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PUBLIC REVIEW DRAFT REPORT

RIO DEL ORO SPECIFIC PLAN

PUBLIC FACILITIES FINANCING PLAN

Prepared for:

Elliott Homes, Inc. and GenCorp Inc.

Prepared by:

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December 8, 2006

EPS #13535

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Rio del Oro Specific Plan Public Facilities Financing Plan December 8, 2006

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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

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.

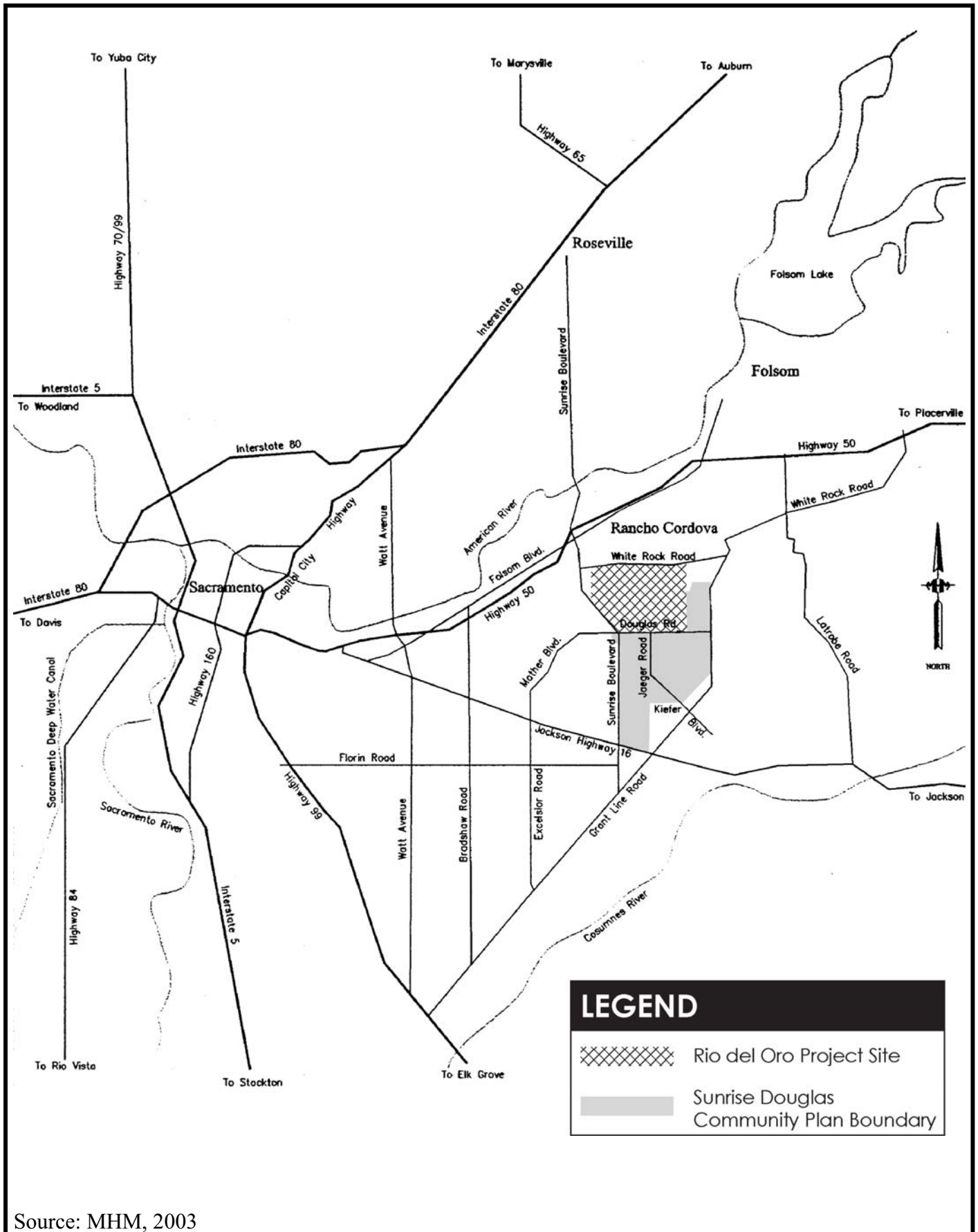
This Public Facilities Financing Plan (Financing Plan) is based on the RDOSP land use designations described in the December 8, 2006 Draft Rio del Oro Specific Plan (Specific Plan). The RDOSP, owned by two developers, Elliott Homes, Inc. and GenCorp Inc. (Master Developers), is envisioned to include 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

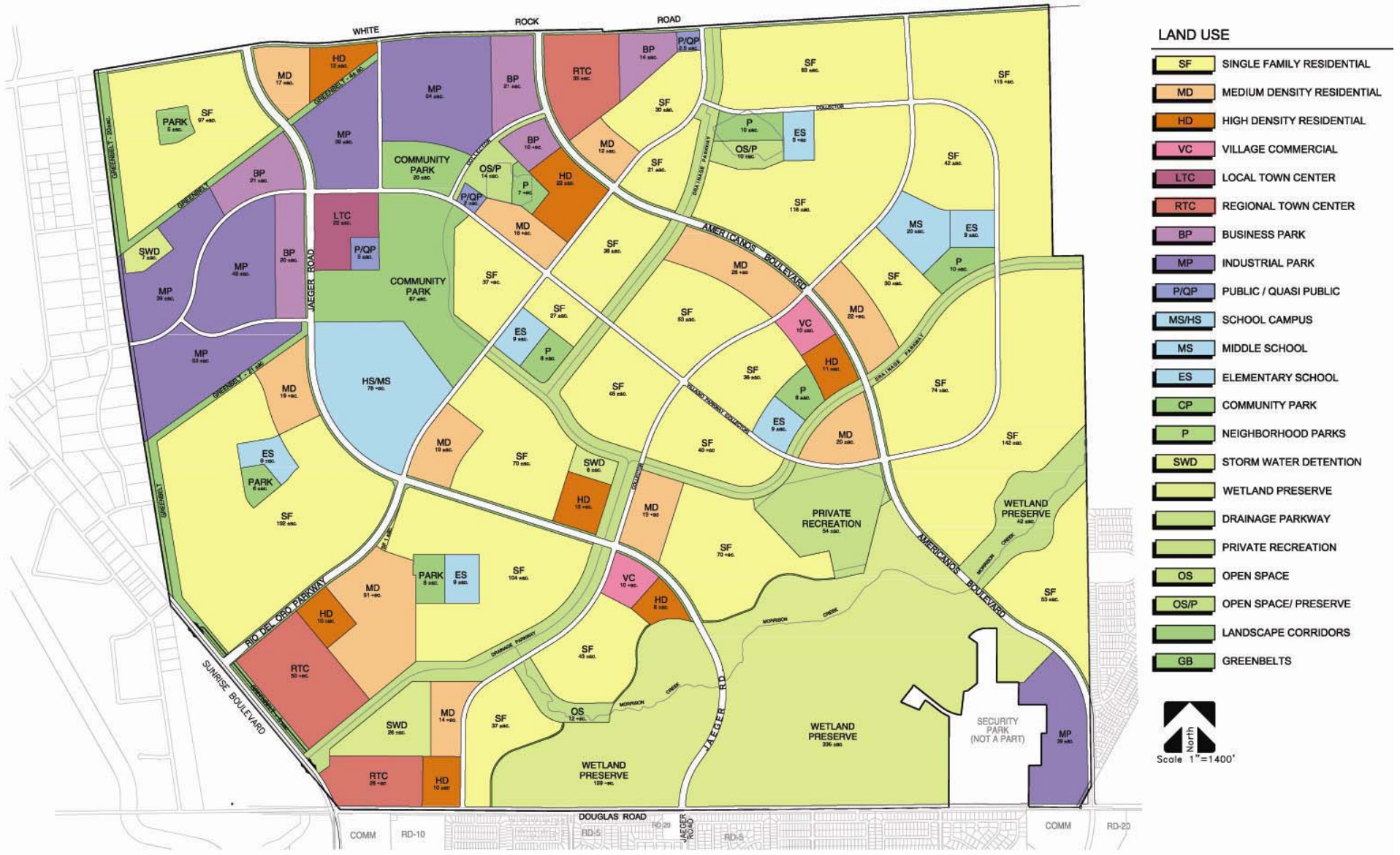


Table 1
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Summary of Preliminary Land Uses

Land Use by Area	BUILDOUT				
	Total Acres	Residential		Nonresidential	
		Units	Units/Acre	Bldg Sq. Ft.	FAR
Residential Land Uses					
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		
Total Residential	1,920.0	11,601	6.0		
Nonresidential Land Uses					
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
Total Nonresidential	521.0			8,505,090	0.37
Public and Other Land Uses					
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				
Total Public	1,387.5				
Total All Land Uses	3,828.5	11,601		8,505,090	

"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 roads¹ including onsite road frontage improvements² 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.

¹ 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.

² 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
Infrastructure Improvements				
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
Subtotal Infrastructure Improvements		\$71,595,015	\$81,381,158	\$152,976,173
Public Facility Improvements				
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
Subtotal Public Facility Improvements		\$186,046,790	\$464,411,171	\$650,457,961
Subtotal Infr. and Public Facility Improvements		\$257,641,805	\$545,792,328	\$803,434,133
Special Financing District Formation and Updates [6]		\$312,167	\$687,833	\$1,000,000
TOTAL IMPROVEMENTS		\$257,953,972	\$546,480,161	\$804,434,133

"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.³

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.

³ 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]					
Infrastructure Improvements										
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	
Subtotal Infrastructure Improvements	\$71,595,015	\$17,816,000	\$0	\$0	\$25,175,665	\$28,603,350	\$0	\$0	\$71,595,015	
Public Facility Improvements										
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	
Subtotal Public Facility Improvements	\$186,046,790	\$2,488,738	\$38,642,422	\$1,551,318	\$36,862,491	\$19,241,808	\$34,251,180	\$53,008,833	\$186,046,790	
Subtotal Improvements	\$257,641,805	\$20,304,738	\$38,642,422	\$1,551,318	\$62,038,156	\$47,845,158	\$34,251,180	\$53,008,833	\$257,641,805	
Special Financing District Formation and Updates	\$312,167					\$312,167			\$312,167	
Total Improvements	\$257,953,972	\$20,304,738	\$38,642,422	\$1,551,318	\$62,038,156	\$48,157,325	\$34,251,180	\$53,008,833	\$257,953,972	

"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\$)

Remaining Phases

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				
Infrastructure Improvements										
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	
Subtotal Infrastructure Improvements	\$81,381,158	\$15,596,000	\$0	\$0	\$35,076,828		\$30,708,330	\$0	\$81,381,158	
Public Facility Improvements										
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	
Subtotal Public Facility Improvements	\$464,411,171	\$2,937,960	\$116,450,535	\$4,562,229	\$47,094,859		\$41,411,263	\$103,497,158	\$464,411,171	
Subtotal Improvements	\$545,792,328	\$18,533,960	\$116,450,535	\$4,562,229	\$82,171,687		\$72,119,593	\$103,497,158	\$545,792,328	
Special Financing District Formation and Updates	\$687,833						\$687,833		\$687,833	
Total Improvements	\$546,480,161	\$18,533,960	\$116,450,535	\$4,562,229	\$82,171,687		\$72,807,426	\$103,497,158	\$546,480,161	

"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]					
Infrastructure Improvements										
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>	
Subtotal Infrastructure Improvements	\$152,976,173	\$33,412,000	\$0	\$0	\$60,252,493	\$59,311,680	\$0	\$0	\$152,976,173	
Public Facility Improvements										
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	
Subtotal Public Facility Improvements	\$650,457,961	\$5,426,697	\$155,092,958	\$6,113,547	\$87,981,832	\$60,653,071	\$101,827,426	\$233,362,429	\$650,457,961	
Subtotal Improvements	\$803,434,133	\$38,838,697	\$155,092,958	\$6,113,547	\$148,234,325	\$119,964,751	\$101,827,426	\$233,362,429	\$803,434,133	
Special Financing District Formation and Updates	\$1,000,000					\$1,000,000			\$1,000,000	
Total Improvements	\$804,434,133	\$38,838,697	\$155,092,958	\$6,113,547	\$148,234,325	\$120,964,751	\$101,827,426	\$233,362,429	\$804,434,133	

"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 & Somps, 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.

II. LAND USE

LAND USE ASSUMPTIONS

The 3,830-acre RDOSP is envisioned as a community in the City with a variety of housing opportunities, several town centers, transit opportunities, and an integrated open space network. The Project is located south of U.S. Highway 50 and White Rock Road, north of Douglas Road, and east of Sunrise Boulevard. The Project is surrounded by Aerojet property to the north, the Security Industrial Park and Sunrise Douglas Community Plan Area to the south, industrial lands to the north, and Mather Field to the west. **Map 1** in the previous chapter shows the regional location of the project.

Map 2 in the previous chapter shows the location of the RDOSP as well an overview of land uses in the project, which are presented in **Table 6**. This land use information is based on the March 30, 2006, Project Draft Specific Plan completed by GC Wallace.

DEVELOPABLE LAND USE ASSUMPTIONS

For purposes of this Financing Plan, the proposed land use designations are described as either “developable” or “public and other.” Developable land uses include private residential and nonresidential uses that will be required to pay development impact fees and that will support the sale of bonds, if necessary, to finance facilities. Public and other land uses include public and quasi-public land uses such as parks and schools that will be exempt from paying fees and/or special taxes.

RESIDENTIAL DEVELOPMENT

The RDOSP includes approximately 11,600 residential units over 1,920 acres of land. Residential development is concentrated in the central portion of the Project. The Project’s 1,920 residential acres include nearly 8,000 single-family units with a density range of 2 to 6 dwelling units per acre, approximately 1,900 medium-density units envisioned to include a variety of attached and detached products at an average density of 8 dwelling units per acre, and 1,700 high-density units at an average density of 20 dwelling units per acre.

As outlined in the December 8, 2006 Draft Specific Plan, of the total residential units, a portion of the high-density units will be made available at affordable levels pursuant to the RDOSP Affordable Housing Agreement.

Table 6
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Summary of Preliminary Land Uses

Land Use by Area	Phase 1					REMAINING PHASES (Phases 2 through 5)					BUILDOUT				
	Total Acres	Residential Units	Residential Units/Acre	Nonresidential Bldg Sq. Ft.	Nonresidential FAR	Total Acres	Residential Units	Residential Units/Acre	Nonresidential Bldg Sq. Ft.	Nonresidential FAR	Total Acres	Residential Units	Residential Units/Acre	Nonresidential Bldg Sq. Ft.	Nonresidential FAR
Residential Land Uses															
Single-Family Residential	290.0	1,450	5.0			1,307.0	6,535	5.0			1,597.0	7,985	5.0		
Medium-Density Residential	113.0	904	8.0			124.0	992	8.0			237.0	1,896	8.0		
High-Density Residential	32.0	640	20.0			54.0	1,080	20.0			86.0	1,720	20.0		
Total Residential	435.0	2,994	6.9			1,485.0	8,607	5.8			1,920.0	11,601	6.0		
Nonresidential Land Uses															
Local Town Center	22.0			239,580	0.25	0.0			0	0.00	22.0			239,580	0.25
Regional Town Center	76.0			827,640	0.25	35.0			381,150	0.25	111.0			1,208,790	0.25
Village Center	0.0			0	0.00	20.0			217,800	0.25	20.0			217,800	0.25
Business Park	41.0			625,086	N/A	45.0			686,070	0.35	86.0			1,311,156	0.35
Industrial Park	188.0			3,685,176	N/A	94.0			1,842,588	0.45	282.0			5,527,764	0.45
Total Nonresidential	327.0			5,377,482	0.38	194.0			3,127,608	0.37	521.0			8,505,090	0.37
Public and Other Land Uses															
Public/Quasi-Public	5.0					4.5					9.5				
High/Middle School	78.0					0.0					78.0				
Middle School	0.0					20.0					20.0				
Elementary School	9.0					45.0					54.0				
Community Park	71.0					36.0					107.0				
Neighborhood Parks	12.0					51.0					63.0				
Storm Water Detention	33.0					6.0					39.0				
Wetland Preserve	0.0					507.0					507.0				
Drainage Parkway	17.0					126.0					143.0				
Private Recreation	0.0					54.0					54.0				
Open Space	0.0					12.0					12.0				
Open Space Preserve	0.0					24.0					24.0				
Greenbelts	50.0					0.0					50.0				
Landscape Corridors	15.1					28.9					44.0				
Right-of-Ways	62.9					120.1					183.0				
Total Public	353.0					1,034.5					1,387.5				
Total All Land Uses	1,115.0	2,994		5,377,482		2,713.5	8,607		3,127,608		3,828.5	11,601		8,505,090	

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

"lu_summary_text"

NONRESIDENTIAL DEVELOPMENT

The RDOSP includes over 520 acres of nonresidential development and consists of retail, office, and industrial development totaling approximately 8.5 million building square feet.

Commercial/Retail

Approximately 150 acres of the RDOSP are designated as commercial development. This includes 20 acres of Village Center (neighborhood) commercial, 22 acres of Local Town Center (community) commercial, and 111 acres of Regional Town Center (regional) commercial development.

Office and Industrial

In the RDOSP, there are 86 acres of Business Park (office) development and 282 acres of Industrial Park (industrial) development. The majority of the office and industrial development is contained in the Employment Center in the northwest quadrant of the Project. The Employment Center is envisioned to support a large variety of uses including large employment centers, light manufacturing, small professional offices and services, assembly, and other moderate to heavy industrial uses.

PUBLIC AND OTHER LAND USES

SCHOOLS

The RDOSP contains six 9-acre elementary school sites, one 20-acre middle school site adjacent to an elementary school, one 23-acre middle school site adjacent to the 55-acre high school site, and one 7-acre continuation school for high school students and adults. The December 2006 indicates that there are 152 acres are dedicated for school facilities in the RDOSP, excluding the 7-acre adult continuation school. This Financing Strategy assumes there are 159 acres, including the adult continuation school. This discrepancy will be resolved in future iterations of the Financing Strategy.

OTHER PUBLIC LAND USES

Table 6 also identifies the public parcels in the RDOSP. As shown, there are approximately 1,400 acres of public and other land uses, including the school acreage described above. Excluding school acreage, there are approximately 1,235 acres of other public land uses, including parks, open space, greenbelts, right-of-ways, and other land uses.

Public/Quasi-Public

The RDOSP contains five public/quasi-public sites totaling nearly 10 acres that are envisioned to accommodate a variety of uses including a fire station, transit center, library, and/or post office.

Parks, Open Space, and Recreation

There are approximately 170 acres of parks including:

- One large 107-acre Community Park; and,
- Eight neighborhood parks (totaling 63 acres).

In addition to active recreation facilities such as ball fields, tennis courts, and picnic areas, the community park will provide regional use facilities such as a public plaza. The neighborhood parks will serve as a neighborhood gathering place with smaller scale recreational facilities including tot lots, picnic areas, playgrounds, and multi-use turf fields. The Project will also include 54 acres of Private Recreation land uses.

It is possible that the Project may also include an outdoor sports facility/adult sports park. If constructed, the adult sports facility would be located on 40 acres currently proposed as Industrial Park land and would include a water slide park, softball complex, soccer fields, and/or a stadium/amphitheater with capacity to accommodate about 3,000 people. At this time, the inclusion of an adult sports facility in the Project is uncertain. Therefore, the capital costs and revenues to fund this cost has not been included in this iteration of the Financing Plan. This facility may be included in future iterations of the Financing Plan.

In addition to 170 acres of parks, approximately 820 acres of the Project are designated as open space, which include the following land use designations:

- Open space;
- Wetland and open space preserves;
- Drainage parkways (includes storm water detention basin);
- Greenbelts/greenways; and,
- Landscape corridors.

Open space areas are intended to protect natural areas such as creeks, wetlands, and tree groves providing flood control and drainage channels. These areas may be enjoyed for passive recreational uses and some open space areas will also include pedestrian trails.

LAND USE PHASING

For the purposes of this Financing Plan, development of the Project has been organized into two phases: Phase 1 (includes four sub-phases) and the Remaining Phases (includes Phases 2 through 5). Buildout of the Project represents Phase 1 and the Remaining Phases combined.

This Financing Plan assumes that the phases are divided among the Master Developers as follows: Phase 1 development is owned by Elliott Homes, Inc., and the Remaining Phases are owned by GenCorp Inc. Development will occur by phase in sequential order, as shown on **Map 3**. A description of the key characteristics of each phase follows.

PHASE 1

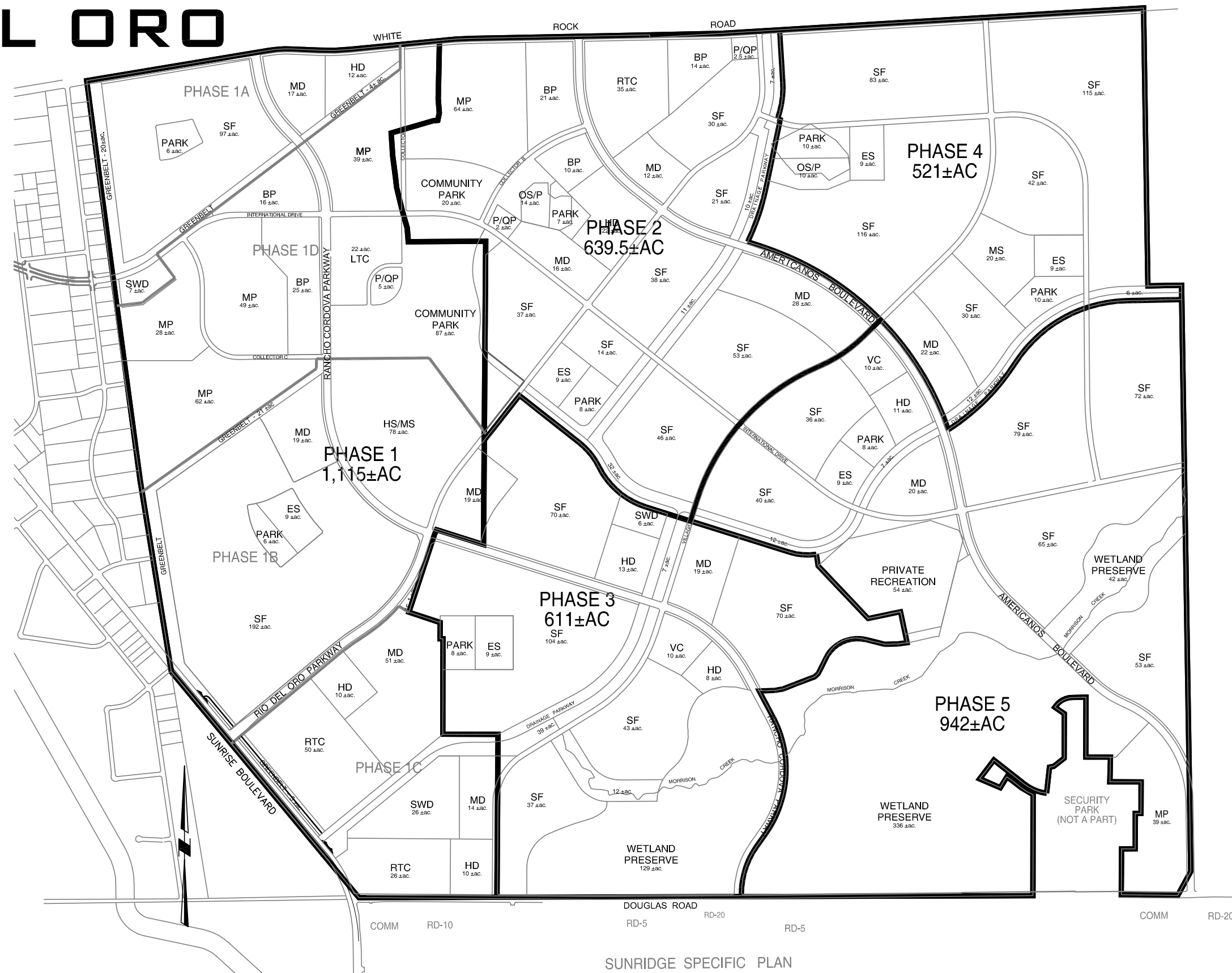
Phase 1 development occurs in the western portion of the RDOSP. Approximately 25 percent of residential development (3,000 units) is expected to occur in Phase 1. Phase 1 development includes the development of an elementary school site and the joint middle/high school site, as well as 83 acres of parks and 207 acres of public and other land uses. Retail, office, and industrial development totaling 327 acres are also planned for this phase.

REMAINING PHASES: PHASE 2 THROUGH PHASE 5

The development in the Remaining Phases occurs in the eastern half of the RDOSP. Phase 2, in the north-central portion of the Project, is expected to develop first, followed by Phase 3 directly to the south of Phase 2, Phase 4 located in the northeastern portion of the Project, and Phase 5 located in the southeastern portion of the Project. The remaining residential units (8,600) will be developed in the Remaining Phases. The Remaining Phases includes the development of five elementary school sites and one middle school, in addition to 87 acres of parks and about 950 acres of public and other land uses. Retail, office, and industrial development totaling 194 acres are also planned for this phase.

Map 3 PRELIMINARY PHASING PLAN

RIO DEL ORO



III. BACKBONE INFRASTRUCTURE AND PUBLIC FACILITY IMPROVEMENTS COSTS

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.

Facilities located within the boundary of the RDOSP, or that are construction or financing requirements of RDOSP to develop, include the following Backbone Infrastructure: storm drainage, sewer, water, roadways, dry utilities, and the following Public Facilities: transit, parks, open space, trails, landscape corridors, schools, fire stations, and libraries.

This chapter describes the Backbone Infrastructure and Public Facilities improvements needed to serve the RDOSP by reviewing the Backbone Infrastructure systems and identifying their estimated costs.

The following appendices provide background and supporting information for this chapter:

- **Appendix A** provides Backbone Infrastructure exhibits, including roadway cross sections, as provided by project engineers Wood Rodgers, Inc., MacKay and Soms, and GC Wallace.
- **Appendix B** contains the original detailed cost estimates for the RDOSP as provided by Wood Rodgers, Inc. and MacKay and 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.

BACKBONE INFRASTRUCTURE FACILITIES AND COSTS

Table 7 summarizes the Backbone Infrastructure and Public Facilities costs in the RDOSP in 2006 dollars. All Backbone Infrastructure costs shown include 15 percent for contingency and 20 percent for engineering/design (soft costs), with the exception of on-site roadway and landscape corridor costs, which include 30 percent for surveys, design,

Table 7
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
Infrastructure Improvements				
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
Subtotal Infrastructure Improvements		\$71,595,015	\$81,381,158	\$152,976,173
Public Facility Improvements				
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
Subtotal Public Facility Improvements		\$186,046,790	\$464,411,171	\$650,457,961
Subtotal Infr. and Public Facility Improvements		\$257,641,805	\$545,792,328	\$803,434,133
Special Financing District Formation and Updates [6]		\$312,167	\$687,833	\$1,000,000
TOTAL IMPROVEMENTS		\$257,953,972	\$546,480,161	\$804,434,133

"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.

inspection, and contingency). At buildout, the RDOSP will require an estimated total of approximately \$153.0 million in Backbone Infrastructure improvements. Of this amount, approximately \$71.6 million in costs will be incurred in Phase 1 and \$81.4 million in costs will be incurred in the Remaining Phases.⁴

It is estimated that \$186.0 million in other Public Facilities infrastructure costs will occur in Phase 1 and that \$464.4 million in costs will occur in the Remaining Phases, amounting to roughly \$650.5 million at buildout. Of this amount, school facilities total \$121.9 million in Phase 1, \$368.4 million in the Remaining Phases, and \$490.3 million at buildout.

In total, including \$1.0 million dollars to form and update the RDOSP Special Financing District, the RDOSP is estimated to incur roughly \$804.4 million in Backbone Infrastructure and Facilities costs at buildout.

STORM DRAINAGE

The Project is located in the Morrison Creek drainage watershed. The Morrison Creek stream group in the vicinity of the Project has not previously received detailed study for flood insurance purposes. The California Department of Water Resources (DWR), under the Awareness Flood Mapping program, has recently prepared area floodplain maps, which approximate possible flood conditions since they lack detailed study of stream topography.

There are three watersheds upstream of the Project that also contributes runoff. These three watersheds primarily convey runoff overland, with the exception of water from the northwest watershed, which is conveyed through pipe culverts that lie beneath White Rock Road.

All watersheds consist of gently rolling terrain that generally drains toward the southwest. All but one of the watersheds contains extensive tailings disposal mounds from historic active mining activities, which were formed into tall berms that were used to hold water to float the dredger. These berms continue to impound and trap rainfall, thereby decreasing the runoff yield from the watersheds during all but the most extreme flood conditions.

⁴ While this phasing is used for purposes of the Financing Plan, as development occurs, it is likely that the City will process subdivision maps in smaller groups. Unless otherwise addressed in a development agreement, the City will condition each tentative map to provide specific infrastructure or public facilities either through financial contributions or construction requirements.

Storm Drainage Cost Estimates

Wood Rodgers, Inc. provided on-site Backbone storm drainage infrastructure improvement cost estimates which total approximately \$19.3 million in Phase 1, \$19.2 million in Remaining Phases, and \$38.5 million at buildout of the RDOSP as shown in **Table 7. Table B-1 in Appendix B** shows the original detailed cost estimates and estimated credits/reimbursements for storm drainage improvements provided by Wood Rodgers, Inc.

On-Site Storm Drainage Improvements

The on-site drainage system will include trunk storm drains, drainage parkways, detention basins, and local collection and conveyance infrastructure improvements. In general, the site grading plan proposes roadway grades and land contours that facilitate effective drainage throughout the Project. A network of storm drains will convey runoff either to drainage parkways, or directly to one of the proposed detention basins. **Map A-1 in Appendix A** shows the proposed on-site storm drainage improvements for the Project.

There are five drainage channels proposed for construction in the RDOSP, varying in length from 1,500 feet to 15,000 feet. The channels will be constructed in the drainage parkways. The widths of the parkways vary from 200 feet to 375 feet depending upon the conveyance requirements. Grading and realignment is required in the eastern open space tract to contain seasonal flows to an active channel and define the 100-year floodplain in the Project.

As Morrison Creek approaches the western boundary of the Project, a large, 26-acre detention basin will be constructed in the southwest corner of the Project. During smaller events, runoff will be conveyed in the channel banks while during larger events, runoff will use the detention basin. In addition, two smaller detention basins will be constructed: one in the central portion of the Project (6 acres) and one in the northwest portion of the Project (7 acres). All three detention basins will be depressed below the gravity outfall elevation and require pump stations to drain each basin. The three storm water detention/water quality facilities and online Best Management Practices (BMP) facilities will be constructed in the drainage parkways. All runoff from the Project will flow through a water quality facility before discharge from the Project.

The proposed Project includes a 507-acre wetland preserve that would contain vernal pools and seasonal wetland habitats. The wetland preserve would be located in the southern portion of the Project site and would be established during Phase 1 development. The wetland preserve would be expanded and improved upon in later phases of development.

WATER

The Project lies outside of SCWA's existing water service areas. SCWA Zone 40 will serve as the water wholesaler and California American Water Company (Cal-Am) and SCWA Zone 41 will operate and maintain the distribution system in the Project. Proposed water transmission and distribution facilities will be developed in accordance with SCWA's standards for water system improvements. Once constructed, the facilities are planned to be annexed into SCWA Zone 41.

SCWA Zone 40's Central (surface) Water Treatment Plan (C-WTP) will serve as the water supply source for the RDOSP. The C-WTP has multiple contracts for the supply of water. On average, the C-WTP has entitlements not exceeding 78,000 acre-feet (AF) per year (or 48,360 gallons per minute [gpm]). A portion of these entitlements is assumed to be available to serve the following planning areas: Sunrise Corridor; Mather; Sunrise Douglas; and the RDOSP.

Currently, Cal-Am's Security Park service area is the only municipal water supply or distribution facility located in the RDOSP. Security Park is a small system fed by a single well and a 1 million gallon (MG) storage tank located in the southeast portion of the Project. Although this system is part of a larger franchise area contained in the RDOSP, the Cal-Am Security Park System is not capable of supplying or delivering water to the entire Project. Thus, this area is excluded from this analysis.

While the project will ultimately be served by Zone 40, Zone 40 is not expected to have the necessary water supply available at the time of initial project development. On an initial basis, water would be provided by Golden State Water Company via a temporary 16-inch water line running along White Rock Road from the western project boundary to Gold Canal Drive. Golden State Water Company has indicated that up to 1,500 Equivalent Dwelling Units (EDUs) could be served on an initial basis.

Water Cost Estimates

Wood Rodgers, Inc. provided on-site and off-site Backbone water infrastructure improvement cost estimates which total approximately \$8.9 million in Phase 1, \$11.4 million in Remaining Phases, and \$20.3 million at buildout of the RDOSP as shown in **Table 7**. **Table B-2** in **Appendix B** shows the original detailed cost estimates and estimated credits/reimbursements for water improvements provided by Wood Rodgers, Inc.

On-Site Water Improvements

Proposed Backbone water improvements are based on the Water System Infrastructure Plan (WSIP), a steering document for SCWA and the development community prepared

by Montgomery Watson Harza (MWH). The WSIP provides water supply and major water infrastructure requirements for the Sunrise Corridor/Mather/Sunrise Douglas/RDOSP planning areas.

Because of significant elevation differences across the Project and the Cal-Am service area, a preliminary pressure zone/service boundary was established which separates the Project into two pressure zones/service boundaries. The establishment of two pressure zones/service boundaries minimizes the amount of parallel piping needed between the service districts and neighboring customers served by other water agencies.

A preliminary on-site water system has been designed as a looping system following major roadway alignments to provide a transmission main grid that generally provides square mile loops. The transmission system will incorporate main line pipe sizes from 16 inches to 24 inches in diameter. The on-site distribution system will incorporate 8-inch to 12-inch diameter pipes, with the 12-inch lines looping near sites requiring higher fire flow requirements, such as commercial, industrial, and school sites. Refer to **Map A-2 in Appendix A** for on-site water improvements for the Project.

Off-Site Water Improvements

As described in the December 8, 2006, Draft EIR/EIS, off-site Backbone water improvements include the following off-site improvements:

- In Phase 1, initial water transmission lines;
- In Phase 1 and Phase 3, two 2.0-MG water tank north of White Rock Road, which is not exclusively sized for the RDOSP;
- In Phase 1, force main to Bradshaw Interceptor Section 7 (potential initial connection) from Sunrise Boulevard/Douglas Road intersection, west along Douglas Road to future extension of Zinfandel Drive, then north along Zinfandel Drive to Bradshaw Interceptor Section 7 at Zinfandel Drive or west along White Rock Road to Kilgore Road;
- Aerojet Sewer Interceptor Section 1 south along Sunrise Boulevard to Laguna Interceptor, to be constructed as an ultimate solution by SRCSD when warranted by development;
- Laguna Sewer Interceptor, to be constructed as an ultimate solution by SRCSD when warranted by development; and
- Zone 40 Master Plan to develop water supply facilities as Project phases build out.

Map A-3 and **Map A-4** in **Appendix A** show proposed off-site Backbone water improvements specific to development in Phase 1 and at Buildout of the Project, respectively.

RECLAIMED WATER

SRCSD is currently in the process of developing a Water Recycling Master Plan (WRMP) which will examine opportunities to use recycled water throughout the County. Based on the City's recently-passed resolution which requires new development to install a "purple pipe" recycled water distribution system and their commitment to the use of recycled water, SRCSD and SCWA are currently investigating the feasibility of providing recycled-water service.

To achieve feasibility in providing recycled-water service, "purple-pipe" would be installed and connected to the potable water system or initially to the nonpotable remediated groundwater until a permanent water reclamation facility is constructed in close proximity to the Project.

At this time, a recycled-water system has not been designed for the Project. Thus, the capital costs and revenues to fund this cost has not been included in this iteration of the Financing Plan. This infrastructure may be included in future iterations of the Financing Plan.

SEWER

The Project must be served by a public sanitary sewer system according to a countywide policy in the Sacramento County General Plan. The RDOSP, which is located within the SRCSD and County Sanitation District No. 1 (CSD-1) sphere of influence, would thus be served by these sewer districts pending annexation to the districts. SRCSD is responsible for the interceptor collection and conveyance (sanitary sewers which are designed to carry flows in excess of 10 MG per day [mgd]) and treatment of wastewater. CSD-1 is responsible for the local collection facilities including trunk sewer with a capacity of 1 mgd to 10 mgd. The proposed permanent on-site and initial off-site sewer improvements have been designed to conform to City General Plan and both sewer districts' standards.

Reader's Note: SRCSD is formulating a plan to provide regional initial service to areas to be served in the future by the Laguna and Aerojet Interceptors, including RDO. This initial service would be provided in a manner similar to what was envisioned in the 2000 SRCSD Master Plan with the Mather Interceptor. Depending on when this comes online, it may obviate the need for

some of the initial facilities identified in this document. To date, the timing, alignment, and costs of this are unknown. SRCSD has not previously built initial regional interceptors, and the funding mechanism for such improvements is unknown (SRCSD has mentioned that it may be included within the existing District fee structure or as a supplemental fee within the service area).

Sewer Cost Estimates

Wood Rodgers, Inc. provided on-site and off-site Backbone sewer improvement cost estimates which total approximately \$13.0 million in Phase 1, \$7.8 million in Remaining Phases, and \$20.8 million at buildout of the RDOSP as shown in **Table 7. Table B-3 in Appendix B** shows the original detailed cost estimates and estimated credits/reimbursements for sewer improvements provided by Wood Rodgers, Inc.

Sewer Collection Improvements

This section describes on-site and off-site, as well as permanent and initial sewer collection improvements as described in the December 8, 2006 Public Review Draft EIR/EIS.

The 2000 SRCSD Interceptor System Master Plan (SRCSD Master Plan) identified two interceptors, Aerojet and Laguna Creek, to serve the RDOSP. In addition, the SRCSD identified the Mather Interceptor, which would tie into the Bradshaw Interceptor, as an initial sewer facility to serve the RDOSP. However, SRCSD has formulated a plan to relocate the Bradshaw Interceptor and eliminate the Mather Interceptor.

All of the RDOSP will ultimately flow into the Laguna Creek Interceptor. This interceptor is not scheduled for completion until after 2024. However, a large portion of the Project will be ready for service before completion of the Laguna Creek Interceptor. Thus, as identified in the December 8, 2006, Draft EIR/EIS the following initial on-site and off-site Backbone sewer facilities are proposed to be constructed to serve development in the RDOSP.

- A lift station and force main to connect to the Bradshaw Interceptor where it intersects Zinfandel Drive. The lift station would be located in the southwest corner of the RDOSP, and would be expected to service up to 10 mgd of peak wet weather flow. The force main would travel south along Sunrise Boulevard, east of Douglas Road, across the Folsom South Canal, then north along the Zinfandel Drive alignment to a connection with the Bradshaw Interceptor or west along White Rock to Kilgore Road.
- A new gravity sewer main running west to east along White Rock Road, then connecting to an existing 18-inch sanitary sewer.

- A lift station that would convey 1 mgd at the northwest corner of the Project—the location of a permanent trunk lift station identified in the CSD-1 Master Plan.
- Initial gravity facilities along the eastern Project boundary parallel to the future Aerojet Interceptor, Section 2.
- Facilities along Rancho Cordova Parkway and the proposed Rio del Oro Parkway, which would be constructed before construction of an interceptor.

Map A-5 and **Map A-6** in **Appendix A** provide an overview of conceptual on-site and off-site Backbone sewer improvements at buildout of the Project.

ROADWAYS

The development of new residential, office, and other commercial land uses in the RDOSP will generate vehicular trips and the need for additional roadway capacity to maintain adequate levels of service. The proposed Backbone roadway system for the Project comprises an estimated 227 acres of major and secondary streets to provide optimal connectivity and choices in driving routes. Project developers will construct and fund a series of major and secondary roads that form the backbone road improvements for the RDOSP. All roads will be constructed commensurate with the City's standards. **Map A-7** in **Appendix A** shows the Project's proposed Roadway Circulation Plan. In addition, **Figure A-1** in **Appendix A** presents the cross section for each major roadway proposed in the Project.

Roadway Cost Estimates

MacKay & Soms provided on-site Backbone roadway improvement cost estimates which total approximately \$73.4 million at buildout of the RDOSP. On-site roadway improvements were initially based on cost estimates presented in the City Transportation Nexus Study and updated by MacKay & Soms in July 2006. The cost estimates for on-site roadway improvements in this Financing Plan include the following frontage costs not covered by the City's Transportation Fee Program:

- Outside lanes;
- Curb, gutter, joint trench (dry utilities), sidewalk; and
- Streetlight improvements.

Roadway improvements funded by the City Transportation Fee Program include only the inside (center) lanes (e.g., the inside four lanes on a six lane arterial road or the inside two lanes on a four lane arterial road), medians, and bike paths of each roadway.

An itemized listing of on-site roadway improvements and their associated cost estimates and estimated credits/reimbursements are shown in **Table B-4**, **Table B-5**, and **Table B-6**.

Roadway Improvements

All on-site Backbone roadway improvements are included in the City Transportation Nexus Study. As shown in **Table B-6**, on-site Backbone roadway improvements for the RDOSP, which total approximately \$30 million in Phase 1, \$43 million in Remaining Phases, and \$73 million at buildout, include improvements for the following major and secondary roads:

- International Drive;
- Rancho Cordova Parkway;
- Rio del Oro Parkway;
- Americanos Boulevard;
- Villagio Drive; and
- Unnamed local collector roads (identified as "A," "B," "C," and "Unnamed Street #1" in cost estimates shown in **Appendix B**).

In 1992, SACOG approved a Metropolitan Transportation Plan (MTP) that included the following regional roadway network and transit improvements:

- Alta-Sunrise Interchange;
- Grant Line Road Extension;
- Zinfandel Drive Extension;
- Douglas Road Extension;
- Eagles Nest Road Extension;
- And International Drive Extension.

These improvements would likely be included in a Potential Highway 50 Coalition Fee Program, as described in **Chapter 1**. It is assumed that this Project would be required to pay their fair share of various regional improvements when a regional transportation fee program is implemented.

DRY UTILITIES

The RDOSP will install public or "dry" utility systems along Backbone roadways. These systems include conduit and substructure facilities for electricity, natural gas, and

telecommunications including telephone and cable. Backbone dry utility improvements are included in the on-site roadway costs shown in **Table 7**. Detailed dry utility improvements (joint trench) are presented in **Table B-4** and **Table B-5**.

OTHER PUBLIC FACILITIES

Costs of other Public Facilities to be built in the RDOSP include the cost of schools, park construction and facilities, open space, trails, landscape corridors, a fire station and equipment, transit facilities, and a library.

Please note that estimated costs for Public Facilities may not include the costs associated with the processing of building permits or improvement plans. As the Financing Plan is finalized, the costs of these facilities will be revised to include these cost components. The cost estimates may also be updated as part of the CRPD Parks Master Plan, other Master Plans, and/or applicable nexus studies, which will occur before any building permits are issued.

SCHOOLS

School services in the RDOSP are provided by the FCUSD. Funding for school capital facilities comes from school mitigation fees paid at issuance of a building permit, the State School Facilities Program, and other local sources. The RDOSP generates the need for six elementary schools, two middle schools, and one high school. One continuation school for high school students and adults is also planned.

Schools Cost Estimates

This Financing Plan estimated RDOSP school facility costs using the FCUSD student generation rates and average school facility costs per student that are quantified in the district's February 2006 School Facilities Needs Analysis (SFNA) and supplemented by additional information provided by the FCUSD. This methodology determines the anticipated RDOSP 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 RDOSP. The estimated student housing costs versus actual cost of school facilities constructed in the RDOSP will vary. Using the estimated student housing cost methodology, the preliminary school infrastructure cost estimates are approximately \$490.3 million at buildout, including land and building costs. Preliminary school infrastructure cost estimates are approximately \$121.9 million in Phase 1, and approximately \$368.4 million in the Remaining Phases.

A summary of school facility needs, cost estimates, and funding sources are shown in **Table 8** for Phase 1 development, **Table 9** for the Remaining Phases, and **Table 10** for Buildout of the Project. **Appendix E** provides the detailed cost and revenues estimates for RDOSP school facilities in Phase 1, Remaining Phases, and at Buildout.

PARKS AND RECREATION

The Project is located in the CRPD. The CRPD standard for park acreage is 5 acres of active park per 1,000 population. In applying this park standard to the estimated Project population at buildout, it is estimated that total park acreage should equal about 159 acres. This Financing Plan estimates total park costs based on the estimated park acreage shown in the land use table (**Table 6**) which is based on the December 2006 Draft EIR/EIS. This discrepancy will be resolved in future iterations of the Financing Plan. Based on an equitable distribution of park facilities and walking contours of ½ mile for neighborhood parks, the RDOSP includes a centrally-located Community Park and eight neighborhood parks.

It is possible that the Project may also include an outdoor sports facility/adult sports park. If constructed, the adult sports facility would be located on 40 acres currently proposed as Industrial Park land and would include a water slide park, softball complex, soccer fields, and/or a stadium/amphitheater with capacity to accommodate about 3,000 people. At this time, the inclusion of an adult sports facility in the Project is uncertain. Therefore, the capital costs and revenues to fund this cost has not been included in this iteration of the Financing Plan. This facility may be included in future iterations of the Financing Plan.

Community Park

The 107-acre Community Park is located in the Village Core and is envisioned to include the following amenities:

- Ball fields;
- Soccer fields;
- Tennis courts;
- Basketball courts;
- Picnic/playground areas; and
- A Plaza.

Table 8
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
School Financing Plan Summary: Phase 1

Phase 1

Item		Folsom-Cordova USD K-12
Residential Units	[1]	
Single-Family Low Density		1,450
Single-Family Medium Density		904
High-Density		640
Total Units		2,994
Students	[2]	
Elementary		907
Middle		451
High		505
Total Students		1,863
Schools Funded	[2]	
Elementary		1.51
Middle		0.50
High		0.25
School Sites Provided	[3]	
Elementary		2
Middle		1
High	[4]	0
Total Sites Provided		3
Estimated School Project Budget	[5]	
Elementary		\$44,507,250
Middle		\$34,220,978
High		\$43,149,725
Total Estimated School Project Budget		\$121,877,953
Estimated Funding Revenue		
Development Impact Fees (Level 2)	[6]	\$38,642,422
State School Building Program	[7]	\$34,251,180
Total Available Funding		\$72,893,602
Local Bonds	[8]	\$0
Supplemental Funding	[9]	\$48,984,351
Total Funding Revenue		\$121,877,953

"sum"

Source: March 30, 2006 Rio del Oro Draft Specific Plan; EPS.

- [1] From the March 30, 2006, Rio del Oro Draft Specific Plan.
- [2] From Table E-2.
- [3] Sites included in the March 30, 2006, Rio del Oro Draft Specific Plan.
- [4] Quantity does not reflect the Continuation High School (CHS) site, but CHS project funding is included in the high school category.
- [5] Number of Schools Funded from Table E-3. In Phase 1, the budget amount is the estimated cost of students generated, not school sites provided. The school district has discretion over whether facilities will actually be constructed in Phase 1.
- [6] From Table E-4.
- [7] From Table E-6.
- [8] Folsom-Cordova USD may create a School Facilities Improvement District (SFID 3) to fund all or part of the project.
- [9] Additional financing (including a potential School Facilities Improvement District (SFID 3) may be required if all other funding sources are not sufficient to fully fund the schools needed.

Table 9
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
School Financing Plan Summary: Remaining Phases

Remaining Phases

Item	Folsom-Cordova USD K-12
Residential Units	[1]
Single-Family Low Density	6,535
Single-Family Medium Density	992
High-Density	1,080
Total Units	8,607
Students	[2]
Elementary	2,736
Middle	1,365
High	1,527
Total Students	5,628
Schools Funded	[2]
Elementary	4.56
Middle	1.52
High	0.76
School Sites Provided	[3]
Elementary	4
Middle	1
High	1
Total Sites Provided	6
Estimated School Project Budget	[5]
Elementary	\$134,356,875
Middle	\$103,573,470
High	\$130,474,515
Total Estimated School Project Budget	\$368,404,860
Estimated Funding Revenue	
Development Impact Fees (Level 2)	[6] \$116,450,535
State School Building Program	[7] \$103,497,158
Total Available Funding	\$219,947,693
Local Bonds	[8] \$0
Supplemental Funding	[9] \$148,457,167
Total Funding Revenue	\$368,404,860

"sum"

Source: March 30, 2006 Rio del Oro Draft Specific Plan; EPS.

- [1] From the March 30, 2006, Rio del Oro Draft Specific Plan.
- [2] From Table E-8.
- [3] Sites included in the March 30, 2006, Rio del Oro Draft Specific Plan.
- [4] Quantity does not reflect the Continuation High School (CHS) site, but CHS project funding is included in the high school category.
- [5] Number of Schools Funded from Table E-9. In Phase 1, the budget amount represents the estimated cost of students generated, not school sites provided. The school district has discretion over whether facilities will actually be constructed in Phase 1.
- [6] From Table E-10.
- [7] From Table E-12.
- [8] Folsom-Cordova USD may create a School Facilities Improvement District (SFID 3) to fund all or part of the project.
- [9] Additional financing (including a potential School Facilities Improvement District (SFID 3) may be required if all other funding sources are not sufficient to fully fund the schools needed.

Table 10
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
School Financing Plan Summary: Buildout

Buildout

Item	Folsom-Cordova USD K-12
Residential Units	[1]
Single-Family Low Density	7,985
Single-Family Medium Density	1,896
High-Density	1,720
Total Units	11,601
Students	[2]
Elementary	3,642
Middle	1,816
High	2,032
Total Students	7,490
Schools Funded	[2]
Elementary	6.07
Middle	2.02
High	1.02
School Sites Provided	[3]
Elementary	6
Middle	2
High	1
Total Sites Provided	9
Estimated School Project Budget	[5]
Elementary	\$178,864,125
Middle	\$137,794,448
High	\$173,624,240
Total Estimated School Project Budget	\$490,282,813
Estimated Funding Revenue	
Development Impact Fees (Level 2)	[6] \$155,092,958
State School Building Program	[7] \$137,733,870
Total Available Funding	\$292,826,828
Local Bonds	[8] \$0
Supplemental Funding	[9] \$197,455,985
Total Funding Revenue	\$490,282,813

"sum"

Source: March 30, 2006 Rio del Oro Draft Specific Plan; EPS.

- [1] From the March 30, 2006, Rio del Oro Draft Specific Plan.
- [2] From Table E-14.
- [3] Sites included in the March 30, 2006, Rio del Oro Draft Specific Plan.
- [4] Quantity does not reflect the Continuation High School (CHS) site, but CHS project funding is included in the high school category.
- [5] Number of Schools Funded from Table E-15. In Phase 1, the budget amount represents the estimated cost of students generated, not school sites provided. The school district has discretion over whether facilities will actually be constructed in Phase 1.
- [6] From Table E-16.
- [7] From Table E-18.
- [8] Folsom-Cordova USD may create a School Facilities Improvement District (SFID 3) to fund all or part of the project.
- [9] Additional financing (including a potential School Facilities Improvement District (SFID 3) may be required if all other funding sources are not sufficient to fully fund the schools needed.

Neighborhood Parks

The neighborhood parks will be between 5 and 15 acres and have a service area of ¼ to ½ of a mile. Neighborhood parks are envisioned to include the following amenities: tot lots; playgrounds; multi-use turf fields; and barbeque/picnic areas.

Parks and Recreation Cost Estimates

EPS has preliminarily estimated park and recreation costs to total \$35.3 million in Phase 1, \$37.0 million in Remaining Phases, and \$72.3 million at Buildout. As shown in **Table B-7**, preliminary costs are based on an average per-acre cost of \$425,000 to construct the proposed park and recreation facilities. The costs shown in this Financing Plan will be updated as detailed cost and amenity information becomes available.

TRAILS

In the parks and open space network, trails are provided for pedestrian and bicycle use as well as interpretive trails through the upland areas for bird-watching and photography.

Trails Cost Estimates

EPS has preliminarily estimated trails costs to total \$1.3 million in Phase 1, \$0.5 million in Remaining Phases, and \$1.7 million at Buildout. Preliminary costs are estimated on a per-linear foot basis as shown in **Table B-8**. These costs will be updated as detailed information about trail improvements becomes available.

OPEN SPACE

The Project's open space network contains linear open spaces, wetland and open space preserves, drainage parkways, greenbelts/greenways, landscape corridors, and paseos. The open space parcels provide passive recreation opportunities, preserve resources, floodwater conveyance and retention, storm water quality treatment and resource mitigation. Further, the open space network links the residential neighborhoods, schools, and parks to the shopping and employment areas.

EPS has preliminarily estimated open space to total \$3.3 million in Phase 1, \$9.9 million in Remaining Phases, and \$13.2 million at Buildout.⁵ As shown in **Table B-9**, preliminary costs are based on an average per-acre cost of \$237,000 to construct the

⁵ Cost estimates for open space does not include the cost to construct landscape corridors in the project. Landscape corridor cost estimates are shown in **Table B-10** and **Table B-11**.

proposed open space facilities. The costs are based on gross acres by phase provided by The HLA Group. The gross acres in **Table B-9** do not correspond to the total open space acres in the land use table (**Table 6**). This discrepancy will be resolved in future iterations of this Financing Plan. In addition, the costs shown in this Financing Plan will be updated as detailed information about open space improvements becomes available.

LANDSCAPE CORRIDORS

Landscape corridors are provided along all arterial roadways and will include extensive landscaping, theme signage, and other features as described in the Development Standards and Design Guidelines appendix of the December 8, 2006, Draft Specific Plan.

Based on cost estimates provided by MacKay & Soms , the landscape corridor Phase 1 cost is approximately \$14.7 million, \$31.0 million in the Remaining Phases, and \$45.7 million at Buildout of the project. Detailed cost estimates are presented in **Table B-10** and **Table B-11**.

TRANSIT

Regional Transit (RT) will provide transit services to the Project. Currently, there is no transit service proposed to locations in the Project. Future expansion of RT to the area will depend on adequate funding and suitable residential density to support transit service. The RDOSP includes a system and facilities to promote public transportation including a transit center, bus turnouts, enhanced transit corridors, incentives to use public transit, among other improvements.

Transit Cost Estimates

EPS has preliminarily estimated transit costs to total \$2.5 million in Phase 1, \$2.9 million in Remaining Phases, and \$5.4 million at Buildout. Preliminary cost estimates are based on the Transit fee revenues collected as a component of the City Transportation Development Fee. Refer to **Table C-1** for fee amounts by land use type, and **Table C-2**, **Table C-3**, and **Table C-4** for Transit revenues generated by Phase 1, Remaining Phases, and Buildout, respectively.

FIRE PROTECTION

The RDOSP is within the boundaries of the SMFD. The SMFD provides fire protection services, fire suppression, inspection, plan check, emergency transportation, and medical and rescue services to the unincorporated portions of the County and to the

City. It is the largest fire district in the County and operates forty-two stations, seven of which serve the City.

Currently, Fire Station 66, located at 3180 Kilgore Road approximately 2 miles west of the Project, provides fire protection services to the Project. During initial development, this station would provide first-response service to the Project.

A new off-site fire station, Station 68, is planned for completion by the end of 2006 and could also provide initial fire protection services to the Project. Station 68, located south of the Project in the Sunrise Boulevard and Douglas Road area of Rancho Cordova, would be 16,000 square feet and house 13 firefighters. If this fire station is not available to serve the Project, Fire Station 66 would continue to provide service to the RDOSP. The SMFD will plan any additional on-site and/or off-site fire stations and administrative facilities to serve the Project.

Fire Protection Cost Estimates

The RDOSP is responsible for paying the SMFD Fire Facilities Fee, which is intended to fund all fire facilities and equipment required by Project development. EPS has preliminarily estimated fire station and equipment costs to total \$5.6 million in Phase 1, \$10.1 million in Remaining Phases, and \$15.7 million at Buildout. Preliminary cost estimates are based on SMFD development impact fee revenues generated by Project development. Refer to **Table C-1** for fee amounts by land use type. **Table C-2**, **Table C-3**, and **Table C-4** provide fee revenue estimates for Phase 1, Remaining Phases, and Buildout of the Project, respectively.

LIBRARY

The Sacramento County Public Library (Library) administers library facilities to the City. The Library operates a main branch, twenty-seven branches and mobiles that provide library services to the entire County, excluding the City of Folsom. The closest existing library facility to the Project is the Rancho Cordova Community Library, located at 9845 Folsom Boulevard, approximately 5 miles northwest of the Project. The Library will plan any additional on-site and/or off-site library facilities to serve the Project.

Library Cost Estimates

The City requires all new development to participate in the City CFF Program. Among other facilities, the CFF will fund library facilities to serve the Project. EPS has preliminarily estimated library costs to total \$1.6 million in Phase 1, \$4.6 million in Remaining Phases, and \$6.1 million at Buildout. Preliminary cost estimates are based on the library's allocation of CFF development impact fee revenues generated by Project

development (see **Table C-2**, **Table C-3**, and **Table C-4** for fee revenue estimates for Phase 1, Remaining Phases, and Buildout of the Project).

LAW ENFORCEMENT

The City Police Department, under contract with the County Sheriff Department, will provide law enforcement services to the RDOSP. The closest law enforcement facility is located at 10361 Rockingham Drive, approximately 3.5 miles southwest of the Project, and will provide first-response service to the Project. Development in the Project will participate in the City CFF program. Among other facilities, the CFF will fund police facilities to serve the Project.

SPECIAL FINANCING DISTRICT PROGRAM FORMATION AND MAJOR UPDATES, AND ADMINISTRATION CHARGES

At buildout, formation and major update costs include an estimated \$1.0 million for costs to establish and conduct periodic updates to the proposed RDOSP Special Financing District program. In addition to these costs, a 3-percent administration charge will be added to the RDOSP Special Financing District program to cover administrative costs by the City. The administration charge will be included once a special tax, assessment, fee, or infrastructure charge has been set.

IV. FINANCING STRATEGY AND FUNDING SOURCES

This chapter outlines the Project's Financing Strategy and describes how a combination of private and public funding sources will be used to fund the Backbone Infrastructure and Public Facilities required to serve the RDOSP.

FINANCING STRATEGY OVERVIEW

The Master Developers of the RDOSP will be responsible for funding and/or constructing all of the Backbone Infrastructure and Public Facilities needed to serve the RDOSP. In many cases, particularly in the early stages of each development, the developer also will be required to construct or fund more than the proportionate share of improvements for facilities serving a given development phase. A reimbursement mechanism will allow for repayment to the developer for advance-funding of facilities included in fee programs, subject to the City, County, and Special District fee credit and reimbursement policies. Private financing will be used to fund Subdivision Infrastructure costs.

Backbone Infrastructure and Public Facilities required for development to proceed in the RDOSP will be funded through a combination of public and private financing, including private capital, existing and planned County and special district fees, and a proposed RDOSP Special Financing District program.

The recommended financing strategy comprises five key elements:

1. **Provide Private Financing as Needed.** Private capital will be a major source of funding for Backbone Infrastructure improvements because adequate fee program monies will not be available and because a Mello-Roos CFD, if chosen, would be limited in its bond issuance capacity at the outset of development. To the extent that revenues generated by fee programs, the proposed Special Financing District program, and other funding programs are insufficient to reimburse the developer(s) for required Backbone Infrastructure and Public Facilities, developer(s) will be required to cover the estimated shortfalls. The proposed Special Financing District and other existing and proposed funding programs will be used to reimburse the developer(s) who pays for more than his/her proportionate share of improvements.
2. **Fund Improvements through Existing and Planned City, County, and Special District Fee Programs.** A majority of RDOSP Backbone Infrastructure and Public Facilities will be funded through existing and planned City, County, and Special District Fee programs. A portion of the Backbone Facility costs may be advance-funded through the use of private financing, land-secured financing (e.g., Mello-Roos CFD), or Project-specific (plan area) fee program.

3. **Fund Project-Specific Improvements Not Currently Funded in Existing Fee Programs through the RDOSP Special Financing District Program.** 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. The RDOSP Special Financing District program amount is calculated at the end of this chapter for RDOSP, based on the proportionate share allocation of costs, for the following improvement categories:
 - Storm Drainage
 - Sewer
 - Water
 - Roadways
 - Trails
 - Landscape Corridor
 - Open Space
4. **Allow Master Developers to Choose Different Combinations of Special Financing District funding mechanisms.** Of the different Special Financing District options (Mello-Roos CFD, Plan Area Fee, etc.) the two Master Developers may choose different combinations of funding mechanisms to fund their respective Backbone Facilities.
5. **Provide for Financing of Improvement Costs through Special Financing District, as Allowed by the City.** Backbone Infrastructure (particularly roads, but which also includes, storm drainage, sewer, water, and dry utilities improvements) will be needed before fee revenues are collected. In general, development impact fees are collected at building permit, yet the Backbone Infrastructure needs to be installed before obtaining a building permit.

The Financing Plan recommends the formation of one or more RDOSP Special Financing Districts for the City to acquire facilities initially constructed by the developers who will advance fund and construct Backbone Infrastructure and Public Facilities. The use of a Mello-Roos CFD could be especially critical during the beginning phases of development to allow the acquisition of facilities from the developers in advance of the collection of development impact fees and to reduce the amount of advance-funding required of the developer.
6. **Provide Private Financing as Needed.** Private capital may be a source of funding for Backbone Infrastructure improvements because adequate fee program monies will not be available and because a Mello-Roos CFD, if chosen, would be limited in its bond issuance capacity at the outset of development. To the extent that revenues generated by fee programs, Mello-Roos CFD(s), and other funding programs are insufficient to reimburse the developers for required

Backbone Infrastructure and Public Facilities, project developers will be required to cover the estimated shortfalls.

7. **Use Grant-Funding Where Available.** Of the estimated total school costs for the RDOSP, a significant portion is anticipated to be funded through grants from the State of California for school facilities (State School Facilities Program). Other grant-funding opportunities may also be pursued.

SOURCES OF FUNDING

A variety of financing and funding mechanisms will be used to fund the Backbone Infrastructure and Public Facilities required to serve the RDOSP. The actual funding sources and financing mechanisms used will be dependent upon the type of facility, when the facility is needed, and the phasing of facility construction. As previously noted, development impact fee programs will be the primary source of funding to construct these improvements.

Table 11, Table 12, and Table 13 show the proposed funding source for each Backbone Infrastructure and Public Facility for Phase 1, the Remaining Phases, and Buildout of the Project, respectively. At buildout under the proposed funding strategy, approximately \$348.2 million will be funded with existing or future City, County, and Special District development impact fee programs, \$121.0 million will be funded through the proposed Rio del Oro Special Financing District, \$101.8 million will be funded through the State Grants (State School Facilities Program), and \$233.4 million will be funded through private or other financing.

Table 11
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]					
Infrastructure Improvements										
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	
Subtotal Infrastructure Improvements	\$71,595,015	\$17,816,000	\$0	\$0	\$25,175,665	\$28,603,350	\$0	\$0	\$71,595,015	
Public Facility Improvements										
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	
Subtotal Public Facility Improvements	\$186,046,790	\$2,488,738	\$38,642,422	\$1,551,318	\$36,862,491	\$19,241,808	\$34,251,180	\$53,008,833	\$186,046,790	
Subtotal Improvements	\$257,641,805	\$20,304,738	\$38,642,422	\$1,551,318	\$62,038,156	\$47,845,158	\$34,251,180	\$53,008,833	\$257,641,805	
Special Financing District Formation and Updates	\$312,167					\$312,167			\$312,167	
Total Improvements	\$257,953,972	\$20,304,738	\$38,642,422	\$1,551,318	\$62,038,156	\$48,157,325	\$34,251,180	\$53,008,833	\$257,953,972	

"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 12
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Preliminary Sources and Uses of Funds for Phases 2 through 5 (2006\$)

Remaining Phases

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				
Infrastructure Improvements										
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	
Subtotal Infrastructure Improvements	\$81,381,158	\$15,596,000	\$0	\$0	\$35,076,828		\$30,708,330	\$0	\$81,381,158	
Public Facility Improvements										
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	
Subtotal Public Facility Improvements	\$464,411,171	\$2,937,960	\$116,450,535	\$4,562,229	\$47,094,859		\$41,411,263	\$103,497,158	\$464,411,171	
Subtotal Improvements	\$545,792,328	\$18,533,960	\$116,450,535	\$4,562,229	\$82,171,687		\$72,119,593	\$103,497,158	\$545,792,328	
Special Financing District Formation and Updates	\$687,833						\$687,833		\$687,833	
Total Improvements	\$546,480,161	\$18,533,960	\$116,450,535	\$4,562,229	\$82,171,687		\$72,807,426	\$103,497,158	\$546,480,161	

"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 13
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]					
Infrastructure Improvements										
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>	
Subtotal Infrastructure Improvements	\$152,976,173	\$33,412,000	\$0	\$0	\$60,252,493	\$59,311,680	\$0	\$0	\$152,976,173	
Public Facility Improvements										
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	
Subtotal Public Facility Improvements	\$650,457,961	\$5,426,697	\$155,092,958	\$6,113,547	\$87,981,832	\$60,653,071	\$101,827,426	\$233,362,429	\$650,457,961	
Subtotal Improvements	\$803,434,133	\$38,838,697	\$155,092,958	\$6,113,547	\$148,234,325	\$119,964,751	\$101,827,426	\$233,362,429	\$803,434,133	
Special Financing District Formation and Updates	\$1,000,000					\$1,000,000			\$1,000,000	
Total Improvements	\$804,434,133	\$38,838,697	\$155,092,958	\$6,113,547	\$148,234,325	\$120,964,751	\$101,827,426	\$233,362,429	\$804,434,133	

"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.

The proposed sources of funding and respective cost estimates are 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.

EXISTING DEVELOPMENT IMPACT FEE PROGRAMS

The RDOSP will develop in phases. An important component of the overall financing strategy is the ability to construct facilities according to the realized pace of development. By constructing facilities over time according to demand, development impact fee programs can accumulate funds necessary to pay for required improvements.

Development in the RDOSP will participate in several existing development impact fee programs:

- SCWA Zone 11A (Storm Drainage);
- SRCSD (Sewer, regional conveyance);
- Sacramento CSD-1 (Sewer, local collection);
- SCWA Zone 40 (Water);
- SMFD (Fire Facilities);
- Rancho Cordova Citywide Transportation Fee (Roads and Transit); and
- City CFF Program (Library).

Existing City, County, and Special District fee programs have CIPs that may serve the RDOSP. The RDOSP will participate in these programs by paying the fee for each of the programs listed above. These fees are part of the Financing Plan's "Sources and Uses" of Backbone Infrastructure and Public Facilities and they have an influence on the cost burden analysis described in **Chapter V**.

Some of the RDOSP improvements may be creditable toward existing fee programs administered by the City, County, and Special Districts. Some of these programs may require updating following approval of the RDOSP—to the costs of improvements, to those improvements that are appropriate for inclusion in existing fee programs, and the integration of the RDOSP land uses into the fee calculation.

Roadways and Transit: City Transportation Development Fee

The RDOSP will participate in the City Transportation Development Fee program by paying roadway and transit fees associated with residential and nonresidential development. The City's Transportation Development Fee program will fund a portion

of the on-site roadway improvements required to develop the RDOSP. In addition, this Financing Plan assumes that all transit fee revenues will assist in potentially funding a transit center, shuttle system, or other transit-related capital facilities as specified in the Project Specific Plan.

As shown in **Table C-2**, the City is expected to collect approximately \$86.4 million in fee revenues for roadways and \$2.5 million in fee revenues for transit in Phase 1. **Table C-3** shows that in the Remaining Phases, the City is expected to collect approximately \$166.3 million in fee revenues for roadways and \$2.9 million for transit. **Table C-4** shows estimated fee revenues for the City at buildout of the RDOSP. The City is expected to collect approximately \$252.7 million in fee revenues for roadways and \$5.4 million in fee revenues for transit for a total of \$258.1 million, excluding administration.

Sewer: SRCSD and CSD-1 Fees

SRCSD and CSD-1 will provide regional sewer conveyance and local sewer collection, respectively, to the RDOSP. The Financing Plan includes \$13.8 million in permanent on-site sewer improvements, and \$7.0 million in initial off-site sewer improvements for a total of \$20.8 million in sewer improvements at buildout of the RDOSP. Of this amount, SRCSD and CSD-1 fee revenue will fund all of the permanent on-site sewer improvements. The \$7.0 million in initial off-site improvements will be funded privately or by the RDOSP Special Financing District program.

Table C-2, **Table C-3**, and **Table C-4** provide a summary of total SRCSD and CSD-1 fee revenues from Phase 1, Remaining Phases, and Buildout of the RDOSP, respectively.

Sewer facility construction or finance 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 initial, 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: Zone 40 Fees

Based on current Zone 40 fees, buildout RDOSP development will generate approximately \$115.0 million in Zone 40 fee revenue. As shown in **Appendix B**, the estimated costs of Zone 40 water production treatment, storage, and transmission facilities in the RDOSP total approximately \$20.3 million. Using Zone 40 Fee Ordinance reimbursement schedule prices, approximately \$17.5 million of the \$20.3 million in estimated costs will be eligible for fee credit or reimbursement. The approximately \$2.8 million in non-reimbursable costs will be privately financed or may be reimbursed through the Rio del Oro Special Financing District (Mello-Roos CFD or other land-secured financing mechanism). The difference between reimbursable costs and total fee revenue, approximately \$100.0 million, will accrue to Zone 11A for area-wide water improvements.

The SCWA 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 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.

Storm Drainage: Zone 11A Fees

Based on current Zone 11A fees, buildout RDOSP development will generate approximately \$35.4 million in Zone 11A drainage fee revenue. As shown in **Appendix B**, the estimated RDOSP costs of Zone 11A storm drainage facilities total \$38.5 million. Using Zone 11A Fee Ordinance reimbursement schedule prices, approximately \$28.9 million of the \$38.5 million in estimated costs will be eligible for fee credit or reimbursement. The approximately \$9.6 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 \$6.5 million, will accrue to Zone 11A for area-wide drainage improvements.

Zone 11A of the SCWA 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 SCWA Zone 11A fees. Drainage facility construction or finance 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 RDOSP follows the typical Zone 11A program. The phasing of drainage improvements in RDOSP 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.

Schools: FCUSD Fees

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

Proposition 1A and Senate Bill (SB) 50 now govern school financing statewide. Proposition 1A and SB 50 restrict cities and counties from placing school mitigation conditions on development approvals. As a result, the FCUSD currently has adopted the SB 50 Level II fee.

The school fee revenue is based on the SB 50 Level II fee of \$5.62 per square foot for residential development per FCUSD's most recent SFNA. The school fee revenue is also based on \$0.42 per square foot for nonresidential development.

School facilities are anticipated to cost approximately \$490.3 million at buildout. Based on fee revenue estimates presented in **Table C-4**, buildout of the Project is estimated to generate approximately \$155.1 million in FCUSD Level II development impact fee revenues at buildout. The remaining \$335.2 million in school facilities costs will be funded through the existing FCUSD SFID 1 and the State School Facilities Program. The FCUSD is also proposing a new SFID, SFID 3, which, if approved, will assist in financing school facilities costs in the RDOSP.

In Phase 1, school facilities are anticipated to cost approximately \$121.9 million. FCUSD Level II development impact fee revenues are estimated to total approximately \$38.6 million, as shown in **Table C-2**. The remaining \$83.3 million in school facilities costs will be funded through the existing FCUSD SFID 1 and the State School Facilities Program. This Financing Plan assumes that school facilities required to serve Phase 1 development will be constructed by the FCUSD.

Fire Protection: SMFD Fees

The RDOSP is located within the SMFD boundaries and will participate in the current SMFD fee program to pay for its share of fire protection facilities. Fire protection facility fee revenue is based on the SMFD fee of \$0.41 per square foot for residential development and \$0.55 per square foot for nonresidential development. Based on these fee rates, the Project will generate SMFD fee revenue of approximately \$5.6 million in Phase 1 (**Table C-2**), \$10.1 million in the Remaining Phases (**Table C-3**), and \$15.7 million at buildout (**Table C-4**).

The SMFD identified the need for one 2.5-acre fire station site to be located in the Plan Area. The need for one facility is based on current SMFD staffing standards of one fire fighter per 1,000 residents, which equates to 31 firefighters needed for the RDOSP. This

analysis assumes that the cost of constructing fire protection facilities for the Project will match the revenues generated by the Project.

Library Facilities: City CFF Fees

New development in the Project will participate in the City CFF program which currently funds new development's share of library facilities. A library is a permitted use in the Project and may be constructed on-site.

In addition, the CFF program funds new development's share of the following facilities: City Hall; Police Facilities; Community Center; Corporation Yard; Library Facilities; Museum; and Parking Structure. In February 2006, the City approved a supplemental CFF program which will fund facilities for animal services; telecommunications, and records management systems.⁶

The City CFF amount varies by land use and is automatically adjusted each year for inflation. The use of this fee, in conjunction with other City funding sources, will provide for the construction of on-site library facilities, as well as the other facilities listed above and constructed off-site. This Financing Plan assumes that the City will construct these facilities once sufficient fee revenue has been collected. Refer to **Table C-1** for the City CFF amounts by land use, and **Table C-2**, **Table C-3**, and **Table C-4** for CFF revenues generated for Phase 1, Remaining Phases, and Buildout, respectively.

PROPOSED RDOSP SPECIAL FINANCING DISTRICT PROGRAM

A Special Financing District for the Project will be needed to fund the following facilities not covered by existing or proposed financing mechanisms:

- Storm Drainage;
- Sewer;
- Water;
- Dry Utilities;
- Trails;
- Landscape Corridors; and
- Open Space.

⁶ CFF and supplemental CFF program facilities are not included in this Financing Plan if they will be constructed off-site.

The total amount to be funded by the RDOSP Special Financing District is approximately \$48.2 million in Phase 1, \$72.8 million in the Remaining Phases, and \$121.0 million at Buildout. It is important to note that these costs represent preliminary draft costs estimated by EPS and Wood Rodgers, Inc. as of July 2006. The costs are preliminary because the exact improvements for some of the facilities (trails, parks, open space) have not been finalized.

At the time of this Financing Plan, the RDOSP Special Financing District has not been defined. If a Plan area fee is chosen as the mechanism to fund the included facilities, EPS has preliminarily allocated the costs of each facility as shown in **Appendix D**. **Table D-1** summarizes the methodology used to allocate the cost of each facility amongst the various land uses. The estimated plan area fee by land use and fee component is shown in **Table D-2**. Plan area fee revenue estimates are provided for Phase I, Remaining Phases, and Buildout in **Table D-3**, **Table D-4**, and **Table D-5**, respectively. **Tables D-6** through **D-15** detail the cost allocation of each facility by land use type.

The Special Financing District program could include one or more of the following financing mechanisms:

- Mello-Roos CFD;
- Plan Area Fee Program;
- Assessment District;
- Infrastructure Charge.⁷

Further, both Master Developers may choose different financing mechanisms to fund the facilities not covered by existing or proposed funding mechanisms required to serve the Project.

Descriptions of the potential financing mechanisms are described below.

Mello-Roos CFD

The 1982 Mello-Roos CFD 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 funding, acquisition, or to pay off bonds. One or more Mello-Roos CFDs may be formed over time to fund the necessary Backbone Infrastructure and Public Facilities. Mello-Roos CFDs tend to be favored over Assessment Districts, described below, because

⁷ 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.

Assessment Districts need to establish special benefit to those being assessed, which can be more challenging than the Mello-Roos requirement of establishing general benefit of facilities.

Plan Area Fee Program

A plan area fee program establishes a development impact fee typically for a Specific Plan pursuant to local government's police power in accordance with the procedural guidelines established in Assembly Bill 1600 (AB 1600) which is codified in California Government Section 66000 *et seq.* This code section sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that "a reasonable relationship or nexus must exist between a governmental exaction and the purpose of the condition."⁸

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.

Infrastructure Charge

An infrastructure charge is similar to a plan area fee, but the 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.

OTHER FUNDING SOURCES

Schools: FCUSD School Facilities Improvement District and State Funding

In March 2002, the City passed Measure B, a \$49 million school facilities GO bond (SFID No. 2), which provides funding for the modernization of existing sites, construction of a new elementary school, replacement of aged portables, installation of technology infrastructure at all school sites in the City, and site acquisition for a second high school in the City.

⁸*Public Needs & Private Dollars*; William Abbott, Marian E. Moe, and Marilee Hanson, page 109.

As stated previously, school improvements will be funded through a combination of fees, State grant programs (State Schools Facilities Program), and assessments. EPS estimates a preliminary cost at buildout of \$490.3 million for the elementary schools, middle schools, and high school, and any initial facilities required to serve the RDOSP. Local fees, discussed previously, equal approximately \$155.1 million. State grants, both for land and for school construction, are estimated at \$101.8 million. The remaining costs, which equal approximately \$233.4 at Project buildout, will be funded by the existing SFID 1 and the proposed new SFID.

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.

Parks: Potential New Fee Program - CRPD Fee Program

Currently, new development in the City addresses the funding of park facilities through the DA negotiation process. 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 assumes that the CRPD will implement a park fee for development in the RDOSP. As shown in **Appendix C**, this Financing Plan estimates fee revenues based on the park fee amount negotiated for a recently-approved project in the City.

Off-Site Roadways: 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 roadway improvement costs and actual fee/charge amounts are unknown at this time but may be included in future versions of this Financing Plan.

Private Funding

Private funding will be necessary to fund Backbone Infrastructure and Public Facilities at the beginning of each phase, before the funding from fee programs or bond financing becomes available. Private capital used for these purposes would be subject to fee credits and/or reimbursements from future fee collections and/or reimbursements from bond sales. In addition to providing up-front funding for public infrastructure, the project developer will fund privately the cost of in-tract roads, sewer, water, and drainage facilities.

*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**.*

SOURCES AND USES OF REVENUES COMPARED

The following discussion provides a comparison of reimbursable project costs and projected revenues at RDOSP buildout. **Table 14**, **Table 15**, and **Table 16** show surplus and shortfall amounts collected through the various fee programs for Phase 1, Remaining Phases, and at Buildout, respectively. For the shortfalls shown in Phase 1, the developer will be required to provide funding advances to offset the fee program shortfalls.

In Phase 1, existing development impact fee programs (City, County, and Special District) fully fund the required project costs, excluding shortfalls for roadways, parks and schools. These shortfalls will be funded via other plan area fees, an RDOSP special financing district, other fee programs, and private developer advance funding. The Financing Plan assumes that any school facilities shortfalls will be fully funded by

existing or proposed financing mechanisms (including FCUSD Fees, State Grants, SFID 1, and the proposed SFID-3). Any surpluses in existing city, county and special district fee programs will fund regional improvements.

Table 14
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Projected Cost and Fee Revenue Comparison for Phase 1 (2006\$)

Phase 1

Item	Financing Program	Rio del Oro Specific Plan		Surplus/ (Shortfall) [1]	Funding Source For Shortfall
		Revenue	Reimbursable Cost		
<i>Table Reference</i>		<i>Table C-2</i>	<i>Table 3</i>		
Existing Fee Programs					
Storm Drainage	Zone 11A	\$11,877,668	\$10,685,048	\$1,192,620	
Water	Zone 40	\$32,708,582	\$7,845,660	\$24,862,922	
Sewer					
Interceptor Improvements	SRCS	\$24,039,706	\$4,432,226	\$19,607,481	
Trunk Lines and Other	CSD-1	\$8,622,231	\$2,212,731	\$6,409,500	
Roadways	City Fee	\$86,421,249	\$17,816,000	\$68,605,249	
Transit	City Fee	\$2,488,738	\$2,488,738	\$0	
Parks	City Fee	\$31,250,518	\$35,275,000	(\$4,024,482)	City Fee
Schools	FCUSD	\$38,642,422	\$121,877,953	(\$83,235,531)	State Grants; SFID 1; suppl. funding, incl. potential SFID 3
Fire Station	SMFD	\$5,611,973	\$5,611,973	\$0	
Library	City Fee	\$1,551,318	\$1,551,318	\$0	

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Phase 1

Table 14
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Projected Cost and Fee Revenue Comparison for Phase 1 (2005\$)

Item	Financing Program	RDO Special Financing District Revenue	Financing District Total Cost	Surplus/ (Shortfall) [1]	Funding Source For Shortfall
<i>Table Reference</i>		<i>Table D-3</i>		<i>Table 3</i>	
Rio Del Oro Special Financing District Revenue					
Infrastructure Improvements					
Storm Drainage	RDOSFD	\$3,643,948	\$8,586,000	(\$4,942,052)	Private Advance-Funded
Initial Sewer Facilities	RDOSFD	\$2,335,511	\$6,322,050	(\$3,986,539)	Private Advance-Funded
On-Site Water	RDOSFD	\$763,390	\$712,800	\$50,590	
Initial Water Facilities	RDOSFD	\$97,027	\$310,500	(\$213,473)	Private Advance-Funded
Roadways	RDOSFD	\$14,955,983	\$12,672,000	\$2,283,983	
Public Facility Improvements					
Trails	RDOSFD	\$423,643	\$1,254,900	(\$831,257)	Private Advance-Funded
Open Space	RDOSFD	\$3,250,236	\$3,290,909	(\$40,673)	Private Advance-Funded
Landscape Corridor	RDOSFD	\$14,987,767	\$14,696,000	\$291,767	
Subtotal Rio Del Oro Special Financing District Revenue	RDOSFD	\$40,457,505	\$47,845,158	(\$7,387,653)	
Special Fin. Dist. Formation and Updates		\$312,167	\$312,167	\$0	
Total Rio Del Oro Special Financing District Revenue		\$40,769,672	\$48,157,325	(\$7,387,653)	

Source: Infrastructure Cost Estimate, Wood Rodgers, Inc.(03/21/2006), Various Fee Programs, and EPS.

"compareP1"

[1] Difference will be financed through a combination of developer advances, special financing district revenues, revenues from other planning areas, and other revenues such as the State School Building Program program, FCUSD development impact fees, and SFID revenues. Revenues in excess of costs accrue to the agency's fee program for regional improvements.

Table 15
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Projected Cost and Fee Revenue Comparison for Phases 2 through 5 (2006\$)

Remaining Phases

Item	Financing Program	Rio del Oro Specific Plan		Surplus/ (Shortfall) [1]	Funding Source For Shortfall
		Revenue	Reimbursable Cost		
<i>Table Reference</i>		<i>Table C-3</i>	<i>Table 4</i>		
Existing Fee Programs					
Storm Drainage	Zone 11A	\$23,552,619	\$18,221,625	\$5,330,994	
Water	Zone 40	\$82,335,053	\$9,704,138	\$72,630,916	
Sewer					
Interceptor Improvements	SRCS	\$61,028,519	\$1,923,237	\$59,105,282	
Trunk Lines and Other	CSD-1	\$19,066,137	\$5,227,828	\$13,838,309	
Roadways	City Fee	\$166,251,978	\$15,596,000	\$150,655,978	
Transit	City Fee	\$2,937,960	\$2,937,960	\$0	
Parks	City Fee	\$91,932,099	\$36,975,000	\$54,957,099	
Schools	FCUSD	\$116,450,535	\$368,404,860	(\$251,954,325)	State Grants; SFID 1; suppl. funding, incl. potential SFID 3
Fire Station	SMFD	\$10,119,859	\$10,119,859	\$0	
Library	City Fee	\$4,562,229	\$4,562,229	\$0	

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Table 15
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Projected Cost and Fee Revenue Comparison for Phases 2 through 5 (2006\$)

Remaining Phases

Item	Financing Program	RDO Special Financing District Revenue	Total Cost	Surplus/ (Shortfall) [1]	Funding Source For Shortfall
<i>Table Reference</i>		<i>Table D-4</i>	<i>Table 4</i>		
Rio Del Oro Special Financing District Revenue					
Infrastructure Improvements					
Storm Drainage	RDOSFD	\$5,954,552	\$1,012,500	\$4,942,052	
Initial Sewer Facilities	RDOSFD	\$4,626,709	\$640,170	\$3,986,539	
On-Site Water	RDOSFD	\$1,679,570	\$1,730,160	(\$50,590)	Special Financing District
Initial Water Facilities	RDOSFD	\$213,473	\$0	\$213,473	
Roadways	RDOSFD	\$25,041,517	\$27,325,500	(\$2,283,983)	Special Financing District
Public Facility Improvements					
Trails	RDOSFD	\$1,296,362	\$465,106	\$831,257	
Open Space	RDOSFD	\$9,945,831	\$9,905,158	\$40,673	
Landscape Corridor	RDOSFD	\$30,749,233	\$31,041,000	(\$291,767)	Special Financing District
Subtotal Rio Del Oro Special Financing District Revenue		\$79,507,246	\$72,119,593	\$7,387,653	
Special Fin. Dist. Formation and Updates	RDOSFD	\$687,833	\$687,833	\$0	
Total Rio Del Oro Special Financing District Revenue		\$80,195,079	\$72,807,426	\$7,387,653	

compare_rem

Source: Infrastructure Cost Estimate, Wood Rodgers,(03/21/2006) Various Fee Programs, and EPS.

[1] Difference will be financed through a combination of developer advances, special financing district revenues, revenues from other planning areas, and other revenues such as the State School Building Program program, FCUSD development impact fees, and SFID revenues. Revenues in excess of costs accrue to the agency's fee program for regional improvements.

Table 16
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Projected Cost and Fee Revenue Comparison at Buildout (2006\$)

Buildout

Item	Financing Program	Rio del Oro Specific Plan		Surplus/ (Shortfall) [1]	Funding Source For Shortfall
		Revenue	Reimbursable Cost		
<i>Table Reference</i>		<i>Table C-4</i>	<i>Table 5</i>		
Existing Fee Programs					
Storm Drainage	Zone 11A	\$35,430,287	\$28,906,673	\$6,523,614	
Water	Zone 40	\$115,043,635	\$17,549,798	\$97,493,838	
Sewer					
Interceptor Improvements	SRCS	\$85,068,225	\$6,355,463	\$78,712,763	
Trunk Lines and Other	CSD-1	\$27,688,368	\$7,440,559	\$20,247,809	
Roadways	City Fee	\$252,673,227	\$33,412,000	\$219,261,227	
Transit	City Fee	\$5,426,697	\$5,426,697	\$0	
Parks	City Fee	\$123,182,617	\$72,250,000	\$50,932,617	
Schools	FCUSD	\$155,092,958	\$490,282,813	(\$335,189,855)	State Grants; SFID 1; suppl. funding, incl. potential SFID 3
Fire Station	SMFD	\$15,731,832	\$15,731,832	\$0	
Library	City Fee	\$6,113,547	\$6,113,547	\$0	

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Table 16
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Projected Cost and Fee Revenue Comparison at Buildout (2005\$)

Buildout

Item	Financing Program	RDO Special Financing District Revenue	Financing District Total Cost	Surplus/ (Shortfall) [1]	Funding Source For Shortfall
<i>Table Reference</i>		<i>Table D-5</i>		<i>Table 5</i>	
Rio Del Oro Special Financing District Revenue					
Infrastructure Improvements					
Storm Drainage	RDOSFD	\$9,598,500	\$9,598,500	\$0	
Initial Sewer Facilities	RDOSFD	\$6,962,220	\$6,962,220	\$0	
On-Site Water	RDOSFD	\$2,442,960	\$2,442,960	\$0	
Initial Water Facilities	RDOSFD	\$310,500	\$310,500	\$0	
Roadways	RDOSFD	\$39,997,500	\$39,997,500	\$0	
Public Facility Improvements					
Trails	RDOSFD	\$1,720,005	\$1,720,005	\$0	
Open Space	RDOSFD	\$13,196,066	\$13,196,066	\$0	
Landscape Corridor	RDOSFD	\$45,737,000	\$45,737,000	\$0	
Subtotal Rio Del Oro Special Financing District Revenue		\$119,964,751	\$119,964,751	\$0	
Special Fin. Dist. Formation and Updates	RDOSFD	\$1,000,000	\$1,000,000	\$0	
Total Rio Del Oro Special Financing District Revenue		\$120,964,751	\$120,964,751	\$0	

Source: Infrastructure Cost Estimate, Wood Rodgers,(03/21/2006) Various Fee Programs, and EPS.

"compare"

[1] Difference will be financed through a combination of developer advances, special financing district revenues, revenues from other planning areas, and other revenues such as the State School Building Program program, FCUSD development impact fees, and SFID revenues. Revenues in excess of costs accrue to the agency's fee program for regional improvements.

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The RDOSP special financing district funds the difference between actual project costs and the amount that is reimbursable through existing fee programs. As shown in **Table 14**, the total RDOSP special financing district revenue for Phase I is approximately \$40.8 million, while the Phase I total costs are approximately \$48.2 million, leaving a shortfall of approximately \$7.4 million. This shortfall will be covered by private advance funding. As shown in **Table 15**, any shortfalls experienced in Phase I are reimbursed in the Remaining Phases. Conversely, any surpluses (i.e., revenues collected exceed the cost of the Backbone Facilities) experienced in Phase 1 (e.g., On-Site Water; Roadways) are available to fund deficits shown in the Remaining Phases (i.e., revenues collected are insufficient to cover the cost of Backbone Facilities).

V. FEASIBILITY OF THE FINANCING PLAN

This chapter provides a summary of financial feasibility of the Project. The feasibility analyses presented in this chapter evaluates the feasibility of the Project in light of current and proposed fees, estimated preliminary infrastructure burden, and taxes and assessments. The actual costs, unit mix, Mello-Roos bond proceeds, fees, and other factors may vary according to the market conditions at the time of development. Final sales prices of the units and major backbone infrastructure and public facilities costs will significantly impact the actual feasibility.

SUMMARY OF FEASIBILITY ANALYSES

To be considered financially feasible, the Project should meet both of the following feasibility tests:

- Total Burden of Major Infrastructure; and
- Total Taxes and Assessments as a Percent of Sales Price.

In relation to this Financing Plan, the purpose of the Total Burden of Major Infrastructure feasibility test is to assess the financial feasibility of the Project given all current and proposed fees, and the additional burden of Project-specific infrastructure costs. If a Project-specific fee (plan area fee) is chosen as the means to fund infrastructure costs not covered by existing and/or proposed financing programs, this feasibility test assesses the additional fee burden on residential dwelling units. Thus, the preliminary RDOSP Special Financing District estimates by land use as shown in **Table D-2** have been included to assess the additional burden of Project-specific infrastructure costs.

The purpose of the Total Taxes and Assessments as a Percent of Sales Price feasibility test is to ensure that current and proposed taxes and assessments do not exceed 1.8 percent of the value of the property.⁹ If a Mello-Roos CFD (special tax) or assessment is chosen as the means to fund infrastructure costs not covered by existing and/or proposed financing programs, this feasibility test assessed the additional special tax/assessment burden on residential dwelling units. The estimated preliminary maximum special tax amount that could be implemented as part of a Mello-Roos CFD or assessment district is included in this feasibility test (refer to **Table 19** in **Chapter VI** for estimated preliminary maximum special tax amounts).

⁹ Although the State guideline is 2 percent, EPS has used a target range of 1.8 percent, to allow a 0.2 percent gap for additional special taxes and assessments as needed.

FEASIBILITY ANALYSIS FINDINGS

Overall, the single-family and medium-density residential land uses meet the feasibility tests. The high-density residential land use, however, is infeasible or bordering on infeasible for the Total Burden of Major Infrastructure feasibility test without a cross-subsidy from the single-family and medium-density units.

TOTAL BURDEN OF MAJOR INFRASTRUCTURE

The infrastructure cost burden of development to a property owner can be used to assess the financial feasibility of a development project. The total infrastructure cost burden consists of all costs (e.g., developer funding and the bond debt associated with special taxes and assessments) plus applicable fees (e.g., county development impact fees, school mitigation fees). A project is financially feasible if the total cost burden is less than 15 to 20 percent of the finished home price. Typically, residential units with a cost burden percentage below 15 percent are clearly financially feasible, while units with a cost burden percentage above 20 percent are likely to be financially infeasible. This feasibility benchmark is based on EPS's experience in conducting financial feasibility analyses for numerous projects throughout the Sacramento and Central Valley regions over the last two decades.

As shown in **Table 17**, the single-family and medium-density units fall within the feasibility range. The high selling price of the high-density land use is at the upper end of the feasibility range, however, and the low selling price of the high-density land use falls outside of the range of feasibility.

This analysis includes a preliminary assumption regarding bond debt. Specifically, this analysis assumes that any bond debt would be associated with an offsetting fee credit.

TOTAL TAXES AND ASSESSMENTS AS PERCENT OF SALES PRICE

The second test of feasibility is a test of total taxes and assessments as a percentage of the home sales price ("2-percent test"). The State of California's Proposition 13 limited general property tax to 1 percent of the value of the property. Based on the 2-percent rule, other bonded debt, special assessments, and other special taxes should not exceed and additional 1 percent, or 2 percent of the total value of the property. The State and industry guideline follows the principle that total taxes and assessments on a developed residential unit should not exceed 2 percent of the value of the property. Although the State guideline is 2 percent, EPS has used a target range of 1.8 percent, to allow a 0.2 percent gap for additional special taxes and assessments as needed.

Table 17
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Infrastructure Cost Burden Analysis (2006\$)

Assumptions/ Fee Type	Residential		
	Single-Family	Medium Density	High Density
Land Use Assumptions			
Acres	1,597	237	86
Units	7,985	1,896	1,720
Estimated Avg. Square Feet Per Unit	2,600	2,000	1,400
Total Building Square Feet	-	-	-
Units Per Acre/ Floor Area Ratio	5	8	20
Finished Unit Selling Price [1]			
Low Range	\$590,000	\$480,000	\$300,000
High Range	\$560,000	\$460,000	\$280,000
	\$620,000	\$500,000	\$320,000
Rio del Oro Infrastructure Burden			
City/County Fees	<i>Per Unit</i>		
Processing Fees			
Building Permit	\$1,646	\$1,207	\$1,046
Plan Check	\$1,097	\$805	\$697
Zone Check	\$143	\$105	\$91
Building Compliance Inspection	\$250	\$250	\$250
Seismic/Strong Motion	\$50	\$50	\$50
Fire Plan Review [2]	\$0	\$0	\$0
General Plan Cost Recovery	\$159	\$90	\$65
Total Processing Fees	\$3,344	\$2,507	\$2,199
Development Impact Fees			
Water Fee Zone 40 [2]	\$9,192	\$9,192	\$9,192
Drainage Fee Zone 11A	\$2,668	\$1,746	\$807
County of Sacramento Transit Fee [3]	\$175	\$175	\$356
Transportation Impact Fee	\$17,284	\$17,284	\$11,540
Transportation Admin. Fee (2%)	\$349	\$349	\$238
Low Income Housing	N/A	N/A	N/A
Sacramento Transportation Authority [4]	\$1,000	\$1,000	\$700
Total Development Impact Fees	\$34,190	\$33,268	\$25,488
Total City & County Fees	\$37,535	\$35,775	\$27,686
Likely Additional Fees/Dev. Charges			
Est. Preliminary Park Development Fee [5]	\$11,027	\$11,027	\$8,270
Park Renovation Charge [6]	\$1,500	\$1,500	\$1,125
Swainson's Hawk Trust Fund [7]	\$3,675	\$2,297	\$919
Transportation Shortfall Charge [8]	\$6,000	\$6,000	\$6,000
Affordable Housing Fee	TBD	TBD	TBD
Habitat Conservation Plan Fee	TBD	TBD	TBD
Highway 50 Regional Transportation Fee	TBD	TBD	TBD
Total Likely Additional Fees/Dev. Charges	\$22,202	\$20,824	\$16,314
School Fees			
Folsom-Cordova USD School Facilities Fee	\$14,612	\$11,240	\$7,868
Other/ Special District Fees			
CSD-1 Sewer Fee (incl. \$45 inspection fee)	\$2,269	\$1,435	\$601
SRCS D Sewer Fee	\$7,000	\$7,000	\$5,250
SMFD Capital Fire Facilities Fee	\$1,066	\$820	\$574
Total Other/Special District Fees	\$10,335	\$9,255	\$6,425
Total Fees Per Unit/ Acre	\$84,683	\$77,094	\$58,293
Rio del Oro Special Financing District Fees [9]	\$8,552	\$7,442	\$5,413
Total Infrastructure Burden	\$93,235	\$84,536	\$63,706
Total Infrastructure Burden as a Percentage of Estimated Sales Price [10]			
	Target Range = 15% to 20%		
Est. Average Sales Price - High Range	15%	17%	20%
	<i>to</i>	<i>to</i>	<i>to</i>
Est. Average Sales Price - Low Range	17%	18%	23%

"fee_calc"

Source: Elliott Homes; City of Rancho Cordova; Sacramento County; Reed Construction Data, 2004; and EPS.

Table 17
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Infrastructure Cost Burden Analysis (2006\$)

- [1] Data based on information provided by the developer, Elliott Homes, and comparable real estate values in the Sacramento region.
- [2] EPS assumes one 2" line per 55,000 sq. ft. for retail and 37,500 sq. ft. for office and one 4" line per 350,000 sq. ft. for industrial.
- [3] The County of Sacramento increased the Transit Development Fee on March 14, 2006. However, Rancho Cordova collects the older rate.
- [4] Fee does not take effect until April 2009; included here as it is expected project development will correspond with the implementation of the fee.
- [5] Placeholder amount based on park development fees as negotiated in Sunridge East in 2006. Multifamily park fee assumed to be 75% of Single-Family park fee.
- [6] Placeholder park renovation charge estimated based on development agreement negotiated costs in a recently approved project in Rancho Cordova.
- [7] The City has not yet adopted a Swainson's hawk mitigation fee; estimate shown is based on current rate for Sacramento County.
- [8] Additional transportation funding not a fee program. Placeholder amount reflects funding program intended to finance existing transportation deficiencies. Will be established through development agreement negotiations.
- [9] Represents estimated fee per unit for Rio del Oro Special Financing District to fund infrastructure costs not funded by existing programs or mechanisms. Financing mechanism for these remaining 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.
This analysis tests the feasibility of current and proposed fees, including an estimated Plan Area Fee as a percent of sales price.
- [10] As a guideline, a target range for total infrastructure burden is 15-20 percent of the home sales price.

As summarized below, **Table 18** reflects the following key assumptions used in this analysis:

Item	Assumptions
CFD Special Tax Amount	
Single-Family	\$1,300
Medium-Density	\$1,200
High-Density	\$750
Police Special Tax	\$250

Table 18 presents the total estimated taxes and assessments as a percentage of home sales price for each proposed residential prototype. The total annual amount includes the following taxes and assessments:

- Property taxes;
- Other general ad valorem taxes (e.g., school/other GO bonds);
- Special taxes and assessments;
- Proposed or potential special taxes and assessments; and
- A preliminary estimate of Project Infrastructure CFD special taxes, based on tax rates in Anatolia, a comparable project in the City.

Under the “2-percent test,” a total of taxes and assessments as a percentage of sales price that is less than 2 percent indicates financial feasibility. As shown in **Table 18**, assuming a \$250 Police Special Tax, the taxes and assessments for Project homes range from 1.53 percent to 1.70 percent. This analysis indicates the current and proposed annual tax burden is feasible for all residential units.

The additional proposed special annual taxes and assessments, which include a landscaping and lighting district (LLD), park maintenance CFD, and road maintenance assessment district, totals approximately \$600 per residential unit and is estimated to reduce total bond proceeds by approximately \$75 million, or \$6,500 per residential unit based on a total of approximately 11,600 residential units in the Project.

Table 18
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Test of 2% Sales Price - Residential Market Rate Units (2006\$)

CFD Formed \$1,300 SF Tax
\$250 Police Special Tax

Item	Single-Family	Medium-Density	High-Density	Total All Units
Assumptions				
Lot Size (sq. ft.)	8,712	5,445	2,178	
Unit Square Feet	2,600	2,000	1,400	
Number of Units	7,985	1,896	1,720	11,601
<hr/>				
Finished Unit Selling Price [1]	\$590,000	\$480,000	\$300,000	
<hr/>				
Ad Valorem Taxes				
General Property Tax [2]	\$5,830	\$4,730	\$2,930	\$60,560,230
Los Rios Comm. College G.O. Bonds	\$19	\$15	\$10	\$196,391
Folsom Cordova CFD No. 1	\$313	\$255	\$159	\$3,258,869
Regional Sanitation Bonds	\$32	\$26	\$17	\$337,548
Total Ad Valorem Taxes Range-Low Range	\$6,195	\$5,027	\$3,115	\$64,353,038
<hr/>				
Likely Special Annual Taxes / Assessments				
SFID-3 [3]	\$434	\$353	\$221	\$4,517,615
Rancho Cordova Police Special Tax (O&M) [4]	\$250	\$250	\$250	\$2,900,250
Sloughhouse Fire Protection (O&M) [5]	\$100	\$100	\$100	\$1,160,100
CSA 10 Zone 2 (O&M) [6]	\$100	\$64	\$48	\$1,002,404
Water & Drainage Studies	\$7	\$7	\$7	\$80,511
SAFCA O&M A.D. No. 1	\$42	\$26	\$11	\$404,116
CSA 1 Lights City of RC Zone 4	\$3	\$3	\$3	\$29,699
Total Likely Special Annual Taxes / Assessments	\$936	\$803	\$639	\$10,094,695
<hr/>				
Add'l Potential Special Annual Taxes / Assess. [7]				
Landscaping and Lighting District	\$150	\$150	\$150	\$1,740,150
Park Maintenance CFD	\$300	\$300	\$300	\$3,480,300
Road Maintenance Assessment District	\$150	\$150	\$150	\$1,740,150
Total Add'l Potential Special Annual Taxes / Assess.	\$600	\$600	\$600	\$6,960,600
<hr/>				
Estimate of Proposed Rio del Oro CFD [8]	\$1,300	\$1,200	\$750	\$13,945,700
<hr/>				
Total Annual Taxes and Assessments	\$9,031	\$7,630	\$5,104	\$95,354,033
<hr/>				
Taxes & Assessments as % of Sales Price	Target Range < 1.8%			
	1.53%	1.59%	1.70%	

"twopercent_test"

Source: Elliott Homes; City of Rancho Cordova; Sacramento County; and EPS.

- [1] Finished unit selling price for single-family and medium-density units provided by Elliott Homes; EPS estimated high-density finished unit selling price based on condominium projects in the Sacramento region.
- [2] Includes homeowners property tax exemption of \$7,000.
- [3] Potential Folsom Cordova School Facilities District No. 3. Based on estimated annual average of \$73.61 per \$100,000 of Assessed Value. The actual annual tax rate will vary from approximately \$37.31 to \$99.91 per \$100,000 of assessed value.
- [4] Assumes a \$250 per dwelling unit, based on special tax for Anatolia in FY 2004-05.
- [5] Tax rate area formerly part of Sloughhouse Fire Protection, until it was dissolved into Sac Metro District, but maintained name. Special tax covers ambulance services.
- [6] CSA 10 provides transportation-related services, such as shuttle transit and trip reduction activities to the Sunridge Specific Plan Area. This analysis assumes a similar assessment will apply to Rio del Oro.
- [7] Preliminary estimates shown.
- [8] Estimate of Rio del Oro CFD Special Tax are based on tax rates in Anatolia, a comparable project in the City. Financing mechanism to fund remaining 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.

VI. LAND-SECURED BOND FINANCING

The Financing Strategy may include land-secured financing mechanisms, such as Mello-Roos CFDs or Assessment District bond-financing for capital facilities, such as roads, sewer, water, storm drainage, and parks. This chapter provides information on estimated bonding capacity for capital facilities if a Mello-Roos CFDs is chosen as the primary bond-funding mechanism.

If this financing option is chosen, the actual special tax formula, properties included in the CFD, and the list of facilities to be funded by bonds will be determined at the time of the CFD formation. At that time, there will also be a determination as to the level of maximum special taxes that can be absorbed by the various properties included in the CFD. For purposes of this report, the following annual tax rates¹⁰ have been assumed:

- Single-Family Residential—\$1,300 per unit;
- Medium-Density Residential—\$1,200 per unit; High-Density Residential—\$750 per unit;
- Nonresidential Commercial (Excluding Industrial Park)—\$5,500 per acre; and
- Industrial Park—\$3,000 per acre.

Table 19 presents the estimated preliminary Maximum Annual Special Tax revenue generated by the RDOSP. The estimated Maximum Annual Special Tax revenue is \$4.8 million from Phase 1 development. Development of the Remaining Phases results in \$11.3 million in revenue. At buildout, the Maximum Annual Special Tax revenue is estimated at approximately \$16.1 million. Based on the Maximum Annual Special Tax revenue, **Table 20** shows estimated bonding capacity for the RDOSP. Based on current financing assumptions, the RDOSP developers are estimated to have capacity to bond for approximately \$211.6 million, yielding \$165.7 million in proceeds for construction and acquisition of land and improvements.

Although RDOSP bonding capacity shown in **Table 20** is approximately \$211.6 million, which yields approximately \$165.7 million in proceeds, any initial bond issues will be constrained by various factors including the appraised value of land in the CFD at the time bonds are sold. Several bond sales would occur as the development of RDOSP progresses and security can be demonstrated for the bonds. Also, it is important to note that these estimates of bond capacity are preliminary, based on current financing assumptions, and subject to revision once a land-secured financing mechanism is implemented.

¹⁰ These tax rates are based on maximum special tax rates for comparable land uses in the Sunridge-Anatolia CFD No. 2003-1. Rates have been escalated by 2 percent annually to 2006 dollars and then rounded.

Table 19
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Summary of Maximum Annual Special Tax for Infrastructure CFD (2006\$)

Taxable Land Use Category	Land Use Phase 1			Land Use Phases 2 through 5			Land Use Buildout		
	Units/ Acres	Preliminary Tax Rate [1]	Preliminary Maximum Annual Special Tax	Units/ Acres	Preliminary Tax Rate [1]	Preliminary Maximum Annual Special Tax	Units/ Acres	Preliminary Tax Rate	Preliminary Maximum Annual Special Tax
RIO DEL ORO									
Single-Family Residential	<u>Units</u>	<u>Per Unit</u>		<u>Units</u>	<u>Per Unit</u>		<u>Units</u>	<u>Per Unit</u>	
Single-Family Residential	1,450	\$1,300	\$1,885,000	6,535	\$1,300	\$8,495,500	7,985	\$1,300	\$10,380,500
Medium-Density Residential	904	\$1,200	\$1,084,800	992	\$1,200	\$1,190,400	1,896	\$1,200	\$2,275,200
High-Density Residential	640	\$750	\$480,000	1,080	\$750	\$810,000	1,720	\$750	\$1,290,000
Total Residential	2,994		\$3,449,800	8,607		\$10,495,900	11,601		\$13,945,700
Nonresidential	<u>Acres</u>	<u>Per Acre</u>		<u>Acres</u>	<u>Per Acre</u>		<u>Acres</u>	<u>Per Acre</u>	
Local Town Center	22.0	\$5,500	\$121,000	0.0	\$5,500	\$0	22.0	\$5,500	\$121,000
Regional Town Center	76.0	\$5,500	\$418,000	35.0	\$5,500	\$192,500	111.0	\$5,500	\$610,500
Village Center	0.0	\$5,500	\$0	20.0	\$5,500	\$110,000	20.0	\$5,500	\$110,000
Business Park	41.0	\$5,500	\$225,500	45.0	\$5,500	\$247,500	86.0	\$5,500	\$473,000
Industrial Park	188.0	\$3,000	\$564,000	94.0	\$3,000	\$282,000	282.0	\$3,000	\$846,000
Total Nonresidential	327.0		\$1,328,500	194.0		\$832,000	521.0		\$2,160,500
TOTAL RIO DEL ORO [2]			\$4,778,300			\$11,327,900			\$16,106,200

"Summary_MaxTax"

Source: Rio del Oro Specific Plan (03/30/2006); Sunridge Anatolia CFD; and EPS.

[1] Based on maximum special tax rates for Sunridge-Anatolia Community Facilities District No. 2003-1. Escalated by 2% annually to 2006\$.

[2] Schools, Open Space, and Parks are not considered taxable and therefore are not included.

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Table 20
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Estimated Bond Sizing (2006\$)

Item	Assumptions	Estimated Bond Sizing		
		Phase 1	Phases 2 through 5	Buildout
Maximum Special Taxes Available for Debt Service				
Estimated Annual Maximum Special Taxes		\$4,778,300	\$11,327,900	\$16,106,200
<i>Less Estimated Administration Costs</i>	4%	(\$191,000)	(\$454,000)	(\$645,000)
<i>Less Delinquency Coverage</i>	10%	(\$478,000)	(\$1,133,000)	(\$1,611,000)
<i>Adjustment for Rounding</i>		\$700	(\$900)	(\$200)
Estimated Gross Debt Service (Rounded)		\$4,110,000	\$9,740,000	\$13,850,000
Bond Proceeds and Bond Size				
Total Bond Size		\$52,309,000	\$123,963,000	\$176,272,000
<i>Adjustment for Rounding</i>		(\$9,000)	\$37,000	\$28,000
Total Bond Size (Rounded)		\$52,300,000	\$124,000,000	\$176,300,000
<i>Increase for Annual Escalation [1]</i>		\$10,460,000	\$24,800,000	\$35,260,000
Total Bond Size (Rounded)		\$62,760,000	\$148,800,000	\$211,560,000
Estimated Bond Proceeds				
Rounded Bond Size		\$62,760,000	\$148,800,000	\$211,560,000
<i>Less Capitalized Interest</i>	18 months	(\$6,354,000)	(\$15,066,000)	(\$21,420,000)
<i>Less Bond Reserve Fund</i>	1 yr debt service	(\$4,110,000)	(\$9,740,000)	(\$13,850,000)
<i>Less Issuance Cost</i>	5%	(\$3,138,000)	(\$7,440,000)	(\$10,578,000)
Estimated Bond Proceeds		\$49,158,000	\$116,554,000	\$165,712,000
Assumptions [2]				
Interest Rate	6.75%			
Term	30 years (bonds could be for 25 or 30 years)			
Annual Escalation	2.00%			

"est_bond"

Source: EPS.

[1] Assumes special taxes are escalated 2.0% annually for 30 years, which increases total Bond Size by approximately 20%.

[2] Estimated bond sizing based on conservative assumptions. The interest rate will be determined at the time of bond sale; the bond term could 25 to 30 years or more. This analysis assumes 30 years.

CFDs will not be allowed to fund facility oversizing. Reimbursements for oversizing will be handled through the appropriate fee program, reimbursement agreement, or developer cost-sharing agreement.

Table 21, Table 22, and Table 23 present the estimated bond proceeds per unit and nonresidential acre for Phase 1, Remaining Phases, and Buildout, respectively.

Table 21
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Estimated Bond Proceeds per Unit and Nonresidential Acre for Phase 1 (2006\$)

Item	Unit/ Acres	Prelim. Max. Special Tax Rate [1]	Maximum Special Tax		Bond Size [2]		Bond Proceeds	
			Amounts	% of Total	Amount	Per Unit/Acre	Amount	Per Unit/Acre
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C = A * B</i>	<i>D = C / Total MaxTax</i>	<i>E = D x total bond</i>	<i>F = E / A</i>	<i>G = D x bond proceeds</i>	<i>H = G / A</i>
RIO DEL ORO PHASE 1								
Single-Family Residential	<u>Units</u>	<u>Per Unit</u>				<u>Per Unit</u>		<u>Per Unit</u>
Single-Family Residential	1,450	\$1,300	\$1,885,000	39.4%	\$24,758,303	\$17,075	\$19,392,426	\$13,374
Medium-Density Residential	904	\$1,200	\$1,084,800	22.7%	\$14,248,174	\$15,761	\$11,160,161	\$12,345
High-Density Residential	640	\$750	\$480,000	10.0%	\$6,304,502	\$9,851	\$4,938,124	\$7,716
Total Residential	2,994		\$3,449,800	72.2%	\$45,310,978	\$15,134	\$35,490,712	\$11,854
Nonresidential	<u>Acres</u>	<u>Per Acre</u>				<u>Per Acre</u>		<u>Per Acre</u>
Local Town Center	22	\$5,500	\$121,000	2.5%	\$1,589,260	\$72,239	\$1,244,819	\$56,583
Regional Town Center	76	\$5,500	\$418,000	8.7%	\$5,490,170	\$72,239	\$4,300,283	\$56,583
Village Center	0	\$5,500	\$0	0.0%	\$0	\$0	\$0	\$0
Business Park	41	\$5,500	\$225,500	4.7%	\$2,961,802	\$72,239	\$2,319,890	\$56,583
Industrial Park	188	\$3,000	\$564,000	11.8%	\$7,407,789	\$39,403	\$5,802,296	\$30,863
Total Nonresidential	327		\$1,328,500	27.8%	\$17,449,022	\$53,361	\$13,667,288	\$41,796
TOTAL RIO DEL ORO PHASE 1			\$4,778,300	100.0%	\$62,760,000		\$49,158,000	

"bond_unitP1"

Source: Sunridge-Anatolia Community Facilities District No. 2003-1; and EPS.

[1] Preliminary maximum special tax rates based on Sunridge-Anatolia Community Facilities District No. 2003-1, excluding industrial land uses. EPS assumed the tax rate for industrial land uses based on the lower value of industrial property. Assumes 2% escalation on preliminary maximum special tax rate as shown in Table 20.

[2] Assumes special taxes are escalated 2.0% annually for 30 years, which increases total Bond Size by approximately 20%.

Table 22
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Estimated Bond Proceeds per Unit and Nonresidential Acre for Phases 2 through 5 (2006\$)

Item	Unit/ Acres	Prelim. Max. Special Tax Rate [1]	Maximum Special Tax		Bond Size [2]		Bond Proceeds	
			Amounts	% of Total	Amount	Per Unit/Acre	Amount	Per Unit/Acre
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C = A * B</i>	<i>D = C / Total MaxTax</i>	<i>E = D x total bond</i>	<i>F = E / A</i>	<i>G = D x bond proceeds</i>	<i>H = G / A</i>
RIO DEL ORO REMAINING PHASES								
Single-Family Residential	<u>Units</u>	<u>Per Unit</u>				<u>Per Unit</u>		<u>Per Unit</u>
Single-Family Residential	6,535	\$1,300	\$8,495,500	75.0%	\$111,594,417	\$17,076	\$87,411,127	\$13,376
Medium-Density Residential	992	\$1,200	\$1,190,400	10.5%	\$15,636,748	\$15,763	\$12,248,156	\$12,347
High-Density Residential	1,080	\$750	\$810,000	7.2%	\$10,639,924	\$9,852	\$8,334,178	\$7,717
Total Residential	8,607		\$10,495,900	92.7%	\$137,871,090	\$16,018	\$107,993,461	\$12,547
Nonresidential	<u>Acres</u>	<u>Per Acre</u>				<u>Per Acre</u>		<u>Per Acre</u>
Local Town Center	0	\$5,500	\$0	0.0%	\$0	\$0	\$0	\$0
Regional Town Center	35	\$5,500	\$192,500	1.7%	\$2,528,624	\$72,246	\$1,980,654	\$56,590
Village Center	20	\$5,500	\$110,000	1.0%	\$1,444,928	\$72,246	\$1,131,802	\$56,590
Business Park	45	\$5,500	\$247,500	2.2%	\$3,251,088	\$72,246	\$2,546,555	\$56,590
Industrial Park	94	\$3,000	\$282,000	2.5%	\$3,704,270	\$39,407	\$2,901,529	\$30,867
Total Nonresidential	194		\$832,000	7.3%	\$10,928,910	\$56,335	\$8,560,539	\$44,126
TOTAL RIO DEL ORO REMAINING PHASES			\$11,327,900	100.0%	\$148,800,000		\$116,554,000	

Source: EPS.

"bond_unit_rem"

[1] Preliminary maximum special tax rates based on Sunridge-Anatolia Community Facilities District No. 2003-1, excluding industrial land uses. EPS assumed the tax rate for industrial land uses based on the lower value of industrial property. Assumes 2% escalation on preliminary maximum special tax rate as shown in Table 20.

[2] Assumes special taxes are escalated 2.0% annually for 30 years, which increases total Bond Size by approximately 20%.

Table 23
Rio del Oro Specific Plan
Infrastructure and Public Facilities Financing Plan
Estimated Bond Proceeds per Unit and Nonresidential Acre at Buildout (2006\$)

Item	Unit/Acre	Prelim.	Maximum Special Tax		Bond Size [2]		Bond Proceeds	
		Max. Special Tax Rate [1]	Amounts	% of Total	Amount	Per Unit/Acre	Amount	Per Unit/Acre
<i>Formula</i>	<i>A</i>	<i>B</i>	<i>C = A * B</i>	<i>D = C / Total MaxTax</i>	<i>E = D x total bond</i>	<i>F = E / A</i>	<i>G = D x bond proceeds</i>	<i>H = G / A</i>
RIO DEL ORO BUILDOUT								
Single-Family Residential	<u>Per Unit</u>					<u>Per Unit</u>		<u>Per Unit</u>
Single-Family Residential	7,985	\$1,300	\$10,380,500	64.5%	\$136,351,131	\$17,076	\$106,801,941	\$13,375
Medium-Density Residential	1,896	\$1,200	\$2,275,200	14.1%	\$29,885,467	\$15,762	\$23,408,870	\$12,346
High-Density Residential	1,720	\$750	\$1,290,000	8.0%	\$16,944,556	\$9,851	\$13,272,434	\$7,717
Total Residential	11,601		\$13,945,700	86.6%	\$183,181,153	\$15,790	\$143,483,245	\$12,368
Nonresidential	<u>Acres</u>					<u>Per Acre</u>		<u>Per Acre</u>
Local Town Center	22	\$5,500	\$121,000	0.8%	\$1,589,373	\$72,244	\$1,244,934	\$56,588
Regional Town Center	111	\$5,500	\$610,500	3.8%	\$8,019,109	\$72,244	\$6,281,257	\$56,588
Village Center	20	\$5,500	\$110,000	0.7%	\$1,444,885	\$72,244	\$1,131,758	\$56,588
Business Park	86	\$5,500	\$473,000	2.9%	\$6,213,004	\$72,244	\$4,866,559	\$56,588
Industrial Park	282	\$3,000	\$846,000	5.3%	\$11,112,476	\$39,406	\$8,704,248	\$30,866
Total Nonresidential	521		\$2,160,500	13.4%	\$28,378,847	\$54,470	\$22,228,755	\$42,666
TOTAL RIO DEL ORO BUILDOUT			\$16,106,200	100.0%	\$211,560,000		\$165,712,000	

"bond_unit"

Source: EPS.

[1] Preliminary maximum special tax rates based on Sunridge-Anatolia Community Facilities District No. 2003-1, excluding industrial land uses. EPS assumed the tax rate for industrial land uses based on the lower value of industrial property. Assumes 2% escalation on preliminary maximum special tax rate as shown in Table 20.

[2] Assumes special taxes are escalated 2.0% annually for 30 years, which increases total Bond Size by approximately 20%.

VII. FUNDING OF ONGOING OPERATION AND MAINTENANCE COSTS

This draft Financing Plan addresses funding for construction of Backbone Infrastructure and Public Facilities. The constructed Backbone Infrastructure and Public Facilities will also require a source of ongoing operations and maintenance funding. A separate analysis of ongoing operations and maintenance funding will be prepared and will provide a detailed discussion of the costs and potential funding sources for operations and maintenance of RDOSP facilities, as well as public services (e.g., parks programming).

The RDOSP will be required to participate in a series of special financing districts to fund public services and the maintenance and operation of the public improvements. Participation in these districts will be determined by the City or the Special Districts no later than the filing of final maps. The City or existing assessment districts will have funding responsibility for most items. However, if a funding shortfall is deemed to exist, a Mello Roos CFD, Community Services District (CSD), Lighting and Landscaping District (LLD), or some other funding mechanism will be established.

As shown in **Table 18**, the following funding mechanisms will likely be imposed to fund ongoing operations and maintenance costs required to serve the RDOSP.

- **Rancho Cordova Police Special Tax.** This assumption is based on the amount imposed on development in Sunridge Anatolia to fund police operations.
- **Sloughhouse Fire Protection.** The RDOSP includes tax rate areas that were formerly part of the Sloughhouse Fire Protection District until it dissolved into the Sac Metro Fire District, but retained the name. This special tax covers ambulance services.
- **CSA 10 Zone 2.** CSA 10 provides transportation-related services, such as shuttle transit and trip reduction activities to the Sunridge Specific Plan. This analysis assumes a similar assessment will apply to the RDOSP.
- **SAFCA O&M A.D. No. 1.** The Sacramento Area Flood Control Agency (SAFCA) formed this assessment district to provide flood control services.
- **CSA 1 Lights City of Rancho Cordova Zone 4.** County Service Area (CSA) No. 1 provides funding for the maintenance of County and Sacramento Municipal Utilities District (SMUD) street and highway safety lights in unincorporated Sacramento County, and in the cities of Elk Grove, Citrus Heights and Rancho Cordova.

In addition, there are three additional potential annual special taxes or assessments that could fund ongoing operations and maintenance services for development in the RDOSP. As shown in Table 18, these additional potential funding sources include:

- **Landscaping and Lighting District.** An LLD could be created to fund ongoing operations and maintenance services for the landscape corridors and any lighting not funded through CSA 1.
- **Park Maintenance CFD.** A Services CFD could be created to fund park maintenance, among other ongoing operations and maintenance services in the RDOSP.
- **Road Maintenance Assessment District.** An assessment district could be formed to fund the maintenance of Backbone Roadways in the RDOSP.

Actual mechanisms required to fund ongoing operations and maintenance in the RDOSP will be determined when a separate analysis is prepared.

VIII. UPDATES AND IMPLEMENTATION OF THE FINANCING PLAN

This draft Financing Plan will be revised as part of the public review process of the Project Specific Plan and EIR/EIS. A draft final Financing Plan will be prepared for the public review process and a final Financing Plan will be prepared for approval by the City Council in conjunction with the approval of the Specific Plan.

Following Council approval of the Specific Plan, implementation of the Financing Plan strategies will require these steps:

- Updates to existing development impact fee programs;
- Identification of RDOSP Special Financing District program(s);
- Formation of CFDs and/or Assessment Districts to fund public services; and
- Creation of other potential regional fee programs, as needed.

Implementation of the RDOSP Special Financing District program will require the City to prepare appropriate provisions in the DA approved for each development project and a series of fee credit and reimbursement agreements for developers who construct or pay for Backbone Infrastructure or Public Facilities specified in the Financing Plan.

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 accommodate these changes. Changes in the actual or assumed facilities cost estimates or funding of the facilities should be re-evaluated in the context of the overall financing strategy to ensure required funding is available when needed.

Possible refinements are listed below:

- 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;
- Inflation adjustments to cost and funding data; and
- Land use changes to the RDOSP.

Changes in the financing program could include higher or lower cost estimates, as well as changes in funding sources. Costs and funding sources will also need to be adjusted annually to reflect inflation costs, as information contained in the Financing Plan is shown in year 2006 dollars.

FEE CREDITS AND REIMBURSEMENTS

The City will require developers to advance-fund and/or construct certain infrastructure and other associated costs contained in the Project. The improvements that are advance-funded may be Backbone Infrastructure or other Public Facilities programmed for funding using existing fee programs, the proposed RDOSP Special Financing District program, bond proceeds, or private financing.

If the project developer(s) is required to advance-fund or provide shortfall funding for improvements constructed initially, the RDOSP developers likely will be entitled to fee credit or reimbursement from future development in the RDOSP. If the private funding/financing includes oversizing for areas outside of the RDOSP, the project developer also will likely be entitled to future reimbursements from those development areas generating fees for those facilities.

Fee credit/reimbursement programs for existing and proposed development fee programs will require agreement between the developers, the City, and any other applicable agencies who will administer the fee programs, such as the school districts. The policies and procedures for providing fee credits and reimbursements will be set forth in the implementing documents for the fee programs and/or CFD(s).