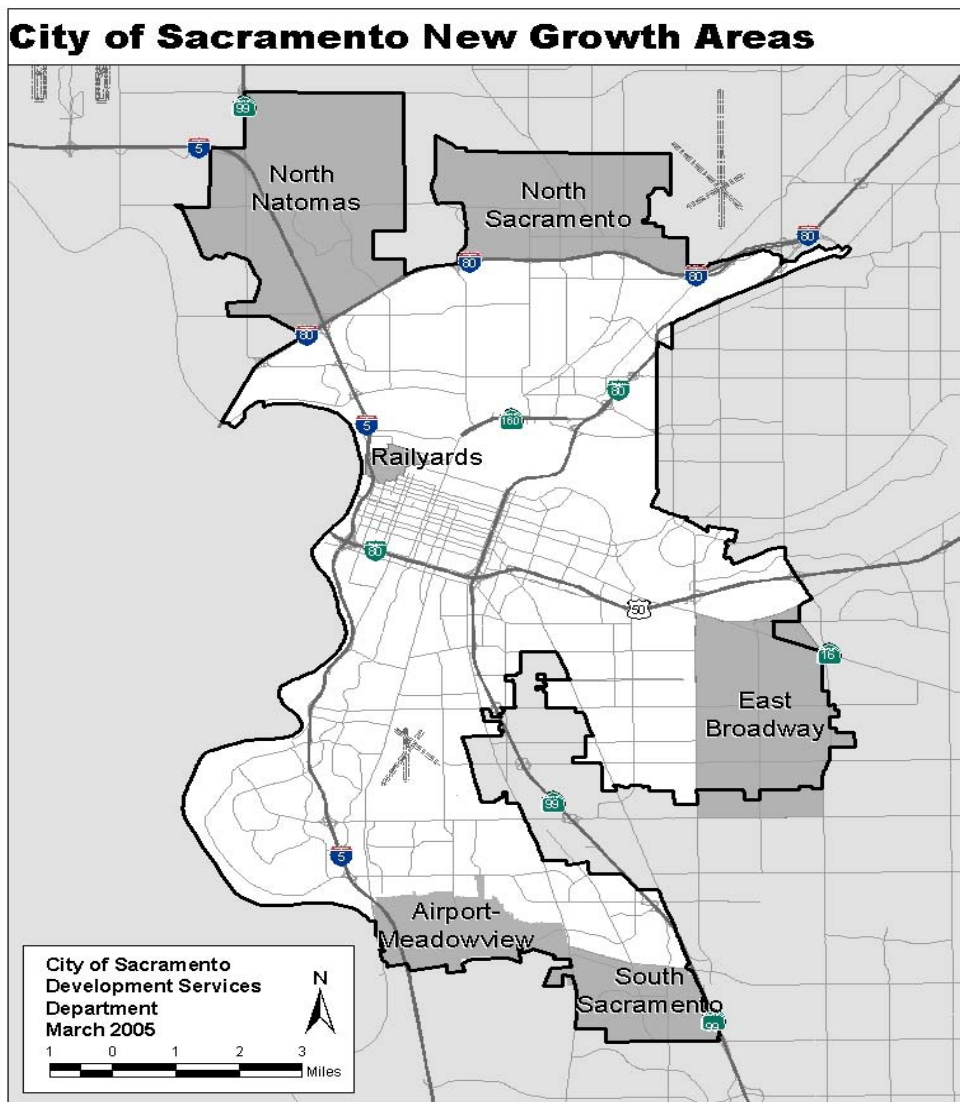
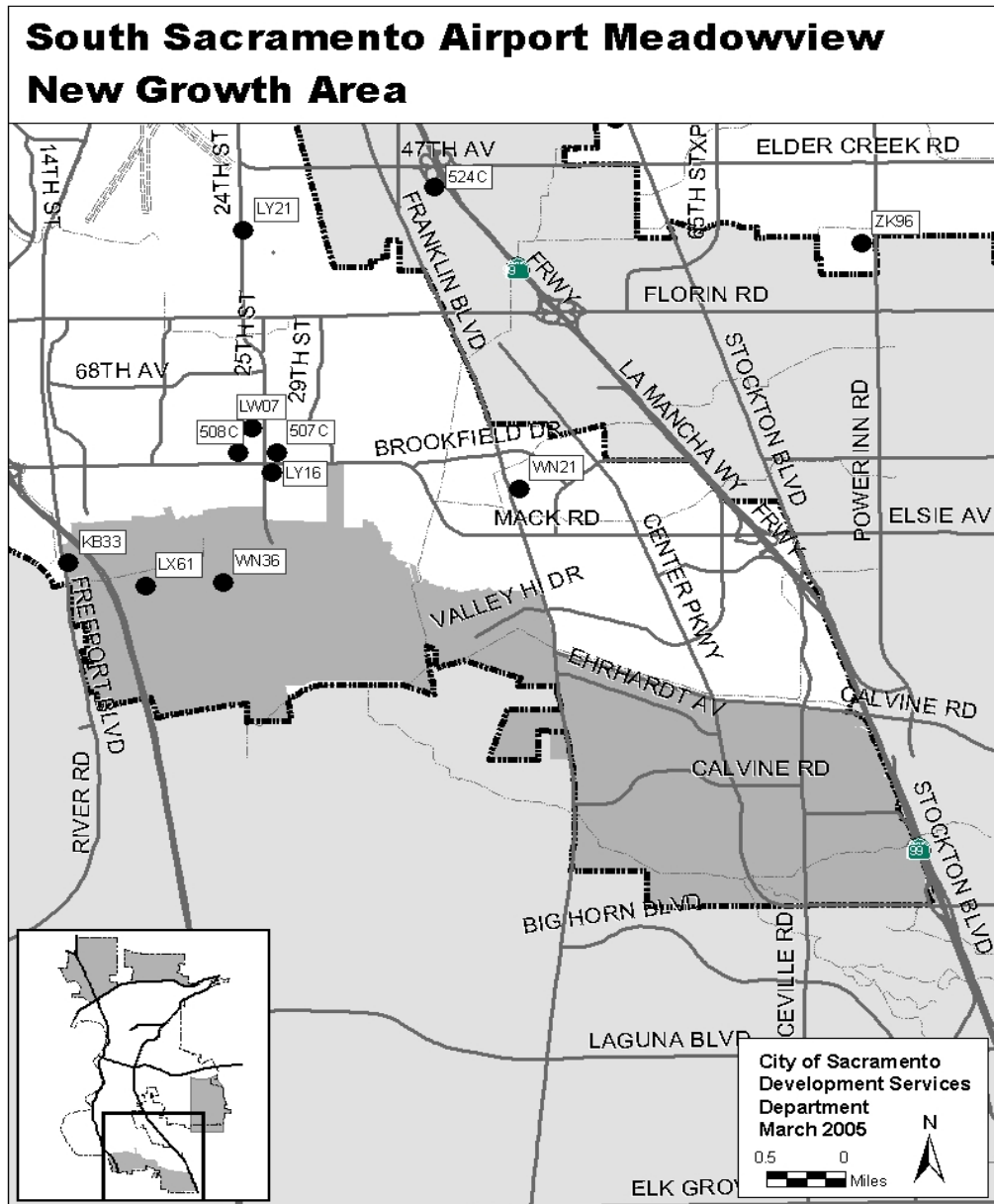


INTRODUCTION

This section of the Capital Improvement Program (CIP) summarizes the planning policies, major development projects and planned public improvements within the City's New Growth and designated infill areas. The General Plan directs urban growth in the City's newly developed areas located on the northern and southern edges of the city (North Natomas, North Sacramento, South Sacramento, Airport-Meadowview and East Broadway), as well as major infill and redevelopment opportunity sites within the Central City (R Street Corridor, Railyards, Richards Boulevard Area) and along transit corridors. While North Natomas is the only community plan area that is entirely designated as a new growth area, the remaining plan areas noted above contain both new growth and infill housing opportunities. The Community Plans identify specific transportation and community facility needs to serve anticipated growth. A summary of planned growth and public facility improvements follows.





This area has experienced relatively high levels of past and anticipated future population growth. This community's potential growth is mostly associated with the Delta Shores area, buildout of the Jacinto Creek Planning Area and development along the existing light rail line and future extension of the south line transit corridor. The Community Plan Update currently underway will re-evaluate the land uses and need for schools and other community facilities and services required to address new growth in the area.

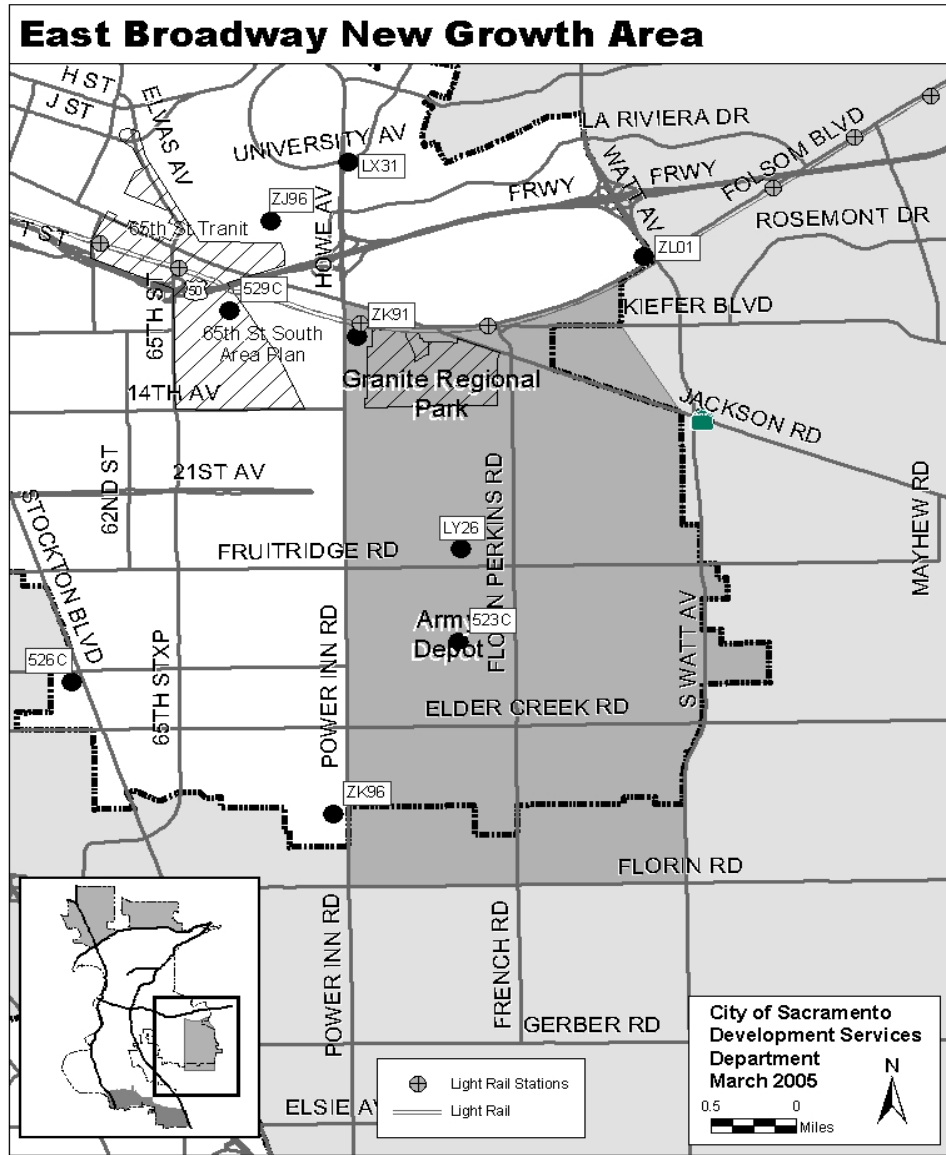


Future development includes the development of the approved College Square mixed-use project near Cosumnes River College and the future development of the Delta Shores area in the south. Major public improvements serving planned new growth include the future Cosumnes Boulevard Extension and Interchange, 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.

FY2005/06 CAPITAL IMPROVEMENT PROGRAM PROJECTS WITHIN THIS AREA:

CIP	NAME	SECTION REFERENCE
KB34	Conlin Sports Complex Phase 3	GG
LX61	Delta Shores Park Development	GG
WN36	Delta Shores and Sphere of Influence Master Plan	JJ





The East Broadway community is Sacramento's manufacturing and warehousing district. Increased mixed-use development opportunities will be realized in proximity to Light Rail Transit (LRT) along Folsom Boulevard. Higher intensity uses will take advantage of LRT and freeway access, which should attract housing, office development and other employee intensive uses.



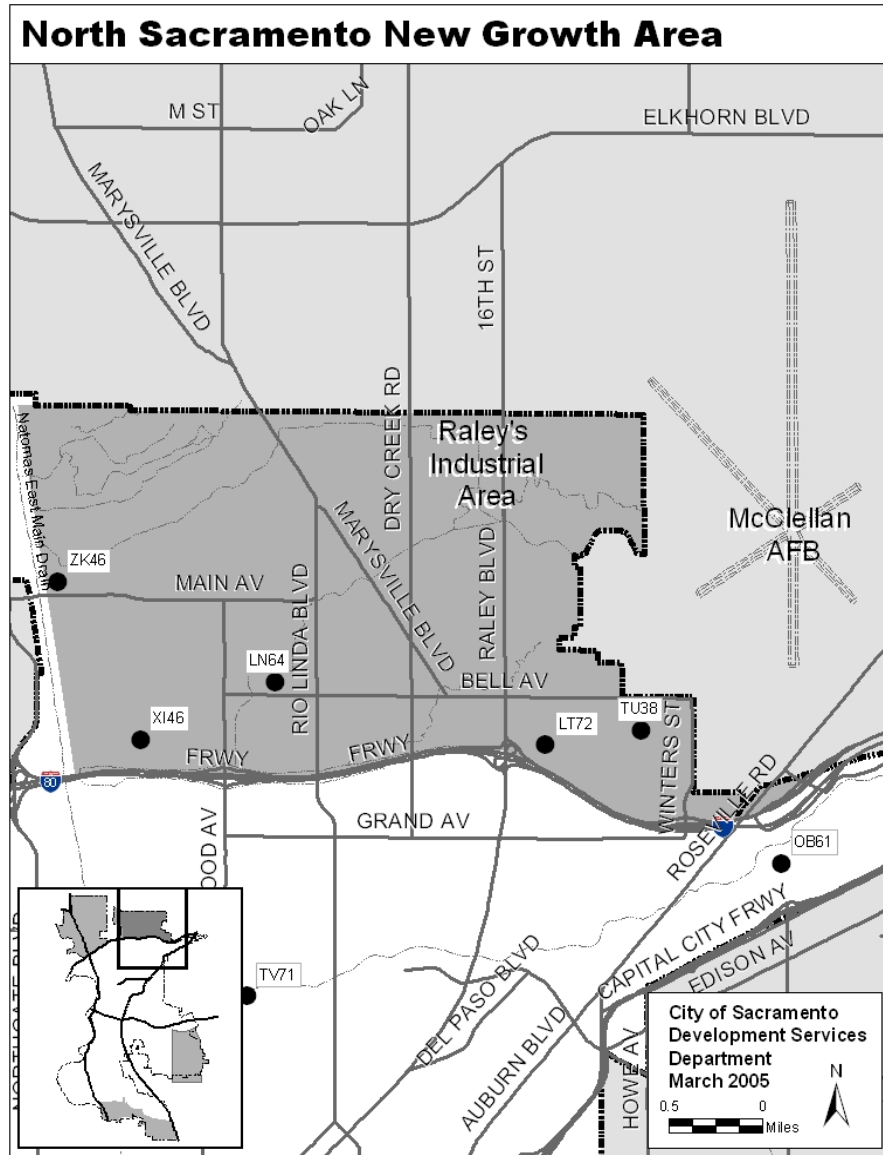
2005-2010 CAPITAL IMPROVEMENT PROGRAM

Major ongoing public improvements include the Power Inn Road/Folsom Widening from Folsom Blvd to 14th Avenue and continued development of the 145 acre Granite Regional Park (L1L1).

FY2005/06 CAPITAL IMPROVEMENT PROGRAM PROJECTS WITHIN THIS AREA:

CIP	NAME	SECTION REFERENCE
LY26	Army Depot Sports Master Plan	GG
ZK91	T-Main Power Inn Rd	JJ
523C	Army Depot Development Assistance	KK





Much of this community's vacant land is designated for residential infill development. As of 2000, nearly two-thirds of the City's 8,500 potential infill units are located in North Sacramento. Much of the housing demand has resulted from development in the adjacent North Natomas area. North of I-80 (west of McClellan Air Force Base [AFB]) there are approximately 700 vacant acres designated for industrial use in the Raley Boulevard Industrial Area. The area has experienced relatively moderate levels of past and anticipated population growth.



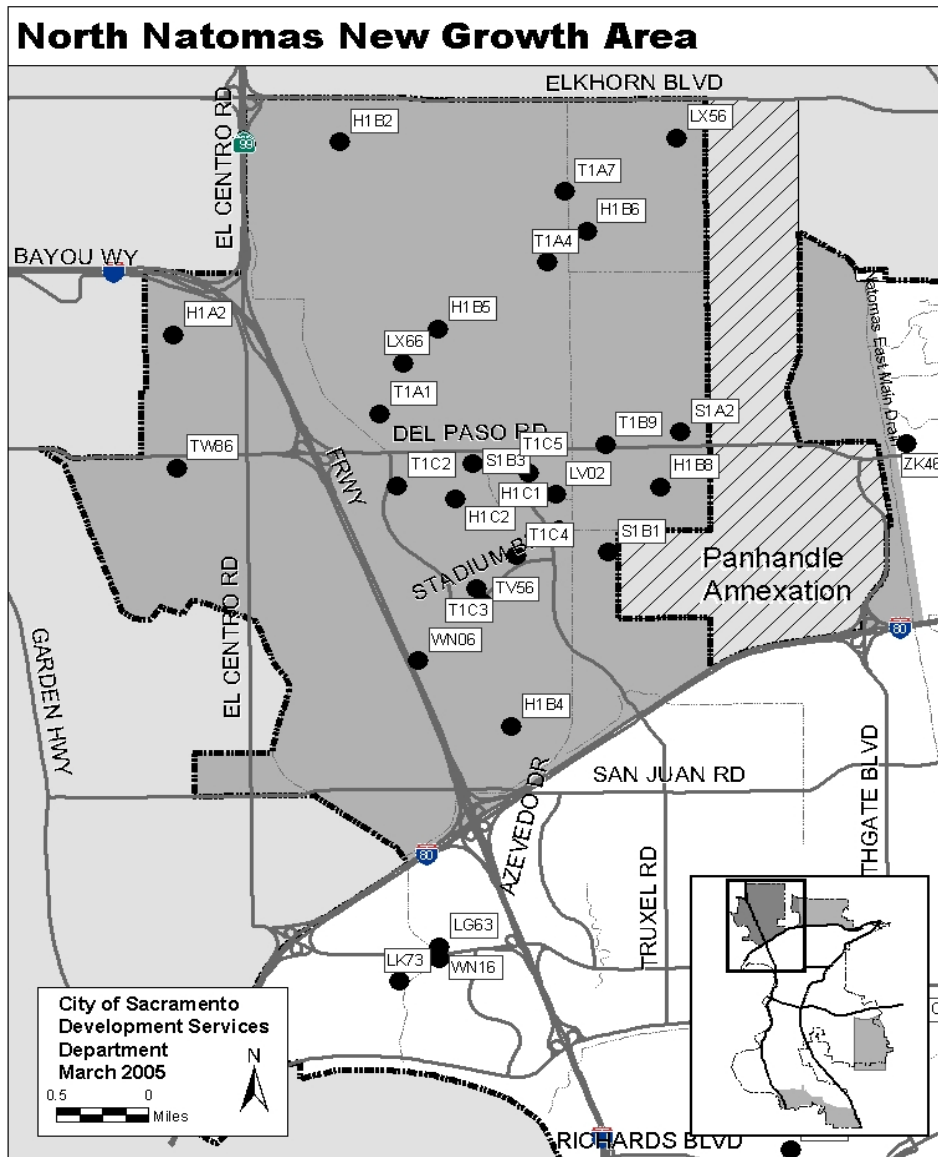
2005-2010 CAPITAL IMPROVEMENT PROGRAM

Recently approved developments are located in the Raley Boulevard Industrial area, adjacent to the McClellan AFB reuse project and residential infill within the Robla neighborhood. The lack of adequate water, drainage and sewer improvements has hindered development in the area.

FY2005/06 CAPITAL IMPROVEMENT PROGRAM PROJECTS WITHIN THIS AREA:

CIP	NAME	SECTION REFERENCE
LN64	Robla Community Park Restroom	GG
LT72	Verano Creek Park Development	GG
TU38	McClellan Heights Infrastructure	II
XI46	Sump 131 Electrical Rehab	JJ
ZK46	Main Avenue Bridge TWN 24 (Water Mains)	JJ





North Natomas is designated as the City’s major growth area for new housing and employment opportunities. Based on 1994 North Natomas Community Plan land use designations, the community is projected to account for 35 percent of new housing and 30 percent of new jobs in the City. 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 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.



2005-2010 CAPITAL IMPROVEMENT PROGRAM

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. The improvement projects in North Natomas are funded as part of the 2005-2010 CIP program or are built by private landowners. The Public Facilities Fee (PFF) funds backbone infrastructure for North Natomas and the Park Impact Fee (PIF) is paid by developers prior to issuance of building permits.

A status of the fee program is included in this section as well as a summary of major improvements expected to be public or privately constructed over the next five years. These include roads, public facilities and parks. All information contained in this section relates only to the North Natomas Community Plan area. Project information for specific projects is listed in the appropriate section of this CIP document.

Overview of the Public Facilities Fee

The North Natomas Financing Plan includes a development impact fee to fund construction of major transportation infrastructure and public facilities. The PFF will ultimately fund \$209.1 million dollars of the \$334.6 million dollars in public improvements. These improvements include:

- Fire Station
- Library
- Bikeways
- Road & Freeway Landscaping
- Freeway Improvements
- Neighborhood and Community Parks
- Police Substation
- Community Center
- Shuttles
- Major Roads and Signals
- Bridges

Criteria used to prioritize improvements to be constructed with the PFF and PIF are listed below. These criteria are listed in no particular order with the exception of public safety.

- Public Safety
- Support Economic Development
- Close Gaps in Transportation Network
- Environmental Mitigation
- Accommodate Traffic Growth
- Feedback from Council and City Staff
- Quality of Life
- Promote Alternate Travel Modes
- Community Feedback
- Available Funding

Payment of the PFF is required of all private development projects in North Natomas. The impact fee is structured to ensure:

- Basic infrastructure is in place when needed for development;
- The cost of major infrastructure is distributed fairly among the property owners; and
- Each developer pays a fair-share for necessary infrastructure.



Provision of Infrastructure through the Public Facilities Fee

Improvements funded by the Public Facilities Fee (PFF) and Park Impact Fee (PIF) may be constructed in several ways. Improvements may be built by the City, using PFF or PIF revenues, by private developers as part of their development project(s) or through establishment of Community Facility Districts and/or Assessment Districts. Private landowners that construct improvements included in the PFF or PIF program will be reimbursed construction costs for those improvements. These reimbursements will typically be in the form of PFF or PIF credits.

All development projects are required to pay the PFF and PIF at the time building permits are issued. However, portions of the PFF and PIF can be paid with credits previously earned by the landowner. Actual revenues received are the net of the total fee due for the permits, less the amount of credits.

Summary of Programmed Expenditures

The PFF and PIF will be used to fund public facilities. This CIP includes a number of improvements to be funded (in whole or in part) by the PFF and PIF, including roadway widening, median landscaping, bikeways, signals, neighborhood and community parks and related improvements. A summary of expenditures for these projects over the next five years is shown in the table below.

It should be noted that the PFF funds programmed for the next five years might not be available when needed. In these cases, funds will be sought from other sources, typically in the form of a loan to the PFF, or from developers with reimbursement by the PFF or PIF.

The remainder of the section details the PFF expenditures and projects over the next five years. High priority projects fully funded by the PFF for which projects costs are known are shown on the table that follows. Details on these projects can be found in the appropriate funding program sections of this document.

North Natomas PFF (Fund 780) Direct Expenditures for Transportation and Landscaping Facilities							
Project #	Section	Title	5-Year Programming				
			05/06	06/07	07/08	08/09	09/10
LS82	GG	Egret Parkway Phase 2	54,232	0	0	0	0
LX66	GG	Natomas Regional Park Bikeway	112,347	0	0	0	0
TR96	II	Natomas Blvd		770,879			
TV56	II	Arena Blvd. Landscaping	795,000	0	0	0	0
TV96	II	Terracina Bridge		689,120			
TW16	II	Freeway Monitoring Program	11,500	11,500	11,500	11,500	11,500
TW86	II	Del Paso Rd Landscaping	1,352,000	0	0	0	0
WN06	JJ	I-5 Freeway Landscaping	998,592	998,592	998,592	998,592	998,592
		Total Direct Expenditures	3,323,671	2,470,091	1,010,092	1,010,092	1,010,092



Several projects have funding sources or final costs yet to be determined. These projects will be brought in priority order to the Mayor and City Council in the coming months. These projects include:

- Arena Interchange Landscaping
- Regional Park North/South Bikeway
- Del Paso Road & North East Stadium Entrance Traffic Signal
- Shuttle Buses
- Del Paso Road and I-5 Signals
- Arena Blvd & El Centro Road Traffic Signal

Major Improvements Projected to be Provided by Landowners

Private land owners must provide basic infrastructure needed to support each development. The extent, cost, timing and location of those improvements cannot be specifically determined at this time. However, it is possible to reasonably forecast improvements based on the locations and nature of approved planned developments, the trend in housing construction and the new projects currently being reviewed by staff. The following page lists developer-funded projects expected to generate PFF credits in the next five years. It is also possible that private landowners will provide some of the improvements noted in the direct funded portion of this five-year CIP before the City can construct them.



The following is a list of developer-funded projects expected to generate PFF credits (credit projects are reflected in Fund 999 until the improvements are accepted by the City) in the next five years.

North Natomas PFF Developer Expenditures for Landscaping and Transportation Facilities (Fund 999)							
Project #	Section	Title	05/06	06/07	07/08	08/09	09/10
H1A2	GG	Westlake, East/West and North/South Bike Trail	73,617	15,917	15,917	15,917	15,917
H1A8	GG	C1 Canal Off Street Bikeway	54,133	54,113	54,113	0	0
H1A9	GG	Fisherman's Lake, Off Street Bikeway	0	0	268,100	0	0
H1B1	GG	State Route 99, Off Street Bikeway	57,683	57,683	57,683	57,683	57,683
H1B2	GG	East Commerce Off Street Bikeway	28,783	28,783	28,783	28,783	28,783
H1B3	GG	East Drain Canal Park Place Off Street Bikeway	0	0	134,900	0	0
H1B4	GG	Park 4A Off Street Bikeway	17,300	17,300	17,300	17,300	17,300
H1B5	GG	Regional Park Off Street Bikeway	103,900	0	0	0	0
H1B6	GG	Northpointe Off Street Bikeway	35,367	35,367	35,367	35,367	35,367
H1B7	GG	West Drain Canal Off Street Bikeway	0	132,100	202,100	0	0
H1B8	GG	Goldenland South Off Street Bikeway	43,400	0	48,600	0	0
H1B9	GG	Riverview Basin Off Street Bikeway	0	69,400	0	0	0
H1C1	GG	Truxel Road Off Street Bikeway	24,520	24,520	24,520	24,520	24,520
H1C2	GG	East Drain Canal/Basin 5 Off Street Bikeway	91,800	0	0	0	0
S1A2	II	Blackrock Drive/Del Paso Road Traffic Signal	30,380	0	0	0	0
S1A8	II	El Centro Road/Snowy Egret Way Signal	0	0	193,500	0	0
S1A9	II	El Centro Road/Arena Blvd Signal	0	193,500	0	0	0
S1B1	II	Gateway Park Blvd/Arena Blvd Signal	193,500	0	0	0	0
S1B2	II	East Commerce Way/Elkhorn Blvd Signal	0	225,750	0	0	0
S1B3	II	Del Paso Road/North East Stadium Signal	30,380	0	0	0	0
S1B4	II	I-5 Off Ramp/Del Paso Road Signal	405,411	0	0	0	0
T1A1	II	Northside Of Del Paso Road	6,338,421	1,453,825	585,919	585,919	585,919
T1A4	II	Natomas Blvd	597,445	0	0	0	0
T1A7	II	Natomas Blvd East Drain Landscape	94,944	0	0	0	0
T1B5	II	Gateway Park Blvd Bridge	318,200	318,200	318,200	0	0
T1B6	II	El Centro Road Bridge	0	0	954,600	0	0
T1B7	II	Snowy Egret Overcrossing	0	0	0	3,173,000	0
T1B8	II	El Centro Road Del Paso To Arena Blvd	0	0	4,595,782	0	0
T1B9	II	Gateway Park Blvd Del Paso To Arena Blvd	699,520	0	0	0	0
T1C1	II	Gateway Park Blvd Arena Blvd To Truxel Rd	0	1,682,057	0	0	0
T1C2	II	East Commerce Way Del Paso To Arena Blvd	1,206,679	0	0	0	0
T1C3	II	Arena Blvd East Commerce Wy To City Limits	1,327,347	0	0	0	0
T1C4	II	Truxel Road	1,351,480	0	0	0	0
T1C5	II	Del Paso Road City Limit To East Drain	5,649,180	0	0	734,438	0
Total Developer Funded Projects			\$18,773,390	\$4,308,515	\$7,535,384	\$4,672,927	\$765,489



North Natomas Park Improvements

Park Impact Fee (Fund 791)

The Citywide Park Impact Fee that was approved in August 1999 funds park improvements. The revenue must be used to benefit the residents of the planning area from which the fee was collected. These funds are programmed by the Community Planning Areas in accordance with benefit requirements. See the Parks and Recreation Program for further details.

PIF (Fund 791) Direct Expenditures for Park Projects							
Project #	Section	Title	5-Year Programming				
			05/06	06/07	07/08	08/09	09/10
LV78	GG	Regency Comm Pk 11A Ph 2	809,294	0	0	0	0
LS87	GG	Tanzanite Comm Pk 4A Ph 2	674,412	0	0	0	0
LU91	GG	Witter Ranch Park 3A	150,000	0	0	0	0
LX41	GG	Sparrow Park 1C	242,579	0	0	0	0
LX46	GG	Peregrine Park 3E	509,207	0	0	0	0
LX56	GG	Alder Park 11C	255,126	0	0	0	0
LV02	GG	River Birch Park	565,500	0	0	0	0
Total Developer Funded Projects			3,206,118	0	0	0	0

DESIGNATED INFILL AREAS

The City's infill program focuses on new development and redevelopment to achieve the infill development goals and policies adopted by the Mayor and City Council, and focuses within four types of infill areas: the Central City, commercial corridors, transit-station areas and targeted residential neighborhoods. These areas are shown in the "Sacramento Area Maps" section of this document and overlap certain economic development and SHRA activities.

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. Funding sources include the City's General and Utility Funds, various tax increment and other redevelopment funds, Community Development Block Grants and various transportation funds.

Many projects supportive of the City's infill program are initiated by the City's Utilities, Transportation, and Economic Development Department, as well as SHRA. Related budgets are established in each of these City Departments and in SHRA's budget.

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



SOURCES OF CIP FUNDING

Federal, State, and Local Grant Funds: Several infrastructure projects supportive of infill development were programmed in FY2004/05 and are underway, funded through the State Jobs-Housing Incentive Grant. Upon receipt of the companion State Workforce Housing Reward Grant later in 2005, additional infrastructure CIPs will be considered by the Mayor and City Council. In addition, a federal transportation grant and Sacramento Area Association of Governments (SACOG) Community Design Grants will be programmed and used to support development in the R Street Corridor.

Utilities Department: The Utilities Department is comprised of several Enterprise Funds, including the Water Fund, Sewer Fund and the Storm Drainage Fund. Since utility funds are derived from user fees and development impact fees, the use of the funds is restricted to those that are directly related to providing water, sewer, and storm drainage to citizens and property. A total of \$1 million in funding to support economic development, infill development, and redevelopment is allocated annually and administered by the Economic Development Department. Some of the annual allocation is already committed to ongoing programs.

Transportation Department: The Transportation Department also contributes \$1 million annual funding for economic development, infill, and redevelopment efforts from the Major Street Construction Tax Funds and one-half cent sales tax approved by the Sacramento County voters in 1988, also known as Measure A funds. The funding is at the discretion of the Economic Development Department, in coordination with Transportation Department staff to ensure funds meet program eligibility requirements.

Sacramento Housing and Redevelopment Agency (SHRA) Funding: SHRA is a joint City/County agency and is responsible for administering the Community Development Block Grant (CDBG) program and Home Investment Partnerships (HOME) program, and tax increment financing within adopted redevelopment areas. Many of these activities directly and indirectly support infill development.

Economic Development Funding: Economic development activities are funded through the City's General Fund and tax increment derived from assessments on property located within the Merged Downtown and Richards Boulevard redevelopment areas.

CIP OPERATING BUDGET IMPACT

Depending upon the specific department, the CIPs may, or may not, create an operational 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.



INFILL DEVELOPMENT CIP PROJECT SELECTION GOALS AND CRITERIA

Program Goals

- Provide for infrastructure expansions and enhancements to support additional development and redevelopment in target infill areas
- Facilitate and leverage new private sector infill development.

Project Selection Criteria

- Compliance with infill development goals and policies
- Substantial leverage of private infill development opportunities

INFILL TARGET AREAS

The Infill Strategy includes four major types of infill target areas. The following describes CIPs attributable to each target area.

Central City

The Central City includes projects programmed through the Economic Development Department and other targeted Districts within the Central City with significant opportunities for infill development and redevelopment. Major areas for infill, new growth, and redevelopment focus include: the Downtown Railyards new growth area, the Richard Boulevard redevelopment area, the J-K-L central business district area, the Alkali Flat redevelopment area, the R Street corridor, and the Waterfront area.

To support additional higher density infill development, significant investment in infrastructure will be necessary.

Most of the CIP funding to support future infill development in the Central City is funding from tax increment or bond proceeds programmed by the Economic Development Department and by SHRA for the Alkali Flat redevelopment area. New tax increment funding is budgeted in the SHRA budget, which occurs on a calendar year. The following table reflects projects that were adopted in the Agency's 2004 budget.

CIP	NAME	SECTION REFERENCE	Current Budget (in '000s)
KC66	Pre-Development Services – Richards Blvd.	Index	100
KC67	Pre-Development Services - Downtown	Index	858
KD36	10 th & K Street Project	Index	0
KD41	Dock Area Improvement	Index	0
522C	Development Assistance – Alkali Flat	KK	417
	Total		1,375



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. In addition, in coordination with CADA and RT, the City will be receiving federal grant funds and SACOG funds to fund improvements to the streetscape and the 13th and 16th Street light rail transit station areas.

Transit Station Areas

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

The City completed an infrastructure assessment for the 65th Street Transit Village Plan area, and the area was included within a redevelopment area, offering additional opportunities to fund necessary infrastructure. In the last fiscal year, the City devoted some state grant funds to support streetscape enhancements on 65th Street and the Economic Development Department dedicated some funds to support improvements identified in the 65th Street Transit Village Plan.

The City also has infrastructure studies underway for the Florin and Meadowview light rail station areas that would serve as the first step in identifying CIPs and financing options for those areas.

Target Residential Neighborhoods

The City's infill development program targets neighborhoods that include a substantial number of vacant lots and infill opportunities. Most of the assistance in these areas is through fee reduction and waiver programs. In addition, these neighborhoods encompass many redevelopment areas, and through SHRA, development assistance is provided. New tax increment funding is included in SHRA's budget that occurs on a calendar year basis. The following table illustrates funding for the calendar year.

CIP	NAME	SECTION REFERENCE	FY2005 (in '000s)
523C	Development Assistance – Army Depot	KK	1,273
524C	Development Assistance – Franklin Blvd	KK	927
525C	Development Assistance – Oak Park	KK	1,812
526C	Development Assistance – Stockton Blvd	KK	771
527C	Development Assistance – Del Paso Heights	KK	385
	Total		5,168

Commercial Corridors

Commercial corridors are identified in the City's infill program and economic development programs as target investment areas. These are primarily provided support indirectly through streetscape and urban design planning funded through Transportation Department and SHRA programs. In addition, many corridors fall with redevelopment areas and can receive SHRA development assistance.

