

## INTRODUCTION

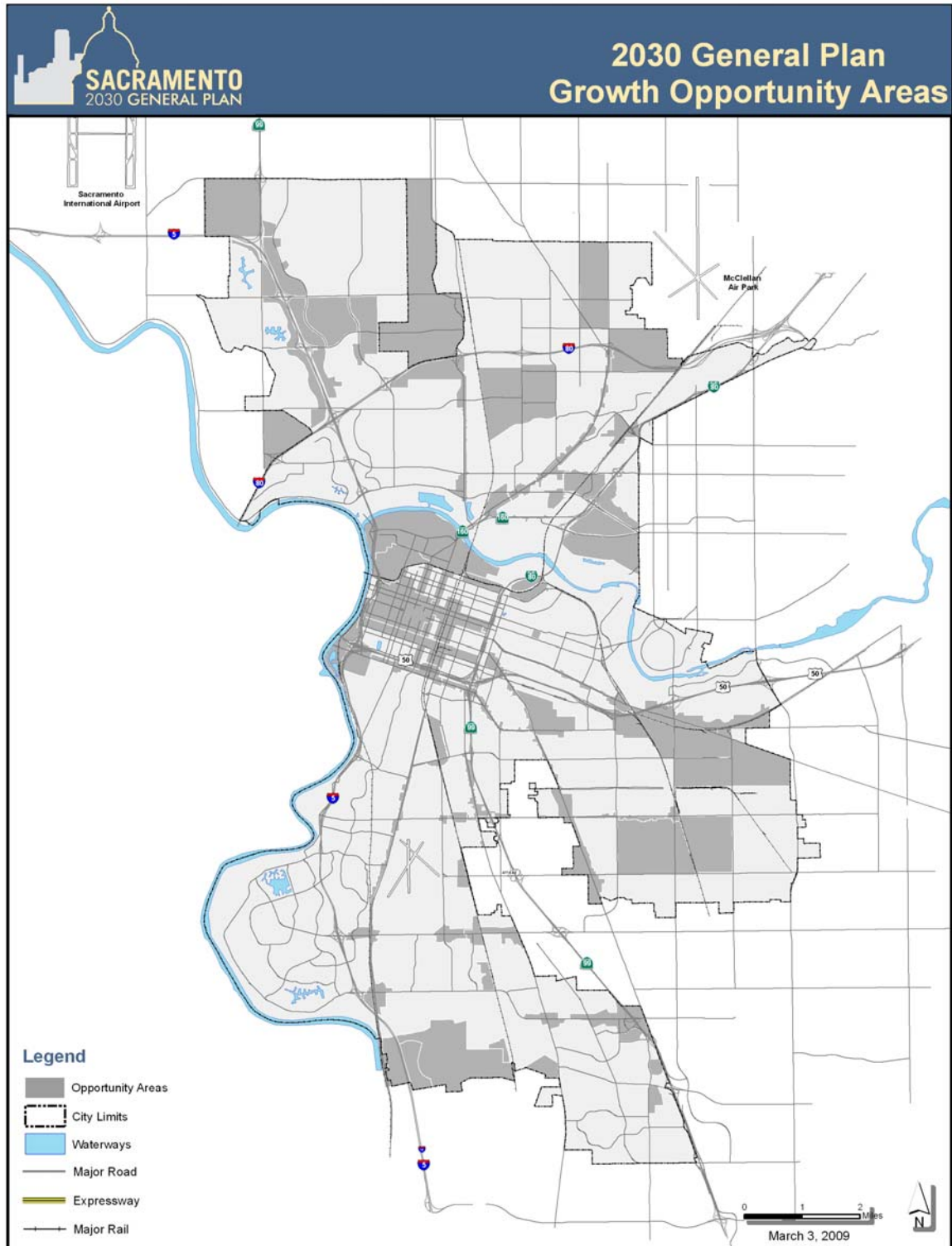
This section of the Capital Improvement Program (CIP) summarizes the planning policies, major development projects and planned public improvements within the City's New Growth and Infill sites. The following geographic areas represent the opportunity sites with the greatest potential for growth in the near term:

- Railyards
- Downtown
- River District (Richards Blvd. area)
- North Natomas, Panhandle, and Greenbriar
- Robla
- Swanston Station / Arden Fair / Point West / Cal Expo
- 65th Street / University Village / Granite Regional Park
- Florin Corridor and Light Rail Transit Station (LRT)
- Delta Shores

A summary of planned growth and public facility improvements follows.







Growth Opportunity Areas as identified in the City's 2030 General Plan, adopted March 3, 2009



2009-2014 CAPITAL IMPROVEMENT PROGRAM

### South Area Community Plan New Growth Area

This 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 line and future extension of the south line transit corridor. The Community Plan for the South Area was recently updated. 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.

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 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.





### Fruitridge/Broadway New Growth Area

The Fruitridge/Broadway community 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 (LRT) along Folsom Boulevard (e.g., 65<sup>th</sup> Street, Power Inn, and Watt/Manlove LRT stations). Higher intensity uses will take advantage of LRT and freeway (US 50) access, which should attract housing, office development, and other employee and resident-serving uses.

The Granite Regional Office Park (120-acres) is partially built out with total development to include over 3 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.

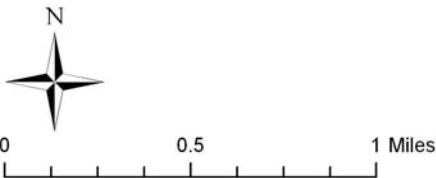
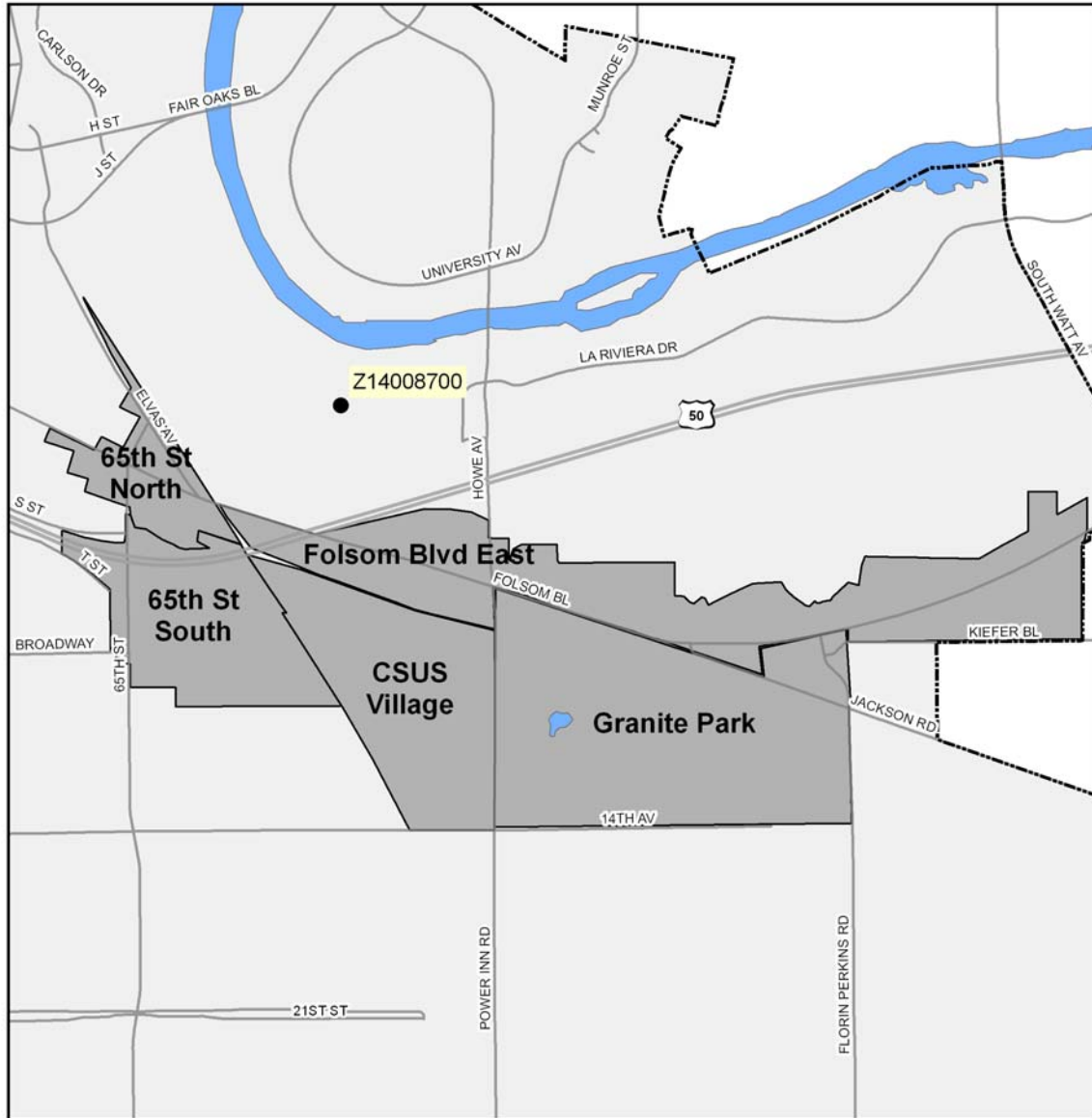
Aspen 1 (Teichert) is a proposed 400+ acre project south of Jackson Highway on the west side of South Watt Avenue. The Sacramento Area Local Agency Formation Commission (LAFCo) approved an amendment to the City's Sphere of Influence to include a 28 acre sliver of previously unincorporated vacant land as part of this project site. Development entitlements are anticipated to be approved in Summer 2010.

Infrastructure improvements in the area include:

- Recently completed LRT bridge over Watt Avenue to eliminate LRT/auto conflicts
- South Watt Avenue widening (County project)



### New Growth and Infill Areas Fruitridge/Broadway



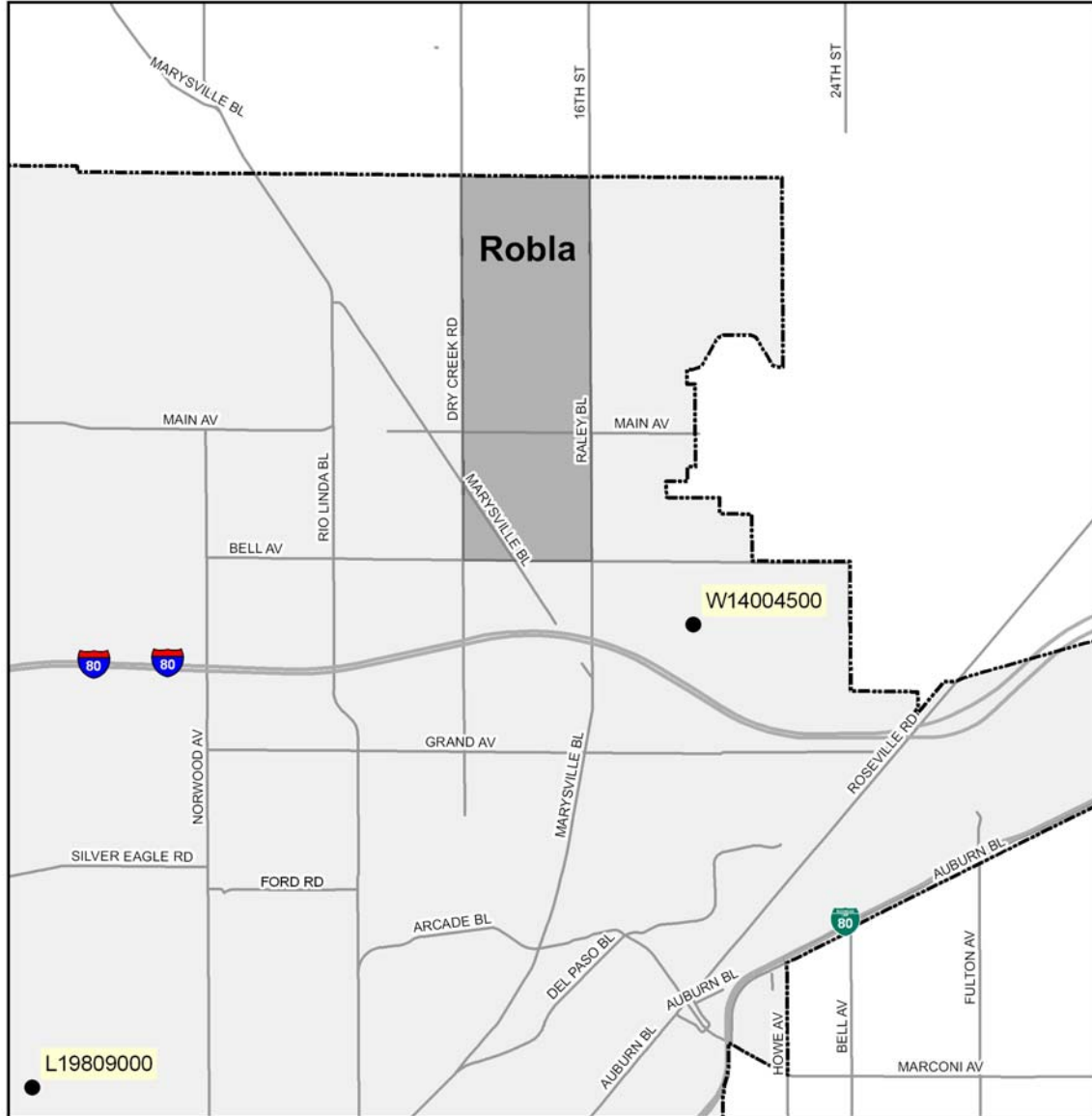
**North Sacramento (Robla) New Growth Area**

Recently approved developments are located in the Raley Boulevard Industrial area, adjacent to McClellan Business Park, and residential infill projects (single family & condominiums) within the Robla neighborhood. 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 provision for backbone infrastructure.

Assessment Districts have been formed along Raley Boulevard, but there are a number of areas for which no funding mechanisms exist for improving the backbone utilities. The uncertainty of future land uses (industrial vs. residential) has probably contributed to this inertia. The current General Plan effort is analyzing the future needs of this area.



### New Growth and Infill Areas North Sacramento Community Plan Area



### 2009-2014 CAPITAL IMPROVEMENT PROGRAM

**Swanston/Arden Fair/Point West/Cal Expo**

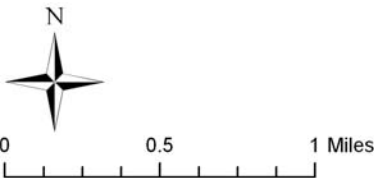
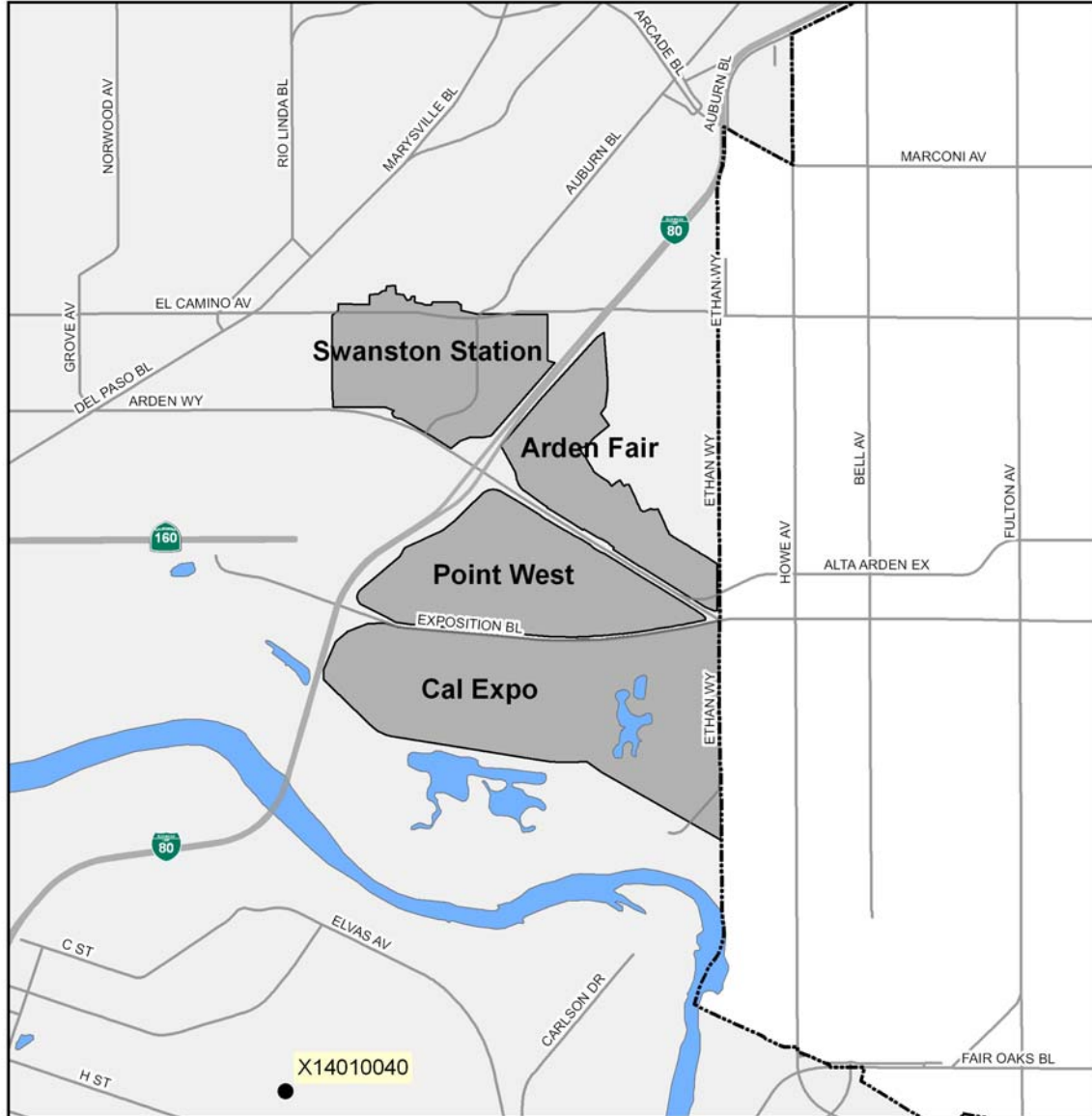
The Swanston/Point West/Arden Fair/Cal Expo opportunity area is split by Business 80. To the west of Business 80 is the Swanston light rail station and the Swanston Estates neighborhood, including single and multifamily residential, retail, commercial and industrial. To the east of Business 80 are the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



### New Growth and Infill Areas Arden Fair, Point West, Cal Expo and Swanston Station



### 2009-2014 CAPITAL IMPROVEMENT PROGRAM

### North Natomas New Growth Area

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 2/3 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 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 – including 595 vacant acres proposed predominantly for housing, scheduled for annexation in Summer 2009. Greenbriar – a 577 acre vacant parcel proposed predominantly for housing – is adjacent to the existing North Natomas Community Plan, and was annexed in May 2008.

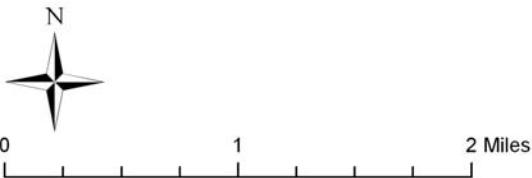
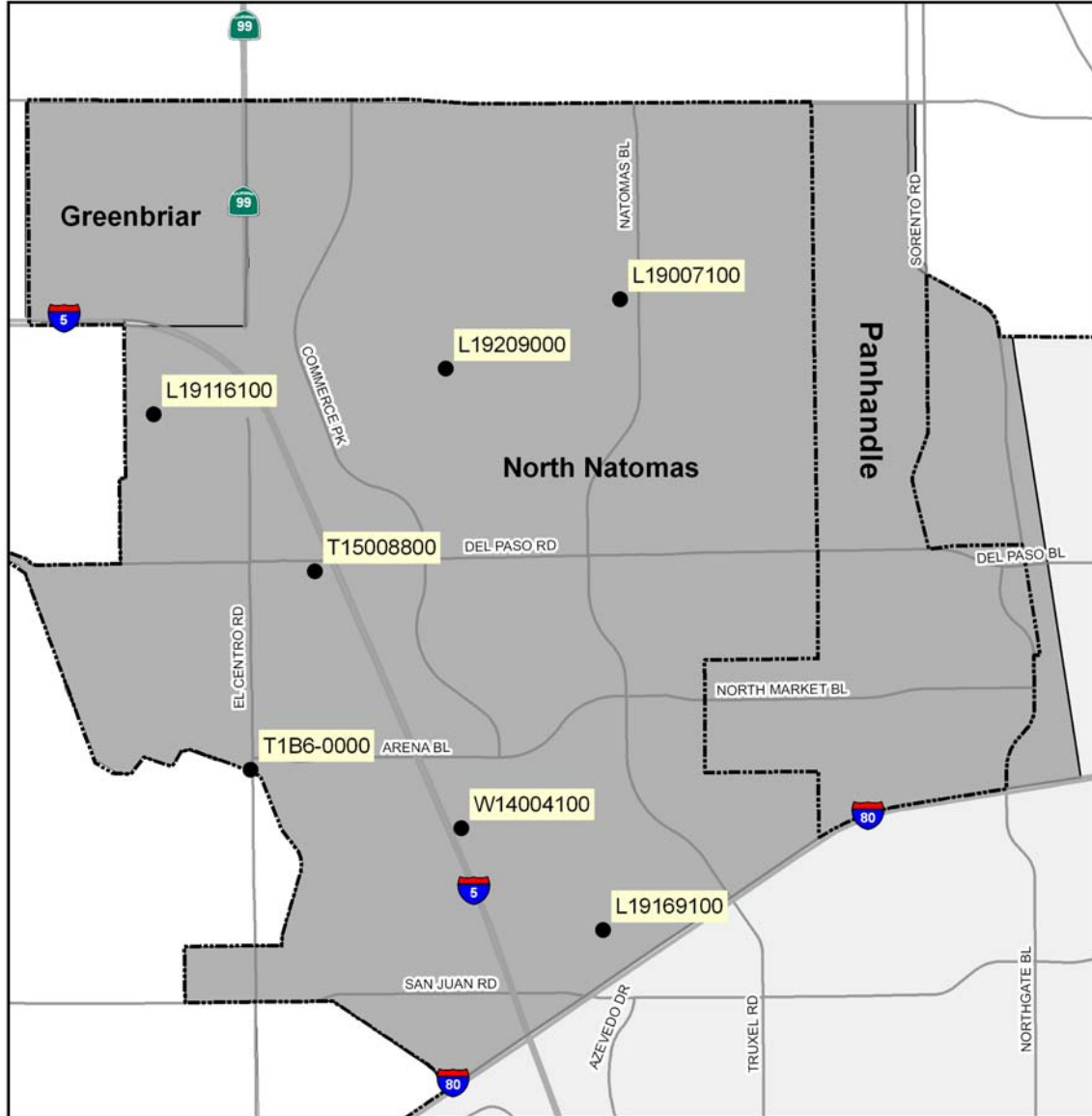
Development in the North Natomas area is currently restricted by the Federal Emergency Management Agency's new maps promulgated on December 8, 2008. No new construction is permitted in the Natomas Basin until such time that the area has at least 100-year flood protection – expected sometime in 2011.

The improvement projects in North Natomas are funded as part of the 2009-2014 CIP program or are built by private landowners. The major infrastructure improvements are financed from the following funds – based upon development impact fees and Mello-Roos Community Facilities Districts – generally due at the time of building permit. 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.

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



### New Growth and Infill Areas Greenbriar, North Natomas, and Panhandle



### 2009-2014 CAPITAL IMPROVEMENT PROGRAM

## 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 on four types of infill areas:

- 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.

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

### Central City

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.

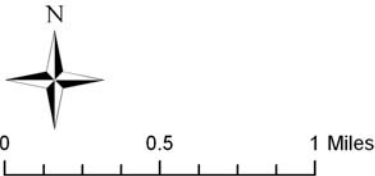
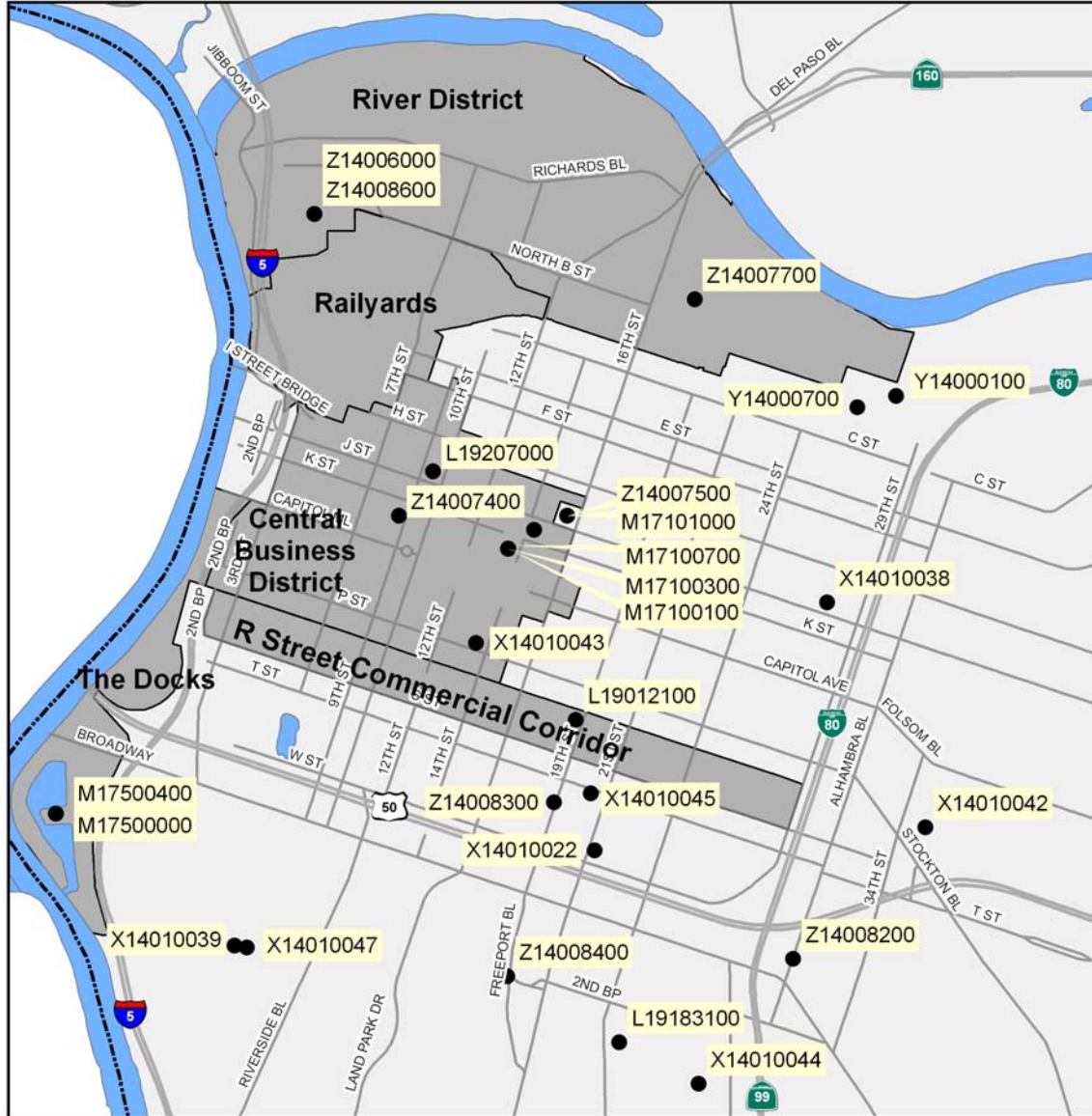
Significant investment in infrastructure will be necessary to support additional higher density infill development.

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. 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.



### New Growth and Infill Areas River District, Railyards, and Central City



### **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 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 65<sup>th</sup> 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 65<sup>th</sup> 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 are expected to be completed in 2009. The Draft Environmental Impact Report for the Swanston Transit Village Station was released in February 2009.

### **Target Residential Neighborhoods**

The City's Infill 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 (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 tax increment 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.

### **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 is expected to be completed by summer 2009.



## Shovel-Ready Sites Program

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. 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.

## 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 tax increment 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 Economic Development Department has two sources of CIP funding that include the City's General Fund and Tax Increment (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.
- **Transportation:** The Transportation Program includes funding for economic development, infill, and redevelopment efforts from the one-half cent sales tax approved by the Sacramento County voters in 1988, also known as Measure A funds. The programming of these funds is at the discretion of the Economic Development Department, working in close coordination with Transportation staff and meeting fund eligibility requirements.
- **City Utilities:** The Utilities Department is comprised of several Enterprise Funds, including the Water, Sewer, Solid Waste, and Storm Drainage Funds. Since Utility Funds are derived from user fees, the use of the funds is restricted to those that are directly related to providing water, sewer, solid waste disposal and storm drainage to citizens and property. The programming of these funds is at the discretion of the Economic Development Department, working in close coordination with Utilities staff and meeting fund eligibility requirements.
- **SHRA:** SHRA is a joint City/County agency and is responsible for administering the Community Development Block Grant (CDBG) program, Home Investment Partnerships (HOME) program, and tax increment 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 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 2008, 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 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 \$36 million and supported developer applications which received another \$43 million. Projects benefiting from the first round of Proposition 1C program funding include:

- Downtown Railyards
- Township 9
- Broadway Lofts
- Curtis Park Village
- La Valentina

These funds are slated to assist with major infrastructure projects or brownfield remediation associated with the developments. The City plans to apply for additional funding in the second round of funding in 2009.

## CIP OPERATING BUDGET IMPACT

Depending upon the specific department, the CIPs 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.

