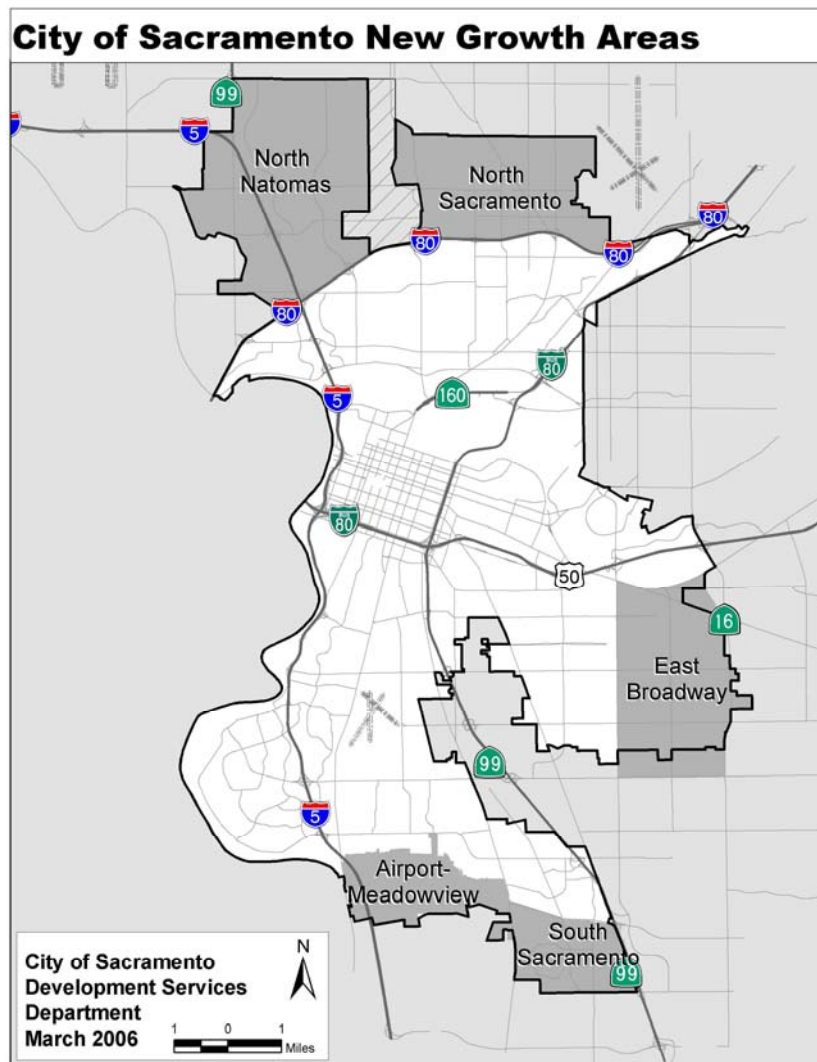
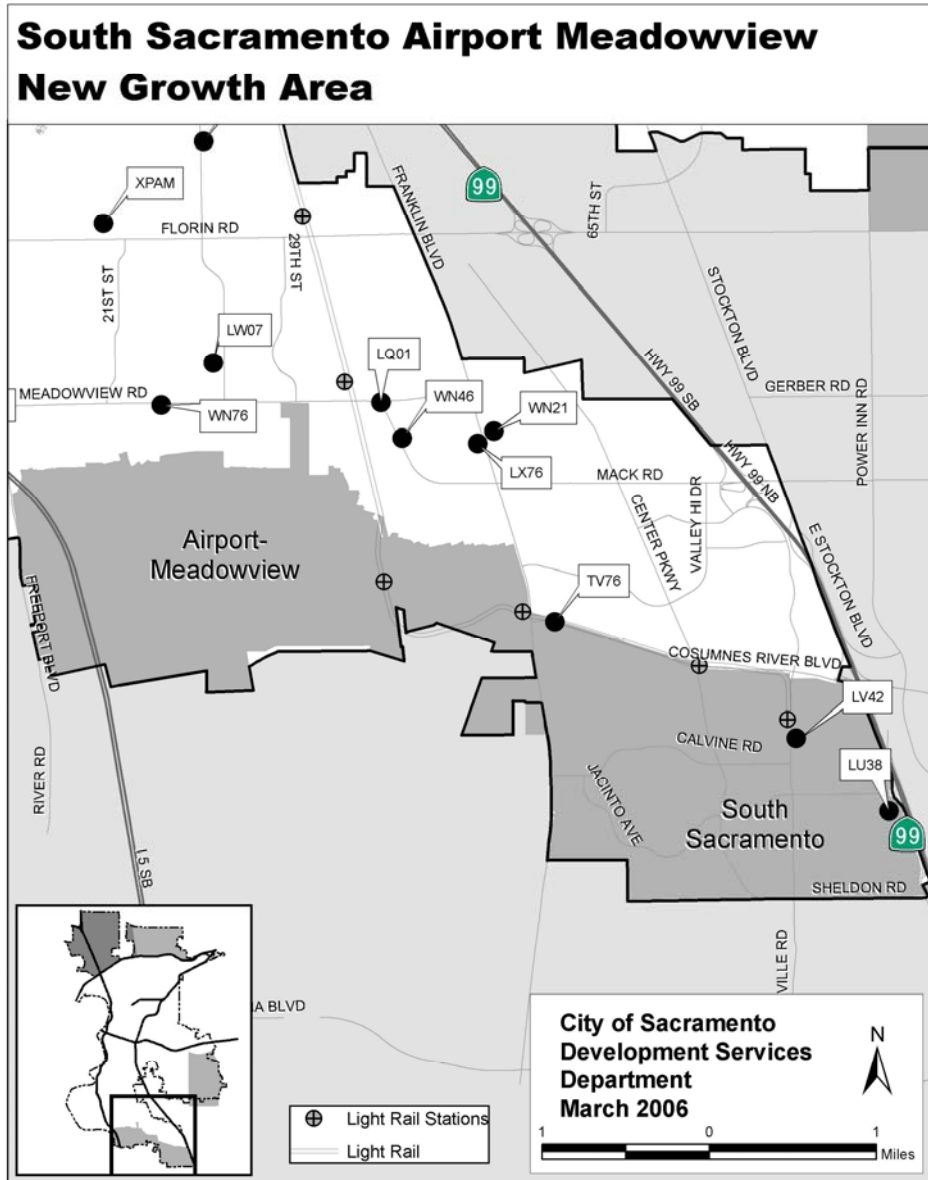


INTRODUCTION

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.

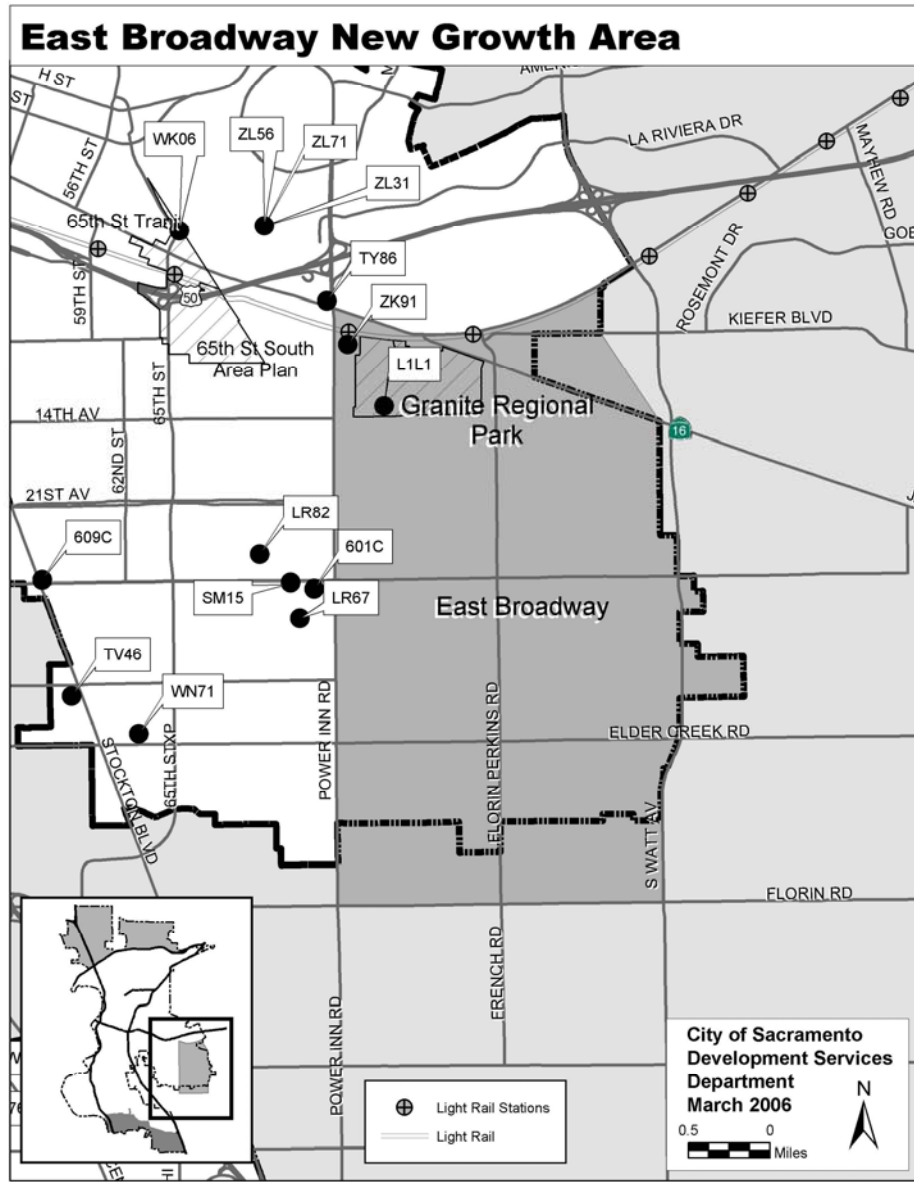


Future development includes the development of the approved College Square mixed-use project near Cosumnes River College and the future development of the Delta Shores area in the south. Major public improvements serving planned new growth include the future Cosumnes Boulevard Extension and Interchange,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

FY2006/07 CAPITAL IMPROVEMENT PROGRAM PROJECTS WITHIN THIS AREA:

CIP	NAME	SECTION REFERENCE
LU38	Jacinto Creek Park Phase 2 Development	GG
LV42	Shasta Park Master Plan	GG
TV76	Cosumnes River Blvd. Extension & Interchange	II





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.



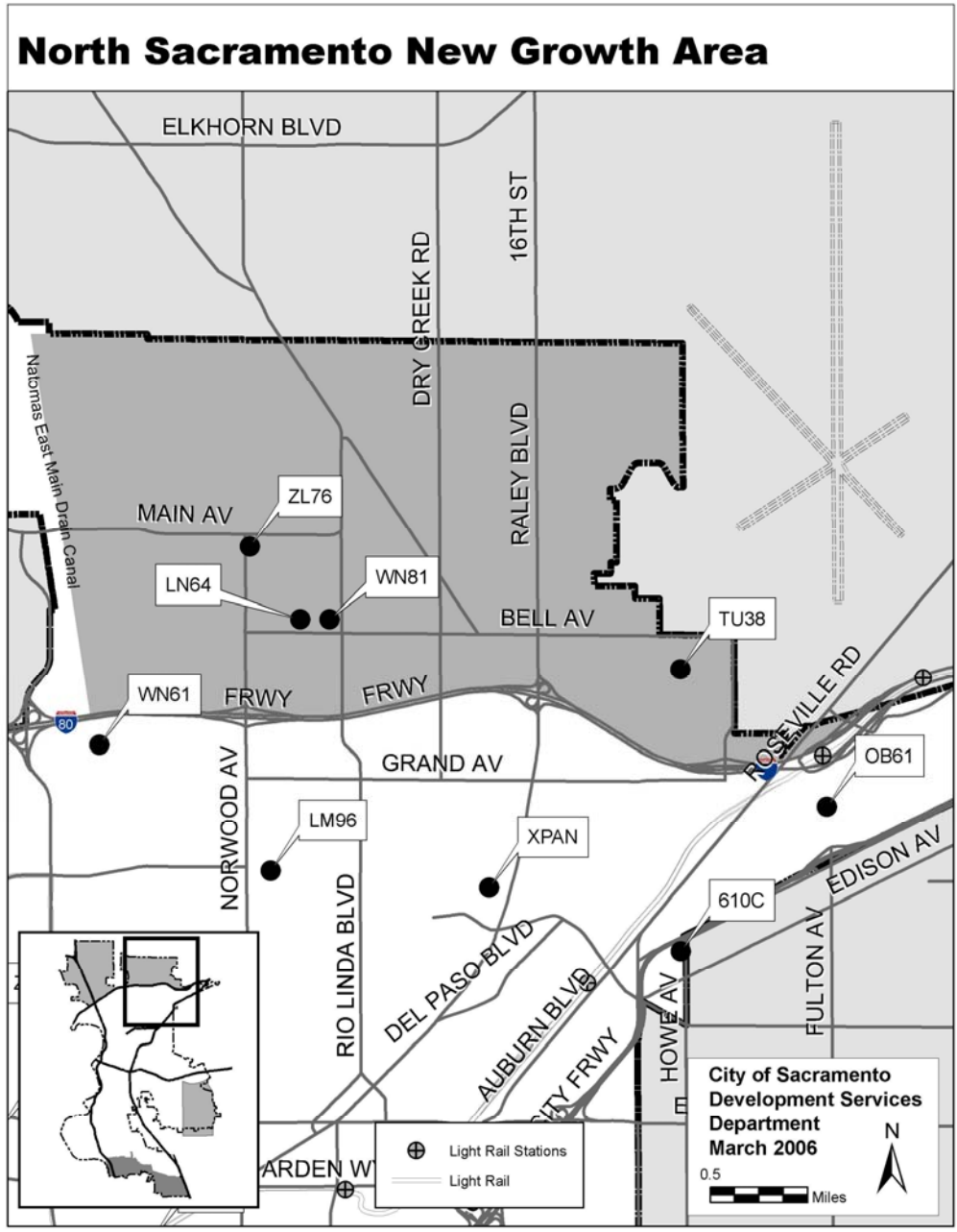
2006-2011 CAPITAL IMPROVEMENT PROGRAM

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

FY2006/07 CAPITAL IMPROVEMENT PROGRAM PROJECTS WITHIN THIS AREA:

CIP	NAME	SECTION REFERENCE
L1L1	Granite Regional Park	GG
ZK91	T-Main Power Inn Road	JJ





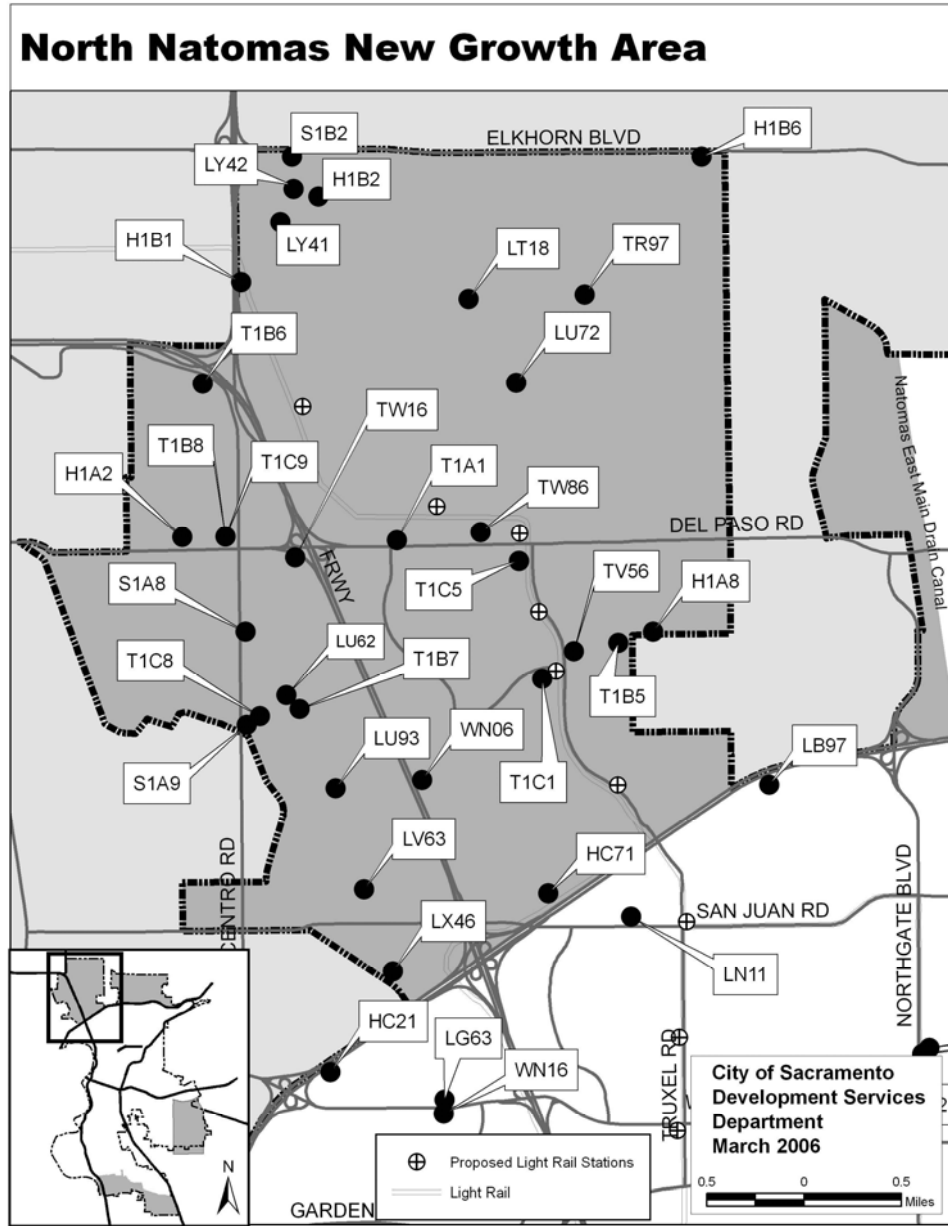
Recently approved developments are located in the Raley Boulevard Industrial area, adjacent to the McClellan AFB reuse and residential infill project within the Robla neighborhood. The lack of adequate water, drainage and sewer improvements has hindered development in the area.



FY2006/07 CAPITAL IMPROVEMENT PROGRAM PROJECTS WITHIN THIS AREA:

CIP	NAME	SECTION REFERENCE
LN64	Robla Community Park Improvements	GG
TU38	McClellan Heights Infrastructure	II
WN81	North Area Drying Transfer Facility Design	JJ
ZL76	Main Avenue T-Main – Blackrock Drive to Rio Linda Boulevard	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.



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 2006-2011 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.

North Natomas Public Facilities Fee (PFF) Improvements

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 & Community Parks
- Police Substation
- Community Center
- 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 (PFF)

Improvements funded by the Public Facilities Fee (PFF) may be constructed in several ways. Improvements may be built by the City using PFF 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 program will be reimbursed construction costs for those improvements. These reimbursements will typically be in the form of PFF credits.

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

Summary of Programmed PFF Expenditures

The PFF 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, including roadway widening, median landscaping, bikeways, signals, and related improvements. A summary of expenditures for these projects over the next five years as shown on the following table.

North Natomas PFF (Fund 780) Direct Expenditures for Transportation and Landscaping Facilities							
Project #	Title	Section	5-Year Programming				
			06/07	07/08	08/09	09/10	10/11
HC71	East Drain Canal Bikeway	GG	259,300	0	0	0	0
TR97	Natomas Blvd Widening Phase II	II	1,058,000	0	0	0	0
TW16	North Natomas Freeway Monitoring Program	II	11,500	11,500	11,500	11,500	11,500
TW86	Del Paso Road Landscaping	II	1,908,775	0	0	0	0
WN06	I-5 Freeway Landscape	JJ	998,592	998,592	998,592	998,592	0
Totals:			\$4,236,167	\$1,010,092	\$1,010,092	\$1,010,092	\$11,500

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
- Del Paso Road & Ninth East Stadium Entrance Traffic Signal
- Del Paso Road and I-5 Signals
- Arena Boulevard & El Centro Road Traffic Signal

North Natomas Park Improvements – Other Funding Sources

Parks and recreation projects in North Natomas are also funded through special revenue sources: Park Development Impact (PIF) fees and Quimby Act "In Lieu" fees (where parkland dedication is not appropriate).



Park Impact Fee (PIF - 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.

2006-2011 Capital Improvement Program Park Impact Fee (PIF - Fund 791)							
Project #	Title	Section	5-Year Programming				
			06/07	07/08	08/09	09/10	10/11
LX46	Peregrine Park 3E Development	GG	1,376,000	0	0	0	0
LY41	Magnolia Park 6C Master Plan	GG	126,280	505,120	0	0	0
LY42	Golden Poppy Park 6E Master Plan	GG	61,600	246,400	0	0	0
Totals:			\$1,563,880	\$751,520	\$0	\$0	\$0

Quimby Act (Fund 710)

Title 16 of the Subdivision Ordinance requires the developer to (1) dedicate land or (2) pay a fee in lieu of land dedication to provide for community and neighborhood parks at a rate of 5 acres per thousand residents. The revenues must be used "for the purpose of acquiring, developing new or rehabilitating existing neighborhood or community park or recreation facilities to serve the subdivision." Programming of these funds must occur in the Community Planning Area in which the in-lieu fees were generated. See the Parks and Recreation Program for further details.

2006-2011 Capital Improvement Program Quimby Act (Fund 710)							
Project #	Title	Section	5-Year Programming				
			06/07	07/08	08/09	09/10	10/11
LT18	Burberry Park 9A Improvements	GG	150,000	0	0	0	0
LU62	Sundance Park 2E Improvements	GG	150,000	0	0	0	0
LU72	Heron Park 10B Improvements	GG	150,000	0	0	0	0
LU93	Witter Ranch Park 3A Improvements	GG	200,000	0	0	0	0
LV63	Redtail Hawk Park 3B Improvements	GG	60,000	0	0	0	0
Totals:			\$710,000	\$0	\$0	\$0	\$0

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. It is possible, however, to reasonably forecast improvements based on new projects currently being



reviewed by staff, approved planned developments and housing construction trends. 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 Credits (Fund 999) Developer Expenditures For Transportation and Landscaping Facilities							
Project #	Title	Section	5-Year Programming				
			06/07	07/08	08/09	09/10	10/11
H1A2	Westlake, East/West and North/South Bike Trail	GG	15,917	15,917	15,917	15,917	0
H1A8	C1 Canal Off Street Bikeway	GG	54,113	54,113	0	0	0
H1A9	Fisherman's Lake, Off Street Bikeway	GG	0	268,100	0	0	0
H1B1	State Route 99, Off Street Bikeway	GG	57,683	57,683	57,683	57,683	0
H1B2	East Commerce Off Street Bikeway	GG	28,783	28,783	28,783	28,783	0
H1B3	East Drain Canal Park Place Off Street Bikeway	GG	0	134,900	0	0	0
H1B4	Park 4A Off Street Bikeway	GG	17,300	17,300	17,300	17,300	0
H1B6	Northpointe Off Street Bikeway	GG	35,367	35,367	35,367	35,367	0
H1B7	West Drain Canal Off Street Bikeway	GG	132,100	202,100	0	0	0
H1B8	Goldenland South Off Street Bikeway	GG	0	48,600	0	0	0
H1B9	Riverview Basin Off Street Bikeway	GG	69,400	0	0	0	0
H1C1	Truxel Road Off Street Bikeway	GG	24,520	24,520	24,520	24,520	0
S1A8	El Centro Road/Snowy Egret Way Signal	II	0	193,500	0	0	0
S1A9	El Centro Road/Arena Blvd Signal	II	193,500	0	0	0	0
S1B2	East Commerce Way/Elkhorn Blvd Signal	II	225,750	0	0	0	0
T1A1	Northside of Del Paso Road	II	1,453,825	585,919	585,919	585,919	0
T1B5	Gateway Park Blvd Bridge	II	318,200	318,200	0	0	0
T1B6	El Centro Road Bridge	II	0	954,600	0	0	0
T1B7	Snowy Egret Overcrossing	II	0	0	3,173,000	0	0
T1B8	El Centro Road Del Paso to Arena Blvd	II	0	4,595,782	0	0	0
T1C1	Gateway Park Blvd Arena Blvd to Truxel Road	II	1,682,057	0	0	0	0
T1C5	Del Paso Road City Limit to East Drain	II	0	0	734,438	0	0
T1C8	El Centro Road Del Paso to Arena Blvd	II	2,534,940	0	0	0	0
T1C9	Del Paso West of El Centro	II	1,668,550	0	0	0	0
Totals:			\$8,512,005	\$7,535,384	\$4,672,927	\$765,489	0



DESIGNATED INFILL AREAS

The City's infill program focuses on new development and redevelopment to achieve 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 Sacramento Housing and Redevelopment Agency (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 (CDBG) and various transportation funds.

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. 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

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.

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.

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.

Utilities Department: The Utilities Department is comprised of several Enterprise Funds, including the Water Fund, Sewer Fund, Solid Waste 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 activities that are directly related to providing water, sewer, refuse collection 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.



Federal, State, and Local Grant Funds: Several infrastructure projects supportive of infill development were programmed in prior years and are underway, funded through the state, federal, and local grants and supportive City funding.

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

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 Richards Boulevard 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.

Most of the CIP funding to support future infill development in the Central City is funding from: tax increment (TI); bond proceeds programmed by the Economic Development Department; and by SHRA for the Alkali Flat redevelopment area. New tax increment funding is included in the SHRA budget, which occurs on a calendar year.



The following tables reflect projects that were adopted in the Agency's 2005 budget.

Economic Development / SHRA Funded Capital Improvement Projects (SHRA funding is based on calendar years)							
Project #	Title	Section	5-Year Programming				
			2006	2007	2008	2009	2010
KC67	Pre-Development Services - Downtown	Index	18,000	0	0	0	0
KD56	700/800 K Street Development	New	250,000	0	0	0	0
KD61	Indian Heritage Center	New	649,000	0	0	0	0
Totals:			\$917,000	\$0	\$0	\$0	\$0

2006-2011 Capital Improvement Program SHRA Tax Increment - Alkali Flat (Fund 986)							
Project #	Title	Section	5-Year Programming				
			2006	2007	2008	2009	2010
605C	Alkali Flat Development Assistance	KK	253,000	0	0	0	0
Totals:			\$253,000	\$0	\$0	\$0	\$0

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 Capital Area Development Authority (CADA) and Regional Transit (RT), the City will be receiving federal grant funds and Sacramento Area Council of Governments (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 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 also has infrastructure studies underway for the Florin and Meadowview light rail station areas and Swanston 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 development assistance is provided through SHRA. New tax increment funding is included in SHRA's budget that occurs on a calendar year basis. The following tables illustrate funding for the calendar year.

2006-2011 Capital Improvement Program SHRA Tax Increment - Oak Park (Fund 989)							
Project #	Title	Section	5-Year Programming				
			2006	2007	2008	2009	2010
606C	Oak Park Development Assistance	KK	1,149,000	0	0	0	0
Totals:			\$1,149,000	\$0	\$0	\$0	\$0

2006-2011 Capital Improvement Program SHRA Tax Increment - North Sacramento (Fund 988)							
Project #	Title	Section	5-Year Programming				
			2006	2007	2008	2009	2010
607C	North Sacramento Development Assistance	KK	833,000	0	0	0	0
Totals:			\$833,000	\$0	\$0	\$0	\$0

2006-2011 Capital Improvement Program SHRA Tax Increment - Franklin Boulevard (Fund 987)							
Project #	Title	Section	5-Year Programming				
			2006	2007	2008	2009	2010
608C	Franklin Boulevard Development Assistance	KK	1,075,000	0	0	0	0
Totals:			\$1,075,000	\$0	\$0	\$0	\$0

2006-2011 Capital Improvement Program SHRA Tax Increment - Stockton Boulevard (Fund 990)							
Project #	Title	Section	5-Year Programming				
			2006	2007	2008	2009	2010
609C	Stockton Boulevard Development Assistance	KK	1,145,000	0	0	0	0
Totals:			\$1,145,000	\$0	\$0	\$0	\$0

Commercial Corridors

Commercial corridors are identified in the City's infill program and economic development programs as target investment areas. These areas 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.



2006-2011 CAPITAL IMPROVEMENT PROGRAM