

AGENDA ITEM TYPE

- Consent
- Public Hearing
- Regular Action

CITY OF ELK GROVE

ELK GROVE CITY COUNCIL AGENDA ITEM July 26, 2006

TO: MAYOR AND COUNCIL

FROM: PHIL CARTER, DEVELOPMENT SERVICES

SUBJECT: 2005 ANNUAL GROWTH REPORT

RECOMMENDATION

Consistent with the City's adopted Growth Management Policy, review the 2005 Annual Growth Report and provide direction as deemed appropriate.

INTRODUCTION

The Growth Management Policy adopted by the City Council in June 2004 provides an overview of the General Plan vision, the policies that address that vision, as well as how those policies are implemented.

The General Plan's policies describes how the City plans to carefully manage growth by directing development into appropriate areas, requiring the development of infrastructure prior to need, and requiring project financing structured so that "up-front" provision of infrastructure is possible. Multiple policies within various elements of the City's General Plan provide a comprehensive strategy for controlling future growth. Together, these policies:

- Provide for balanced land uses, providing both new housing and new employment opportunities to serve Elk Grove residents.
- Limit residential growth in the City's rural Sheldon area.
- Require that new infrastructure (roads, water, sewer lines, parks) be built ahead of or concurrent with new development so that problems related to inadequate roadways and other facilities can be avoided.

- Provide for the planning and financing of infrastructure in a logical manner which avoids “leapfrog” development and allows growth to remain within the capacity of the systems that serve it.
- Coordinate the provision of infrastructure and services with other agencies serving the City such as the Elk Grove Unified School District.

As required by the Growth Management Policy, this report provides information on the following topics:

- The **rate and location** of residential and non-residential growth, including a comparison to growth in prior years
- The **development of new infrastructure** in the city over the past year, including parks and other public facilities
- The **ability of existing infrastructure and public facilities to accommodate demand created by new development**, based on their capacities and the demands generated by existing development and approved projects
- **Planned infrastructure and public facilities** for the coming year

This information has been collected from a variety of sources, including building permit issuance, capital improvement project progress, parks construction, and school planning and construction.

The City Council may direct staff to amend the growth policy if appropriate in order to ensure that the City’s growth is properly managed.

RESIDENTIAL AND NON-RESIDENTIAL GROWTH

Population

At the time of incorporation in July 2000, the population of Elk Grove was 75,683 persons, according to the California Department of Finance. As indicated in Table 1 below, from July 2000 through December 2004, the City experienced a 60.4% percent increase in population. (The annexation of the Laguna West area in 2003 accounted for approximately 13,400 persons, or 57% of the total growth for 2003.)

Population growth in 2005 increased by 9,516 persons, as reported by the California Department of Finance. The overall population of the City is 130,874 persons. The annual increase in the City's population for 2005 was 7.8% percent.

Based on the information in Table 1 shown below, since incorporation the City's population grew at an average rate of 12% per year. However, the one-time addition of new residents within Laguna West accounted for 57% of the population increase for 2003, resulting in an above average rate for that year. Without the annexation of the Laguna West area, the overall rate of growth for the City is approximately 8.7% annually.

Table 1: Population Increase, 2000-2005

Year	Population	Increase	% Change From Prior Year
2000	75,638	----	----
2001	81,255	5,616	7.4%
2002	86,360	5,105	6.3%
2003	109,884	23,524	27.2%
2004	121,358	11,474	10.4%
2005	130,874	9,516	7.8%

Type of Construction

Information regarding the type of construction taking place within Elk Grove was not tracked during the first two years following incorporation.

In general, construction trends in Elk Grove prior to 2003 and at incorporation were concentrated mostly in single family residential development with limited supporting commercial and office developments being constructed. As shown in Table 2, residential construction accounts for approximately 95% of all construction occurring over the past several years. Of the non-residential permits issued, retail construction accounts for approximately 60% of the development occurring in 2003 and 2004. During this same time period, office development represents approximately 20% of all non-residential construction. However, in 2005, the City experienced a significant increase in office development, accounting for approximately 45% of all non-residential construction for that year. While

non-residential construction increased in 2005, single family residential construction has declined by 40%.

Table 2 provides building permit records for 2003 through 2005, including overall square footage of construction for non-residential development.

Table 2: Building Permits by Development Type

Development Type	2003		2004		2005	
	# of Permits	Square Footage	# of Permits	Square Footage	# of Permits	Square Footage
Residential						
Single Family Residential	3,715	(Avg size 2,485 SF)	4,059	(Avg size 2,586 SF)	2,294	
Multifamily / Apartment Units	576		498		116	
Condominiums	0		0		262	
<i>Total Residential Units</i>	4,291		4,557		2,672	
Commercial						
Retail	35	630,843	37	521,264	36	303,542
Office	19	230,657	13	207,008	26	428,863
Industrial	2	37,747	19	195,796	20	196,465
<i>Total SF</i>	--	899,247	--	924,068	--	928,870
Total	4,347	--	4,626	--	2,753	
Source: Elk Grove Building and Safety						

TRANSPORTATION CAPITAL IMPROVEMENT PROGRAM (CIP)

The City of Elk Grove has a comprehensive Capital Improvement Program that is reviewed annually with the overall budget process to ensure that funds collected for the purpose of meeting development demands are programmed and constructed.

During the period between 2000 and 2005, the City Council has approved numerous major roadway construction projects including the Sheldon/99 and Grant Line/99 Interchanges. Additionally, the City Council has continually devoted substantial proportions of the annual budget to fund the City's on-going CIP program.

A consolidation of various older County roadway fee programs began in 2003 and was completed in 2005, which resulted in a Citywide Roadway Fee Program. This fee program allows the City to implement the Circulation Element of the General Plan and supports the Council policy of requiring new development to pay its fair share of the new infrastructure impacts it creates. The roadway fee program revenues along with Measure A, gas tax, grants, Mello Roos Community Facilities District, and other funding revenues enable the City to fund the ongoing Capital Improvement Program projects. With increased ability in funding for infrastructure improvements, the City has been able to aggressively complete much needed infrastructure projects.

Table 3 provides a summary of a variety of infrastructure projects completed since incorporation.

Table 3: Transportation Infrastructure Projects, 2003-2005

Project	Cost	Year	Status
Sheldon/West Stockton Intersection	\$130,000	2003	Complete
Elk Grove Blvd at Waterman Rd Traffic Signal	\$1,525,000	2004	Complete
Bradshaw Road at Calvine Road Interim Traffic Signal	\$218,000	2004	Complete
Elk Grove Blvd – Street Capacity Improvements	\$15,000	2004	Complete
East Stockton Blvd at Grant Line Rd Interim Traffic Signal	\$363,500	2005	Complete
Pedestrian Beacons – various locations	\$133,000	2005	Complete
Laguna Blvd / Laguna Springs Dr Intersection Improvements	\$145,500	2005	Complete

Project	Cost	Year	Status
Big Horn Blvd at Monterey Oaks Drive Traffic Signal	\$324,000	2005	Complete
Sheldon Rd / E. Stockton Blvd Interim Intersection Improvements	\$270,000	2005	Complete
Big Horn Blvd at New Country Dr Traffic Signal	\$240,000	2005	Complete
Grant Line Road at Sheldon Road Intersection Improvements	\$328,000	2005	Complete
Neighborhood Livability (Speed Control) Program	\$370,000	2005	Complete

OTHER COMMUNITY RESOURCES

Progress of two additional community resources, schools and parks, are also identified within the Growth Management Policy as relevant to successful development in Elk Grove.

At the time the City incorporated, the Elk Grove Unified School District operated 11 elementary schools, 2 middle schools, and 2 high schools within City limits. As shown in Table 4 below, over the last five years, the Elk Grove Unified School District has increased the number of schools within the Elk Grove City limits by approximately 50% for elementary schools and by approximately 150% for both middle and high schools. As noted in the table below, each school has a range of capacity, which changes over time based on the availability of permanent or temporary portable classrooms. As students are reassigned, in response to change in EGUSD boundaries or overcrowding, overall capacities will fluctuate.

Table 4: School Construction – 2000-2005

School	Year Opened	Current Capacity²	Enrollment as of 2005
Elementary Schools			
Raymond Case ¹	2000	850-1,100	910

School	Year Opened	Current Capacity²	Enrollment as of 2005
Stonelake ¹	2000	850-1,200	1,136
Elliot Ranch ¹	2002	850-1,100	1,005
Edna Batey ¹	2003	850-1,100	1,029
Arlene Hein	2004	850-1,100	875
Roy Herburger	2004	850-1,100	621
Helen Carr Castello	2005	850-1,100	825
Middle Schools			
Toby Johnson	2002	1,100-1,500	1,474
Edward Harris, Jr	2004	1,100-1,500	1,218
Katherine Albiani	2005	1,100-1,500	1,104
High Schools			
Franklin High School	2002	2,200-2,800	2,826
Monterey Trail	2004	2,200-2,500	1,426
Pleasant Grove	2005	2,200-2,500	990
<p>1 – Currently on a year round calendar. 2 – Capacity on a school site can vary based on permanent/portable additions/removals, year-round enrollment increases, etc.</p> <p>Note: The attendance boundaries of schools located within the City of Elk Grove are not contiguous with the City limits. EGUSD students that live within the City limits are served by schools outside the City and students living outside the City limits are within attendance boundaries of schools within the City. School attendance boundaries are not permanent due to growth and change in the EGUSD. When boundaries are changed or a school becomes overcrowded, students may be reassigned to another school within the district.</p> <p>Source: Elk Grove Unified School District</p>			

At the time of incorporation, approximately 380 acres of park land had been developed by the Elk Grove Community Services District, an average of 5 acres of parkland per thousand residents at incorporation. Table 5 provides parks that have been constructed over the last five years. Based on the 2005 population estimate of 130,874 persons, approximately 4 acres of parkland per 1,000 residents is available for use in Elk Grove.

Table 5: Park Construction

Park/Size	Year Opened
Rose Park / 1.1 acres	2000
Strong Park / 7.9 acres	2000
Lombardi Park / 2 acres	2001

Park/Size	Year Opened
Kin Park / 4.62 acres	2002
Lippincott Park / 1.5 acres	2002
Gates Park / 2.28 acres	2002
Simpson Park / 7.8 acres	2003
Nottoli Park / 21.1 acres	2003
Simpson Park / 7.8 acres	2003
Houde Park / 4.23 acres	2003
Henderson Park / 2.2 acres	2003
Laguna Park (excluding aquatic center) / 15.97 acres	2003
Jones Park / 17.17 acres	2003
Baker Park / .86 acres	2003
Hawkins Park / 4.4 acres	2004
Fleming Park / 2.2 acres	2004
Rau Park / 18 acres	2005
Johnson Park, Phase II, 21 acres	2005
Perez Park, 1.7 acres	2005
Source: Elk Grove CSD website; City of Elk Grove 2005 Development Impact Fee Report	

Water and Sewer

Upon approval of the General Plan, the City established policies regarding water and sewer service within the City. These policies require that adequate conveyance systems with appropriate capacity to meet anticipated demand are available prior to the expected increase in demand. Consistent with the adopted policies, development projects are required to demonstrate an assured supply of potable water and conveyance systems for potable water delivery and sanitary sewer service prior to project approval. Typically, development projects design and build appropriate infrastructure to support the resultant demand including underground pipe systems and in the case of large development projects, facilities such as new wells, pump stations, and water treatment plants are designed to accommodate large increases in overall demand. These facilities are the responsibility of the larger project to construct and have operative prior to build out of the project.

Water

Potable water service is provided by the Sacramento County Water Agency, Zone 40. Additionally, a small area of the City's water is provided by Elk Grove Water Service, a retail water purveyor that purchases wholesale water from SCWA Zone 40. Zone 40's overall service area boundary extends outside of the City limits, which means that all SCWA master planning documents cover a large area within the Sacramento region.

SCWA's Water Supply Master Plan (February 2005) provides an analysis, based on a 2030 planning horizon, of the water supply throughout the service area. SCWA has planned for and anticipated increased water demand within the city including build out of the Laguna Ridge Specific Plan, the Southpointe Special Planning Area (Sterling Meadows), the Lent Ranch Special Planning Area, as well as the future Southeast Area Specific Plan.

Potable water demand is met by groundwater and surface water supplies and as is typical, given the potential for fluctuation in a given supply, SCWA has planned for system redundancy to meet anticipated water demand. The analysis included within the 2030 Water Master Plan indicates that SCWA will have a high level of control to implement the 2030 Water Master Plan and is expected to meet water demand, projected to the year 2030.

Sewer

County Sanitation District 1 provides sewer service throughout the Sacramento region including unincorporated areas of Sacramento, the cities of Citrus Heights, Rancho Cordova and Elk Grove, and parts of the cities of Folsom and Sacramento. Because CSD-1's overall service area boundary extends beyond the City limits, infrastructure planning efforts focus on a large area of the Sacramento region.

Similar to SCWA, development projects are required to design and build project-specific infrastructure, sized appropriately for anticipated demand. These improvements typically consist of underground pipelines that connect to the overall conveyance systems, through varying pipeline sizes and pump stations. Since incorporation, CSD-1 has approved every new connection to the existing conveyance system from a development project,

which indicates the CSD-1 system has adequate capacity and is able to meet demand.

CSD-1 also has an adopted capital improvement program, a master planning document analyzing sewer conveyance needs of the Urban Services Boundary (USB). Sewer service for the portion of the USB that is the city of Elk Grove has been analyzed to accommodate the demand increases that are expected through build out of the General Plan. Relief, rehabilitation, and expansion projects needed to meet that demand are identified in CSD-1's master plan document. Financing of such facilities occurs through a combination of development impact fees and developer financing.

SUMMARY

As a result of the more than five years of forward-looking, progressive growth management policy direction from the City Council, Elk Grove is now entering an era of new development that is planned and well-managed. City Council requires development to construct infrastructure before or concurrent with new residents moving in, has established comprehensive finance programs to allow the City to collect sufficient funds on time in order to allow major new projects for local, area and citywide benefit to be built ahead of or concurrent with development demands, which will serve to reverse the trends which have historically burdened Elk Grove residents with traffic congestion and other problems associated with inadequate infrastructure.

Key factors in this new era in growth management include:

- The majority of County approved projects have been permitted and/or constructed. Upon incorporation, the City inherited a large backlog of approved development projects (including the 10,000+ unit East Franklin Specific Plan) which had been approved by the County of Sacramento under its policies. These projects have now been completed, and all new development in Elk Grove is entirely under the control of the City and the City's adopted growth management policy and programs.
- A comprehensive, \$284 million Capital Improvement Program is in place and updated annually.

- Citywide Roadway Development impact fees have allowed the City to collect new development's fair share of the new infrastructure requirements it creates. The roadway fees coupled with several other funding sources will allow the City to construct significant new transportation improvements, including the reconstruction of the Sheldon Road and Grant Line Road Interchanges.

MILESTONES ANTICIPATED IN 2006/2007

Residential and non-residential construction as well as population growth is expected to continue to level off as it did in 2005. Projects approved during the 2005 year mainly consist of infill, small scale projects that are not concentrated in one location of the City. Private construction activities completed in 2006 will be mainly focused within new development areas including the Laguna Ridge Specific Plan area and Phase III of the Elk Grove Auto Mall. Most recently, considerable progress is being made on the requisite "up front" infrastructure including sewer, water, drainage, roads, and parks within Laguna Ridge, gearing up for residential building permits in late 2006/early 2007.

Planning efforts during 2006 will also focus on new development areas including processing projects within the Lent Ranch SPA including the future Elk Grove Promenade (regional mall) and the Southeast Area Specific Plan. The City Council has also directed staff to begin analysis of the General Plan study areas, located south of Kammerer and Grant Line Roads, which is expected to take several years.

Building permit issuance for single family residential construction is expected to continue decreasing in 2006. Based on construction drawings currently under review, a continued level of multifamily and condominium development and a slight reduction in retail, office and industrial development is also expected over the next year.

As has been the City Council's focus, the City will continue to experience significant traffic congestion relief when construction begins, lead by the start of construction on two much needed, major infrastructure improvements – the reconfigured Sheldon Road/99 and Grant Line Road/99 interchanges. These two projects alone represent approximately 45% of the Capital Improvement Program, an investment of nearly \$130

million. The Lewis Stein Road extension, from West Stockton Boulevard to Big Horn Road is complete. Additionally, several CIP projects are currently under construction, moving towards completion, including the widening of Sheldon and Calvine Roads. Other activities identified within the CIP include ongoing street maintenance, bicycle improvements along various roadways, intersection improvements, landscaping, and other operational enhancement activities.

CONCLUSION

This status report has been provided as part of the City's on-going focus on managing its future growth. Annual reports will continue to be presented to the City Council consistent with its adopted Growth Management Policy.

ATTACHMENTS

1. Growth Management Policy