1]					
<b>Infrastructure Improvements</b>										
Storm Drainage	\$19,271,048				\$10,685,048		\$8,586,000		\$19,271,048	
Water										
On-Site Water	\$8,558,460				\$7,845,660		\$712,800		\$8,558,460	
Initial Off-Site Water	\$310,500						\$310,500		\$310,500	
Subtotal Water	\$8,868,960				\$7,845,660		\$1,023,300		\$8,868,960	
Reclaimed Water	TBD								TBD	
Sewer										
Permanent On-Site Sewer	\$6,644,957				\$6,644,957				\$6,644,957	
Initial Off-Site Sewer	\$6,322,050						\$6,322,050		\$6,322,050	
Subtotal Sewer	\$12,967,007				\$6,644,957		\$6,322,050		\$12,967,007	
Roadway										
On-Site Roads	\$30,488,000	\$17,816,000					\$12,672,000		\$30,488,000	
Subtotal Roads	\$30,488,000	\$17,816,000					\$12,672,000		\$30,488,000	
<b>Subtotal Infrastructure Improvements</b>	<b>\$71,595,015</b>	<b>\$17,816,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,175,665</b>	<b>\$28,603,350</b>	<b>\$0</b>	<b>\$0</b>	<b>\$71,595,015</b>	
<b>Public Facility Improvements</b>										
Parks [4]	\$35,275,000				\$31,250,518			\$4,024,482	\$35,275,000	
Trails [4]	\$1,254,900						\$1,254,900		\$1,254,900	
Open Space [4]	\$3,290,909						\$3,290,909		\$3,290,909	
Landscape Corridor	\$14,696,000						\$14,696,000		\$14,696,000	
Transit	\$2,488,738	\$2,488,738							\$2,488,738	
Fire Station	\$5,611,973				\$5,611,973				\$5,611,973	
Library	\$1,551,318			\$1,551,318					\$1,551,318	
Schools	\$121,877,953		\$38,642,422				\$34,251,180	\$48,984,351	\$121,877,953	
<b>Subtotal Public Facility Improvements</b>	<b>\$186,046,790</b>	<b>\$2,488,738</b>	<b>\$38,642,422</b>	<b>\$1,551,318</b>	<b>\$36,862,491</b>	<b>\$19,241,808</b>	<b>\$34,251,180</b>	<b>\$53,008,833</b>	<b>\$186,046,790</b>	
<b>Subtotal Improvements</b>	<b>\$257,641,805</b>	<b>\$20,304,738</b>	<b>\$38,642,422</b>	<b>\$1,551,318</b>	<b>\$62,038,156</b>	<b>\$47,845,158</b>	<b>\$34,251,180</b>	<b>\$53,008,833</b>	<b>\$257,641,805</b>	
Special Financing District Formation and Updates	\$312,167						\$312,167		\$312,167	
<b>Total Improvements</b>	<b>\$257,953,972</b>	<b>\$20,304,738</b>	<b>\$38,642,422</b>	<b>\$1,551,318</b>	<b>\$62,038,156</b>	<b>\$48,157,325</b>	<b>\$34,251,180</b>	<b>\$53,008,833</b>	<b>\$257,953,972</b>	

"sources\_useP1"

Source: Infrastructure Cost Estimates: Wood Rodgers, Inc. (03/21/2006) and MacKay & Soms (07/06/2006); Various Fee Programs; EPS.

[1] Other Agency Funding includes:

Storm Drainage - Sacramento County Water Agency Zone 11A

Sewer - CSD-1 and SRCSD

Water - Sacramento County Water Agency Zone 40

Parks - Potential Cordova Recreation and Parks District Fee, assumes park fee is equal to the park fee established in the Sunridge East project in 2006. See Table C-1 for fee amounts by land use.

Fire Station - Sacramento Metro Fire

[2] Financing mechanism for remaining Rio del Oro infrastructure costs has not been determined at this time. Special Financing District may be Mello-Roos Community Facilities District, Plan Area Fee Program, Benefit Assessment District, or other Infra:

[3] Private/Other Funding includes:

Parks - Private advance funding; reimbursed in Remaining Phases by Potential Cordova Recreation and Parks District fee revenue.

Schools - Current FCUSD SFID 1 and potential FCUSD SFID 3.

[5] Preliminary draft infrastructure costs are estimated by EPS based on On-Site improvements and their associated costs as shown in Appendix G.

[6] Park development costs in Phase I require funding in excess of the proposed city park fee revenue. However, at buildout, sufficient park fee revenues are generated to fully fund all RDOSP park development costs.

This analysis assumes that developers will privately fund the difference between Phase I park development costs and Phase I park fee revenues, and will be reimbursed at a later date from park fee revenue accrued in later phases.

**Table 4**  
**Rio del Oro Specific Plan**  
**Infrastructure and Public Facilities Financing Plan**  
**Preliminary Sources and Uses of Funds for Phases 2 through 5 (2006\$)**

<b>Remaining Phases</b>
-----------------------------

Improvement	Est. Improvement Costs at Buildout (2006\$)	Potential Funding Sources							Total Funding	
		Existing City, Sacramento County and Other Fee / Funding Programs					Rio del Oro Special Financing District [2]	State Grants		Private/ Other [3]
		City Transportation Development Fee	FCUSD School Mitigation Fees	City Community Facilities Fee Program	Other Agency Funding [1]	Other				
<b>Infrastructure Improvements</b>										
Storm Drainage	\$19,234,125				\$18,221,625		\$1,012,500		\$19,234,125	
Water										
On-Site Water	\$11,434,298				\$9,704,138		\$1,730,160		\$11,434,298	
Initial Off-Site Water	\$0								\$0	
Subtotal Water	\$11,434,298				\$9,704,138		\$1,730,160		\$11,434,298	
Reclaimed Water	TBD								TBD	
Sewer										
Permanent On-Site Sewer	\$7,151,065				\$7,151,065		\$0		\$7,151,065	
Initial Off-Site Sewer	\$640,170						\$640,170		\$640,170	
Subtotal Sewer	\$7,791,235				\$7,151,065		\$640,170		\$7,791,235	
Roadway										
On-Site Roads	\$42,921,500	\$15,596,000					\$27,325,500		\$42,921,500	
Subtotal Roads	\$42,921,500	\$15,596,000					\$27,325,500		\$42,921,500	
<b>Subtotal Infrastructure Improvements</b>	<b>\$81,381,158</b>	<b>\$15,596,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,076,828</b>		<b>\$30,708,330</b>	<b>\$0</b>	<b>\$81,381,158</b>	
<b>Public Facility Improvements</b>										
Parks [4]	\$36,975,000				\$36,975,000				\$36,975,000	
Trails [4]	\$465,106						\$465,106		\$465,106	
Open Space [4]	\$9,905,158						\$9,905,158		\$9,905,158	
Landscape Corridor	\$31,041,000						\$31,041,000		\$31,041,000	
Transit	\$2,937,960	\$2,937,960							\$2,937,960	
Fire Station	\$10,119,859				\$10,119,859				\$10,119,859	
Library	\$4,562,229			\$4,562,229					\$4,562,229	
Schools	\$368,404,860		\$116,450,535				\$103,497,158	\$148,457,166	\$368,404,860	
<b>Subtotal Public Facility Improvements</b>	<b>\$464,411,171</b>	<b>\$2,937,960</b>	<b>\$116,450,535</b>	<b>\$4,562,229</b>	<b>\$47,094,859</b>		<b>\$41,411,263</b>	<b>\$103,497,158</b>	<b>\$464,411,171</b>	
<b>Subtotal Improvements</b>	<b>\$545,792,328</b>	<b>\$18,533,960</b>	<b>\$116,450,535</b>	<b>\$4,562,229</b>	<b>\$82,171,687</b>		<b>\$72,119,593</b>	<b>\$103,497,158</b>	<b>\$545,792,328</b>	
Special Financing District Formation and Updates	\$687,833						\$687,833		\$687,833	
<b>Total Improvements</b>	<b>\$546,480,161</b>	<b>\$18,533,960</b>	<b>\$116,450,535</b>	<b>\$4,562,229</b>	<b>\$82,171,687</b>		<b>\$72,807,426</b>	<b>\$103,497,158</b>	<b>\$546,480,161</b>	

"sources\_uses\_rem"

Source: Infrastructure Cost Estimates: Wood Rodgers, Inc. (03/21/2006) and MacKay & Soms (07/06/2006); Various Fee Programs; and EPS.

[1] Other Agency Funding includes:

- Storm Drainage - Sacramento County Water Agency Zone 11A
- Sewer - CSD-1 and SRCSD
- Water - Sacramento County Water Agency Zone 40
- Parks - Potential Cordova Recreation and Parks District Fee, assumes park fee is equal to the park fee established in the Sunridge East project in 2006. See Table C-1 for fee amounts by land use.
- Fire Station - Sacramento Metro Fire

[2] Financing mechanism for remaining Rio del Oro infrastructure costs has not been determined at this time. Special Financing District may be Mello-Roos Community Facilities District, Plan Area Fee Program, Benefit Assessment District, or other Infrastructure charge.

[3] Private/Other Funding includes:

- Schools - Current FCUSD SFID 1 and potential FCUSD SFID 3.

[4] Preliminary draft infrastructure costs are estimated by EPS, based on on-site improvements and their associated costs as shown in Appendix B.

**Buildout**

**Table 5**  
**Rio del Oro Specific Plan**  
**Infrastructure and Public Facilities Financing Plan**  
**Preliminary Sources and Uses of Funds at Buildout (2006\$)**

Improvement	Est. Improvement Costs at Buildout (2006\$)	Potential Funding Sources							Total Funding	
		Existing City, Sacramento County and Other Fee / Funding Programs					Rio del Oro Special Financing District [2]	State Grants		Private/ Other [3]
		City Transportation Development Fee	FCUSD School Mitigation Fees	City Community Facilities Fee Program	Other Agency Funding [2]					
<b>Infrastructure Improvements</b>										
Storm Drainage	\$38,505,173				\$28,906,673	\$9,598,500			\$38,505,173	
Water										
On-Site Water	\$19,992,758				\$17,549,798	\$2,442,960			\$19,992,758	
Initial Off-Site Water	\$310,500				\$0	\$310,500			\$310,500	
<i>Subtotal Water</i>	<i>\$20,303,258</i>				<i>\$17,549,798</i>	<i>\$2,753,460</i>			<i>\$20,303,258</i>	
Sewer										
Permanent On-Site Sewer	\$13,796,022				\$13,796,022	\$0			\$13,796,022	
Initial Off-Site Sewer	\$6,962,220				\$0	\$6,962,220			\$6,962,220	
<i>Subtotal Sewer</i>	<i>\$20,758,242</i>				<i>\$13,796,022</i>	<i>\$6,962,220</i>			<i>\$20,758,242</i>	
Roadway										
On-Site Roads	\$73,409,500	\$33,412,000				\$39,997,500			\$73,409,500	
<i>Subtotal Roads</i>	<i>\$73,409,500</i>	<i>\$33,412,000</i>				<i>\$39,997,500</i>			<i>\$73,409,500</i>	
<b>Subtotal Infrastructure Improvements</b>	<b>\$152,976,173</b>	<b>\$33,412,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,252,493</b>	<b>\$59,311,680</b>	<b>\$0</b>	<b>\$0</b>	<b>\$152,976,173</b>	
<b>Public Facility Improvements</b>										
Parks [4]	\$72,250,000				\$72,250,000				\$72,250,000	
Trails [4]	\$1,720,005					\$1,720,005			\$1,720,005	
Open Space [4]	\$13,196,066					\$13,196,066			\$13,196,066	
Landscape Corridor	\$45,737,000					\$45,737,000			\$45,737,000	
Transit	\$5,426,697	\$5,426,697							\$5,426,697	
Fire Station	\$15,731,832				\$15,731,832				\$15,731,832	
Library	\$6,113,547			\$6,113,547					\$6,113,547	
Schools	\$490,282,813		\$155,092,958				\$101,827,426	\$233,362,429	\$490,282,813	
<b>Subtotal Public Facility Improvements</b>	<b>\$650,457,961</b>	<b>\$5,426,697</b>	<b>\$155,092,958</b>	<b>\$6,113,547</b>	<b>\$87,981,832</b>	<b>\$60,653,071</b>	<b>\$101,827,426</b>	<b>\$233,362,429</b>	<b>\$650,457,961</b>	
<b>Subtotal Improvements</b>	<b>\$803,434,133</b>	<b>\$38,838,697</b>	<b>\$155,092,958</b>	<b>\$6,113,547</b>	<b>\$148,234,325</b>	<b>\$119,964,751</b>	<b>\$101,827,426</b>	<b>\$233,362,429</b>	<b>\$803,434,133</b>	
Special Financing District Formation and Updates	\$1,000,000					\$1,000,000			\$1,000,000	
<b>Total Improvements</b>	<b>\$804,434,133</b>	<b>\$38,838,697</b>	<b>\$155,092,958</b>	<b>\$6,113,547</b>	<b>\$148,234,325</b>	<b>\$120,964,751</b>	<b>\$101,827,426</b>	<b>\$233,362,429</b>	<b>\$804,434,133</b>	

"sources\_uses"

Source: Infrastructure Cost Estimates: Wood Rodgers, Inc. (03/21/2006) and MacKay & Soms (07/06/2006); Various Fee Programs; EPS.

[1] Other Agency Funding includes:

- Storm Drainage - Sacramento County Water Agency Zone 11A
- Sewer - CSD-1 and SRCSD
- Water - Sacramento County Water Agency Zone 40
- Parks - Potential Cordova Recreation and Parks District Fee, assumes park fee is equal to the park fee established in the Sunridge East project in 2006. See Table C-1 for fee amounts by land use.
- Fire Station - Sacramento Metro Fire

[2] Financing mechanism for remaining Rio del Oro infrastructure costs has not been determined at this time. Special Financing District may be Mello-Roos Community Facilities District, Plan Area Fee Program, Benefit Assessment District, or other Infrastructure charge.

[3] Private/Other Funding includes:

- Schools - Current FCUSD SFID 1 and potential FCUSD SFID 3.

[4] Preliminary draft infrastructure costs are estimated by EPS, based on on-site improvements and their associated costs as shown in Appendix B.

## ORGANIZATION OF THE REPORT

In addition to this introductory chapter, the Financing Plan contains the following information:

- **Chapter II** summarizes the proposed land uses in the RDOSP.
- **Chapter III** summarizes the Backbone Infrastructure and Public Facilities necessary to serve development in the RDOSP, or that are required off-site to accommodate development of the RDOSP.
- **Chapter IV** provides a financing strategy for the RDOSP with identification of funding sources to be used to pay for Public Facilities.
- **Chapter V** provides an overview of the financial feasibility of the RDOSP Financing Plan.
- **Chapter VI** reviews preliminary estimated maximum special tax rates and corresponding bonding capacity for capital facilities in the RDOSP.
- **Chapter VII** outlines the funding mechanisms for the operation and maintenance of public facilities in the RDOSP.

**Chapter VIII** reviews implementation procedures of the Financing Plan.

Six appendices are included in this Financing Plan as follows:

- **Appendix A** provides infrastructure exhibits for the RDOSP, provided by Project engineers Wood Rodgers, Inc. and GC Wallace.
- **Appendix B** contains the original detailed cost estimates for the RDOSP as provided by Wood Rodgers, Inc., and MacKay & Soms, current as of July 2006. This appendix also contains preliminary draft costs estimated by EPS. These costs are preliminary draft estimates until detailed information regarding the specific improvements becomes available.
- **Appendix C** provides estimated revenues from existing City, County, and Special District fee programs for storm drainage, sewer, water, roads, and other Backbone Facilities.
- **Appendix D** contains the cost allocation analysis, as performed by EPS, for the RDOSP Special Financing District program. This appendix includes a detailed description of the methodology to allocate costs for each facility type.
- **Appendix E** contains the assumptions and calculations, as performed by EPS, for school financing needs and funding sources.