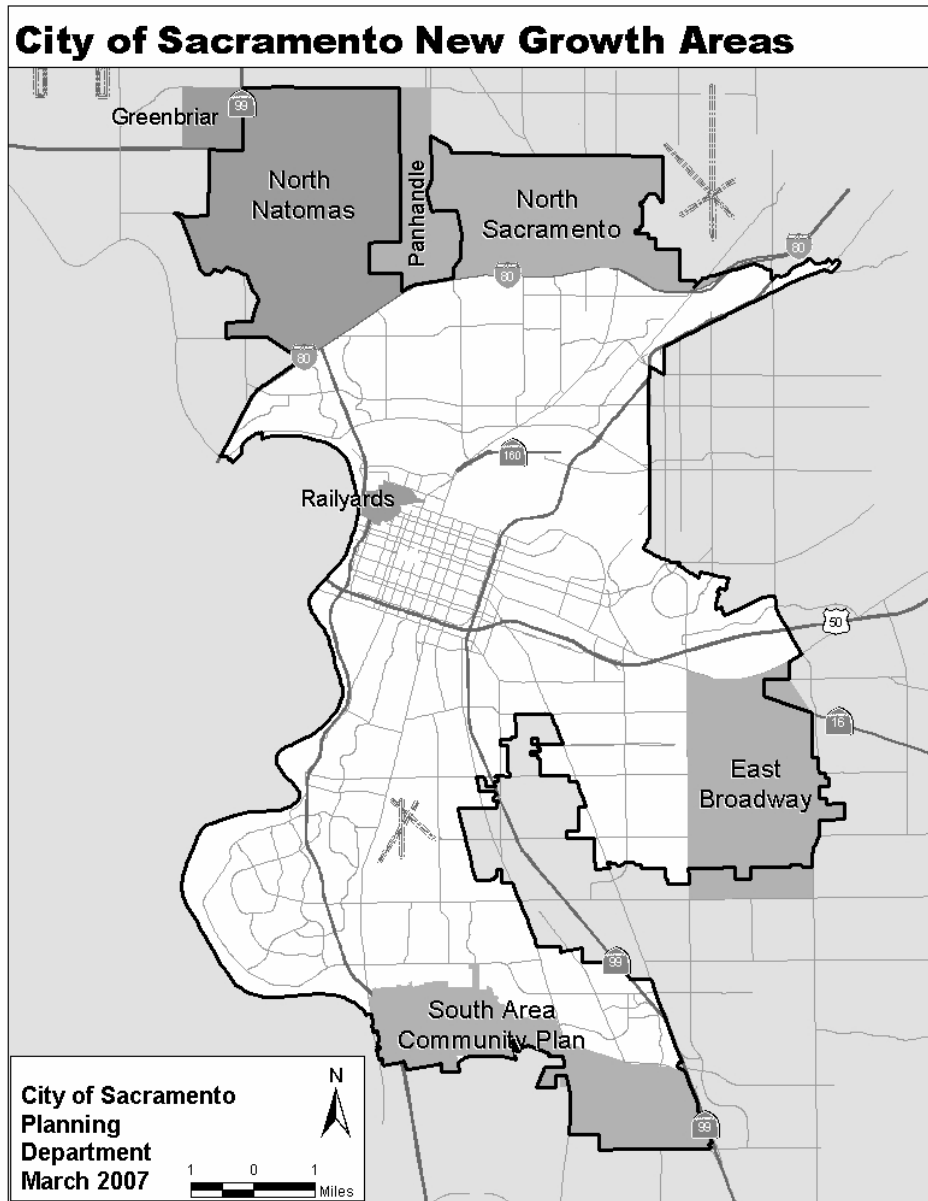
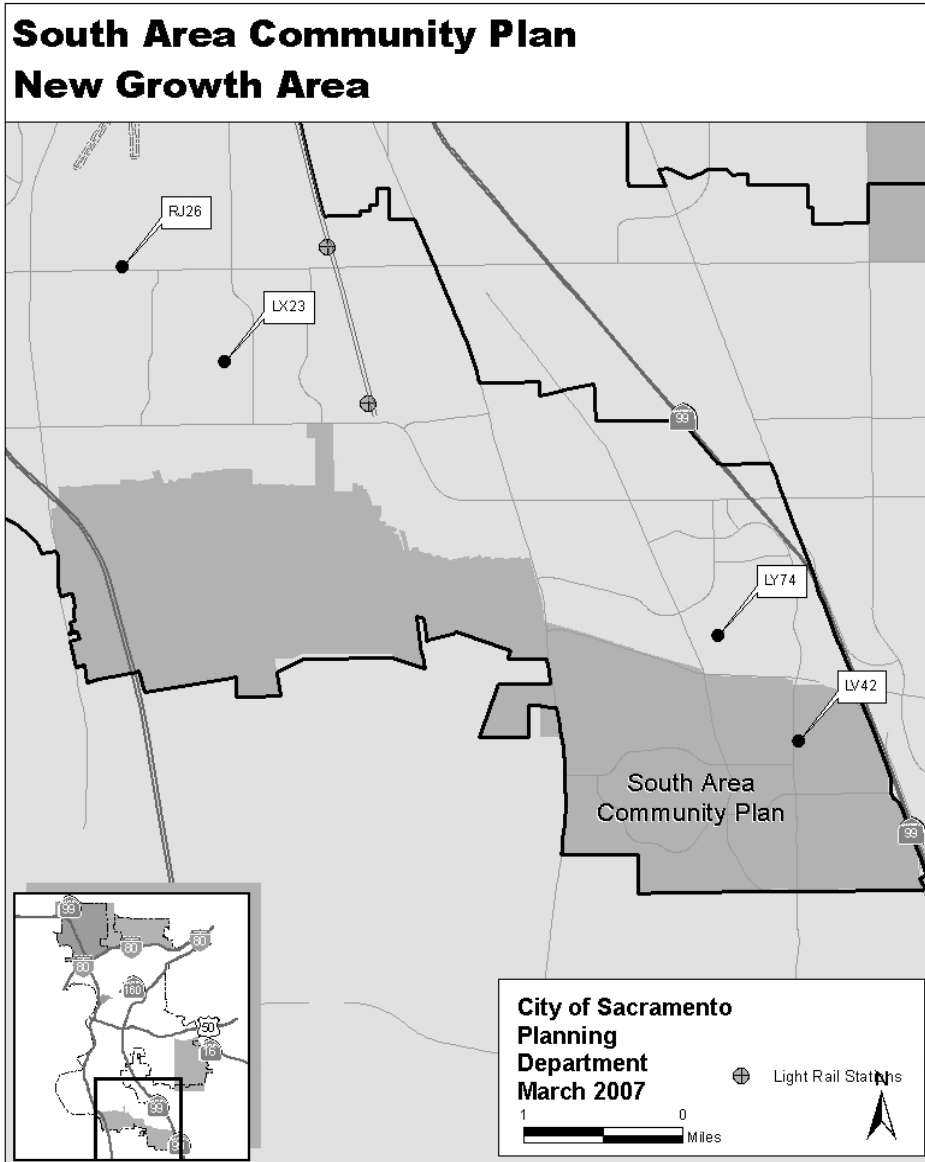


INTRODUCTION

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. The Community Plans identify specific transportation and community facility needs to serve anticipated growth. A summary of planned growth and public facility improvements follows.





South Area Community Plan New Growth Area

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 infrastructure, schools, and other community facilities and services required to address new growth in the area.



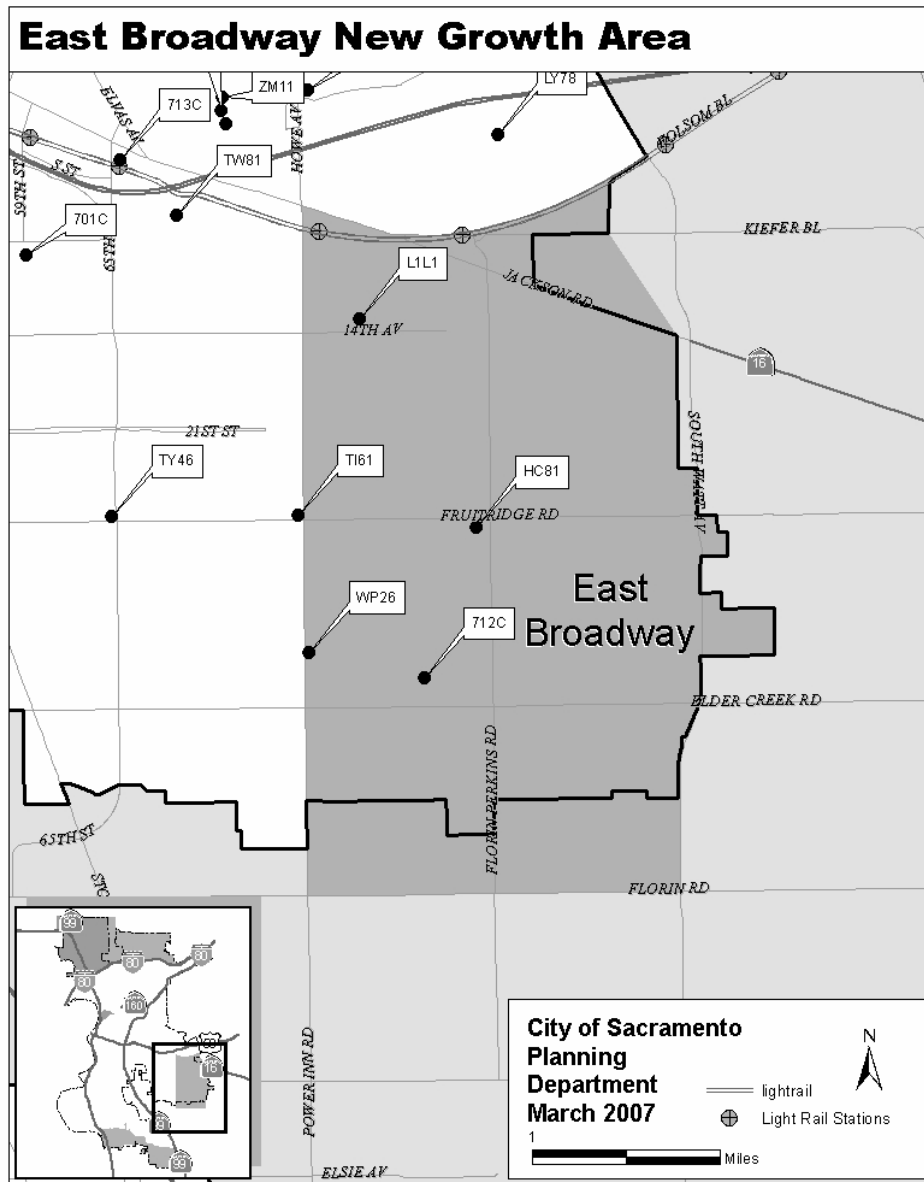
Future development includes the approved College Square mixed-use project near Cosumnes River College and the future development of the Delta Shores area in the south. Major public improvements serving planned new growth include the future Cosumnes Boulevard Extension and Interchange, Phase 2 extension 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.

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 926 acres and will provide the opportunity to meet the City's future housing and commercial needs. A formal application for planning entitlements was submitted to the City in November 2006; the infrastructure needs and financing plan will be delineated within the next 12 months.

FY2007/08 Capital Improvement Program Projects Within This Area:

CIP	NAME	SECTION REFERENCE
LV42	Shasta Park Master Plan	GG





East Broadway New Growth Area

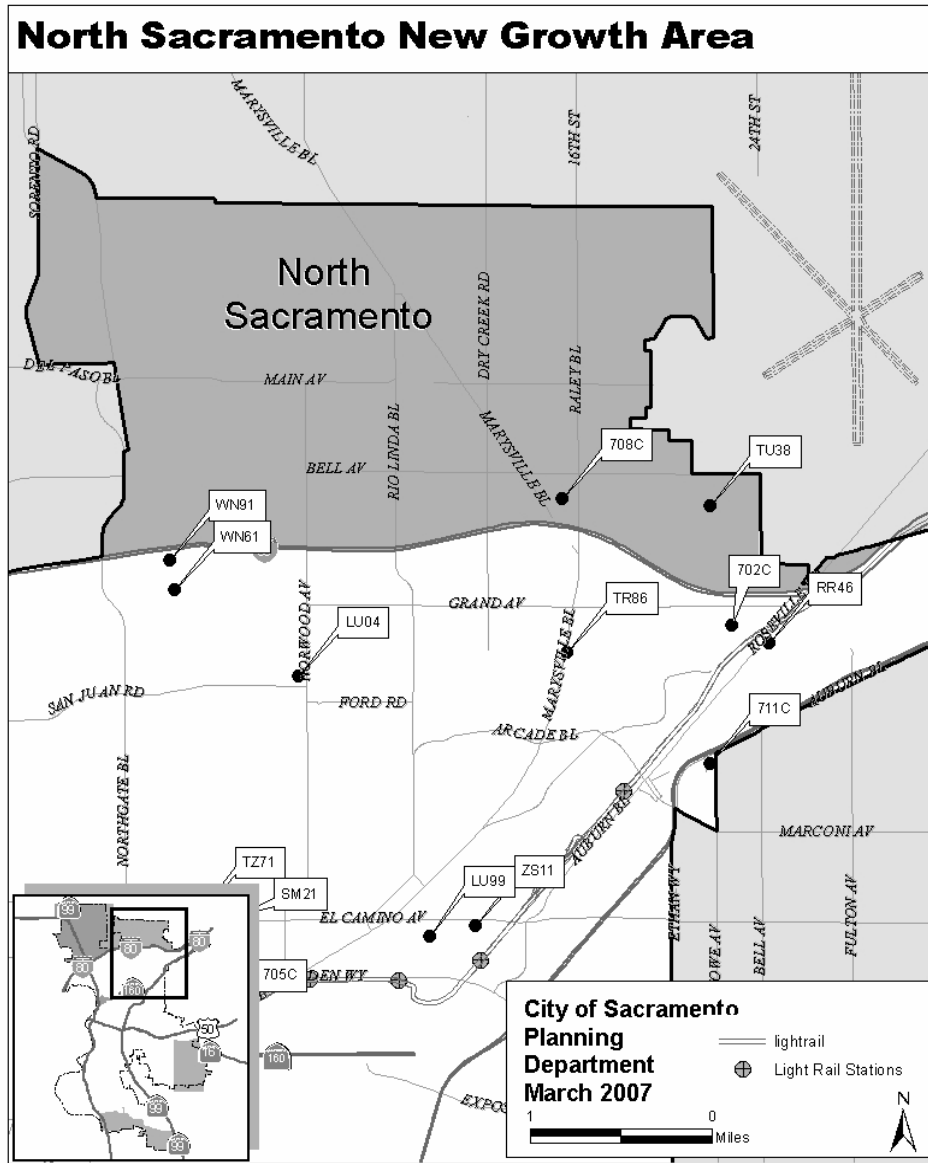
The East Broadway community includes Sacramento’s manufacturing and warehousing district and the Granite Office Park. Increased mixed-use development opportunities will be realized in proximity to Light Rail Transit (LRT) along Folsom Boulevard (e.g., 65th Street, Power Inn, and Watt/Manlove LRT stations). Higher intensity uses will take advantage of LRT and freeway (US50) access, which should attract housing, office development, and other employee intensive uses.



FY2007/08 Capital Improvement Program Projects Within This Area:

CIP	NAME	SECTION REFERENCE
712C	Army Depot Development Assistance	KK
HC81	Army Depot Redevelopment Area Bicycle Facilities Study	GG
L1L1	Granite Regional Park	GG
TI61	Power Inn Road Street Enhancements	II
WP26	Sump 51 Electrical Rehab	JJ





North Sacramento 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.



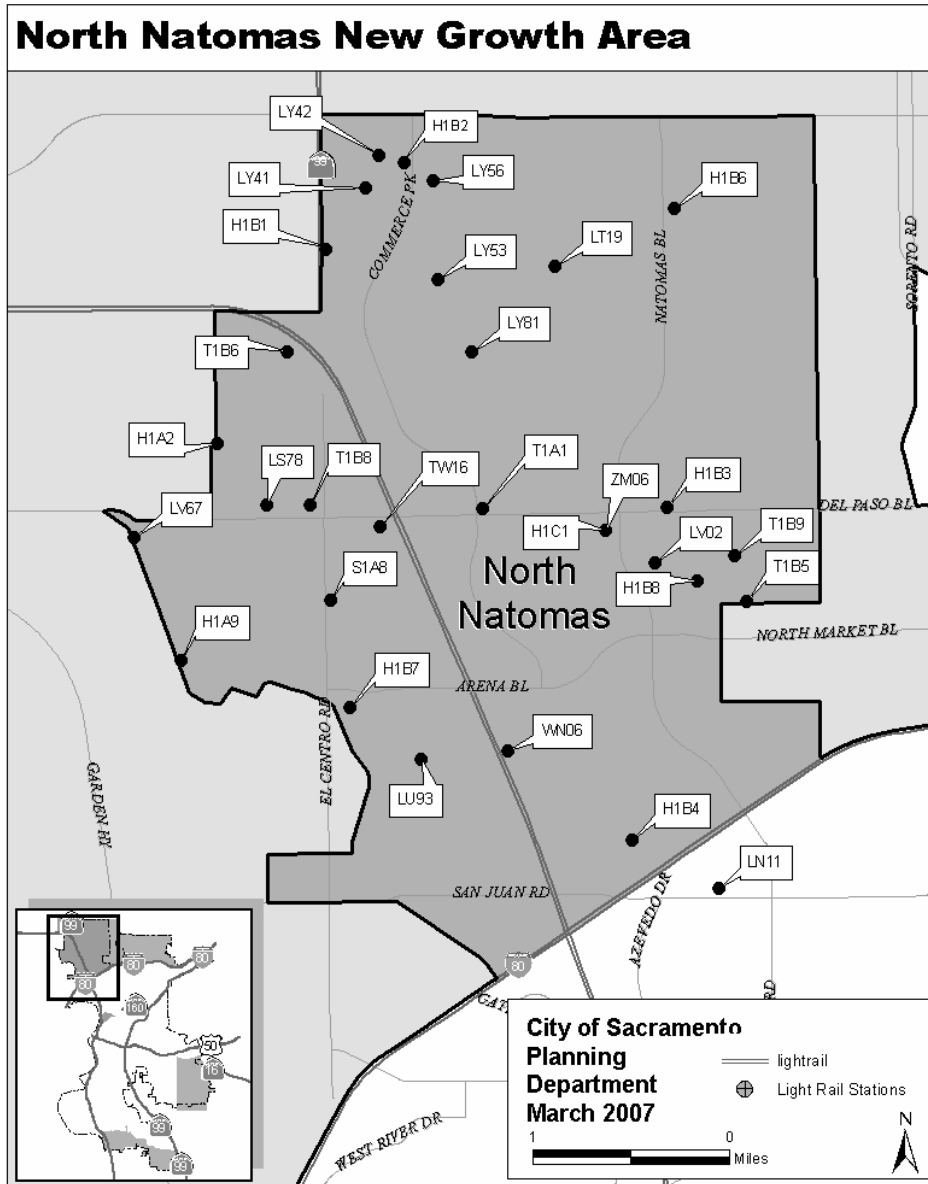
2007-2012 CAPITAL IMPROVEMENT PROGRAM

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 utility lines. 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.

FY2007/08 Capital Improvement Program Projects Within This Area:

CIP	NAME	SECTION REFERENCE
708C	Del Paso Development Assistance	KK
TU38	McClellan Heights Infrastructure	II





North Natomas New Growth Area

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. Since 1999, more than 15,000 dwelling units have been built in North Natomas; the area is now more than 50% built out for residential uses. Office employment, however, is only partially built out.



2007-2012 CAPITAL IMPROVEMENT PROGRAM

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 2007. **Greenbriar** – a 577 acre vacant parcel proposed predominantly for housing – is adjacent to the existing North Natomas Community Plan, and is proposed for inclusion in the City's Sphere of Influence and for annexation in Summer 2007. Infrastructure and finance plans are currently being prepared for Panhandle and Greenbriar.

The improvement projects in North Natomas are funded as part of the 2007-2012 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 publicly 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 a broad spectrum of public improvements in North Natomas. 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 who 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 is shown on the following table.

North Natomas PFF (Fund 780) Direct Expenditures for Transportation and Landscaping Facilities							
Project #	Title	Section	5-Year Programming				
			07/08	08/09	09/10	10/11	11/12
TW16	North Natomas Freeway Monitoring Program	II	11,500	11,500	11,500	11,500	11,500
WN06	I-5 Freeway Landscape	JJ	998,592	998,592	998,592	0	0
Totals:			\$1,010,092	\$1,010,092	\$1,010,092	\$11,500	\$11,500

North Natomas Park Improvements – Other Funding Sources

Parks and recreation projects in North Natomas are also funded through special revenue sources: Park Impact Fees (PIF) 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.



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.

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				
			07/08	08/09	09/10	10/11	11/12
H1A2	Westlake East/West and North/South Bike Trail	GG	15,917	15,917	15,917	0	0
H1A8	C1 Canal Off Street Bikeway	GG	54,113	0	0	0	0
H1A9	Fisherman's Lake Off Street Bikeway	GG	268,100	0	0	0	0
H1B1	State Route 99 Off Street Bikeway	GG	57,683	57,683	57,683	0	0
H1B2	East Commerce Off Street Bikeway	GG	28,783	28,783	28,783	0	0
H1B3	East Drain Canal Park Place Off Street Bikeway	GG	134,900	0	0	0	0
H1B4	Park 4A Off Street Bikeway	GG	17,300	17,300	17,300	0	0
H1B6	Northpointe Off Street Bikeway	GG	35,367	35,367	35,367	0	0
H1B7	West Drain Canal Off Street Bikeway	GG	202,100	0	0	0	0
H1B8	Goldenland South Off Street Bikeway	GG	48,600	0	0	0	0
H1C1	Truxel Road Off Street Bikeway	GG	24,520	24,520	24,520	0	0
S1A8	El Centro Road/Snowy Egret Way Signal	II	0	193,500	0	0	0
T1A1	East Commerce Way	II	585,919	585,919	585,919	0	0
T1B5	Gateway Park Blvd. Bridge	II	318,200	0	0	0	0
T1B6	El Centro Road Bridge	II	0	954,600	0	0	0
T1B7	Snowy Egret Overcrossing	II	0	0	0	3,173,000	0
T1B8	El Centro Road Del Paso to Arena Blvd.	II	5,069,879	0	0	0	0
T1B9	Gateway Park Blvd. Credit	II	1,723,000	0	0	0	0
T1C5	Del Paso Road City Limit to East Drain	II	0	734,438	0	0	0
Totals:			\$8,584,381	\$2,648,027	\$765,489	\$3,173,000	\$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 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 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, Workforce Housing grants, 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: 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 \$1 million in FY2007/08 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 and extended in 2004, also known as Measure A funds. The funding is at the discretion of the Economic Development Department, in coordination with Department of Transportation staff, to ensure that the use of funds meet program eligibility requirements. Subsequent funding will decrease due to the new Measure A funding initiative that will become effective April 1, 2009 and will reflect a 75% reduction in Measure A funds for FY2008/09. The programming for the transportation projects reflects this pending funding decrease in FY2008/09. Staff will return to Council with a series of workshops to develop an expenditure plan for the FY2008/09 through FY2011/12.



City Utilities: The Utilities Program includes \$1 million in FY2007/08 for economic development, infill, and redevelopment efforts. Funding for these activities is allocated annually and administered by the Economic Development Department in coordination with the Department of Utilities (DOU). Some of the annual allocation is already committed to ongoing programs. Funding sources include: the Water, Sewer, Solid Waste, and Storm Drainage Funds. 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.

Sacramento Housing and Redevelopment Agency (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. In coordination with Capital Area Development Authority (CADA) and Regional Transit (RT), the City has received 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. In addition, the City received SACOG Community Design Grant funds for the following infill projects:

- R Street Market Pedestrian Walkway and Plaza;
- City College Light Rail Station Pedestrian/Bicycle Crossing Study and Design;
- 65th Street/University Transit Village Circulation Plan Amendments;
- Docks Area Alternative Modes Parkway; and
- Redding Avenue Alternative Mode Improvements.

These projects are at the conceptual or design level and may or may not lead to future capital improvement projects. At the time actual capital programming has been identified, projects will be included in the City's Capital Improvement Program or brought forward for separate Council action.

INFILL DEVELOPMENT GOALS & SELECTION 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 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 2007 budget.

Economic Development / SHRA Funded Capital Improvement Projects (SHRA funding is based on calendar years)							
Project #	Title	Section	5-Year Programming				
			2007	2008	2009	2010	2011
KC67	Pre-Development Services - Downtown	Index	500,000	0	0	0	0
Totals:			\$500,000	\$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.

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 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 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 (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 following tables illustrate funding for the calendar year.

2007-2012 Capital Improvement Program (SHRA funding is based on calendar years)							
Project #	Title	Section	5-Year Programming				
			2007	2008	2009	2010	2011
705C	North Sacramento Development Assistance	KK	931,781	0	0	0	0
706C	Oak Park Development Assistance	KK	3,641,792	0	0	0	0
707C	Alkali Flat Development Assistance	KK	17,809	0	0	0	0
708C	Del Paso Heights Development Assistance	KK	758,982	0	0	0	0
709C	Franklin Blvd. Development Assistance	KK	1,803,404	0	0	0	0
710C	Stockton Blvd. Development Assistance	KK	1,356,814	0	0	0	0
711C	Auburn Blvd. Development Assistance	KK	17,736	0	0	0	0
712C	Army Depot Development Assistance	KK	1,778,912	0	0	0	0
713C	65th Street RDA Development Assistance	KK	2,182	0	0	0	0
Totals:			\$10,309,412	\$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 within redevelopment areas and can receive SHRA development assistance.

Shovel-Ready Sites Program Description

This program is designed to create readily available sites to attract targeted employers, consistent with the City's Economic Development Strategy. In this program, the City will strategically invest public funds to ready key areas for desired development in order to better leverage and attract private investment. 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 City, through the CIP process, has established a Shovel-Ready Sites project (BD01). A total of \$650,000 is available in BD01 for public investment, which could include:

- Infrastructure and public services (e.g., water, sewer, parks, streets, streetlighting, drainage);
- Land use and environmental review; and
- Other facilities and services (e.g., parking structures).

Over the past year and a half, City staff has surveyed a number of potential sites for this pilot program, and has identified three areas as having the greatest potential to benefit in the near term from such a program. These sites include:

- Granite Park;
- Richards Boulevard; and
- Sacramento Army Depot.

These sites have vacant and underutilized land which, with this type of investment, could result in sites that could attract new or additional office, light industrial, or flex space development. The Shovel-Ready Sites project (BD01), can be used in combination with other funding sources to initiate a pilot investment project at one of these sites or at another suitable site identified by Economic Development or Planning staff. Staff is currently preparing a work program that will identify the tasks, phases, responsibilities, and timeframe for the establishment of the pilot program.

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.

