

INTRODUCTION

This section of the CIP summarizes the planning policies, major development projects, and planned public improvements within the City's Shovel-Ready areas. In prior years, this section of the CIP discussed activity occurring in "New Growth & Infill" areas as defined by the *1988 General Plan* and later by opportunity areas defined in the *2030 General Plan* (adopted in March 2009).

In October 2009, the City Council approved using the Shovel-Ready Sites Program's Tier 1 and Tier 2 priority areas to align programming guide criteria and CIP funding to focus on new infrastructure projects in priority shovel-ready areas (Resolution 2009-629).

In addition to identifying opportunities of growth, the *2030 General Plan* also has goals and policies dedicated to the preservation and enhancement of existing neighborhoods. Therefore, investment in priority investment areas is balanced with the maintenance of established communities. Planning Staff will work with CIP coordinators during FY2011/12 to assist in the transition from the "New Growth & Infill" approach to the Shovel-Ready Sites Program's Tier priority areas in order to identify eligible projects in the defined shovel-ready areas.

Planning staff provides a consistency analysis on the new capital improvement projects to the Planning Commission each year. This analysis determines the consistency of the CIP with the *2030 General Plan's* goals and policies, and uses the Shovel-Ready Sites Program Tier 1 and Tier 2 priority areas to gauge consistency with the City's investments in opportunity areas.

SHOVEL-READY SITES PROGRAM

Introduction

The Shovel-Ready Sites Program was established in FY2004/05 with the intent of encouraging economic development at key locations in the City. The goal of the program is to promote economic development by leveraging and attracting private investment. Specifically the program seeks to:

- Make available sites to advance City's economic development objectives and opportunities;
- Foster public-private partnerships to achieve economic development goals; and
- Spur private investment in the City, especially by businesses.

The program works to address and provide solutions to infrastructure, transportation, planning, and environmental challenges. City costs may be recaptured over time through assessment districts, fees, or other financing mechanisms, as well as through increased property and sales tax revenue associated with new development.



The lists below identify the shovel-ready opportunity areas identified as either Tier 1 or Tier 2.

Tier 1 Sites (highest priority)

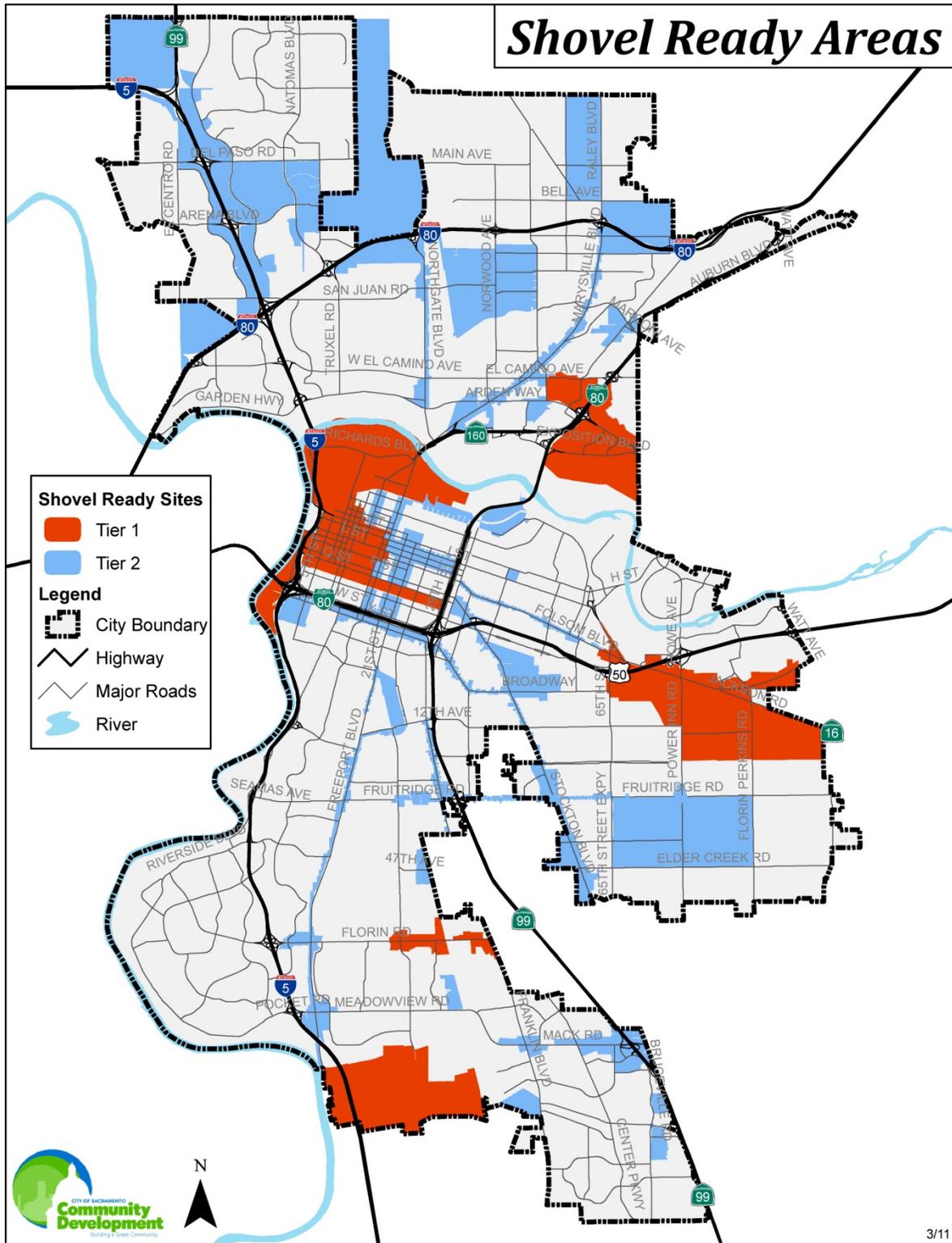
- Swanston Station, Arden Fair, Point West, Cal Expo
- Central City
- 65th Street/University Village, Innovation & Technology Village, Granite Regional Park
- Florin Road
- Delta Shores

Tier 2 Sites

- North Natomas, Panhandle, and Greenbriar
- North Sacramento, Robla, McClellan/Parker Homes
- Power Inn Area
- Other Infill Program (Corridors and Transit Station Areas)

The following geographic areas represent the Council-approved Shovel-Ready Sites Program's Tier 1 and Tier 2 priority areas.





2011-2016 CAPITAL IMPROVEMENT PROGRAM

Funding Allocated to Tier 1 Planning Efforts

In 2008 and 2009, the City Council allocated funding to key planning efforts in high priority shovel-ready areas (Tier 1 areas) to prepare these areas for development as the economy recovers. Specific efforts include the following:

- **River District Specific Plan:** A comprehensive development and finance plan for the 750-acre River District, which is an aging industrial area north of Downtown adjacent to the American River with many underdeveloped parcels and incompatible adjacent uses. The purpose of the Specific Plan is to establish policy direction and guidance on how the River District will develop in the future. The River District Specific Plan was approved by Council in February 2011.
- **Technology Village Specific Plan:** A comprehensive development and finance plan for the area south of Highway 50 near 65th Street and east of the railroad tracks. Working in conjunction with the Power Inn Alliance, property owners, Sacramento Municipal Utility District (SMUD), and California State University, Sacramento (CSUS), this effort is focused on preparing a large under-utilized infill area for future development to serve as a center for green and bio-technology as well as other research and development related businesses.
- **Florin Auto Dealership Master Plan:** Most of the auto dealers have closed or are likely to cease operations in the near future. This has resulted in the loss of sales tax dollars and quality jobs in a key part of the south area. This effort has involved planning, economic, transportation, infrastructure financing, environmental, and marketing studies designed to help attract developers to this area and foster redevelopment of the sites. The Florin Road Corridor Plan was approved by Council in October 2010.
- **Downtown Development Strategy:** Development in the Downtown area often faces unknown obstacles such as hidden infrastructure improvement costs. This effort will assist economic development projects in the Central Business District (CBD) by analyzing infrastructure issues at key catalyst sites. If the City can reduce the uncertainty and expedite the approval process for infill projects in this area, it will be well-positioned for growth as the economy improves.



SHOVEL-READY SITES PROGRAM – TIER 1 PRIORITY AREAS**Swanston/Arden Fair/Point West/Cal Expo**

The Swanston/Arden Fair/Point West/Cal Expo opportunity area is split by Business 80. To the west of Business 80 is the Swanston light rail train station and the Swanston Estates neighborhood, including single and multi-family residential, retail, commercial, and industrial. To the east of Business 80 are the Point West, Arden Fair, and Cal Expo areas.

Arden Fair Mall, located on Arden Way, is Sacramento's largest regional retail center and tax generator in the City. Cal Expo, the home to the California State Fair since 1968, is located on 350-acres adjacent to the American River. Cal Expo is currently considering new plans predicated on a strong desire to pursue opportunities which would provide the resources for the facility improvements needed for the State Fair and today's consumer and tradeshow environment. Point West, located between Arden Fair and Cal Expo, complements the surrounding land uses with professional offices, hotels, and multi-family residential.

The Point West area will be planned to complement the Arden Fair Mall and Cal Expo plans. Future development may include continued growth of retail, multi-family residential, and employment uses. This center can provide close-in employment opportunities for surrounding residential areas to reduce commute distances and provide employment opportunities in housing rich communities. A major component of the area will be to promote development that fosters accessibility and connectivity with adjacent transit centers to safely and efficiently accommodate a mixture of cars, transit, bicyclists, and pedestrians.

Central City

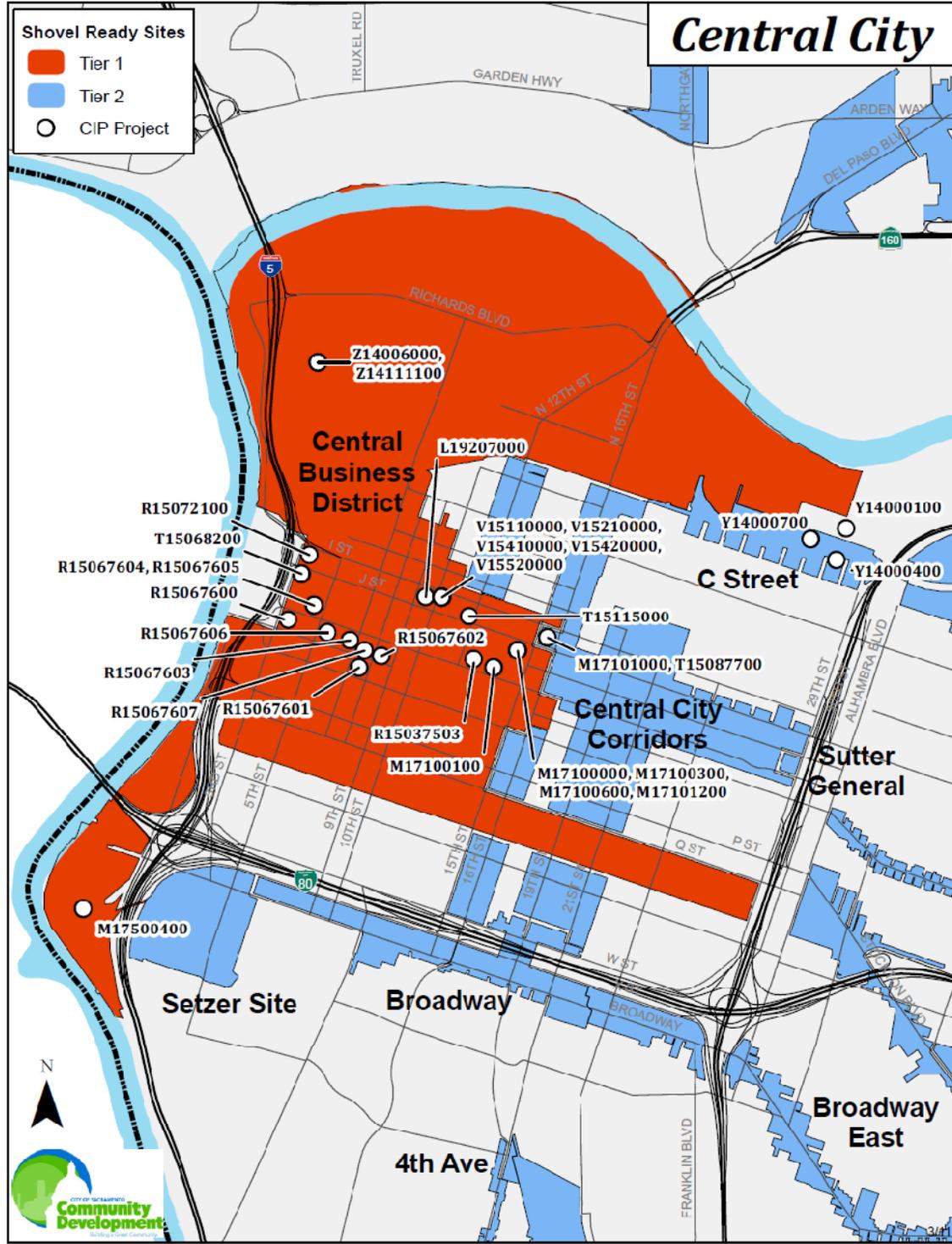
Major areas for infill, new growth, and redevelopment focus include: the Downtown Railyards new growth area, the River District redevelopment area, the J-K-L Central Business District area, the Alkali Flat redevelopment area, the R Street corridor, and the Waterfront area.

Significant investment in infrastructure will be necessary to support additional higher density infill development.

Funding to support future infill development in the Central City comes from: tax increment (TI) funds; Community Development Block Grant (CDBG) funds; and state grants. New tax increment funding is included in the SHRA budget, which occurs on a calendar year basis. The City has also been awarded funding from Propositions 1B (Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act) and 1C (Housing and Emergency Shelter Trust Fund Act) approved by the California voters in November 2006 that will be used to support major infrastructure projects such as the track relocation for the Railyards and transportation and utility infrastructure for the Township 9 project in the River District.

In past years, the City completed an infrastructure assessment of the R Street Corridor and directly funded improvements to the combined sewer system through grant funds to support additional development. Grant funds were also used to acquire a park site to support existing and future residential development in the R Street Corridor.





2011-2016 CAPITAL IMPROVEMENT PROGRAM

65th Street, University Village, Granite Regional Park

The Innovation/Technology Village (“Technology Village”) Specific Plan Area is the area bounded by U.S. Highway 50 on the north, Union Pacific Railroad (UPRR) on the west, UPRR crossing at Power Inn Road and Power Inn Road on the east. It is located to the south of CSUS and to the west of the Granite Regional Park development area.

Currently, the area south of the existing Regional Transit light rail tracks, the Ramona Avenue area, is primarily heavy commercial, light industrial, and industrial uses. The *2030 General Plan* identified the area as an Opportunity Area, changed the land use designation from Industrial to Employment Center, and recommended further land use refinement.

The Specific Plan is anticipated to be completed in early 2012. It will provide a clear focus for the urban design, development standards, design guidelines, public facilities, utility capacity, and circulation that is proposed in the Specific Plan area.

The 65th Street/University Village Opportunity Area is poised to evolve into a vibrant and innovative campus-centered community that will provide a physical, social, and psychological connection to CSUS and the surrounding development and communities. The focus for this area will be on people, workforce development, education, jobs, and transit. CSUS will continue to attract innovative and creative students and faculty, and will continue to prepare students for a highly competitive workforce aligned with our economy’s needs today and in the future. The Opportunity Area will create an environment that fosters the exchange of technical knowledge and expertise between CSUS students and faculty and private and public sector business enterprises. Companies located in this area will benefit from the availability of a student workforce and opportunities to collaborate with faculty. CSUS will benefit from faculty recruitment and retention and the real-world internship and educational opportunities for students.

The Granite Regional Office Park (120-acres) is partially built out with total development to include over three million square feet of office space with supporting retail and light industrial development. As a portion of the Clean Tech Zone (formerly the Florin-Perkins Enterprise Zone), the area is home to Sacramento’s newest clean and green technology enterprises.

Florin Road Corridor

The Florin Road Corridor Plan is a joint planning effort between the City and the County of Sacramento to promote coordinated planning and economic revitalization along the corridor. The boundaries extend along Florin Road between Tamoshanter Way in the City and Stockton Boulevard in the County. The plan area covers three miles of Florin Road. The City portion is approximately 1.42 miles between Tamoshanter Way and Franklin Boulevard.

In order to implement the City’s new *2030 General Plan* as well as the County’s new draft General Plan, the City has partnered with the County of Sacramento to promote coordinated planning and economic revitalization along the corridor. Entitled the Florin Road Corridor Plan, the City Council approved specific actions on October 19, 2010, including rezones, creation of a design review district, South Area Community Plan and *2030 General Plan* amendments. A few remaining pieces of the Florin Road Corridor Plan including the Streetscape Master Plan update, mobility study, and infrastructure analysis will be presented to Council for acceptance in mid-2011.



Delta Shores

Delta Shores is located within the South Area Community Plan. The Community Plan for the South Area was updated in March 2009. The Plan evaluates the land uses and need for infrastructure, schools, and other community facilities and services required to address new growth in the area.

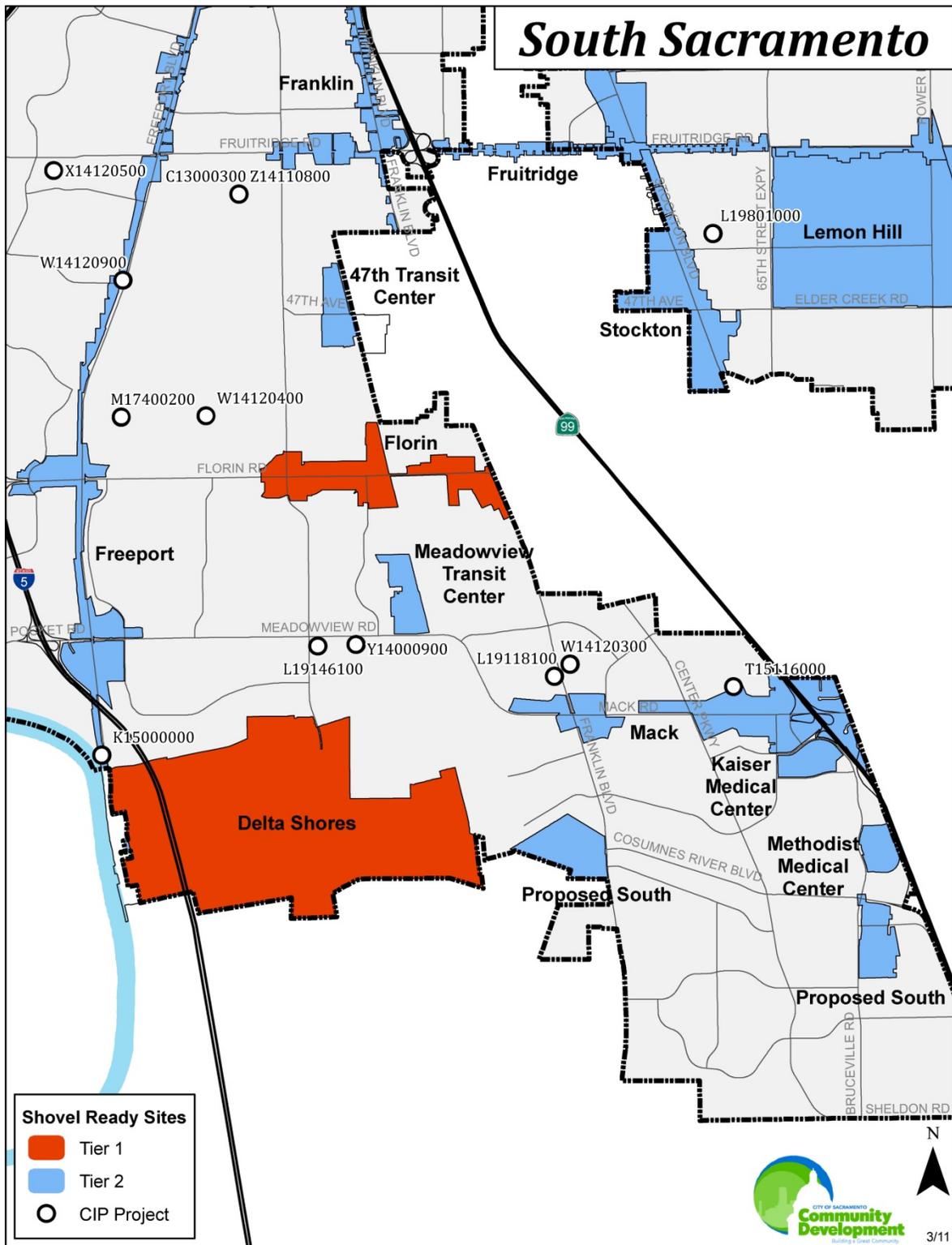
This New Growth area has experienced relatively high levels of recent population growth, and this trend is expected to continue. This community's potential growth is mostly associated with the Delta Shores area, build out of the Jacinto Creek Planning Area, and development along the existing light rail transit line and future extension of the south line transit corridor.

Future development includes the approved College Square mixed-use project near Cosumnes River College and the future development of the Delta Shores area in the south. Delta Shores is one of the last major undeveloped areas within the City of Sacramento. The Delta Shores area is generally located east of Freeport Boulevard, south of the existing Meadowview neighborhood, north of the Sacramento Regional County Sanitation District Wastewater Treatment Plant, and east of the Morrison Creek levee. The site is approximately 800-acres and will contribute to meeting the City's future housing and commercial needs. The planning entitlements and financing plan were approved by the City Council in January 2009.

Major public improvements proposed to serve planned new growth in the Delta Shores area include:

- Future Cosumnes Boulevard Extension and Interchange;
- Phase 2 extension of light rail transit from Meadowview to Calvine Road;
- Construction of the Sacramento Regional County Sanitation District interceptor line; and
- Construction of the new intake and pipeline from the Sacramento River to the Folsom South Canal.





2011-2016 CAPITAL IMPROVEMENT PROGRAM

SHOVEL-READY SITES PROGRAM – TIER 2 PRIORITY AREAS

North Natomas

Although North Natomas presents great potential for growth, it is designated a Tier 2 priority area because the temporary construction moratorium placed on this area to address flood concerns does not allow near-future development.

North Natomas is designated as a major growth area in the City for new housing and employment opportunities. In recent years, North Natomas accounted for 47 percent of the development in the City of Sacramento. Based on *2030 General Plan* land use designations, North Natomas is projected to account for approximately 24 percent of new housing and 36 percent of new jobs in the City. Since 2005, more than 14,000 dwelling units have been built in North Natomas; the area is now about two-thirds built-out for residential uses. Office employment, however, is only partially developed.

North Natomas includes a well-integrated mixture of residential, employment, commercial, and civic uses, interdependent on quality transit service, surrounding a town center. An elementary school serves as the focal point of each of the fourteen proposed neighborhoods. Employment centers, located at the light rail train stations and along the freeways, are mixed-use centers consisting of primary employment generators and secondary retail, industrial, and residential uses serving the employees and employers of the center.

The North Natomas New Growth Area is bounded by I-80 on the south, Elkhorn Boulevard on the north, and City limits on the east and the west. North Natomas includes the Panhandle area (595-vacant acres proposed for annexation) and Greenbriar (a 577-acre vacant parcel annexed in May 2008).

Development in the North Natomas area is currently restricted by the Federal Emergency Management Agency's new maps, which were released for public view on December 8, 2008. No new construction is permitted in the Natomas Basin until such time that the area has at least 100-year flood protection (or A99 designation) – expected sometime in 2012.

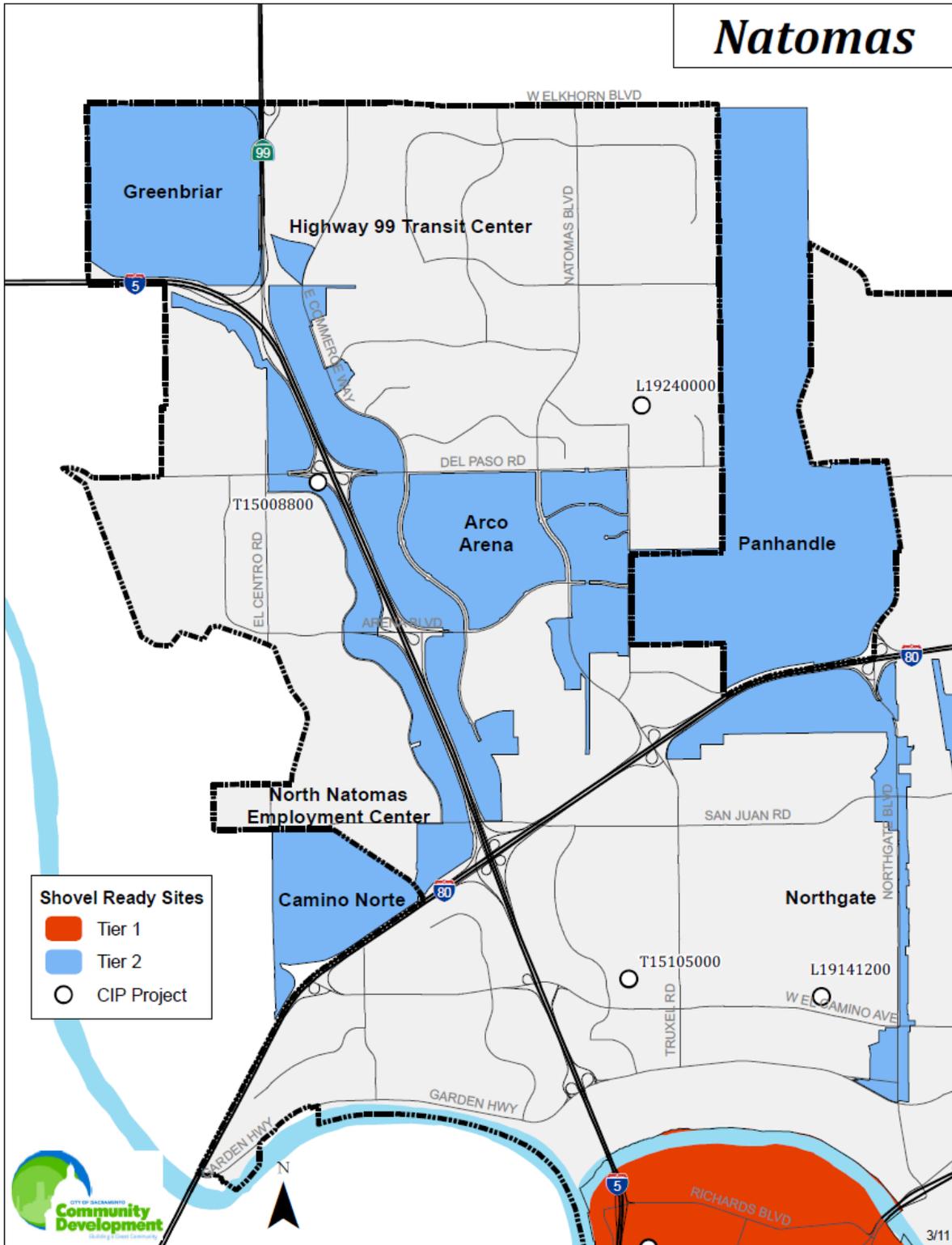
The City Council on January 27, 2009, adopted Resolution 2009-007 which extends the timeline for certain land use entitlements and building permits in the Natomas Basin while the area is designated "AE" on FEMA's Flood Insurance Rate Maps (FIRMs). In other words, special permits, tentative maps, and building permits that were properly approved prior to December 8, 2008, have "extended shelf life."

The improvement projects in North Natomas are funded as part of the 2011-2016 CIP or are built by private landowners. Infrastructure and draft finance plans were recently adopted for Panhandle and Greenbriar. Project information for specific projects is listed in the appropriate section of this CIP document. The major infrastructure improvements are financed from the following funds – based upon development impact fees and Mello-Roos Community Facilities Districts – are generally due at the time a building permit is issued:

- Quimby Act (Fund 2508) – dedication of land for parks;
- North Natomas Public Facilities Fee (Fund 3201) – backbone infrastructure;
- Park Development Impact Fee (Fund 3204) – park development; and
- Mello-Roos pay-as-you-go Community Facilities Districts and bond districts.



2011-2016 CAPITAL IMPROVEMENT PROGRAM



2011-2016 CAPITAL IMPROVEMENT PROGRAM

North Sacramento, Robla, McClellan Parker Homes

The lack of adequate water, drainage, and sewer improvements has hindered development in the area – especially between Dry Creek Road and Raley Boulevard. As individual subdivisions are developed, the corresponding local infrastructure and limited off-site infrastructure is constructed, although subdivisions prior to annexation were often approved without provisions for backbone infrastructure.

The *2030 General Plan* was recently amended to redesignate the eastern portion of the Robla opportunity area from Suburban Residential Low-Density to Employment Center Low Rise to reflect existing and likely near-future development in that area.

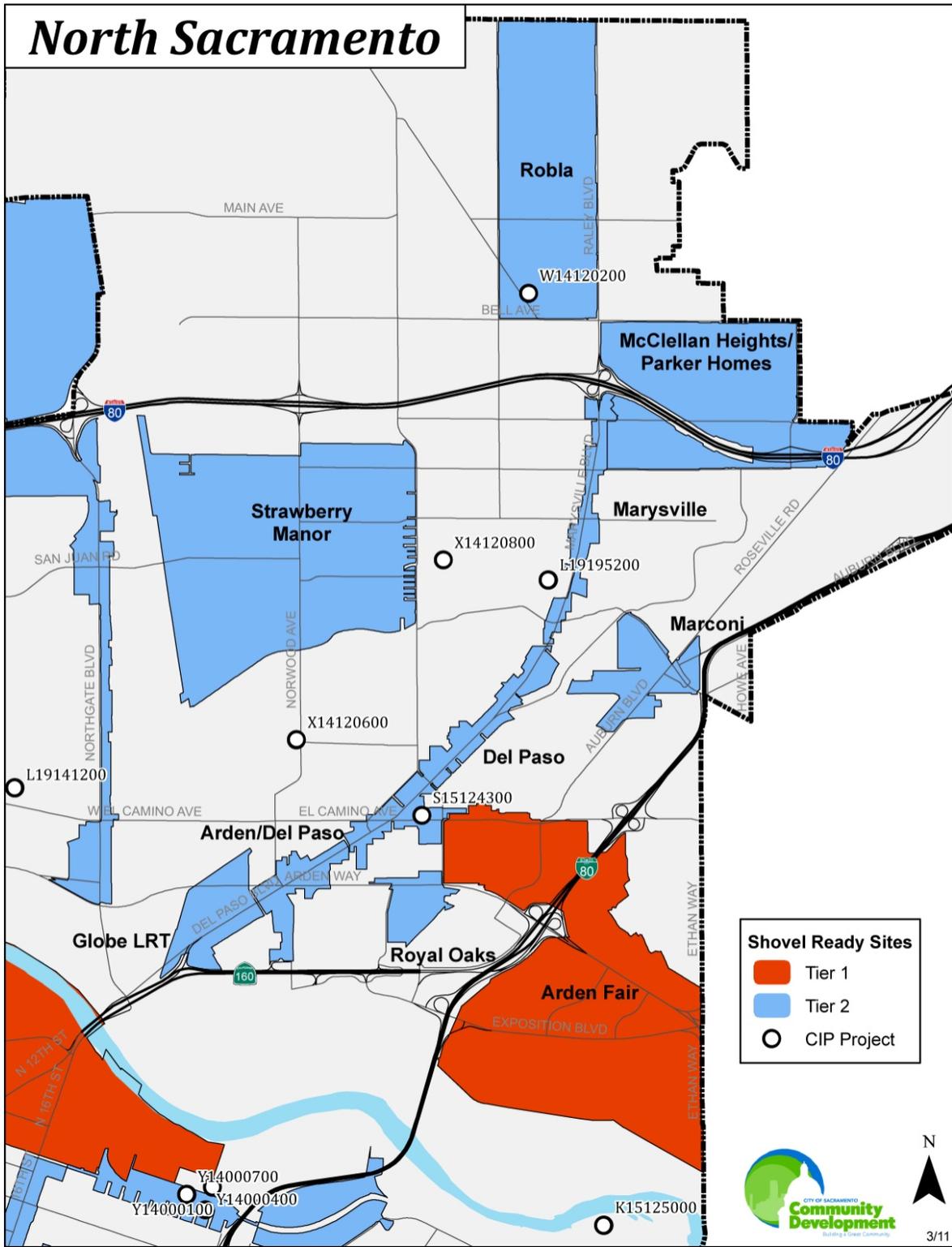
The City worked jointly with SHRA and a team of consultants to develop the McClellan Heights and Parker Homes Plan. The Plan assesses and prioritizes infrastructure and housing needs for both the Parker Homes and McClellan Heights neighborhoods. Additionally staff developed land use and zoning recommendations to encourage residential development and neighborhood serving amenities while allowing existing businesses to continue operating.

The McClellan Heights/Parker Home Plan, located just east of McClellan Business Park, was approved by Council in 2007. The plan area is generally bounded on the north by Bell Avenue, the east by Winters Street, the south by Interstate 80, and the west by the Raley Boulevard. The Plan adopted by City Council on November 27, 2007, provides the following:

- An infrastructure plan for existing and new development;
- A land use and zoning plan to facilitate the development of new housing, neighborhood serving commercial and other compatible uses; and
- A housing needs assessment for the existing housing in Parker Homes and McClellan Heights.

Northeast Line Implementation Plan: A planning effort to promote reinvestment, redevelopment, and revitalization along the light rail corridor that includes the Globe, Arden/Del Paso, and Royal Oaks Stations. The Plan includes land use changes to better streamline uses that support an active and safe commercial corridor such as mixed use and mixed density housing as well as office and general commercial uses. Additionally, the Plan has recommended infrastructure improvements that focus on key areas along the light rail corridor to encourage catalyst and near term development in the area.





2011-2016 CAPITAL IMPROVEMENT PROGRAM

Power Inn Area

The Power Inn Area is part of the larger Fruitridge/Broadway community which includes Sacramento's manufacturing and warehousing district and the Granite Regional Office Park. Increased mixed-use development opportunities will be realized in proximity to light rail transit along Folsom Boulevard (e.g., 65th Street, Power Inn Road, and Watt/Manlove light rail train stations). Higher intensity uses will take advantage of light rail transit and freeway (U.S. 50) access, which should attract housing, office development, and other employee and resident-serving uses.

Aspen 1/Rock Creek/New Brighton (Teichert) is a proposed 232-acre project (P09-038) south of Jackson Highway on the west side of South Watt Avenue. The Sacramento Area Local Agency Formation Commission (LAFCo) approved an amendment to the City's Sphere of Influence to include a 28-acre sliver of previously unincorporated vacant land as part of this project site. Development entitlements are anticipated to be approved in late 2011.

Infrastructure improvements in the Power Inn area include:

- Recently completed light rail train bridge over Watt Avenue to eliminate light rail train station/auto conflicts; and
- South Watt Avenue widening (County project).



Transit Station Areas

The City's Infill Program identifies areas around existing City light rail stations as areas for new infill development and redevelopment. Some of the light rail train station areas are located wholly or partly within redevelopment areas. Many of the targeted stations require additional planning entitlements and zoning changes and require infrastructure upgrades to support additional development.

The 65th Street Transit Village Plan area is included within a redevelopment area, offering additional opportunities to fund necessary infrastructure. In past years, the City devoted some state grant funds to support streetscape enhancements on 65th Street. Additional analysis is being conducted to identify funding needs for infrastructure to support planned development. The City recently completed a circulation plan for the area and is now in the process of developing a finance plan to identify funding sources for the utility and transportation infrastructure improvements that would support job creation and additional development in the area.

The City currently has infrastructure studies underway for the Florin, Meadowview, and Swanston light rail station areas that would serve as the first step in identifying needed capital improvements and financing options for those areas. The Florin and Meadowview studies were completed in 2009. The Draft Environmental Impact Report for the Swanston Transit Village Station was released in February 2009 and is proposed for adoption in spring 2011. The Northeast Line Implementation Plan – addressing the Globe, Arden/Del Paso, and Royals Oaks light rail stations – is also scheduled for adoption in spring 2011.

Commercial Corridors

Commercial corridors are identified in the City's Infill and Economic Development Programs as target investment areas. These areas are primarily provided support indirectly through streetscape and urban design planning funded through the Transportation Department and SHRA programs. In addition, many corridors fall within redevelopment areas and can receive SHRA development assistance. The City is currently identifying infrastructure improvements as part of the Florin Road Corridor Plan, which is a joint City-County effort for that corridor. The plan was completed in the fall of 2010.

Target Residential Neighborhoods

While not identified by the Shovel-Ready Program, the City's Infill Program targets residential neighborhoods that include a substantial number of vacant lots and infill opportunities. Most of the assistance in these areas is through fee reduction (e.g., sewer credits administered through the Economic Development Department) and waiver programs. In addition, these neighborhoods encompass many redevelopment areas, and development assistance is provided through SHRA. New TI funding is included in SHRA's budget that occurs on a calendar year basis. The City has also updated its Pre-Approved Infill House Plan Program which offers low-cost, pre-approved house plans to residents, property owners, and developers to encourage well-designed housing development on the many vacant lots located in these neighborhoods.



SOURCES OF CIP FUNDING

This overview summarizes the CIPs that contribute toward the infill development goals and policies. Funding is provided from a variety of sources depending on the nature of, and funding available for, the improvement. Many projects supportive of the City's Infill Program are initiated by the City's Utilities, Transportation, and Economic Development Departments, as well as SHRA. Funding sources include the City's General and Utility Funds, various TI and other redevelopment funds, various transportation funds, Workforce Housing Reward Program grants, Community Development Block Grants (CDBG), and other local, state, and federal grant funds.

The Infill Program also includes a number of fee waiver and reduction programs and other programs funded through the General Fund and grants. As this document is a capital improvement budget, only project details on City and SHRA capital projects are included.

Economic Development: The City's CIP for economic development has two sources of CIP funding that include the City's General Fund and TI. The General Fund support is allocated through City Council resolution, and the TI is derived from assessments on property located within the defined Downtown and Richards Boulevard redevelopment areas.

SHRA: SHRA is a joint City/County agency and is responsible for administering the CDBG program, Home Investment Partnerships (HOME) program, and TI financing within adopted redevelopment areas. Many of these activities directly and indirectly support infill development – either by providing backbone infrastructure to attract private development or by providing direct project assistance.

Federal, State, and Local Grant Funds: Several infrastructure projects supportive of infill development were programmed in prior years and are underway. Funding has been provided through state, federal, and local grants in addition to matching City funds. The City has received federal grant funds and Sacramento Area Council of Governments (SACOG) funds to fund improvements in several infill areas in the City including the R Street Corridor and several light rail train station areas.

In addition to the aforementioned grant programs, the City has also pursued and received State grants including the Jobs-Housing Balance Program (JHB), and the Workforce Housing (WFH) Reward Program, which have been used to support infrastructure projects. As of January 2010, the City has received over \$6.7 million from these grant funds.

The City has also successfully pursued grant funding in the first round of funding for the State's 2006 Proposition 1C (also known as the Housing and Emergency Shelter Trust Fund Act of 2006) bond programs including the Transit-Oriented Development (TOD) Program, the Infill Infrastructure Grant Program, and CALReUSE Remediation Program. As a result of City efforts, the City directly received \$31 million and supported developer applications which received another \$25 million. Projects benefiting from the first round of Proposition 1C program funding include:

- Downtown Railyards,
- Township 9, and
- Curtis Park Village.

These funds are slated to assist with major infrastructure projects or Brownfield remediation associated with the developments.



In 2010, the City also applied to the California Sustainable Strategies Pilot Program on behalf of these same developments in order to have them designated as Catalyst Projects. This designation will give the City higher priority for future state and federal grant funding. During August 2010, Township 9 was designated “Gold” as a model sustainable community that would:

“...enable the State to support local innovation, develop projects that integrate environmental, economic, transportation and housing goals and test strategies for broad implementation throughout California. The designated projects must remove barriers to development of transformative projects, demonstrate a high level of transferability, promote effective jobs and housing relationships, enhance multi-modal transportation options, integrate sustainability and economic development plans, demonstrate significant resource, economic, and environmental benefits, and provide opportunities for community engagement and cross-sector collaboration.”

CIP OPERATING BUDGET IMPACT

Depending upon the specific department, the CIP projects may or may not create an operating budget impact. When an improvement creates a new facility such as streetscape improvements, the possibility exists for increased maintenance costs. However, a sewer improvement might result in no operational impact or even a decrease based upon improved performance of the facility. The assumption is that departments are planning appropriately for possible increased operational costs as a consequence of the capital improvements.

