

SECTION 6.0 CAPITAL IMPROVEMENT PROGRAM AND FINANCING STRATEGY

This section describes the estimated costs (2000 dollars) of funding proposed public infrastructure and other public facilities required for Plan area development, as described in Section 4.0 Public Facilities and Services and Section 5.0 Infrastructure Master Plans, proposed mechanisms for financing the costs of construction, and phasing of construction.

The overriding Sacramento County General Plan policy related to public facility financing is LU-8, as follows:

Policy LU-8. Infrastructure financing plans which specify the extent, timing, and estimated cost of all necessary infrastructure shall be approved by the Board of Supervisors, together with the approval of zoning for any urban uses in urban growth areas. The resulting financing mechanisms shall be implemented prior to the approval of all entitlements in urban growth areas.

6.1 INTRODUCTION

The following information has been excerpted from the *Final Public Financing Plan* (PFFP), dated May 8, 2000, prepared by Economic and Planning Systems. Infrastructure cost estimates are based on the Capital Improvement Program (CIP) prepared by Murray Smith and Associates. The PFFP is contained in the Appendix.

6.1.1 Purpose and Scope of the Public Facility Financing Plan

The PFFP sets forth a strategy to finance the major public facilities required to serve the proposed land uses in the East Franklin Specific Plan. This is accomplished by:

- Establishing the policy framework for financing the required major public infrastructure;
- Specifying the major public facilities to be constructed or acquired in association with the development of the Specific Plan area and the associated costs;
- Identifying the sources of funding to pay for the infrastructure; and

- Describing any fee programs and/or financing districts.

Implementation of the PFFP will provide assurance that the public infrastructure and services are constructed and available as they are needed to serve new development in the Specific Plan area.

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 also assuring that necessary facilities are constructed when needed. Following are financing plan goals:

- Encourage early development of areas requiring no or limited additional infrastructure;
- Make maximum use of "pay-as-you-go" mechanisms;
- Utilize existing County and Elk Grove Unified School District fee programs;
- Make appropriate use of municipal debt financing mechanisms; and
- Build in flexibility to allow response to market conditions.

Cost and financing estimates will continue to be revised and updated as part of the implementation of the Specific Plan.

6.1.2 Phasing of Development

Plan area development is anticipated to occur over a 20- to 30-year time period. The financing plan is designed to be flexible enough to accommodate faster or slower growth of project development in response to the market for housing and commercial space.

The initial phase (i.e., Phase 1) of the Specific Plan is planned to include the 2,777 residential units. Based on current information, 1,527 of these units are being processed as rezone and tentative subdivision map applications concurrently with the East Franklin Specific Plan. Another site has only a rezone pending for about one quarter of its conceptual total of 174 units. Two other sites have a conceptual tally of 764 units, with no additional applications pending. Phase 1 projects, number of residential units, and current project status are listed below:

- Franklin Meadows - 363 units, rezone and tentative map application
- Laguna Creek South - 312 units, rezone and tentative map application
- Jungkeit Dairy - 415 units, rezone and tentative map application
- Laguna Meadows - 749 units, rezone and tentative map application
- JAS Development - 174 units, partial rezone application

• Marcus Winncrest -	479 units, conceptual only
• Franklin 51 -	285 units, conceptual only
TOTAL	2,777 UNITS

All of the above projects, with exception of JAS Development (which is located adjacent to Bruceville Road, just south of "1" Street), are located in the northern half of the Plan area. Phase 1 facilities will be constructed to serve these 2,777 units, on a first-come, first-served basis. Phase 1 development is shown in Figure 6-1.

6.1.3 Public Facility Cost Summary

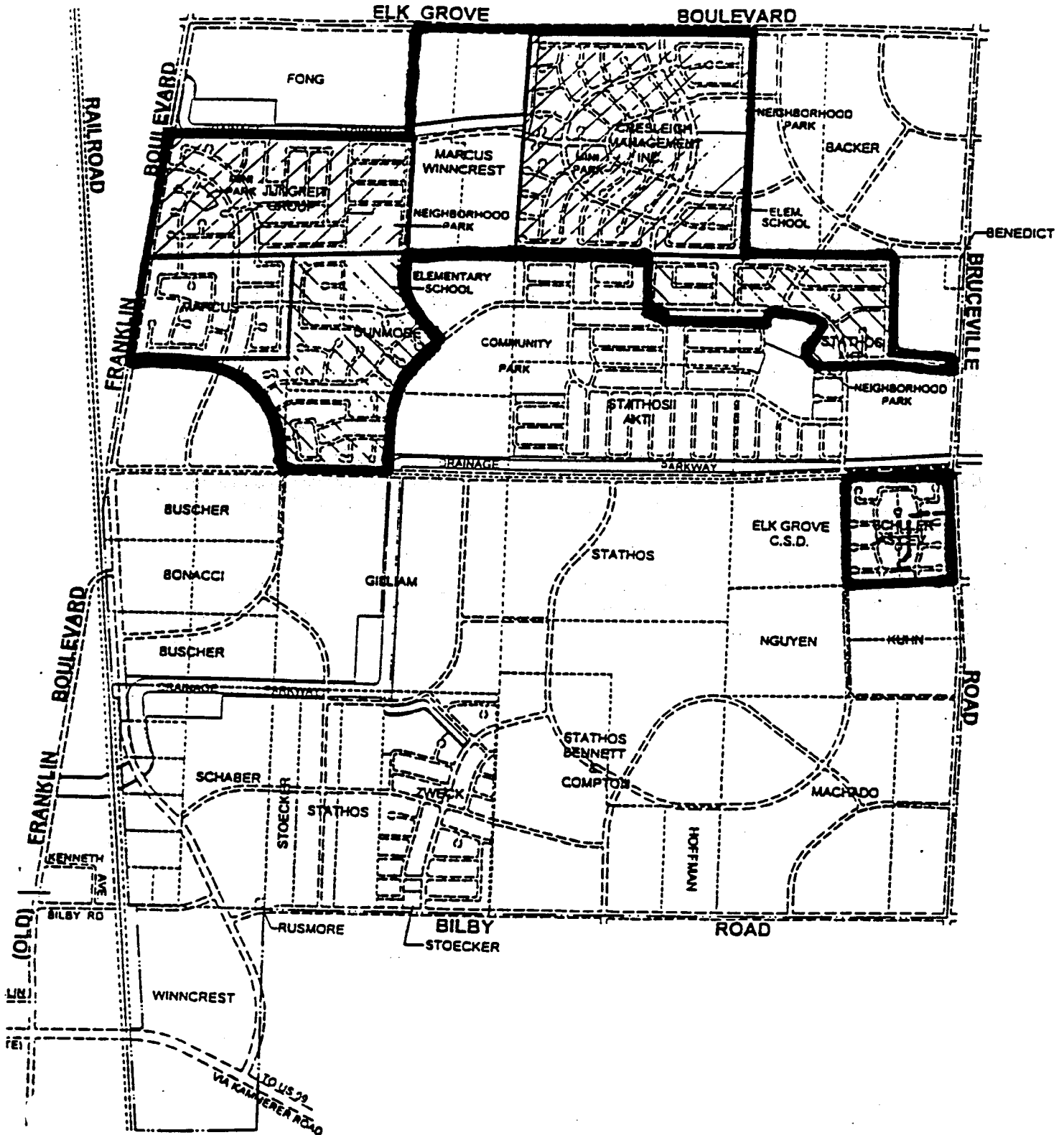
Approximately \$286.7 million in 2000 dollars will be required to fund major backbone infrastructure and public facilities at buildout, and \$76.0 million will be required for Phase 1 to support new development in the Plan area. Costs of all major infrastructure are summarized in Table 6-1.

The cost estimates shown in Table 6-1 represent those improvements which are either located on-site or are required for development to occur in the Specific Plan area. At buildout, approximately \$135.8 million will be required for major backbone infrastructure improvements, and approximately \$150.8 million will be required for fire, park, library, and school facilities.

Phase 1 major backbone infrastructure costs are approximately \$37.7 million, and approximately \$38.4 million will be required for Phase 1 public facilities (e.g., fire, park, library, and school facilities).

SECTION 6.0 CAPITAL IMPROVEMENT PROGRAM
AND FINANCING STRATEGY

Figure 6-1
Phase 1 Development Areas



**Table 6.1
Public Facility Cost Summary**

Public Facility Component	Cost (2000) (Rounded to \$1,000s)	
	<u>Phase 1</u> ^{1/1}	<u>Buildout</u>
<u>Major Backbone Infrastructure</u>		
On- and Off-Site Road Improvements ²	\$13,316,055	\$51,175,208
Drainage		
Interim Facilities	\$45,563	\$45,563
Permanent Facilities	\$9,118,214	\$20,040,780
Storm Drainage Total	\$9,163,777	\$20,086,343
Sewer – Conceptual Alternative with Option 1 (Bruceville FM)		
Sewer Trunk Lines	\$2,386,747	\$5,458,894
Sewer Interceptor	\$1,662,000	\$29,430,000
Interim Facilities (Trunk, Pump Station & FM)	\$3,839,265	\$3,839,265
Sewer Trunk Lines and Regional Facilities Total ³	\$7,888,012	\$38,728,159
Water	\$7,317,525	\$25,830,863
Infrastructure Cost Sub-total	\$37,685,369	\$135,820,573
<u>Public Facilities</u>		
Fire Protection ⁴	\$125,000	\$4,680,018
Schools ⁵	\$32,334,000	\$120,422,951
Parks ⁶	\$3,196,314	\$14,715,268
Landscape Corridors ⁷	\$1,723,607	\$6,571,170
Library ⁸	\$323,300	\$1,232,500
Transit ⁹	\$657,200	\$3,218,652
Public Facilities Sub-total	\$38,359,421	\$150,840,558
TOTAL	\$76,044,790	\$286,661,131

1/ Phase 1 includes properties with proposed or conceptual tentative maps.

2/ See Appendix sections of the East Franklin Public facilities Financing Plan for roadway costs identified in the Capital Improvement Plan (CIP) and total estimated revenues based on the average County fee of \$5,003 per DUE. The fee revenue is approximately \$30,000 higher than the costs shown in the CIP.

3/ Includes costs for Conceptual Alternative, Option 1. Cost details are provided by Rose's Engineering and are included in the CIP in Appendix A. Buildout costs include interceptor improvements (See the CIP).

SECTION 6.0 CAPITAL IMPROVEMENT PROGRAM
AND FINANCING STRATEGY

4/ Phase 1 cost is shown as pro-rated share of a temporary fire station. Between 2004 and 2006 a full operating fire station will be constructed. Equipment costs included. However, Phase 1 funds its full share of permanent station and equipment costs through payment of fees. Buildout costs exclude costs of the training facility contribution: \$500,000 and \$443,920 in interest.

5/ Student yield rates and cost per student are provide by the EGUSD. Calculation is shown in Figure F-1 of the Financing Plan.

6/ Park development costs include park site frontage costs. For details, see Appendix A of the Financing Plan.

7/ Landscape corridor costs are included in the CIP. Phase 1 landscape corridor costs are calculated based on Phase 1 units as percent of the total units. When the actual Phase 1 landscaping costs are known, the costs will be updated accordingly.

8/ Total joint-use (school-public) library construction costs are \$3,697,500, of which 1/3 will be funded by the school, 1/3 by the State school matching program, and 1/3 (\$1,232,500) by the Sacramento County Library Authority. Phase 1 library costs are estimated based on Phase 1 population share of the total EFSP projected population (2.6 persons per household as used in the East Franklin Specific Plan).

9/ Regional Transit staff has not yet identified transit capital improvements for EFSP. EFSP is estimated to contribute amounts similar to other areas in the County. The cost estimate is calculated based on existing EGWV fee of \$248 per DUE. See Figure E-1 of the Financing Plan for Transit DUE calculation. Phase 1 assumes 2,650 DUEs.

Sources: Murray Smith and Associates, Edward Gillum, Rose's Engineering, Elk Grove Unified School District, Elk Grove CSD, and Economic and Planning Systems, Inc.

6.1.4 Funding Source Summary

A variety of funding sources will be used to fund the \$286.7 million required for facilities needed to serve the Plan area at buildout and to mitigate impacts on surrounding developments. The County of Sacramento has established development impact fee programs to fund some of the sewer, water, and drainage facilities. Two new funding programs are proposed: the East Franklin Fee Program and one or more East Franklin Community Facilities Districts (CFDs). Other financing mechanisms are already in place (County Fee Programs and School Fee Programs, School CFD, and State funding) and will fund most of the backbone infrastructure and school improvements.

A plan area fee funding mechanism similar to the Elk Grove West Vineyard Public Facilities Financing Plan (EGWV PFFP) is proposed to fund roadway, fire protection, parks and recreation, library, and transit facilities in the East Franklin area. This program is called East Franklin Fee Program. Approximately \$81.6 million of total costs will be generated in revenue from roadway, fire, parks, and library that will be funded by East Franklin Plan Area Fees. School facilities will be funded through a combination of school impact fees, the Elk Grove Unified School District Mello-Roos Community Facilities District (CFD) and the State School Building Program. Also, the Financing Plan proposes that one or more phases of East Franklin form Mello-Roos CFDs. Also, some of the Phase 1 major backbone infrastructure improvements are proposed to be funded through a CFD formed by the County.

Fees paid in the Plan Area will also fund some of the off-site regional facilities which are included in the Capital Improvement Programs (CIPs) for the County's existing fee programs (water, sewer, drainage), but are not listed in the East Franklin Specific Plan CIP.

The financing strategy includes Mello-Roos CFD or Assessment District bond financing for some of the Phase 1 facilities, such as interim sewer facilities, and a share of regional sewer, and roadway facilities. The estimated bond capacity for all of the northern half of the Specific Plan, north of East-West Road is \$23.8 million in proceeds.

If a facility which is included in a County fee program is instead funded with bond financing within a Mello-Roos Community Facilities District, a developer may be given a non-transferable "fee reduction."

Facilities will be constructed as they are needed to serve new development. As in all development fee programs, however, there may be a lag between when the fees are generated and facilities are constructed. The developer will receive either fee credits or reimbursements for eligible projects based on the County's reimbursement policies.

Phase 1 developments will participate in the fee program and will pay their fair share of development costs. Fair share is determined based on the total costs at buildout. For Phase 1 facilities funded through a Mello-Roos CFD, the developers participating in the Mello-Roos CFD will receive fee credits. It is expected that Phase 1 and buildout costs

will change over time and therefore each funding mechanism includes a method for adjusting the amount of funding to reflect current costs at the time of construction.

Funding Sources at Build-out

Table 6-2 shows the proposed funding source for each public facility at buildout. Under this preliminary funding strategy, approximately \$80.8 million will be funded with existing General County impact fees, \$81.6 million through the East Franklin Fee Program, \$3.9 million by bonds, and \$120.4 million from existing Elk Grove Unified School District fee and Mello-Roos CFD bond programs and the State School Building Program. Phase 1 may fund a portion of its infrastructure improvements through bond financing. Following is a summary of key funding features:

- \$20.0 million will be funded through the existing drainage fee program (Sacramento County Water Agency Zone 11A) and reimbursements, and includes \$17.1 million in Plan area fee payments and \$3.0 million contribution from outside the Plan area;
- \$38.7 million will be funded through existing County sewer fee programs (County Sanitation District 1 and SRCSD) and reimbursements, and includes \$5.4 million in CSD-1 fees paid by Plan area developers, \$3.8 million from private or school district sources, and approximately \$29.4 million in SRCSD fees paid by the Plan area;
- \$25.8 million will be funded through the existing County water fee program (Sacramento County Water Agency Zone 40);
- \$81.6 million will be funded through the East Franklin Fee Program for roadways, parks, fire station and equipment, library;
- \$3.9 million for interim sewer improvements will be funded through the proposed Phase 1 Mello-Roos Community Facilities District; and
- \$55.3 million will be funded through the EGUSD fee program, and \$65.1 million will be obtained from other sources including the EGUSD Mello-Roos CFD and the State School Building Program. The fee revenue estimate is preliminary pending the District establishing fees in compliance with Proposition 1A.

**Table 6-2
Public Facility Funding Sources - Buildout**

Item	Estimated Costs in 1999 \$	Buildout Financing Sources										Other [6]		
		Sacramento County Fee Programs [1]					Fees from Other Projects Contrib. to EFSP Costs		EFSP		Elk Grove Unified School District Fee Program [2]			
		Drainage Fee Prog. - Zone 11A	Sewer Fee Prog. - CSD-1	Sewer Fee Prog. - SRCSD	Water Fee Prog. - Zone 40	Water Fee	EFSP Fee Program	Private or School District						
Roadways	\$55,065,000													
Drainage	\$23,199,000	\$20,101,500							\$3,097,500					
Sewer - Trunk Lines [3]	\$7,283,000		\$4,309,000								\$2,974,000			
Sewer - Regional [3]	\$27,100,000			\$27,100,000										
Water	\$15,651,000				\$13,978,000									
Fire Protection [4]	\$4,680,000													
Schools [5]	\$123,076,000													
Parks [4]	\$15,093,000													
Landscape Corridors	\$5,980,000													
Library	\$1,233,000													
Transit	\$3,698,000													
TOTAL	\$282,058,000	\$20,101,500	\$4,309,000	\$27,100,000	\$13,978,000	\$3,097,500	\$85,749,000	\$4,647,000	\$57,140,000	\$65,936,000				

Note: Cost and fee revenue estimates are preliminary and rounded.
 [1] Some of these facilities may be funded through a Special Financing District, which could include either a Mello-Roos CFD or Assessment District.
 [2] Total EGUSD fee revenue is based on SB 50 fee of \$3.19 per residential bldg. square foot. Calculation is shown in Figure F-7.
 [3] Includes costs for interim sewer facilities. Some of these facilities will be constructed by the School District. These costs are non-reimbursable and are proposed to be funded by bonds. Costs shown are for the Conceptual Alternative with Option 1 (Bruceville Forcmain).
 The total costs for the Original Alternative at buildout are \$40.8 million, of which \$3.5 million are interim facilities funded privately or with bonds, \$4.2 million are trunk line costs funded through the CSD-1, and \$33.1 million are regional improvements funded through the SRCSD.
 [4] Parks and fire protection facilities meet the Elk Grove CSD standards. Fire costs exclude costs of the training facility contribution (\$500,000 & \$443,920 in interest).
 [5] Student yield rates, cost per student, and fees per square foot are provided by EGUSD. Fee revenue estimates excludes fees from commercial properties.
 [6] Includes Elk Grove Unified School District Mello-Roos CFD and State Funding.

Sources: Murray Smith & Associates Engineering, Edward Gillum, Rose's Engineering, EGUSD, and EPS.

Summary of Funding Sources for Phase 1

Following is a summary of funding sources for Phase 1:

- Approximately \$20.5 million will be reimbursed through the County Fee Programs for drainage, sewer, and water facilities constructed in Phase 1;
- Interim sewer costs of \$3.9 million will be funded by Phase 1 through a Mello-Roos CFD, separate fee program, or a cash contribution;
- East Franklin Specific Plan (EFSP) Fee Program would fund \$19.3 million in Phase 1 costs for roadways, interim fire station, park development, and library facilities;
- School costs would be funded through the Elk Grove Unified School District fee program (\$14.9 million) and other sources (\$17.4 million) such as the Elk Grove Unified School District Mello-Roos CFD and the State School Building Program; and
- Phase 1 developments will pay regular County and East Franklin Fees. Fees in the East Franklin Fee Program are determined based on the total buildout costs and spread across all Plan area developments.

Some of the infrastructure improvements, such as interim sewer, a share of regional sewer, and roadway facilities in Phase 1, are proposed to be funded by bond financing through a Mello-Roos CFD. Such bond financing would either include initial development of 2,777 residential units in the northern part of the Plan area, north of "1" Street, or the entire northern area of the Plan area, which includes approximately 5,900 residential units.

In addition to the proposed Mello-Roos CFD to partially fund Phase 1 infrastructure and the Elk Grove Unified School District Mello-Roos CFD which funds school facilities, property owners in other development phases may consider Mello-Roos CFD bond financing for infrastructure improvements at some time in the future.

If a Mello-Roos CFD is used in other phases of the Plan area development, it will most likely be a sub-area Mello-Roos CFD which would be formed for an individual project or group of projects. The formation of a sub-area CFD may be appropriate if: (1) the infrastructure requirement for a sub-area of the Specific Plan is disproportionate to the level of development; (2) if the facilities to be funded in the Mello-Roos CFD meet the County of Sacramento guidelines; and (3) the area being considered is large enough to justify the formation of a Mello-Roos CFD and to support the bond debt.

Funding sources for Phase 1 are shown in Table 6-3.

Table 6-3
Public Facility Funding Sources - Phase 1

East Franklin Specific Plan
Sources and Uses for Phase 1 (in 1999 Dollars)
(rounded to 1,000)

Item	Estimated Costs in 1999 \$	Phase 1 Funding Sources										Other (6)	
		Sacramento County Fee Programs [1]											
		Fee Revenue Contributed by EFSP Area Development		Fees from Other Projects Contrib. to EFSP Costs		EFSP Financing Sources [1]		Elk Grove Unified School District Fee Program [2]	Other (6)				
		Drainage Fee Prog. - Zone 11A	Sewer Fee Prog. - CSD.1	Water Fee Prog. - SRCSD	Water Fee Prog. - Zone 40	Fee Program	Private or School District						
Roadways	\$13,258,000												
Drainage	\$8,308,000	\$5,076,800			\$3,231,200								
Sewer - Trunk Lines [3]	\$4,410,000		\$1,516,000										
Sewer - Regional [3]	\$1,000,000		\$1,000,000										
Water	\$7,428,000			\$5,755,000									
Fire Protection [4]	\$125,000												
Schools [5]	\$31,971,000												
Parks [4]	\$3,001,000												
Landscape Corridors	\$1,468,000												
Library	\$328,000												
Transit	\$635,000												
TOTAL	\$71,932,000	\$5,076,800	\$1,516,000	\$1,000,000	\$5,755,000	\$3,231,200	\$18,815,000	\$4,567,000	\$14,895,000	\$17,076,000	\$17,076,000		

Note: Costs and fee revenue estimates are preliminary and rounded. Assumes 2,560 single family units are built in Phase 1.
 [1] Some of these facilities may be funded through a Special Financing District, which could include either a Mello-Roos CFD or Assessment District.
 [2] Total EGUSD fee revenue is based on SB 50 fee of \$3.19 per residential bldg. square foot. Calculation is shown in Figure F-3.
 [3] Includes costs for interim sewer facilities. Some of these facilities will be constructed by the School District. These costs are non-reimbursable and are proposed to be funded by bonds.
 Costs shown are for the Conceptual Alternative with Option 1 (Bruceville Forcemain).
 The total Phase 1 costs for the Original Alternative are \$6.9 million, of which \$3.5 million are interim facilities funded privately or with bonds, \$2.0 million are trunk line costs funded through the CSD-1, and \$1.4 million are regional improvements funded through the SRCSD.
 [4] Parks and fire protection facilities meet the Elk Grove CSD standards. Phase 1 pays a pro-rated share of a temporary fire station as well as the fees for the permanent station.
 [5] Student yield rates, cost per student, and fees per square foot are provided by EGUSD. Fee revenue estimates excludes fees from commercial properties.
 [6] Includes Elk Grove Unified School District Mello-Roos CFD and State Funding.

Sources: Murray Smith & Associates Engineering, Edward Gillum, Rose's Engineering, EGUSD, and EPS.

6.2 STREETS

6.2.1 Cost Estimate

The area will fund approximately \$51.2 million in roadway facilities. This estimate is based on a proposed average roadway fee in the County (per EGWV PFFP) of \$5,003 per DUE. The actual fee will be based on the East Franklin Fee Program when it is implemented. The roadway costs include the following:

- 1) Roadways adjacent to or through the Plan Area (\$34.7 million identified in the CIP);
- 2) Off-site roadway facilities constructed by EFSP developers (\$9.4 million identified in the CIP); and
- 3) EFSP area's share of regional roadway facilities (\$10.8 million estimated based on average County fee; may include some on-site signalization projects).

The roadway costs represent construction costs (generally based on unit prices used in the EGWV PFFP) and a 35 percent allowance for engineering and cost contingency.

6.2.2 Proposed Funding

The \$51.2 million (per average County fee) of roadway costs will be funded through the roadway fee component of the East Franklin Fee Program. Approximately \$43.9 million in roadway improvement costs required for Plan area development are identified in the CIP. The actual cost will be based on the East Franklin Fee Program.

To the extent that roadway facilities are required prior to the timing set forth in the CIP, a developer may advance funds for these facilities. A developer constructing an improvement included in the CIP will do so based on Sacramento County improvement standards and will be eligible for fee credits or reimbursements from the East Franklin Fee Program.

If a developer constructs a major roadway improvement in the fiscal year a project is scheduled, the developer may receive a fee credit. A developer will be eligible for a reimbursement if a facility is constructed more than six months in advance of the fiscal year in which the improvement is scheduled in the Roadway CIP. The developer will be reimbursed at the end of the fiscal year in which the County schedules the improvement in the Roadway CIP.

6.2.3 Phasing

The phasing of the individual roadway projects for the Plan area will be determined by County Transportation Division priorities, which are based on the results of the traffic study and the County's knowledge of regional priorities.

6.3 SANITARY SEWER

6.3.1 Cost Estimate

Sewer improvement costs at buildout are estimated at \$38.7 million, including \$29.7 million in interceptor sewer costs and \$3.8 million in Phase 1 interim sewer facilities. Actual permanent and interim sewer facility sizing and alignments may be revised as more detailed information is developed for the entire sewer shed planned to be served by CSD-1 and SRCSD facilities.

6.3.2 Proposed Funding

The East Franklin area is planned to be annexed to the Sacramento County Sanitation District No. 1 (CSD-1) and the Sacramento Regional County Sanitation District (SRCSD). The Financing Plan includes \$34.9 million of sewer costs which will be funded through the CSD-1 and SRCSD fees. SRCSD funds construction of the regional sewer facilities through the collection of regional sewerage facility impact fees.

Developers may initially fund the construction of trunk and some interceptor facilities. Alternatively, the County may construct all of the interceptor facilities. The amount of construction each subdivision is responsible to build in terms of sewer trunk and interceptor sewers, as well as sewer lateral lines, will be determined as each project is processed for tentative map approval.

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 development approval. 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 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.

6.3.3 Phasing

Phasing of sanitary sewer facilities is driven by the phasing of individual development projects within the area to be served by the sewer facility in question. The sewer lift station and forcemain are interim facilities and therefore, considered non-reimbursable expenses. On-site interceptors, trunk facilities, and the 66-inch off-site interceptor are included in the County Fee Program.

Phase 1 and possibly other phases of Plan area development such as the EGUSD high school/middle school will have to install interim sewer facilities in order to have sewer service prior to the availability of SRCSD facilities. The present concept indicated by staff of SRCSD is that initial sewer facilities serving approximately 8,000 residential units in the Elliott Ranch South, East Franklin, and Laguna Ridge areas will need to be developed to generate effluent flows of 6 mgd before the permanent interceptor sewer system will be constructed by SRCSD to replace these interim sewer systems. The initial

interim sewer facilities, if shared by Elliott Ranch South, can serve 2,000 residential units in EFSP area. If Elliott Ranch South does not participate in the construction of interim facilities, 4,000 East Franklin dwelling units could be served by interim sewer system.

SRCS D believes that the construction of interim sewer facilities to serve urban development south of Elk Grove Boulevard will probably begin with the Elliott Ranch South project before development commences in the East Franklin Specific Plan. SRCS D is likely to require that the interim lift station and force main sewer facilities to serve Elliott Ranch South be expandable so that initial development in the EFSP and Laguna Ridge Specific Plan can also be served. One or more interim systems that can be enlarged to serve 8,000 or more residential units are being considered. The Elliott Ranch South project developer is proposing an interim system design that would allow their project to build out in advance of the interceptor being constructed. Whatever interim sewer system is approved for construction will be designed to allow Phase 1 EFSP development to utilize some of the interim capacity by expanding the interim facilities and/or reimbursing costs for a share of previously constructed interim facilities.

Construction by the Regional Sanitation District of the permanent 66-inch interceptor sewer to replace the proposed interim sewer facilities is presently scheduled for no sooner than 2005. In the event that the rate of development of projects south of Elk Grove Boulevard (e.g., EFSP, Elliott Ranch South, and Laguna Ridge) will use up all of the interim sewer capacity in advance of this timeframe, SRCS D could construct the interceptor earlier. This might require SRCS D to fund a larger share of the interceptor costs from sources other than initial development in East Franklin, Elliott Ranch South, and Laguna Ridge.

6.4 WATER

6.4.1 Cost Estimate

Water infrastructure required for Plan area development includes both off-site and on-site regional water system facilities. The estimated cost of construction for major water facilities is approximately \$25.8 million. Estimated Phase 1 costs are approximately \$7.3 million. Water fees collected from the EFSP will fund Water Agency Zone 40 water production treatment and storage and transmission facilities.

The cost estimates for the water system are based on unit prices utilized in the County's reimbursement programs. The facilities costs include construction costs plus a 35 percent allowance for surveys, engineering design, materials and inspection, and contingencies.

6.4.2 Proposed Funding

Upon annexation of the EFSP area to Zone 40 of SCWA, the major regional water facilities that are required to serve this project will become eligible for funding by this agency.

The Sacramento County Water Agency usually reimburses conveyance facilities such as water transmission main pipes or provides credits towards the development fee. Larger facilities such as treatment or storage facilities are more likely to be constructed by SCWA and may require financing to be advanced by developers. Annexation to the Water Maintenance District will also be needed.

In some cases, developers, individually or as a group, may need to fund facilities in advance and then be credited or reimbursed through Zone 40 water fees. For reimbursement, the developer enters into an agreement with Zone 40 which provides for repayment within five years. However, in the past Zone 40 has typically provided reimbursement upon acceptance of facilities, but this practice may change in the future. Larger facilities such as wells and treatment facilities may need to be financed through special finance districts such as Mello-Roos CFDs or development fee funding with long term payment by Zone 40.

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

6.4.3 Phasing

Adequate supply, treatment, and storage facilities must be provided with each development phase.

6.5 STORM DRAINAGE

6.5.1 Cost Estimate

Including the trunk drainage pipeline system, approximately \$20.1 million will need to be paid for drainage improvements. This also includes \$1.4 million in excavation and wetlands restoration costs pending County's approval of the Elliott Ranch South application. The drainage costs are based on unit prices utilized in the County's reimbursement programs and preliminary engineering estimates. The estimated facilities costs include construction costs plus a 35% allowance for surveys, engineering design, and contingencies. Only 5 percent of the contingency costs and full survey, engineering design costs are reimbursable through Zone 11A. The remainder is funded by developer.

Phase 1 costs for drainage improvements are estimated at \$9.1 million.

6.5.2 Proposed Funding

The \$20.1 million of reimbursable drainage improvements will be constructed by developers and reimbursed through Sacramento County Water Agency Zone 11A drainage fees.

Zone 11A of the Sacramento County Water Agency funds or reimburses trunk drainage pipes, manholes, wetland mitigation, channels construction, detention ponds, and water

quality facilities. More detailed information on Zone 11A eligible improvements is presented in the East Franklin Drainage Master Plan, December 31, 1997. 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 within each shed will be the responsibility of the developers within that shed, with the developer receiving credits or reimbursements from the Sacramento County Water Agency Zone 11A fees. The amount of construction each project is responsible for will be determined as each project is processed for final map approval.

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 five years after construction of the improvements. However, reimbursements may take longer than five years depending on the availability of Zone 11A fee revenues.

6.5.3 Phasing

Phased development of the Plan area will be limited by the available detention storage created within the available detention sites. The regional and local detention basin will be created in phases to coincide with development and the collection of Zone 11A impact fees.

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

6.6 FIRE PROTECTION

6.6.1 Cost Estimate

The Elk Grove CSD has identified the need for a new fire station somewhere in the vicinity of Bruceville Road and "1" Street, which would provide protection to the entire Plan area. The Plan area will fund its fair share of the fire protection facilities, including equipment, at a cost of approximately \$4.7 million. The Plan area pro-rated share of a temporary station is \$125,000.

6.6.2 Proposed Funding

The \$4.7 million for the construction of fire facilities and purchase of equipment will be paid through the East Franklin Specific Plan (EFSP) Fee Program. The costs include the

training facility in the amount of \$943,920 which have since been removed from the EGCS D Fire Fee CIP and are being financed by a District-wide fee approach.

6.6.3 Phasing

Initially, a temporary station will be constructed in the area. The new permanent fire station is planned to be built sometime between 2004-2006.

6.7 PARKS AND RECREATION

6.7.1 Cost Estimate

The total cost estimate for parks and recreation is approximately \$14.7 million (including engineering, fees, and contingency cost). Cost estimates include park site frontage for mini, neighborhood, and community parks. Park site frontage costs for Sports Parks are excluded, since Sports Parks are funded through the Park District. The Plan area's contribution to Sports Park development is approximately \$340,000.

There may be additional costs associated with the frontage improvements west of Franklin Boulevard. These improvements are not development specific and would need to be shared by Plan area developments. The costs have not been identified yet and the issue remains to be resolved. When the issue is resolved and the cost estimates become available, the PFFP will be updated accordingly.

Phase 1 estimated costs for park development, including frontage costs, are \$3.2 million.

6.7.2 Proposed Funding

The Parks and Recreation fee would be collected with the other developer fees prior to the issuance of a building permit. The Elk Grove CSD will collect fees from Plan area development, and will use those fees to construct CIP projects.

The park fee will be based on the park fees in effect at the time the building permit is issued. The fee will be based on facilities and costs included in the Park Capital Improvement Program at that time.

6.7.3 Phasing

In general, park improvements are scheduled to correspond to the phasing of residential development.

6.8 LIBRARY

6.8.1 Cost Estimate

A joint-use new library facility is proposed to be constructed in the Plan area on the 66-acre middle school/high school site.

The library is being designed by the School District. The total cost for the library construction is \$3,697,500, of which one-third will be paid by the School District, one-third by State matching program, and one third by the Sacramento County Library Authority.

The Plan area's share of the joint-use library has been estimated at approximately \$1.2 million.

6.8.2 Proposed Funding

The library would be funded partially by the Elk Grove Unified School District, State School matching program, and the Sacramento County Library Authority. Plan area development will contribute one-third of the construction cost for the library by paying a library fee as determined in the East Franklin Fee Program.

6.9 TRANSIT

Transit funds in the amount of \$657,200 will be provided in Phase 1, with a total amount at buildout of \$3,218,652 for transit. Such transit services/fees may include a transit center on Elk Grove Blvd. and Regional Transit funding.

6.10 SCHOOLS

6.10.1 Cost Estimate

The School District has estimated \$120.4 million in costs for new schools within the Specific Plan.

6.10.2 Proposed Funding

For the purposes of the East Franklin Financing Plan, the fee revenue is based on the AB 2926 fee of \$1.93 per square foot for residential development and \$0.31 per square foot for non-residential development, which the District is currently authorized to levy until justifying the Proposition 1A authorized fee. Based on the existing fee of \$1.93 per square foot of residential building, the generated fee at buildout of the Plan area will total \$37.7 million. (This estimate excludes revenues generated from non-residential square footage at \$0.31 per square foot.) The remaining \$85.3 million in school facilities cost will be funded through the existing EGUSD Mello-Roos CFD, the District's proposed Proposition 1A fee, and the State School Building Program. Once the District approves

SECTION 6.0 CAPITAL IMPROVEMENT PROGRAM
AND FINANCING STRATEGY

the required Proposition 1A needs analysis, the fee charged by the District will fall under the Proposition 1A guidelines.

Developing properties within the boundaries of the Elk Grove Unified School District are also required to participate in the District's Mello-Roos CFD. The properties currently pay an annual tax of approximately \$180 per single family unit. Non-residential development currently pays an annual tax of \$720 per acre. Developing properties within the boundaries of the Elk Grove Unified School District are also required to pay the school impact fees authorized by County Ordinance.

