

RESOLUTION NO. 2007-910

Adopted by the Sacramento City Council

December 11, 2007

ADOPTING THE SACRAMENTO RAILYARDS SPECIFIC PLAN PUBLIC FACILITIES FINANCING PLAN

BACKGROUND

- A. On September 11, 2007, October 2, 2007 and October 22, 2007, the City Planning Commission participated in the public hearings on the Sacramento Railyards Specific Plan at the joint meetings with the Design Commission and Preservation Commission, which included a review of the proposed street system, parks and open spaces, and other public facilities proposed as part of the Specific Plan.
- B. On November 13, 2007, the City Planning Commission held a noticed public hearing on the Sacramento Railyards Specific Plan and the Specific Plan Public Facilities Financing Plan in accordance with Government Code Sections 65353 and 65453, received and considered evidence, and forwarded to the City Council a recommendation to adopt the Sacramento Railyards Specific Plan and the Specific Plan Public Facilities Financing Plan.
- C. On November 20, December 4, and December 11, 2007, the City Council conducted noticed public hearings in accordance with Government Code Sections 65355 and 65453 and received and considered evidence concerning the Sacramento Railyards Specific Plan and Sacramento Railyards Specific Plan Public Facilities Financing Plan.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Based on the verbal and documentary evidence received at the hearings on the Sacramento Railyards Specific Plan and the Specific Plan Public Facilities Financing Plan, the City Council finds that adoption of the Sacramento Railyards Specific Plan Public Facilities Financing Plan would achieve the following:

1. Implement the City's General Plan goal to provide infrastructure for identified infill areas;

2. Establish a program of implementation measures, including regulations, programs, public works projects and financing measures for funding the Backbone Infrastructure and Public Facilities required to implement the Sacramento Railyards Specific Plan, including identifying existing and potential future development impact fees, public financing mechanisms, and federal, state and local funding programs;
3. Identify the development timing for implementation of the Backbone Infrastructure and Public Facilities improvements needed for the Initial Phase and Buildout conditions consistent with the Sacramento Railyards Specific Plan phasing plan; and
4. Establish the policy framework for future financing of the required Backbone Infrastructure and Public Facilities improvements needed to implement the Sacramento Railyards Specific Plan.

Section 2. The City Council hereby adopts the Sacramento Railyards Specific Plan Public Facilities Financing Plan.

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Exhibit A: Sacramento Railyards Public Facilities Financing Plan

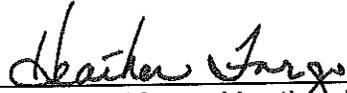
Adopted by the City of Sacramento City Council on December 11, 2007 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

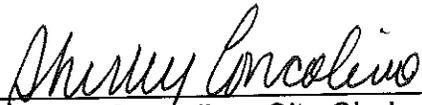
Abstain: None.

Absent: None.



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

FINAL DRAFT REPORT

RAILYARDS SPECIFIC PLAN PUBLIC FACILITIES FINANCING PLAN

Prepared for:

City of Sacramento

Prepared by:

Economic & Planning Systems, Inc.

November 2007

EPS #15574

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I. EXECUTIVE SUMMARY

INTRODUCTION

The Sacramento Railyards Specific Plan (herein referred to as the “RSP,” “Railyards,” or “Project”) is located in the City of Sacramento (City) on 244 acres of land immediately north of downtown Sacramento, east of the Sacramento River, south of North B Street, and north of the Federal Court House and Alkali Flat neighborhood. **Map I-1** shows the location of the Project within the context of downtown Sacramento. Many of the maps in this report are copies of maps from the August 2007 Railyards Specific Plan Draft Environmental Impact Report (EIR). For example, **Map I-1** is also EIR Figure 3-2.

The Project is located in the Richards Boulevard Redevelopment Area (RBRA), which was established in 1990 to encourage revitalization and infill development adjacent to Downtown. The City and the City Redevelopment Agency (Redevelopment Agency) have proposed to revise the RBRA boundaries by removing the Project from the RBRA and establishing a proposed new Railyards Redevelopment Project Area (RRPA) made up of a portion of the RBRA that includes the Project.

The Public Facilities Financing Plan (Financing Plan) provides an overview of the development strategy for the Railyards and provides the background for establishing public policies that will govern the financing of backbone infrastructure and public facilities (Facilities) necessary to serve the Project. The Financing Plan also identifies the estimated cost of the Facilities and proposes a set of funding sources to pay for the Facilities.

LAND USE SUMMARY

This Financing Plan is based on the Project land use designations described in the August 20, 2007, Sacramento Railyards Public Review Draft Specific Plan (Specific Plan). A majority of the Railyards is owned by Thomas Enterprises of Sacramento, LLC, (herein referred to as the “Master Developer” or “Thomas Enterprises”). According to the Specific Plan, the Project provides for high-density mixed-use development and a maximum allowance of the following land uses:

- 12,100 residential units;
- 2.4 million square feet of office space;
- 1.4 million square feet of commercial space;
- 491,000 square feet of flexible mixed-use space;



Source: City of Sacramento, Basemap; PBS&J/EIP, 2007.

- 485,390 square feet of historic and cultural space; and
- 1,100 hotel rooms.

The RSP also includes open space, parks, and other community facilities.

LAND USE SUMMARY USED IN FINANCING PLAN

The RSP provides considerable flexibility in the land use program, such as permitting either a maximum level of office or a maximum level of residential for a specific area. The EIR evaluates the potential environmental impacts of the Railyards project using the maximum allowable building program for each land use (Table 3-2 of the EIR). The maximum levels of both land uses, however, cannot be constructed. The Financing Plan uses a more conservative land use scenario to avoid overestimating the actual amount of development. These land use differences are explained in greater detail in **Chapter II**.

Map I-2 (also EIR Figure 3-5) shows the proposed land use plan of the Project, and **Table I-1** summarizes the land use plan at buildout for the Project used in this Financing Plan. For the purpose of this Financing Plan, development of the Project has been organized into two phases:¹

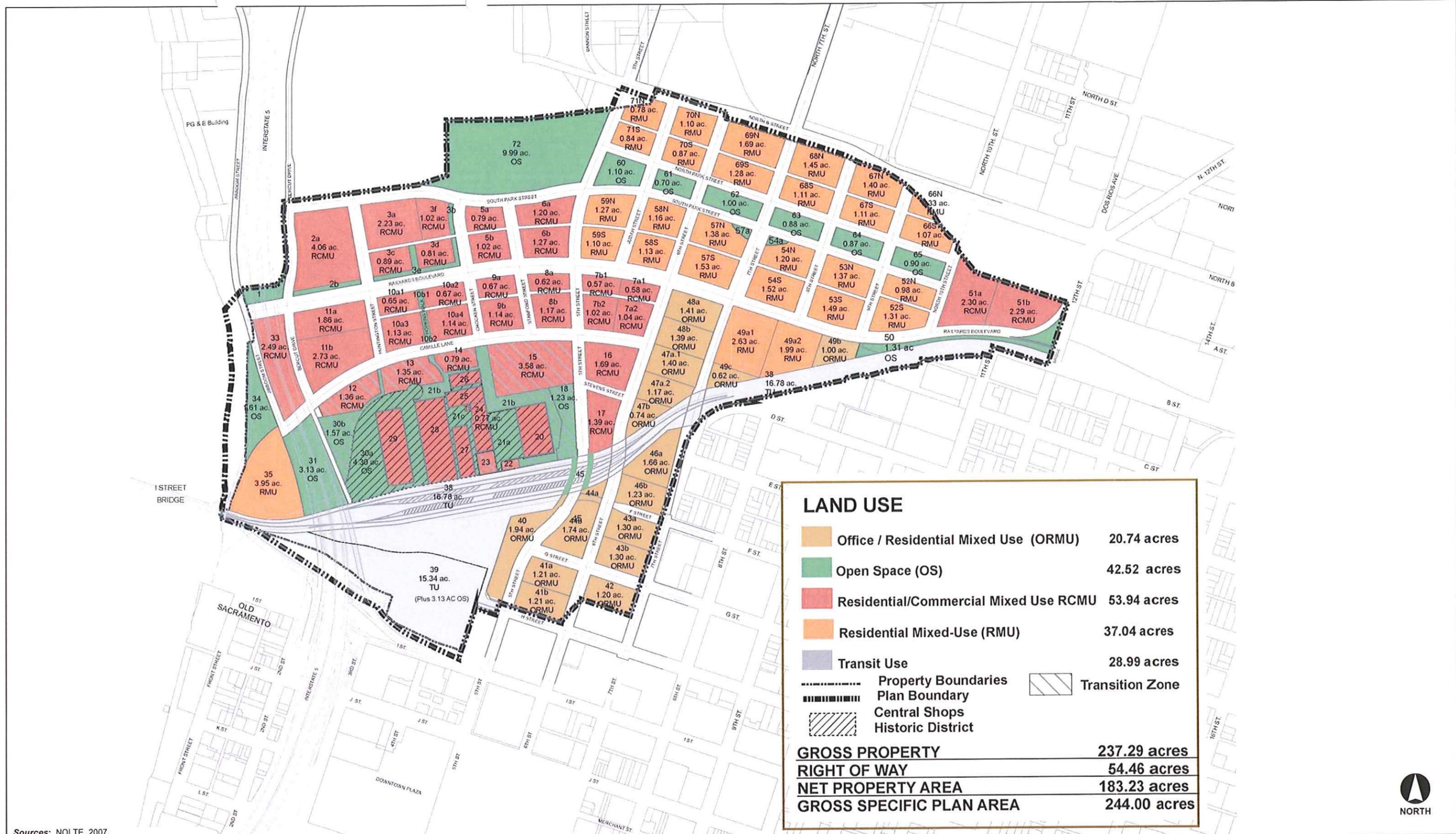
- **Initial Phase** includes Thomas Enterprises' Phases 1A, 1B, and 2; and
- **Remaining Phase** includes Thomas Enterprises' Phases 3 and 4.

Buildout of the Project represents Initial Phase and the Remaining Phase combined.

PUBLIC FACILITY REQUIREMENTS

The Specific Plan and EIR provide detailed descriptions of transportation, storm drainage, water, and sanitary sewer systems needed to support the RSP and Richards Boulevard Area Plan (herein referred to as the "River District"), except when used in the name of an existing program. The Specific Plan also describes the Facilities required for development of the Project including schools, parks, open space, fire station, landscape corridors and other public amenities. These improvements are labeled "Backbone Infrastructure" and "Public Facilities" throughout the Financing Plan. **Chapter III** provides a precise definition of Backbone Infrastructure and Public Facilities.

¹ Land use phasing is based on Thomas Enterprises' 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios and the City of Sacramento's October 23, 2007 Open Space Summary.



LAND USE	
	Office / Residential Mixed Use (ORMU) 20.74 acres
	Open Space (OS) 42.52 acres
	Residential/Commercial Mixed Use RCMU 53.94 acres
	Residential Mixed-Use (RMU) 37.04 acres
	Transit Use 28.99 acres
	Property Boundaries
	Plan Boundary
	Central Shops Historic District
	Transition Zone
GROSS PROPERTY 237.29 acres	
RIGHT OF WAY 54.46 acres	
NET PROPERTY AREA 183.23 acres	
GROSS SPECIFIC PLAN AREA 244.00 acres	

Sources: NOLTE, 2007.



BUILDOUT

**Table I-1
Railyards Specific Plan
Public Facilities Financing Plan
Railyards Land Use Summary at Buildout**

Land Use [1]	Residential						Nonresidential				Hotel Rooms
	Total Acres	Units	Units/Acre	Retail Sq. Ft.	Office Sq. Ft.	Cultural/Historic Sq. Ft. [2]	Flexible Mixed Use Sq. Ft. [3]	Total Sq. Ft.	Hotel Rooms		
		b	c = b/a	d	e	f	g			h = d + e + f + g	
Mixed Use Land Uses											
Office/Residential Mixed Use (ORMU) [4]	18.7	728	39	157,700	1,537,200	-	-	1,694,900	-	500	
Residential Mixed Use (RMU)	42.0	8,296	198	165,000	-	-	-	165,000	-	600	
Residential Commercial Mixed Use (RCMU)	42.3	1,704	40	1,062,100	-	322,560	491,000	1,875,660	-	1,100	
Total Mixed Use Land Uses	103.0	10,728	-	1,384,800	1,537,200	322,560	491,000	3,735,560	-	1,100	
Other Land Uses											
Open Space [5]	42.4	-	-	-	-	-	-	-	-	-	
Transportation Use [6] [7]	29.0	-	-	-	-	-	-	-	-	-	
Railroad Technology Museum [6]	3.9	-	-	-	-	162,830	-	162,830	-	-	
Parking/Public Uses [6] [8]	3.4	-	-	-	-	-	-	-	-	-	
Total Other Land Uses	78.6	-	-	-	-	162,830	-	162,830	-	-	
Total Land Uses [9]	181.6	10,728	-	1,384,800	1,537,200	485,390	491,000	3,898,390	-	1,100	

"LU_all"

Source: 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios, Thomas Enterprises; 10/23/07 Open Space Summary, City of Sacramento; and EPS.

[1] This plan represents one possible buildout scenario based on reasonable assumptions of market demand. Actual land use mix and development sequencing will be determined by market conditions.

[2] Refers to Historic Cultural land uses.

[3] Refers to second-level mixed-use commercial space fronting Camille Lane, which may have retail, office, housing, or educational uses. This analysis assumes the square footage associated with these parcels is 100% office.

[4] Indicates General Mixed Use. In this Analysis, parcels 40-44 and 46 (south of the track facilities) are considered 100% office and 0% residential. Parcels 47a, 48, 49b and 49c (north of the track facilities) are considered 100% residential and 0% office.

[5] Based on 10/23/07 Open Space Summary provided by City of Sacramento.

[6] Includes parcels 28 and 29 designated as RRMU. Parcels identified by the City of Sacramento.

[7] Includes the Intermodal Station, Passenger Facilities, and Depot Plaza.

[8] Includes I-5 Parking and the Pump Station.

[9] The Railyards comprises 244 acres; acreage not shown here is assumed to comprise other right-of-way and non-Developer owned land.

The Specific Plan provides an overview of the implementation strategy for the phasing and financing of the identified improvements. The Financing Plan expands on the implementation strategy presented in the Specific Plan. The development of the Project is a long-term process (25+ years). Many details about development phasing, timing of infrastructure requirements and available financing will not be known until the actual development of each phase of the Project occurs.

PURPOSE OF THE FINANCING PLAN

Economic & Planning Systems, Inc., (EPS) prepared this Financing Plan, which is a requirement of the Implementation Chapter of the Specific Plan. The Financing Plan is based on the Specific Plan, the EIR, and numerous engineering studies for various major infrastructure items.

The purpose of the Financing Plan is to describe the financing strategy used to fund Backbone Infrastructure and Public Facilities (as defined later in this report) needed to serve new development in the Project. The Financing Plan accomplishes this strategy by following these steps:

1. Specifying the major Backbone Infrastructure and Public Facilities to be constructed or acquired in association with the development of the Project;
2. Identifying funding sources to pay for the Backbone Infrastructure and Public Facilities, including any existing and potential future fee programs or financing districts;
3. Providing information regarding the development timing of Backbone Infrastructure and Public Facilities improvements; and
4. Establishing the policy framework for financing the required major Backbone Infrastructure and Public Facilities improvements.

OVERVIEW OF FINANCING STRATEGY

This Financing Plan shows the estimated costs to construct identified Backbone Infrastructure and Public Facilities and describes the proposed or identified financing mechanisms to fund those costs.

FACTORS INFLUENCING THE FINANCING PLAN

The process of developing the Financing Plan for the RSP area includes several important considerations:

- As a major infill redevelopment project, the RSP proposes to create a new urban environment within the context of an already established city and region. Success or failure hinges on understanding the significant risks involved in pioneering a new area and creating the appropriate implementation framework.
- The project will require a long time frame to complete. Many market and financing factors influencing development of the project will not be known for many years.
- The project is composed of a broad mix of land uses, including retail, office, entertainment, hotel, housing, and public space.
- The RSP requires a significant amount of major infrastructure in the early phases of development.
- Financing the Facilities requires a combination of City, State, federal, and private development funding sources.
- A public/private partnership is required to advance the project through the numerous development hurdles that will be encountered. This public/private partnership will function through the terms and conditions of the Railyards Development Agreement (DA) as well as other agreements with the City and Redevelopment Agency.
- Tax Increment funding will not be available at the start of the Initial Phase.
- Many of the specific development projects (retail, office, residential, mixed-use) at the outset of development have financial feasibility challenges under current market conditions. Project developers envision obtaining public subsidies to assist with closing financial feasibility gaps. This will be accomplished mostly through the public underwriting of a portion of backbone infrastructure and public facility costs, typically paid for by new development.

GOALS OF THE FINANCING PLAN

The elements of the Financing Plan must work together to provide the optimal balance of State of California (State) and federal funding, City funding, redevelopment tax increment financing, development impact fees, land secured debt, and private financing. It will be important not to burden the Project with too much public or private debt while also assuring that necessary facilities are constructed when needed to meet the Project's service standards.

The goals of the Financing Plan are as follows:

- Secure funding from federal and State agencies to contribute to the financing of major freeway, roadway, transit facilities, other transportation improvements, utilities, and other infrastructure;
- Provide Tax Increment funding and other City funding for infrastructure and public facilities to assist in creating a feasible project;
- Make appropriate use of municipal debt financing mechanisms to reimburse developers for construction of facilities;
- Build in flexibility to allow for changing real estate market conditions and public and private financing opportunities; and
- Assure that new development pays its proportionate share of backbone infrastructure and public facility improvement costs without rendering the development project infeasible.

NEW AND UPDATED FINANCING MECHANISMS

The Financing Plan proposes that the City update existing development impact fee programs and create new special financing districts to provide equal participation in financing the Facilities for all benefiting development projects, including these actions:

- Updating existing City and Special District fee programs to the extent possible;
- Updating the existing Railyards/Richards Boulevard (River District)/Downtown Transportation Impact Fee and Railyards and Richards Boulevard (River District) Public Facility Fee Programs (each of these programs are described in more detail in Chapter IV);
- Establishing a Railyards Special Financing District (e.g., Mello-Roos Community Facilities District [CFD]) to reimburse the master developer for construction of major Backbone Infrastructure and Public Facilities using land secured debt.

To the extent that other funding is available from special local, State, and federal sources, the costs funded through the aforementioned fee programs and special financing districts may be reduced.

ITEMS EXCLUDED FROM THE FINANCING PLAN

The following items are specifically excluded from the Financing Plan:

- Costs and funding mechanisms associated with the Sacramento Intermodal Transportation Facility (SITF), the relocation of the main-line railroad tracks, and

the associated construction of interim passenger facilities. Funding for these projects is part of a separate development program currently underway by the City.

- Costs associated with toxic remediation for Backbone Infrastructure and Public Facilities as well as on-site private development are specifically excluded from this analysis and are the full responsibility of Thomas Enterprises except to the extent that they add an increment of cost to specific infrastructure projects.
- The cost of typical subdivision infrastructure, including both frontage and in-tract improvements, which will be funded by private development.

BACKBONE INFRASTRUCTURE AND PUBLIC FACILITIES COSTS AND FUNDING SOURCES

Reader's Note: The Backbone Infrastructure and Public Facilities described in this section continue to undergo review. All costs are in 2007 dollars and reflect cost estimates as of October 18, 2007. Cost estimates will be adjusted for inflation or revised, based on more detailed engineering information as the development process is implemented.

Buildout of the RSP will require the construction of roadways, storm drainage, sewer, water, and a variety of other public facilities. Cost estimates for required Backbone Infrastructure and other Public Facilities have been derived from a combination of available preliminary engineering data provided by Nolte Associates, Inc., Kimley-Horn and Associates, Inc., Davis Langdon, Walker Parking Consultants, Thomas Enterprises, and the City current as of October 18, 2007.

BACKBONE FACILITIES COSTS

Table I-2 summarizes the buildout costs of Backbone Infrastructure and other Public Facilities required to serve the RSP. At buildout, Backbone Infrastructure and other Public Facilities are estimated to cost approximately \$745 million (2007\$). These costs are for Facilities located within the boundaries of the RSP, or beyond the boundaries of the RSP but are designed to serve the RSP and are required to be funded in whole or in part by the RSP developers. These costs do not include the costs of in-tract and other project-specific improvements, which will be privately financed. The costs summarized in **Table I-2** also exclude the value of land on which the Backbone Infrastructure and other Public Facilities will be constructed.

**Table I-2
Railyards Specific Plan
Public Facilities Financing Plan
Preliminary Infrastructure Improvement Costs at Buildout (2007\$)**

Item	Buildout
Infrastructure Improvements [1]	
Storm Drainage	\$45,403,450
Sanitary Sewer	\$30,101,000
On-Site Sanitary Sewer	\$6,439,230
Off-Site Sanitary Sewer	\$36,540,230
Total Sanitary Sewer	\$21,603,217
Water	
Transportation [2]	\$158,412,000
On-Site Roadways [3]	\$14,122,000
Off-Site Roadways	\$14,853,000
Dry Utilities	\$69,661,000
Freeways	\$257,048,000
Total Transportation	\$360,594,897
Total Infrastructure Improvements	
Public Facility Improvements	\$5,000,000
7th Street LRT Station [4]	\$10,000,000
Other Transit Facilities	\$124,900,060
Central Shops [5]	\$9,750,000
Community Center [6]	\$36,813,601
Parks and Open Space [7]	\$137,321,560
Surface and Structured Parking [8]	\$39,527,436
Schools [9]	\$500,000
Library [10]	\$10,000,000
Police Station [11]	\$10,000,000
Fire Station [11]	\$383,812,657
Total Public Facility Improvements	\$744,407,554
Subtotal Infra. and Public Facility Improvements	\$1,000,000
Special Financing District Formation and Updates	\$745,407,554
Total Infra. and Public Facility Improvements	\$745,407,554

"cost_summ_bldt"

Source: 7/14/07 Railyards Phasing Scenario; 7/17/07 & 10/17/07 Nolte cost estimates; 7/11/07 & 5/2/07 Kimley-Horn and Assoc. cost estimates; 10/23/07 City of Sacramento cost estimates; EPS.

**Table I-2
Railyards Specific Plan
Public Facilities Financing Plan
Preliminary Infrastructure Improvement Costs at Buildout (2007\$)**

- [1] Costs include contingency, engineering and design, construction management, and plan check permit costs.
- [2] Transportation improvements include full sidewalk but excludes landscaping, wet/dry utilities, and demo (except where noted).
- [3] For some arterial roadways, excludes costs associated with right-of-way acquisition.
- [4] Placeholder estimate from the City of Sacramento as of 10/11/06.
- [5] Improvement cost estimates for Central Shops provided by Thomas Enterprises.
- [6] Estimate from the City of Sacramento as of 6/2007. Based on an estimate of \$325/sq. ft. for a typical community center of 30,000 square feet.
- [7] Estimated costs and phasing provided by the City of Sacramento's Department of Parks and Recreation 10/23/07.
- [8] Based on a preliminary estimate prepared by Walker Parking Consultants on 6/29/07. Includes public surface and structured parking per the City of Sacramento 8/30/07.
- [9] For this iteration of the analysis, total costs are assumed to equal fee revenue generated by the project. Actual costs will be updated when they are available.
- [10] Assumed to be a community reading room.
- [11] Placeholder estimate provided by the City of Sacramento as of 5/17/07.

SOURCES OF FUNDING

Figure I-1 provides a summary of the estimated funding sources for the infrastructure program at buildout. The complexity of the Railyards project requires many funding sources to construct the Backbone Infrastructure and Public Facilities required to serve the Project. Because of the extent of infrastructure requirements and mix of funding sources, the Master Developer and City will need to closely coordinate the use of public and private funding. Over time it is anticipated that private development can shoulder a larger portion of the infrastructure burden.

As shown, the main funding categories (and associated percentages which result from the calculations in this document) consist of those listed here:

- **Project-based funding** which accounts for approximately 23 percent of all funding;
- **City and Redevelopment Agency** sources of funds, which account for 30 percent of all funding; and
- **Outside Sources of funds** (regional, State, federal, and other), which account for approximately 47 percent of all funding.

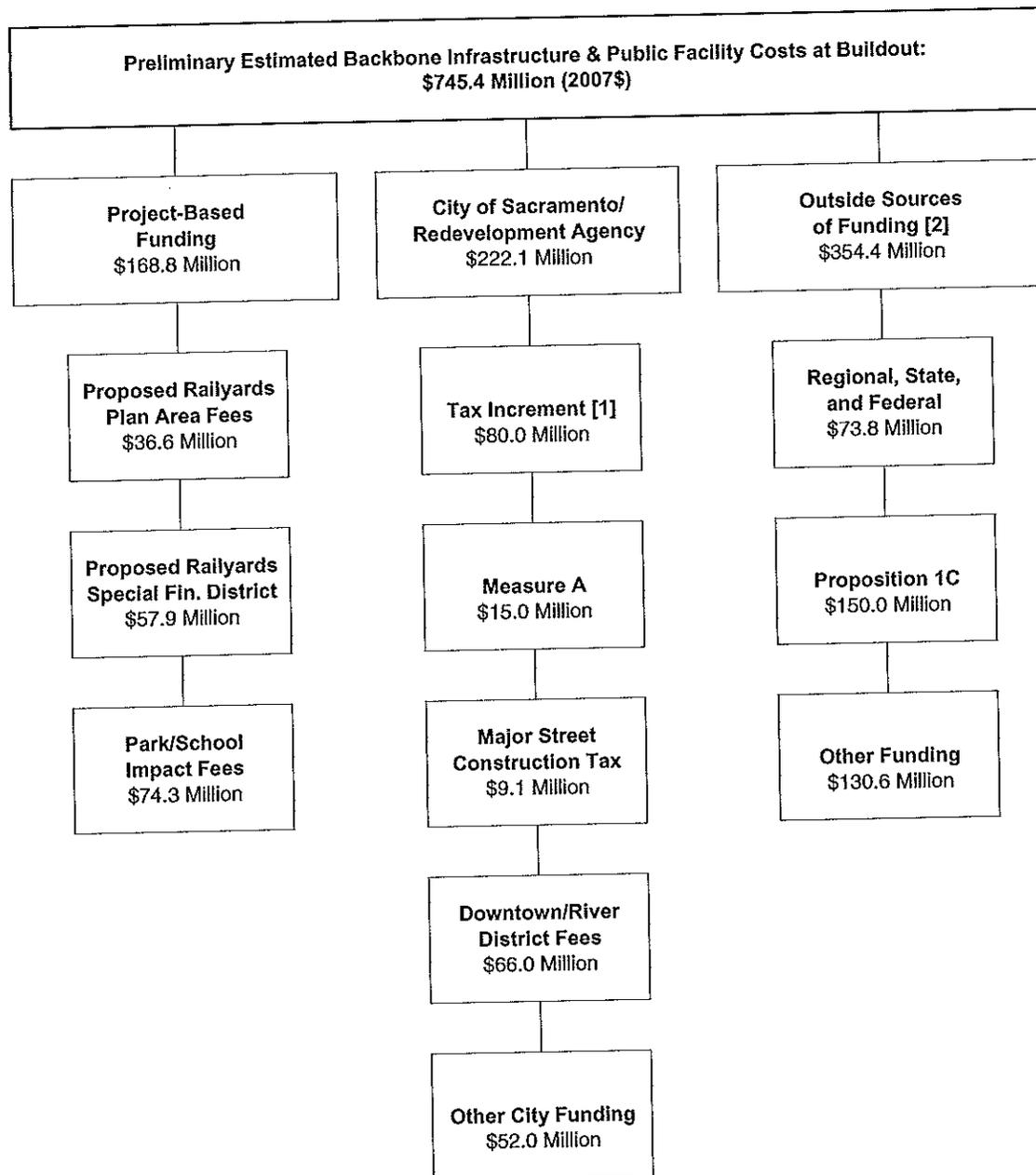
Table I-3 is the detailed listing of all Backbone Infrastructure and other Public Facility requirements and associated estimated funding sources for buildout of the Project.

FINANCING STRATEGY AND DEVELOPMENT AGREEMENT ISSUES

The factors described above are encapsulated in several issues that must be considered while structuring the financing strategy, and requirements and conditions specified in the DA. These considerations will provide guidance to the City, Redevelopment Agency, and Master Developer as the financing strategy and DA process unfolds.

1. Because of the reliance on State, federal, and Regional Transit funding for a substantial portion of the transportation and utility improvements, a phasing strategy will be required that permits increments of development linked to transportation improvements. The strategy should include subphases or "fallback" positions should the transportation and transit funding be delayed.
2. The City and the Redevelopment Agency must participate in the Financing Plan's infrastructure program by providing tax increment, Measure A, Major Street Construction Tax (MSCT), and other potential City revenues. These

**Figure I-1
Railyards Specific Plan
Public Facilities Plan
Estimated Sources of Funding at Buildout (2007\$)**



"funding_figure"

Source: EPS.

[1] The allocations shown in this figure are conceptual only and do not obligate the Redevelopment Agency of the City of Sacramento to spend tax increment in this manner. Any tax increment spending is subject to Redevelopment Agency's discretion, available tax increment, and legal findings allocating the funds. Total tax increment revenue generated by the Project will be greater than the \$80 million this analysis estimates will be available to fund backbone infrastructure.

[2] The estimate of outside sources of funding is preliminary and subject to future decisions by the granting agencies. Thomas Enterprises provided initial estimates for Proposition 1C. However, the funding criteria is not yet determined, and the funding allocations will not be decided until approximately June 2008.

Buildout

Table I-3
Railyards Specific Plan
Public Facilities Financing Plan
Estimated Sources and Uses of Funds at Buildout (2007\$)

Item	Estimated Improvement Costs at Buildout (2007\$)	Project-Based Funding			Subtotal Project-Based Funding	Redevelopment Tax Increment	City Funding Sources				Other Funding Sources			Subtotal Other Funding Sources	Total Funding	Surplus/ (Shortfall)		
		Proposed Railyards Plan Area Fee	Proposed Railyards Special Financing District	Park/ School Impact Fees			Measure A	Major Street Construction Tax (MSCT)	Downtown/ River District Fees	Other City	Subtotal City Funding Sources	Regional, State, and Federal	Proposition 1C				Other [1]	
Infrastructure Improvements [2]																		
Storm Drainage	\$45,403,450	\$0	\$5,187,450	\$0	\$5,187,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,216,000	\$0	\$40,216,000	\$45,403,450	\$0	
Sanitary Sewer																		
On-Site Sanitary Sewer	\$30,101,000	\$0	\$1,195,000	\$0	\$1,195,000	\$0	\$0	\$0	\$12,143,124	\$0	\$12,143,124	\$0	\$16,762,876	\$0	\$16,762,876	\$30,101,000	\$0	
Off-Site Sanitary Sewer	\$6,439,230	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,275,126	\$0	\$3,275,126	\$0	\$3,164,104	\$0	\$3,164,104	\$6,439,230	\$0	
Total Sanitary Sewer	\$36,540,230	\$0	\$1,195,000	\$0	\$1,195,000	\$0	\$0	\$0	\$15,418,249	\$0	\$15,418,249	\$0	\$19,926,981	\$0	\$19,926,981	\$36,540,230	\$0	
Water	\$21,603,217	\$0	\$6,839,992	\$0	\$6,839,992	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,763,225	\$0	\$14,763,225	\$21,603,217	\$0	
Transportation [3]																		
On-Site Roadways [4]	\$158,412,000	\$0	\$39,476,097	\$0	\$39,476,097	\$21,531,310	\$0	\$9,135,280	\$0	\$0	\$9,135,280	\$25,000,000	\$63,269,314	\$0	\$88,269,314	\$158,412,000	\$0	
Off-Site Roadways	\$14,122,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,122,000	\$0	\$14,122,000	\$0	\$0	\$0	\$14,122,000	\$14,122,000	\$0	
Dry Utilities	\$14,853,000	\$0	\$5,245,534	\$0	\$5,245,534	\$468,690	\$0	\$0	\$0	\$0	\$0	\$0	\$9,138,776	\$0	\$9,138,776	\$14,853,000	\$0	
Freeways [5]	\$69,661,000	\$3,189,820	\$0	\$0	\$3,189,820	\$0	\$15,000,000	\$9,135,280	\$26,471,180	\$0	\$41,471,180	\$22,314,295	\$2,685,705	\$0	\$25,000,000	\$69,661,000	\$0	
Total Transportation	\$257,048,000	\$3,189,820	\$44,721,631	\$0	\$47,911,451	\$22,000,000	\$15,000,000	\$9,135,280	\$40,593,180	\$0	\$64,728,460	\$47,314,295	\$75,093,794	\$0	\$122,408,089	\$257,048,000	\$0	
Total Infrastructure Improvements	\$360,594,897	\$3,189,820	\$57,944,073	\$0	\$61,133,893	\$22,000,000	\$15,000,000	\$9,135,280	\$56,011,429	\$0	\$80,146,709	\$47,314,295	\$150,000,000	\$0	\$197,314,295	\$360,594,897	\$0	
Public Facility Improvements																		
7th Street LRT Station [6]	\$5,000,000	\$5,000,000	\$0	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$0	
Other Transit Facilities	\$10,000,000	\$10,000,000	\$0	\$0	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000,000	\$0	
Central Shops [7]	\$124,900,080	\$0	\$0	\$0	\$0	\$38,000,000	\$0	\$0	\$0	\$0	\$0	\$26,500,000	\$0	\$60,400,080	\$86,900,080	\$124,900,080	\$0	
Community Center [8]	\$9,750,000	\$4,875,000	\$0	\$0	\$4,875,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,875,000	\$9,750,000	\$0	
Parks and Open Space [9]	\$36,813,601	\$2,028,594	\$0	\$34,785,008	\$36,813,602	\$20,000,000	\$0	\$0	\$0	\$52,000,000	\$52,000,000	\$0	\$0	\$65,321,560	\$65,321,560	\$137,321,560	\$0	
Surface and Structured Parking [10, 11]	\$137,321,560	\$0	\$0	\$39,527,436	\$39,527,436	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$0	
Schools [12]	\$39,527,436	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000,000	\$0	
Library [13]	\$500,000	\$500,000	\$0	\$0	\$500,000	\$0	\$0	\$0	\$5,000,000	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$10,000,000	\$0	
Police Station [14]	\$10,000,000	\$5,000,000	\$0	\$0	\$5,000,000	\$0	\$0	\$0	\$5,000,000	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$10,000,000	\$0	
Fire Station [14]	\$10,000,000	\$5,000,000	\$0	\$0	\$5,000,000	\$58,000,000	\$0	\$10,000,000	\$10,000,000	\$52,000,000	\$62,000,000	\$26,500,000	\$0	\$130,596,620	\$157,096,620	\$383,812,658	\$0	
Total Public Facility Improvements	\$383,812,657	\$32,403,594	\$0	\$74,312,444	\$106,716,038	\$58,000,000	\$15,000,000	\$9,135,280	\$66,011,429	\$52,000,000	\$142,146,709	\$73,814,295	\$150,000,000	\$130,596,620	\$354,410,915	\$744,407,555	\$0	
Subtotal Infra. and Public Facility Improvements	\$744,407,554	\$35,593,414	\$57,944,073	\$74,312,444	\$167,849,930	\$80,000,000	\$15,000,000	\$9,135,280	\$66,011,429	\$52,000,000	\$142,146,709	\$73,814,295	\$150,000,000	\$130,596,620	\$354,410,915	\$744,407,554	\$0	
Special Financing District Formation and Updates	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0	
Total Infra. and Public Facility Improvements	\$745,407,554	\$36,593,414	\$57,944,073	\$74,312,444	\$168,849,930	\$80,000,000	\$15,000,000	\$9,135,280	\$66,011,429	\$52,000,000	\$142,146,709	\$73,814,295	\$150,000,000	\$130,596,620	\$354,410,915	\$745,407,554	\$0	

sources_uses_buildout

Source: 7/14/07 Railyards Phasing Scenario; 7/17/07 & 10/17/07 Nolte cost estimates; 7/11/07 & 5/2/07 Kimley-Horn and Assoc. cost estimates; 10/23/07 City of Sacramento cost estimates; EPS.

- [1] "Other" funding may include grant or other sources of revenue such as capital campaigns by user groups.
- [2] Infrastructure improvement costs include contingency, engineering and design, construction management, and plan check permit costs.
- [3] Transportation improvements include full sidewalk but excludes landscaping, wet/dry utilities, and demo (except where noted).
- [4] Estimated improvement costs for some arterial roadways, exclude costs associated with right-of-way acquisition.
- [5] Initial phase estimate of improvement costs based on the I-5 Richards Interchange Ultimate Split Diamond cost estimates. A portion has been allocated to Phase 1B.
- [6] Placeholder improvement cost estimate from the City of Sacramento as of 10/11/06.
- [7] Improvement costs estimates for the Central Shops provided by Thomas Enterprises.
- [8] Community Center improvement cost estimate from the City of Sacramento as of 6/2007. Based on an estimate of \$325/sq. ft. for a typical community center of 30,000 square feet.
- [9] Estimated improvement costs and costs by phase provided by the City of Sacramento's Department of Parks and Recreation 6/18/07.
- [10] Based on a preliminary improvement cost estimate prepared by Walker Parking Consultants on 6/29/07. Includes surface parking per the City of Sacramento 8/30/07.
- [11] Other City revenue anticipated to fund surface and structured parking refers to anticipated parking revenues.
- [12] For this iteration of the analysis, total improvement costs are assumed to equal fee revenue generated by the project. Actual costs will be updated when they are available.
- [13] Assumed to be a community reading room.
- [14] Improvement cost estimates provided by the City of Sacramento as of 5/17/07.

funding mechanisms are vital to the ability of the project area to fund Backbone Infrastructure and Public Facilities and address the financial feasibility gaps that exist for the specific development projects under current market conditions.

3. There may be periods when backbone infrastructure and public facility costs exceed the fair share cost burdens available from the Project, and exceed the ability of the City and the Redevelopment Agency to provide public funds to the Project. A variety of solutions are available to resolve these short-term cash flow problems, including an infusion of private capital (with potential future reimbursement), modification to the infrastructure phasing program, and a development impact fee surcharge on development projects (with potential future reimbursement). These cash flow issues will be lessened to the extent federal and State funding is obtained for the public and other improvements and as the value of private development appreciates over time.

ORGANIZATION OF THIS REPORT

In addition to this introductory chapter, the Financing Plan contains the following chapters:

- **Chapter II** describes the Railyards Land Use Plan and the potential phasing of the development.
- **Chapter III** describes the Backbone Infrastructure and Public Facilities requirements of the RSP.
- **Chapter IV** provides a summary of potentially available funding sources to pay for the Backbone Infrastructure and Public Facilities.
- **Chapter V** provides a detailed discussion of the financing strategy used to fund the construction of the required facilities.
- **Chapter VI** describes changes to the existing Railyards/Richards (River District)/Downtown development impact fee programs resulting from the adoption of the new RSP.
- **Chapter VII** provides a comparison of infrastructure cost burdens in the Railyards and comparable project areas.
- **Chapter VIII** identifies typical funding mechanisms for services and ongoing operations and maintenance of Facilities in the Railyards.
- **Chapter IX** reviews the implementation procedures of the Financing Plan.

The Financing Plan also contains three appendices, which provide backup information used to develop the Financing Plan. The following appendices are provided:

- **Appendix A: Bonding Capacity Estimates.** This appendix provides an estimate of the Mello-Roos CFD bonding capacity of the Railyards for the Initial Phase, Remaining Phase, and Buildout.
- **Appendix B: Existing Fee Revenue Estimates.** This appendix provides estimated revenues generated by the existing City Park Fee, Master Street Construction Tax and School District Fee program.
- **Appendix C: Detailed Estimated Infrastructure Cost Burden Comparison** contains the assumptions and estimated development impact fees, plan area fees, and estimated bond debt of special taxes and assessments for the Railyards and comparable projects in the Sacramento Region (Region).

II. DEVELOPMENT PROGRAM AND PHASING

PLAN OVERVIEW

The Railyards comprises 244 acres of land immediately north of downtown Sacramento. For the purpose of this Financing Plan, the Project envisions over 1.5 million square feet of new office space, approximately 1.4 million square feet of new retail space, nearly 500,000 square feet of historic/cultural space, and nearly 11,000 residential units on approximately 100 acres. An additional 77 acres are anticipated to comprise other land uses including parks and open space, transportation, public parking, and a proposed Railroad Technology Museum. The remainder will be dedicated for public rights-of-way.

Table II-1 summarizes the proposed land uses evaluated for the purpose of this Financing Plan and divides the uses into an initial phase and remaining phase similar to the Specific Plan and Environmental Impact Report (EIR). Map II-1 (also EIR Figure 3-5) provides an overview of the Project land use plan.

The Project is located in the Richards Boulevard Redevelopment Area (RBRA), which was established in 1990 to encourage revitalization and infill development adjacent to Downtown. The City and Redevelopment Agency have proposed to revise the RBRA boundaries by removing the Project from the RBRA and establishing a new Railyards Redevelopment Project Area (RRPA) comprising a portion of the RBRA that includes the Project area.

The Railyards, if realized, would achieve several planning objectives including these:

- Transforming the Railyards from an underutilized and contaminated industrial site into an attractive and vibrant transit-oriented, mixed use urban environment and regional destination.
- Integrating the Railyards into the fabric of the existing Downtown and other surrounding districts.
- Connecting the Railyards area with Sacramento's downtown office, retail and government centers, as well as Old Sacramento, the River District, and the Alkali Flat neighborhood.
- Preserving the historical and cultural resources of the area, notably, the historic Central Shops buildings.
- Providing a mix of uses that complement and support the City's planned Sacramento Intermodal Transportation Facility (SITF), which connects the Central City to the Region, the State and beyond.

**Table II-1
 Railyards Specific Plan
 Public Facilities Financing Plan
 Land Use Summary: Initial Phase, Remaining Phase, and Buildout**

Land Use [1]	Residential					Nonresidential					Total Sq. Ft.	Hotel Rooms	
	Total Acres	Units	Units/ Acre	Retail Sq. Ft.	Office Sq. Ft.	Cultural/ Historic Sq. Ft. [2]	Flexible Mixed Use Sq. Ft. [3]	g	f	h = d + e + f + g			
Mixed Use Land Uses													
Office/Residential Mixed Use (ORMU) [4]	14.0	-	-	157,700	1,537,200	-	-	-	-	1,694,900	-	-	
Residential Mixed Use (RMU)	42.3	1,704	175	1,062,100	-	322,560	491,000	-	-	1,875,660	600	-	
Residential Commercial Mixed Use (RCMU)	56.3	1,704	-	1,219,800	1,537,200	322,560	491,000	-	-	3,570,560	600	-	
Total Mixed Use Land Uses													
Other Land Uses													
Open Space [5]	25.9	-	-	-	-	-	-	-	-	-	-	-	
Transportation Use [6] [7]	16.8	-	-	-	-	162,830	-	-	-	162,830	-	-	
Railroad Technology Museum [6]	3.9	-	-	-	-	-	-	-	-	-	-	-	
Parking/Public Uses [6] [8]	3.4	-	-	-	-	-	-	-	-	-	-	-	
Total Other Land Uses	49.9	-	-	-	-	162,830	-	-	-	162,830	-	-	
Total Land Uses [9]	106.2	1,704	-	1,219,800	1,537,200	485,390	491,000	-	-	3,733,390	600	-	

Source: 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios, Thomas Enterprises; 10/23/07 Open Space Summary, City of Sacramento; and EPS.

- [1] This plan represents one possible buildout scenario based on reasonable assumptions of market demand. Actual land use mix and development sequencing will be determined by market conditions.
- [2] Refers to Historic Cultural land uses.
- [3] Refers to second-level mixed-use commercial space fronting Camille Lane, which may have retail, office, housing, or educational uses. This analysis assumes the square footage associated with these parcels is 100% office.
- [4] Indicates General Mixed Use. In this Analysis, parcels 40-44 and 46 (south of the track facilities) are considered 100% office and 0% residential. Parcels 47a, 48, 49b and 49c (north of the track facilities) are considered 100% residential and 0% office.
- [6] Includes the Intermodal Station, Passenger Facilities, and Depot Plaza.
- [7] Includes I-5 Parking and the Pump Station.
- [8] The Railyards comprises 244 acres; acreage not shown here is assumed to comprise other right-of-way and non-Developer owned land.
- [9] The Railyards comprises 244 acres; acreage not shown here is assumed to comprise other right-of-way and non-Developer owned land.

**Table II-1
Railyards Specific Plan
Public Facilities Financing Plan
Land Use Summary: Initial Phase, Remaining Phase, and Buildout**

Land Use [1]	Residential					Nonresidential				
	Total Acres	Units	Units/Acre	Retail Sq. Ft.	Office Sq. Ft.	Cultural/Historic Sq. Ft. [2]	Flexible Mixed Use Sq. Ft. [3]	Total Sq. Ft.	Hotel Rooms	
	a	b	c = b/a	d	e	f	g	h = d + e + f + g	i	
Mixed Use Land Uses										
Office/Residential Mixed Use (ORMU) [4]	4.8	728		-	-	-	-	-	-	
Residential Mixed Use (RMU)	42.0	8,296		165,000	-	-	-	-	500	
Residential Commercial Mixed Use (RCMU)	-	-		-	-	-	-	-	-	
Total Mixed Use Land Uses	46.7	9,024		165,000	-	-	-	165,000	500	
Other Land Uses										
Open Space [5]	16.5	-		-	-	-	-	-	-	
Transportation Use [6] [7]	12.2	-		-	-	-	-	-	-	
Railroad Technology Museum [6]	-	-		-	-	-	-	-	-	
Parking/Public Uses [6] [8]	-	-		-	-	-	-	-	-	
Total Other Land Uses	28.7	-		-	-	-	-	-	-	
Total Land Uses [9]	75.4	9,024		165,000	-	-	-	165,000	500	

Source: 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios, Thomas Enterprises; 10/23/07 Open Space Summary, City of Sacramento; and EPS.

[1] This plan represents one possible buildout scenario based on reasonable assumptions of market demand. Actual land use mix and development sequencing will be determined by market conditions.

[2] Refers to Historic Cultural land uses.

[3] Refers to second-level mixed-use commercial space fronting Camille Lane, which may have retail, office, housing, or educational uses. This analysis assumes the square footage associated with these parcels is 100% office.

[4] Indicates General Mixed Use. In this Analysis, parcels 40-44 and 46 (south of the track facilities) are considered 100% office and 0% residential. Parcels 47a, 48, 49b and 49c (north of the track facilities) are considered 100% residential and 0% office.

[6] Includes parcels 28 and 29 designated as RRMU. Parcels identified by the City of Sacramento.

[7] Includes the Intermodal Station, Passenger Facilities, and Depot Plaza.

[8] Includes 1-5 Parking and the Pump Station.

[9] The Railyards comprises 244 acres; acreage not shown here is assumed to comprise other right-of-way and non-Developer owned land.

**Table II-1
 Railyards Specific Plan
 Public Facilities Financing Plan
 Land Use Summary: Initial Phase, Remaining Phase, and Buildout**

Land Use [1]	Residential						Buildout (Initial and Remaining Phase)					Hotel Rooms
	Total Acres	Units	Units/ Acre	Retail Sq. Ft.	Office Sq. Ft.	Cultural/Historic Sq. Ft. [2]	Flexible Mixed Use Sq. Ft. [3]	Total Sq. Ft.				
Formula	a	b	c = b/a	d	e	f	g	h = d + e + f + g	i			
Mixed Use Land Uses												
Office/Residential Mixed Use (ORMU) [4]	18.7	728	-	157,700	1,537,200	-	-	1,694,900	-	500		
Residential Mixed Use (RMU)	42.0	8,296	-	-	-	-	-	-	-	600		
Residential Commercial Mixed Use (RCMU)	42.3	1,704	175	1,062,100	-	322,560	491,000	1,875,660	-	600		
Total Mixed Use Land Uses	103.0	10,728		1,384,800	1,537,200	322,560	491,000	3,735,560		1,100		
Other Land Uses												
Open Space [5]	42.4	-	-	-	-	-	-	-	-	-		
Transportation Use [6] [7]	29.0	-	-	-	-	-	-	-	-	-		
Railroad Technology Museum [6]	3.9	-	-	-	-	162,830	-	162,830	-	-		
Parking/Public Uses [6] [8]	3.4	-	-	-	-	-	-	-	-	-		
Total Other Land Uses	78.6					162,830		162,830				
Total Land Uses [9]	181.6	10,728		1,384,800	1,537,200	485,390	491,000	3,898,390		1,100		

*LU_initial_reim"

Source: 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios, Thomas Enterprises; 10/23/07 Open Space Summary, City of Sacramento; and EPS.

[1] This plan represents one possible buildout scenario based on reasonable assumptions of market demand. Actual land use mix and development sequencing will be determined by market conditions.

[2] Refers to Historic Cultural land uses.

[3] Refers to second-level mixed-use commercial space fronting Camille Lane, which may have retail, office, housing, or educational uses. This analysis assumes the square footage associated with these parcels is 100% office.

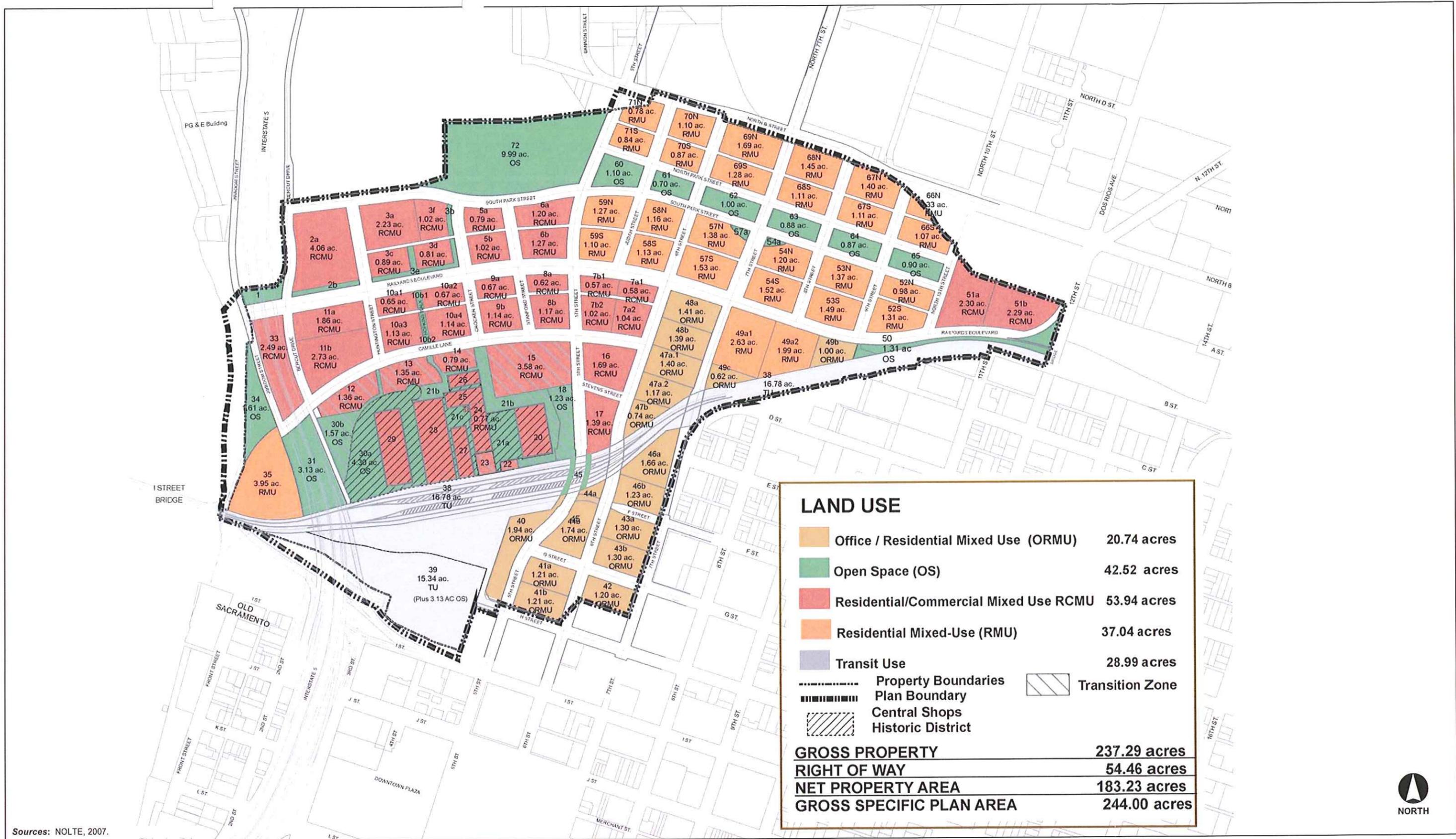
[4] Indicates General Mixed Use. In this Analysis, parcels 40-44 and 46 (south of the track facilities) are considered 100% office and 0% residential. Parcels 47a, 48, 49b and 49c (north of the track facilities) are considered 100% residential and 0% office.

[6] Includes parcels 28 and 29 designated as RRMU. Parcels identified by the City of Sacramento.

[7] Includes the Intermodal Station, Passenger Facilities, and Depot Plaza.

[8] Includes I-5 Parking and the Pump Station.

[9] The Railyards comprises 244 acres; acreage not shown here is assumed to comprise other right-of-way and non-Developer owned land.



Sources: NOLTE, 2007.



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Map II-1 Railyards Land Use Map

Railyards Specific Plan EIR



NORTH

The RSP describes the land use designations and the maximum allowable development program (Table 5-2 of the Specific Plan). The EIR evaluates the potential environmental impacts of the Railyards project using the maximum allowable building program for each land use (Table 3-2 of the EIR). The Railyards Specific Plan (RSP) provides considerable flexibility in the land use program, such as permitting either a maximum level of office or a maximum level of residential for a specific area. However, the maximum levels of both land uses cannot be constructed. The Financing Plan uses a set of land uses that is less than the maximum allowable building program to be conservative from a financing standpoint so that fee programs and other financing mechanisms do not overstate development potential and consequently end up under-funded.

Table II-2 provides a comparison of land uses at buildout used in the EIR, Specific Plan, and EPS analyses.² Table II-2 also includes a land use summary prepared by Thomas Enterprises that was used to develop the Backbone Infrastructure and Public Facilities requirements.

The Specific Plan classifies residential and nonresidential development into three land use designations:

- Office Residential Mixed Use (ORMU);
- Residential Commercial Mixed Use (RCMU); and
- Residential Mixed Use (RMU).

EPS, in consultation with the City, has made the following assumptions regarding the anticipated land uses that will be developed in each land use designation.

Office Residential Mixed Use

For ORMU land uses, the Specific Plan permits either a maximum level of office or a maximum level of residential for a specific site. However, the maximum levels of both cannot be constructed. This Financing Plan uses a set of land uses that is less than the maximum allowable building program to be conservative from a financing standpoint. Specifically, the Financing Plan assumes:

- ORMU parcels located south of the Union Pacific tracks are 100 percent nonresidential and those located north of the Union Pacific tracks are 100 percent residential; and
- The composition of nonresidential ORMU parcels is 75 percent office and 25 percent neighborhood-serving retail.

² EPS analyses comprise this Financing Plan and the forthcoming Fiscal Impact Analysis and Economic Impact Analysis.

**Table II-2
 Railyards Specific Plan
 Public Facilities Financing Plan
 Comparison of Land Use Summaries at Buildout**

Land Use	Residential Units [1]	Nonresidential Square Feet				Mixed Use [4]	Historic	Total Nonres.	Hotel Rooms
		Retail [2]	RCMU	Office [3]	Total				
Draft Environmental Impact Report	10,000 to 12,501	1,384,000	0	2,337,200	2,337,200	38,000 to 491,000	485,390	4,244,590 to 4,697,590	1,100
Draft Specific Plan	12,100	1,400,000	0	2,400,000	2,400,000	491,000	485,390	4,776,390	1,100
Thomas' Railyards Land Use Summary	10,000 to 12,101	1,384,800	--	--	0 to 2,337,200	491,000	485,390	2,361,190 to 4,698,390	1,100
EPS Assumptions [5]	10,728	1,384,800	0	1,537,200	1,537,200	491,000	485,390	3,898,390	1,100

%_compare

Source: Railyards Land Use Summary, June 14, 2007, Thomas Enterprises; Railyards Specific Plan Draft Environmental Impact Report, August 2007, PBS&J/EIP; Sacramento Railyards Specific Plan Public Review Draft, August 20, 2007, Design Community & Environment; EPS.

- [1] The difference between the maximum unit counts of the DEIR (12,501), Draft Specific Plan (12,100), and Thomas' Land Use Summary (12,101) are 400 dwelling units of mixed use space that was assumed to be included in the DEIR based on the technical impact area analyzed.
- [2] The difference between the retail square footage in the DEIR, Draft Specific Plan, Thomas' Land Use Summary, and EPS Assumptions are assumed to be insignificant and would not alter the conclusions of the Public Facilities Financing Plan, Fiscal Impact Analysis, or Economic Impact Analysis.
- [3] The difference between total office square feet in the DEIR and Specific Plan are not significant.
- [4] Mixed use is treated in the following manner per document:
Draft EIR - Parcels were analyzed to be either 491,000 sq. ft. of office or 400 dwelling units depending on which resulted in greater impacts.
Draft Specific Plan - Notes that parcels may be retail, office, housing, or educational uses.
Thomas' Railyards Land Use Summary - Notes that parcels may be retail, office, housing, or educational uses.
EPS Assumptions - Assumes 100% office.
- [5] Certain parcels in the Railyards are designated as housing OR office OR hotel OR a combination thereof. "EPS Assumptions" reflects the assumption that parcels 40-44 and 46 (south of the track facilities) are considered 100% office and 0% residential; Parcels 47a, 48, 49b and 49c (north of the track facilities) are considered 0% office and 100% residential.

Residential Commercial Mixed Use

For RCMU land uses, retail square footage is considered regional-serving retail. Flexible mixed use square footage is assumed to be 100 percent office. In addition, approximately 154,000 square feet of RCMU Cultural/Historic land uses are assumed to consist of regional-serving retail.³

Regional Mixed Use

Retail proposed for RMU parcels is assumed to be neighborhood-serving.

LAND USE PHASING

It is likely that the actual pace of development will vary significantly from any development assumptions that can be presented at this time. The infrastructure improvement program is linked to the development occurring in the Plan Areas rather than a timeline, except where the Railyards remediation requirement may dictate otherwise. Thus, if the development pace is slower or faster than anticipated, the timing of the infrastructure construction can be adjusted.

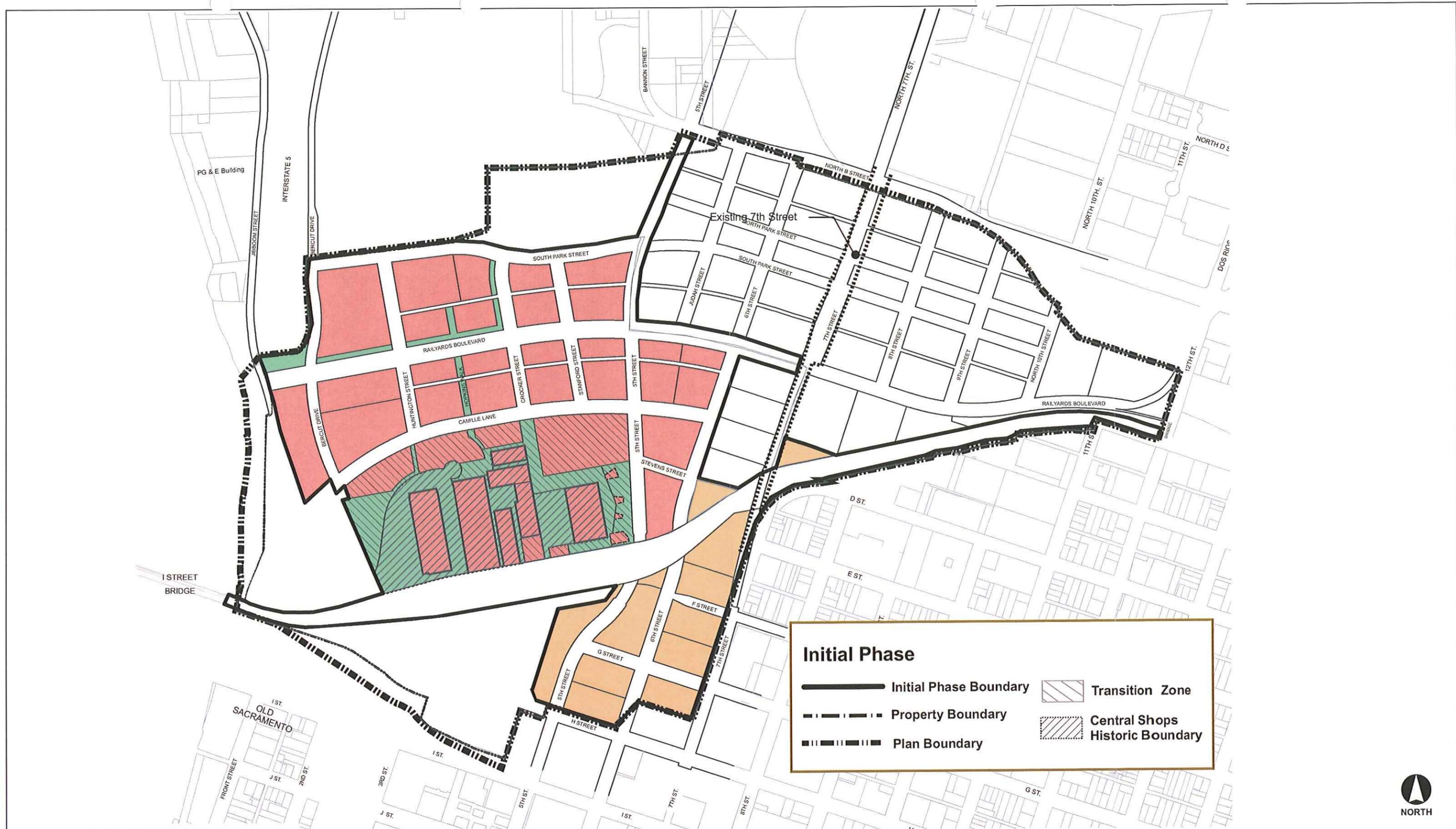
For the purpose of this Financing Plan, the development of the project has been organized into two major phases:

- **Initial Phase** includes Thomas Enterprises' Phases 1A, 1B, and 2; and
- **Remaining Phase** includes Thomas Enterprises' Phases 3 and 4.

Map II-2 (also EIR Figure 3-6) shows the parcels anticipated to be included in the Initial Phase of development; the undesignated parcels are anticipated to be included in the Remaining Phase of the Project. The land use phasing information is based on Thomas Enterprises 4/5/07 and 7/14/07 Railyards land use phasing.

Table II-1 shows the amount of development included in the Initial Phase and the Remaining Phase. It is likely that development in the Remaining Phase areas could begin before the development planned for the Initial Phase is completely built out. Infrastructure improvements for the two Phases were identified primarily by Nolte Associates, Inc. and Kimley-Horn and Associates, Inc.

³ Based on retail assumptions for the Cultural/Historic land uses identified in Keyser Marston Associates' 8/14/07 Urban Decay Analysis.



Sources: Thomas Enterprises Inc.; NOLTE, 2007.

	Initial Phase Boundary		Transition Zone
	Property Boundary		Central Shops Historic Boundary
	Plan Boundary		



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III. INFRASTRUCTURE PHASING AND IMPLEMENTATION STRATEGY

Reader's Note: The Backbone Infrastructure and Public Facilities described in this section continue to undergo review. All costs are in 2007 dollars. The list of improvements and associated cost estimates will be adjusted for inflation or revised based on more detailed engineering information as the development process is implemented.

The Specific Plan represents a broad vision for approximately 244 acres of land adjacent to downtown Sacramento. The Plan recognizes that full buildout of the Project will take many years, and that for it to be fully realized, many phases of development will occur. The success of the development hinges in great part on the orderly phasing of the Project in manageable and fundable increments.

The phasing and implementation strategy describes the anticipated sequence of public and private actions that will lead to full buildout of the Project. The strategy provides a general framework of priorities for infrastructure construction and development.

Depending on market conditions and available funding, the sequence of public improvements and private development could vary significantly from those described as the Initial Phase and Remaining Phase. For example, should funding become available earlier for a major component planned for a later phase of the project (e.g., funding for the Richards Boulevard Interchange), its implementation could be accelerated, thereby affecting other components of the development program. Conversely, if funding is not available for key infrastructure, the pace of development will be limited.

The cost of the major improvements necessary for the Initial Phase and the Remaining Phase of development are identified in **Table III-1**. The Initial Phase requires \$223 million in Backbone Infrastructure costs and \$299 million in Public Facility costs. The Initial Phase costs are estimated to be \$523 million, approximately 70 percent, of the \$745 million total costs for Backbone Infrastructure and Public Facilities.

The conditions of approval associated with the tentative maps for the specific development projects will identify the specific infrastructure-development linkages whereby specific portions of the development cannot proceed until required Facilities are constructed. These linkages will control the phasing of the capital improvement program.

It is important to recognize that the development process will be a continuum. Each Project phase can be lengthened, shortened, or developed in a different sequence

**Table III-1
Railyards Specific Plan
Public Facilities Financing Plan
Preliminary Infrastructure Improvement Costs by Phase (2007\$)**

Item	Initial Phase (1A, 1B & 2)	Remaining Phase (3 & 4)	Buildout
Infrastructure Improvements [1]			
Storm Drainage	\$40,216,000	\$5,187,450	\$45,403,450
Sanitary Sewer	\$28,906,000	\$1,195,000	\$30,101,000
On-Site Sanitary Sewer	\$6,439,230	\$0	\$6,439,230
Off-Site Sanitary Sewer	\$35,345,230	\$1,195,000	\$36,540,230
Total Sanitary Sewer	\$14,763,225	\$6,839,992	\$21,603,217
Water			
Transportation [2]	\$109,521,000	\$48,891,000	\$158,412,000
On-Site Roadways [3]	\$6,995,000	\$7,127,000	\$14,122,000
Off-Site Roadways	\$9,461,000	\$5,392,000	\$14,853,000
Dry Utilities	\$6,231,000	\$63,430,000	\$69,661,000
Freeways [4]	\$132,208,000	\$124,840,000	\$257,048,000
Total Transportation	\$222,532,455	\$138,062,442	\$360,594,897
Total Infrastructure Improvements			
Public Facility Improvements	\$5,000,000	\$0	\$5,000,000
7th Street LRT Station [5]	\$0	\$10,000,000	\$10,000,000
Other Transit Facilities	\$124,900,060	\$0	\$124,900,060
Central Shops [6]	\$0	\$9,750,000	\$9,750,000
Community Center [7]	\$22,638,132	\$14,175,469	\$36,813,601
Parks and Open Space [8]	\$137,321,560	\$0	\$137,321,560
Surface and Structured Parking [9]	\$9,541,836	\$29,985,600	\$39,527,436
Schools [10]	\$0	\$500,000	\$500,000
Library [11]	\$0	\$10,000,000	\$10,000,000
Police Station [12]	\$0	\$10,000,000	\$10,000,000
Fire Station [12]	\$299,401,588	\$84,411,069	\$383,812,657
Total Public Facility Improvements	\$521,934,043	\$222,473,511	\$744,407,554
Subtotal Infra. and Public Facility Improvements	\$600,000	\$400,000	\$1,000,000
Special Financing District Formation and Updates	\$600,000	\$400,000	\$1,000,000
Total Infra. and Public Facility Improvements	\$522,534,043	\$222,873,511	\$745,407,554

cost_summ

Source: 7/14/07 Railyards Phasing Scenario; 7/17/07 & 10/17/07 Nolte cost estimates; 7/11/07& 5/2/07 Kimley-Horn and Assoc. cost estimates; 10/23/07 City of Sacramento Cost Estimates; EPS.

- [1] Costs include contingency, engineering and design, construction management, and plan check permit costs.
- [2] Transportation improvements include full sidewalk but excludes landscaping, wet/dry utilities, and demo (except where noted).
- [3] For some arterial roadways, excludes costs associated with right-of-way acquisition.
- [4] Initial phase estimate based on the I-5 Richards Interchange Ultimate Split Diamond cost estimates. A portion has been allocated to Phase 1B.
- [5] Placeholder estimate from the City of Sacramento as of 10/11/06.
- [6] Improvement costs estimates for the Central Shops provided by Thomas Enterprises.
- [7] Estimate from the City of Sacramento as of 6/2007. Based on an estimate of \$325/sq. ft. for a typical community center of 30,000 square feet.
- [8] Estimated costs and phasing provided by the City of Sacramento's Department of Parks and Recreation 10/23/07.
- [9] Based on a preliminary estimate prepared by Walker Parking Consultants on 6/29/07. Includes surface parking per the City of Sacramento 8/30/07.
- [10] For this iteration of the analysis, total costs are assumed to equal fee revenue generated by the project. Actual costs will be updated when they are available.
- [11] Assumed to be a community reading room.
- [12] Provided by the City of Sacramento as of 5/17/07.

depending on the availability of funding for infrastructure improvements and general market conditions.

DEFINITIONS OF BACKBONE INFRASTRUCTURE AND PUBLIC FACILITIES

The term “backbone infrastructure” is often used to describe all publicly owned facilities. This Financing Plan will use the following definitions to more precisely define these items:

Backbone Infrastructure: This term includes most of the essential public service-based infrastructure inclusive of roadways and improvements underneath roadways. These items include storm drainage, sanitary sewer, water, major roadways (including frontage improvements), and dry utilities. Backbone Infrastructure is sized to serve numerous individual development projects in the Project and in some cases serves adjacent development areas—Downtown and River District. The specific items of Backbone Infrastructure have been identified in supporting infrastructure master plan documents.

Public Facilities: This term includes these public facilities:

- Transit;
- Historic central shops (rehabilitation);
- Open space and parks;
- Public parking (surface and structures);
- Schools;
- Library facilities; and
- Public Safety facilities (Police and Fire).

This group of items provides amenities to the Project (e.g., park facilities and libraries) or houses employees providing services to the area (e.g., fire station).

Facilities: This term is used generically in the Financing Plan to include a combination of Backbone Infrastructure and Public Facilities when a precise breakdown is not required.

Project Infrastructure: This group of improvements includes specific onsite project improvements, including storm drainage, sewer, water, roads, and dry utilities in an individual development project, commercial, or multifamily project.

INFRASTRUCTURE AND FACILITY PHASING

The development phasing for the Railyards must be based on a market-driven approach coordinated with a phased infrastructure program. Development will respond to market demand and the installation of Facilities will be phased to correspond with the pace of development and the requirements of the City. The infrastructure phasing strategy will be adjusted to make sure that adequate traffic/transit, sewer, water, storm drainage, and community facility capacity is in place to serve each increment of development.

The City and Thomas Enterprises likely will develop a subphase of the Initial Phase to allow some development to occur before the expenditure of the bulk of the Initial Phase infrastructure costs. The DA and project conditions of approval will specify the conditions for these initial development projects. Beyond these first projects, major infrastructure improvements will be required.

The Facilities program for the Railyards includes rail/transit, freeway, arterial roadway, collector roadway, storm drainage, sanitary sewer, open space/parks, and community facility improvements. The total identified cost of these facilities is \$745 million as shown in **Table III-1**. Roadway improvements account for approximately \$257 million of the \$745 million total Backbone Infrastructure and Public Facilities cost, or 34 percent of the total Facilities program.

Initial Phase infrastructure costs are estimated at \$523 million and represent 70 percent of the total Backbone Infrastructure and Public Facilities costs. Approximately 25 percent of the Initial Phase costs relate to transportation improvements such as collector and arterial roadways, freeways, rail lines, passenger facilities, and structures. **Table III-1** summarizes the major Initial Phase improvements.

The DA and project conditions of approval establish methodology, timing, and linkage requirements to ensure that hazardous materials remediation, private development, and development of infrastructure, parks and community facilities progress as necessary to carry out the Railyards objectives and meet service standards for the new development.

INITIAL PHASE

The emphasis of the Initial Phase will be on the establishment of a comprehensive local traffic distribution system that provides additional linkages between Downtown and the River District through the Railyards and the completion of major transportation facilities that will have a major regional, as well as local, role. In addition, the Initial Phase will

provide much of the sewer, water, drainage, and dry utility improvements that will serve the entire Railyards project, as well as portions of the River District.

Facilities envisioned for the Initial Phase include:

- A majority of the storm drainage, sanitary sewer, and water facilities required for development of the Project;
- Improvements to the following backbone roadways:⁴
 - Extension of 5th Street from H Street to North B Street;
 - Extension of Bercut Drive from south of Bannon to Camille Lane; and
- Construction of South Park Street from Bercut Drive to 5th Street;
- Construction of Railyards Boulevard from Jibboom Street to 7th Street;
- Construction of Camille Lane from west of Bercut Drive to 6th Street;
- Construction of Huntington, Crocker, and Stanford Streets from Camille Lane to South Park Street;
- A portion of the expansion of the north ramps at the Interstate 5 (I-5)/Richards interchange;
- Construction of the 7th Street Light Rail Transit (LRT) station;
- Rehabilitation of the Central Shops;
- Development of a portion of the parks and open space proposed for the Project; and
- Construction of all public structured and surface parking facilities.

The implementation of the 2007 RSP benefits from several improvements that were identified in the 1997 Railyards Specific Plan Facility Element and have already been constructed. The major transportation improvements include:

- Seventh Street construction from Downtown to Richards Boulevard;
- Extension of LRT to the existing Sacramento Valley Station; and
- Reconstruction of Richards Boulevard to a 4 lane arterial with signalized intersection at Richards Boulevard/State Route 160.

⁴ Includes dry utility improvements.

REMAINING PHASE

By the end of the Initial Phase, much of the major infrastructure, including roadways, transit facilities, and utilities, is anticipated to be in place. The Remaining Phase will primarily include the completion of Facilities that will have mostly a local role with a few exceptions.

Facilities envisioned for the Remaining Phase include:

- The completion of projectwide storm drainage, sanitary sewer, and water improvements;
- Improvements to the following backbone roadways:⁵
 - Extension of Judah, 6th, 8th, 9th, and 10th Streets from Railyards Boulevard to North B Street;
 - Extension of South and North Park from 5th Street to North 10th Street;
 - I Street Connector from I Street Bridge to Bercut Drive;
 - Expansion of North B Street from Bannon Street to North 10th Street;
 - Extension of Railyards Boulevard from 7th Street to North 12th Street; and
 - Extension of 5th Street from North B Street to Richards Boulevard;
- The majority of the I-5/Richards interchange improvements;
- Other transit facilities (to be defined later in the implementation process);
- A 30,000-sq.-ft. community center;
- Remaining park and open space improvements, including the approximately 10-acre Vista Park located in the northern portion of the Project and park blocks in the primarily-residential, eastern portion of the Project;
- Police and fire facilities to serve the Railyards and the River District; and
- School and library facilities.

⁵ Includes dry utility improvements.

IV. FUNDING SOURCES

A wide variety of financing techniques are available to fund the public infrastructure improvements for the Railyards Specific Plan (RSP). Because of the long implementation period of the Railyards, it is possible that some of the funding sources described below will no longer exist when some of the programmed Facilities are constructed. It is also likely, however, that some new funding sources will be created through new State and federal legislation and can be used to fund Facilities. Below are the currently available financing sources used in the Financing Plan.

The following sections discuss the funding sources identified to finance Facilities required for the Project:

- **Project Area Funding.** Funding sources derived from fees, special taxes, private capital derived from the private development projects.
- **City/Redevelopment Agency Funding.** Funding sources that are under the control of the City or the Redevelopment Agency.
- **Outside Sources of Funding (Regional, State, and federal).** Funding sources, such as grants or loans, from State, federal, or other agencies or institutions that the City would have to apply for funding.

PROJECT AREA FUNDING

Project-based funding is generated by the development projects in the Railyards. These sources include development impact fees, private capital, one or more special financing districts, and City/Redevelopment Agency funding.

DEVELOPMENT IMPACT FEES

Specific building projects will be subject to all applicable City and other agency development impact fees in place at the time of building permit issuance. The Financing Plan only computes estimates of revenue generated by specific fee programs that will be used to directly fund backbone infrastructure and public facilities identified in the Financing Plan. Therefore, **Appendix B** of the Financing Plan calculates the fee revenues generated by the Major Street Construction Tax, Park Development Impact Fee, and the Sacramento City Unified School District School Mitigation Fee programs, as these revenues are expected to partially fund facility improvements required for project development and therefore included in the Financing Plan.

The City's Combined Sewer Development Fee will be collected and used for offsite improvements to the combined stormwater/sewer system. Because these offsite

improvements are not required for the project to develop, the improvements are not included in the Financing Plan and the Combined Sewer Development fee revenues generated by the Project are not calculated herein.

Revenues from existing plan area fees (Richards/Railyards/Downtown Transportation Fee and Richards/Railyards Public Facilities Fee) are not calculated this Financing Plan because actual fee amounts will be updated following approval of the City's Specific Plan. In place of estimating plan area fee revenue (in **Appendix B**), this Financing Plan approximates the total amount of revenue that may be generated by the Project (shown in the estimated Sources and Uses tables in **Chapter V**) after accounting for other potential funding sources. However, in comparing the infrastructure burdens of development projects in the Railyards, Richards, Downtown, and the Triangle Specific Plan in West Sacramento (**Chapter VII**), this Financing Plan uses a placeholder fee amount for the Railyards Plan Area as calculated in **Table VI-1** and **Table VI-2** (**Chapter VI**).

Appendix C of the Financing Plan identifies the estimated fee amounts for each City, County and Public Agency fee program that are anticipated to apply to office, retail, and multifamily residential development within the Project.

For certain backbone infrastructure and public facility improvements included in the Financing Plan, the Financing Plan recommends that "pay-as-you-go" financing, such as development impact fees or area of benefit fees fund these improvements. A nexus study will be prepared to determine the appropriate proportional cost allocation and impact fees for facilities that can be charged to new development in the Railyards Area.

Existing Fee Programs

The Project is included in the following development impact fee districts:

- Richards/Railyards/Downtown Transportation Impact Fee Program (TIF); and
- Richards/Railyards Public Facilities Fee Program.

Map IV-1 shows the boundaries of each of the benefit districts in the Richards/Railyards/Downtown TIF program. Each of these City fee programs were adopted in 1997 based on the 1997 Facility Element of the Railyards Specific Plan and Richards Boulevard Area Plan (1997 Facility Element). The fee programs included multiple development areas because many of the on- and off-site improvements proposed as part of the 1997 Facility Element were anticipated to have direct benefit to future development in each of the respective development areas, such as the extension and improvement of 5th Street and 7th Street through the Railyards.

Moving forward, the existing fee programs are likely the most appropriate fee programs to use for the "pay-as-you-go" development impact fee financing. These programs will

need to be updated following approval of the Specific Plan. The update also should depend on the approval of the City's General Plan Update that will refine land uses and circulation in the River District and Downtown. This issue is discussed in more detail in Chapter VI.

The majority of the Project is located in the Sacramento City Unified School District (SCUSD); a small portion of the Project resides in the Grant Joint Union High School District and North Sacramento Elementary School District (GJUHSD and NSESD). Each of the school districts serving the Project levy development impact fees authorized by the State. These fees, in combination with the Redevelopment Area pass through agreements, are assumed to provide adequate funding to construct all of the schools required to serve the development projects.

PRIVATE CAPITAL

Private capital will be used for Facilities that serve only specific development projects in the Railyards such as onsite private roadways, landscaping and open space, local water distribution lines, sewer laterals, and local storm drains. The Master Developer will be conditioned to construct facilities needed to serve development through the subdivision map process. Commercial and multifamily projects will be conditioned through the subdivision map process or other necessary entitlement processes.

Because of the scale of Facilities required for the Initial Phase, private capital will initially be one of the primary sources of funding for these public improvements. The developer will have to privately fund Facilities necessary to serve the Project and then receive reimbursement when other funding becomes available. To the extent that fee revenues are available, the developers will receive fee credits or reimbursements for advance-funding eligible projects included in fee programs, based on the City, County, and Special District's reimbursement policies. A more complete description of reimbursements and credits is included in the Finance Program Administration Chapter section titled "Reimbursements and Fee Credits."

PROPOSED RAILYARDS SPECIAL FINANCING DISTRICT

The Financing Plan proposes that certain Facilities will be funded through a RSP Special Financing District program. The Special Financing District could be represented by one or more of the following mechanisms:

- Mello-Roos CFD; or
- Assessment district.

The special financing district will provide funding through land-secured municipal debt and the debt will be repaid through special taxes or assessments. The following provides additional detail on potential types of special financing districts.

Mello-Roos CFD

The 1982 Mello-Roos Community Facilities District Act enables cities, counties, special districts, and school districts to establish CFDs and to levy special taxes to fund a wide variety of facilities and services. The proceeds of the Mello-Roos special tax can be used for direct funding or to pay off bonds. A Mello-Roos special tax is not a special assessment; therefore, there is no requirement that the tax be apportioned on the basis of benefit. Mello-Roos special taxes, however, typically are structured on the general principle of benefit.

Assessment District

California statutes give local governments the authority to levy several special assessments for specific public improvements such as streets, storm drains, sewers, streetlights, curbs, gutters, and sidewalks. The City creates a special assessment district that defines both the area to benefit from the improvements and the properties that will pay for the improvements. Thereafter, each property in the district will be assessed a share of the cost of improvements that is proportional to the benefit it receives from those improvements. The Financing Plan only assumes the current special benefit assessment district which funds a portion of the Richards Boulevard improvement costs. Other districts could be formed during the course of development.

There are a variety of assessment district acts available to finance public facilities. The most likely act to fund these improvements for the Plan Area would be the Improvement Bond Act of 1915 that provides a vehicle for issuing assessment bonds for assessments authorized under the 1911 and 1913 Benefit Assessment Acts.

CITY/REDEVELOPMENT AGENCY FUNDING

City and Redevelopment Agency funding sources include tax increment revenues, Measure A, Major Street Construction Tax (MSCT), and other City funding.

TAX INCREMENT

Tax increment revenue is the additional property tax generated from increases in assessed value of the property from the time a Redevelopment Area is established until the Agency's ability to receive tax increment ceases at the termination of the redevelopment project area. Twenty percent of the tax increment is required to be set

aside for low- and moderate-income housing. Other portions of the tax increment must be passed through to other agencies or typically set aside for administrative or financial expenses. The remaining uncommitted increment is available for redevelopment projects consistent with the Redevelopment Plan and five-year Implementation Plan. Such projects may include housing, developer project assistance and qualifying public improvements.

In evaluating all proposed redevelopment projects, the Agency will, as a significant priority, consider the funding of infrastructure improvements (through direct funding or potentially through retirement of debt that was used to cash flow infrastructure projects) particularly if the private developer or City cannot provide adequate funding. This investment will assist private developments, which will lead to the generation of additional tax increment revenues. Tax increment revenue may be needed to fund a share of the large Initial Phase infrastructure projects to assist the cash flow problems that are likely to exist during this development stage and to assist in keeping the infrastructure burden for the developer and city at a feasible level. However, tax increment revenue is very limited in the early years of the Initial Phase of development because of the low level of new development-generated property taxes.

The use of tax increment revenues by the Redevelopment Agency is subject to their availability, the policy decisions of the Redevelopment Agency, and the restrictions of the California Community Redevelopment Law (CRL), the Redevelopment Plan, and the Implementation Plan.

The use of tax increment for public improvements is strictly limited by the CRL, among other considerations; the Redevelopment Agency must make the following findings before considering an allocation of tax increment revenue to any proposed Public Facility:⁶

1. That the public improvements are of benefit to the project area;
2. That no other reasonable means of financing such public improvements are available to the community; and
3. That the agency's contribution to the cost of the public improvement or facility will assist in elimination of one or more blighting conditions in the project area.

The use of tax increment for any purpose will also be limited by the various time limits applicable to the proposed RRPA.

⁶ *A Legal Guide to California Redevelopment*; 1994 Edition, Law Offices of Goldfarb & Lipman.

Because the Financing Plan assumes the long-term development of the Railyards and much uncertainty exists regarding the timeframe of Project buildout, the time limits for Redevelopment activities and incurring indebtedness may limit the amount of infrastructure improvements that can be ultimately funded from tax increment revenues. If the development pace occurs more quickly than anticipated, a greater number of infrastructure improvements can be funded through tax increment. Conversely, if the pace of development occurs more slowly than anticipated, tax increment revenue will be slowed and fewer Facilities can be funded through this revenue source. In addition the agency may choose to use a portion of the tax increment to fund other worthy projects in the Railyards Project Area.

MEASURE A

Measure A is a half-cent sales tax approved by the voters of Sacramento County in the November 2006 general election to fund transportation projects in the County. The measure will go into effect in 2008 following the expiration of the original 1988 Measure A. The 2006 Measure A is effective for 30 years. The City receives a portion of Measure A revenue to fund new construction and maintain freeway and street projects and another portion goes to the Sacramento Regional Transit District (RT).

The Measure A election ballot project list includes: The SITF, the LRT extension to the Airport, the I-5/Richards Interchange, and funding for transit-oriented development projects. The City CIP currently includes \$15 million in Measure A funding for the I-5/Richards Interchange.

MAJOR STREET CONSTRUCTION TAX

The MSCT is a tax collected at the time of building permit issuance for new buildings throughout the City. MSCT funds may be used to fund the over-sizing of a portion of a local roadway. MSCT funds have been identified as funding a portion of several of the arterial and collector roadways identified in the Railyards.

OTHER CITY FUNDING

The City may provide other discretionary funding sources to assist in developing Railyards' Facilities. Examples of the funding sources include: sales tax increment revenues, parking revenues from the City Parking Fund, and gas tax revenues. This Financing Plan assumes that the City may issue revenue bonds to fund a portion of the public structured or surface parking facilities. The parking revenue bond will be repaid with revenues generated by parking facility customers. As another example, the City

previously used a portion of the bond proceeds from the Sacramento City Financing Authority Gas Tax Revenue Bonds Series 1995A to fund a portion of the Richards Boulevard improvements between I-5 and 7th Street.

OUTSIDE SOURCES OF FUNDING (REGIONAL, STATE, AND FEDERAL FUNDING)

Future federal transportation funding sources will likely be available although precise funding sources are uncertain. Numerous State funding sources are available including funding for transportation and infrastructure projects through the STIP and RTIP process, and Propositions 1B, 1C, and 84 bond proceeds. Other sources of funding include the SACOG Community Design Program, and funding from special interest groups related to the rehabilitation of the historic Central Shops.

The financing strategy in Chapter V relies heavily on State funding from the recently-approved bond measures. In particular, the Financing Plan assumes that \$150 million will be available from Proposition 1C—Housing Bonds to assist in constructing a large portion of the backbone infrastructure (roads, sewer, water, drainage) to begin development of the Initial Phase project. The Financing Plan also assumes that approximately \$74 million in other Regional, State, or federal funding will be available to fund the backbone infrastructure. If this funding is not available, other funding will need to be secured or development of the Railyards will be delayed.

One of the major issues associated with securing State and federal transportation funding is the potential competition between the funding needs of the Railyards project and the funding requirements of the SITF. Although these projects are complementary, there could be a competition for the scarce financial resources. The City and Master Developer will have to carefully coordinate the efforts to secure the necessary State and federal funding.

There are a considerable number of other potential federal, State, regional, and private sources of grants or loans, such as the Sacramento Area Council of Governments (SACOG) Community Design Program, for which the project could qualify. The City and Master Developer should aggressively pursue all available funding sources from federal, State, Regional, and other funding sources, some of which are described in more detail below.

FEDERAL FUNDING

There is the possibility of substantial federal funding for freeway and transit projects. These funding sources are competitive and go through the Regional Transportation Improvement Program (RTIP) and State Transportation Improvement Program (STIP) programming process.

Although there will be future federal transportation funds available, the exact sources of funding are uncertain. TEA 21, the "Transportation Equity Act for the 21st Century," expired on October 1, 2005. New authorizing legislation has not yet been passed. Federal transportation funds continue to flow, however, through a series of continuing resolutions. Over the long term development of the Project, there will be several cycles of federal legislation authorizing funding for transportation improvements that could be used to fund improvements serving the Railyards.

STATE FUNDING

State funding for transportation projects is funded through the STIP and RTIP process. The primary source of funding is the State Highway Account. The State transportation program has recently been augmented by Propositions 1A and 1B passed by the voters in November 2006. These bond measures provided both more secure transportation funding (Proposition 1A) and a funding augmentation through general obligation bonds (Proposition 1B).

Other bonds measures approved on the November 2006 ballot included the two listed here:

- **Proposition 1C**, the Housing Bond, which could provide funding for the Railyards through the authorization to fund housing related infrastructure for infill and transit-oriented development projects; and
- **Proposition 84** could provide funding for the rehabilitation of the Central Shops as well as the proposed riverfront park.

Over the buildout of the Railyards, there could be additional statewide bond measures passed for which the City could compete to gain funding for Facilities needed to serve the Railyards.

OTHER SOURCES OF FUNDING

The historic Central Shops provide a unique opportunity to draw in funding from both public and private sources. The source and type of funding and whether the funding

would be available for Backbone Infrastructure and Public Facilities will depend on the potential users of the facilities. For example, State Parks is proposing to complete a Railroad Technology Museum in the historic Central Shops area. State Parks will use funding from voter-approved bond measures for parks to construct the museum as well as other funding sources. Other user groups, such as other museums, could bring additional funding raised by the supporters of those museums to construct the facilities.

The ultimate funding source for public parking structures has not been determined. The funding for these structures has been identified under the City sources for parking revenue bonds and the remainder of the costs under the "other" category. Actual funding for public parking structures will be determined at the time each garage is planned for construction.

V. FINANCING STRATEGY

This chapter outlines an overall financing strategy by providing workable solutions to the complex problem of financing the Backbone Infrastructure and Public Facilities necessary to support the development proposed for the Railyards Specific Plan (RSP). The chapter outlines the financing strategy by the two major development phases: Initial Phase and Remaining Phase.

The major funding sources used by the financing strategy are shown in summary form in **Figure I-1** in **Chapter I**. As shown in **Figure I-1**, projected funding sources for the Public Facility costs estimated during the initial phase include the following primary funding categories:

- Project-based funding;
- City/Redevelopment Agency funding; and
- Outside sources of funding (Regional, State, and federal).

The estimate of specific development infrastructure costs, which are normally funded by private development, and standard City impact fees are not included in the estimated \$745 million of improvement costs. Although not calculated in the Financing Plan, the development projects are obligated to pay these fees to the appropriate jurisdiction.

FACTORS INFLUENCING THE FINANCING STRATEGY

The financing strategy for the Railyards takes into account the following factors that will influence the buildout of development and the financial hurdles that must be resolved.

- **As a major infill redevelopment project, the RSP proposes to create a new urban environment within the context of an already established city and region.** Success or failure hinges on understanding the significant risks involved in pioneering a new area and creating the appropriate implementation framework.
- **The project is composed of a broad mix of land uses, including retail, office, entertainment, hotel, housing, and public space.** Market demand for each land use will vary because of the cyclical nature of demand, supply, and funding availability for each type of land use. The Railyards include a significant amount of mixed use development which adds to the complexity and cost of implementing specific development projects.
- **The project will require a long time frame to complete.** Many market and financing factors influencing development of the project will not be known for many years. Development in the Railyards will occur in response to

changing market conditions. The financing strategy must be market driven and anticipate fluctuating demand cycles. Many of the Facilities are linked to the level of development so if the development pace is slower or faster than anticipated, the timing of Facility construction can be adjusted. Some limited initial development in the Railyards can be initiated with only minor Facilities to serve the developing parcels. The development of these parcels will generate tax increment revenue and development impact fees that will be available to fund Facility costs anticipated to be incurred in the latter portion of Initial Phase development.

- **The RSP requires a significant amount of major infrastructure in the early phases of development.** Since the Railyards does not contain many Facilities, a substantial amount of improvements will be required early in the Project and before much development can occur. Thus, the ability of Project development to fund Facilities with “pay-as-you-go” programs, such as fees, will be limited. It is likely that a portion of the Project may require Mello-Roos CFD bond funding or cash advances from the Master Developer or outside sources.
- **The RSP requires a significant amount of private investment to remediate toxics from the property.** Up front private costs and toxic remediation influence the financing strategy for Backbone Infrastructure and Public Facilities.
- **Financing the Facilities requires a combination of City, State, federal and private development funding sources.** It is also anticipated that Regional, State, and federal funding will provide a significant portion of the overall \$745 million of Facility costs. Most of the Regional, State, and federal funds are for major regional projects such as Backbone Infrastructure to serve local, as well as regional, needs including: utilities, on-site roadways, freeway improvements, and Central Shops rehabilitation. If the required outside funding is not available, the development program may be slowed subject to the linkage requirements in the tentative map conditions of approval until this funding becomes available or alternatives to the Facilities’ requirements are available.
- **A significant public/private partnership is required to advance the project through the numerous development hurdles that will be encountered.** This public/private partnership will function through the terms and conditions of the Railyards DA with the City and other agreements with the Redevelopment Agency.
- **Tax Increment funding will be very limited at the start of the Initial Phase.** Tax increment funding generated throughout the initial phase will be needed primarily for Central Shops rehabilitation, major on-site roadways and public surface and structured parking facilities.

- **Many of the specific development projects (retail, office, residential, mixed-use) at the outset of development face financial and market feasibility challenges because the projects are not feasible under current market conditions.** Presently, nearly all types of development planned for the Railyards are unlikely to support the full Project cost burden in the early phases of development. Therefore, the Project cost burden (development impact fee burden) must be subsidized with public revenue or other private capital.

These factors will be reviewed over time along with the development program, capital improvement program, and funding programs. Ongoing review of these factors will determine if they remain pertinent to creating a feasible project.

FINANCING PLAN PRINCIPLES

The following set of principles for City and Redevelopment Agency actions related to the financing of Backbone Infrastructure and Public Facilities are set out in the Financing Plan:

1. The City and Master Developer will seek to maximize federal and State funding for Backbone Infrastructure, Public Facilities and other regional infrastructure improvements that are required to serve the Project. The City's priority for federal and State transportation funding, however, is the Sacramento Intermodal Transportation Facility (SITF), track relocation, and associated improvements.
2. All essential Backbone Infrastructure and Public Facilities necessary for public health, safety, and welfare are constructed to serve each phase of the Project.
3. The City will identify the Railyards' and the other development areas' proportional financial contribution for the required Facilities. For example, the City will update the Railyards/Richards (River District)/Downtown Transportation Impact Fee to provide a mechanism for each development area to pay its proportionate share of transportation improvements. In addition, the City will update the Railyards/Richards (River District)/Downtown Public Facilities Fee program to provide a mechanism for each development area to pay its proportionate share of shared Public Facilities (e.g., fire station).
4. *Existing* development in the River District and Downtown and the public portion of the historic/cultural land uses in the Railyards will *not* be required to fund a share of the Project cost burden. Other revenue sources will be needed to fund the cost burden assigned to existing development and also to public uses.
5. The City and Redevelopment Agency, in accordance with prudent fiscal judgment, will provide tax-exempt municipal financing to keep financing costs for Facilities to a minimum. Any public debt issued by the City must meet all

debt policies and not adversely affect the City's or Redevelopment Agency's credit rating.

6. The Master Developer will advance fund or construct significant portions of the Backbone Infrastructure and Public Facilities. The Master Developer will seek private financing necessary to fund such improvements to the extent public financing is not available.
7. The City may provide funding to advance the development of the Railyards and offset the cost of Backbone Infrastructure and Public Facilities from other funding sources. The DA will specify the conditions for City funding contributions to the Project.
8. The Redevelopment Agency will work with the developer to identify legitimate redevelopment activities for use of tax increment funds. The Redevelopment Agency may use tax increment revenues to reimburse the developer for extraordinary infrastructure costs and public improvements and amenities not typically found in development projects. These extraordinary costs may include such items as partial funding of major roadways and utilities lines, environmental mitigation measures, historic preservation projects, structured parking facilities, and civic amenities.
9. The Redevelopment Agency may reimburse the developer with tax increment revenues for extraordinary infrastructure costs and public improvements and amenities only to the extent that such revenues actually are realized from development in the Railyards and the designated project area. Separate financing agreements will be used to implement this principle as phases of the project are built out.
10. The Redevelopment Agency will allocate tax increment revenues to fund Facilities if the Redevelopment Agency can make the necessary findings that no other funding sources are available to pay for that portion of those public improvements.
11. The Redevelopment Agency may provide tax increment funding to subsidize specific private development-projects demonstrating a financial feasibility gap on an individual-project basis and if such projects qualify as redevelopment projects.
12. The actions contemplated in the Financing Plan by the City and the Redevelopment Agency are subject to the legislative discretion of each body at the time of approval and will be in compliance with all applicable laws and regulations.

PROJECT PHASING

The timing of the receipt of project revenues available to fund infrastructure costs is important because it provides an indication of the feasibility of the Project. If a significant portion of the Facilities are completed before development occurs, there may be large funding shortfalls which will make the development of the Project difficult. In an attempt to minimize large funding gaps, development of the Facilities will be phased to correspond with the pace of development, available financing capacity, and the service requirements of the City. If development occurs at a slower or faster pace than expected, the infrastructure development will be correspondingly adjusted. The Initial Phase and Remaining Phase development described in the Financing Plan will likely be divided into numerous smaller subphases.

FUNDING SUMMARY

The funding of Facilities will be obtained through a wide array of sources as previously discussed in the Funding Sources chapter. **Table III-1 (in Chapter III)** shows the Facilities requiring funding and the preliminary cost estimates. This section discusses the probable sources of funding for each of the Facility improvements included in the Financing Plan for the Initial Phase and the Remaining Phase of development.

As mentioned earlier in the Financing Plan, there is significant uncertainty concerning the buildout of the development projects including the ultimate amount of development that will occur, the sequencing of development, and the ultimate Facilities that will be constructed, and the availability of many of the funding sources. As a result, the capital facilities program and nexus studies will be updated on an as-needed basis based on updated infrastructure cost estimates, funding, and development information.

Table V-1 describes a preliminary set of assumptions used to fund Facilities in the Railyards at buildout. As shown, this table describes the rationale behind the amount of funding allocated by funding amount and Facility. Please note this table, in addition to the estimated sources and uses of funds discussed in the subsequent section, reflect a preliminary method for allocated sources of funding to Facilities. As the Project progresses and additional or different sources or amounts of funding become available, there is a significant degree of flexibility in the allocation of funding sources to various Backbone Infrastructure items and some Public Facilities. For example, tax increment and CFD funding could be reallocated easily between roads, sewer, water, and drainage improvements.

**Table V-1
Railyards Specific Plan
Public Facilities Financing Plan
Rationale for Funding Amount and Facilities Funded**

Item	Amount	Facilities Funded	Rationale for Funding Amount and Assignment to Facilities Funded
Project-Based Funding			
Proposed Railyards Plan Area Fee	\$36,600,000	Freeways; Transit Facilities; Community Center; Parks and Open Space; Library; Police Station; Fire Station	Fee amounts equal shortfall funding after Railyards Special Financing District, other development fees and other financing sources are applied to facilities costs.
Proposed Railyards Special Fin. District	\$57,900,000	Storm Drainage, Sanitary Sewer, Water improvements; On-Site Roadways and Dry Utilities	Up-front bond proceeds used to fund critical initial backbone infrastructure. Bond proceeds used to fund early infrastructure costs to assist project cash flow.
Park/School Development Impact Fees	\$74,300,000	Parks and Open Space; Schools	Fee revenues limited to paying for facilities specific to existing development impact fee programs.
Total Project-Based Funding	\$168,800,000		In conjunction with special financing district and Project-based development impact fee burden, amount reflects Project-based funding with approximately \$200 million dollar cap. Cap based on estimate of existing Railyards development fee inflated to 2007\$.

**Table V-1
 Railyards Specific Plan
 Public Facilities Financing Plan
 Rationale for Funding Amount and Facilities Funded**

Item	Amount	Facilities Funded	Rationale for Funding Amount and Assignment to Facilities Funded
City of Sacramento/ Redevelopment Agency Funding			
Tax Increment (TI)	\$80,000,000	On-Site Roadways and Dry Utilities; Central Shops Rehabilitation; Surface and Structured Parking	Amount based on estimates by Redevelopment Agency as facilities available for backbone infrastructure and public facilities. Identified by the Redevelopment Agency as facilities with extraordinary costs. Funding these facilities correspond with the Redevelopment Agency's goal of stimulating economic development in the City.
Measure A	\$15,000,000	I-5/Richards Interchange Improvements	Funding amount estimated by the City as matching funding for Richards/I-5 Interchange. The City estimates approximately \$15 million will be available to fund the I-5/Richards Interchange improvement.
Major Street Construction Tax (MSCT)	\$9,100,000	Oversized portion of On-site Roadways	Total amount generated by Railyards development at buildout based on existing MSCT rate shown in Appendix B.
Downtown/River District Fees	\$66,000,000	On-Site and Off-Site Sanitary Sewer; Off-Site Roadways; Freeway Improvements; Police Station; Fire Station	Facilities which serve multiple projects and are funded by development impact fees. River District preliminarily assigned 50% cost share for police and fire stations.
Other City Funding	\$52,000,000	Surface and Structured Parking facilities	Parking revenues limited to parking facilities. City may provide additional funding to assist Railyards project, see text discussion.
Total City of Sacramento/ Redevelopment Agency Funding	\$222,100,000	City may contribute additional funding.	Other city funding not estimated at this time.

**Table V-1
Railyards Specific Plan
Public Facilities Financing Plan
Rationale for Funding Amount and Facilities Funded**

Item	Rationale for Funding Amount and Assignment to Facilities Funded	
	Amount	Facilities Funded
Outside Sources of Funding		
Regional, State, and Federal Funding	\$73,800,000	Central Shops Rehabilitation; Freeway improvements; On-site roadways
Proposition 1C	\$150,000,000	Storm Drainage, On-Site and Off-Site Sanitary Sewer, and Water improvements; On-Site Roadways and Dry Utilities
Other Funding	\$130,600,000	Central Shops Rehabilitation; Community Center
Total Outside Sources of Funding	\$354,400,000	

Source: EPS.

"rationale"

State Parks has estimated this amount. Other funding to support infrastructure with extraordinary costs.

Prop 1C - Housing Bond Available to assist Cities to fund housing related Infrastructure for in-fill and transit-oriented development.

Other funding could be City, developer, user groups, etc. Funding raised specifically to support Central Shops and Community Center.

\$26.5 M from California State Parks for Rail Technology Museum.
\$50 M assumed - rough estimate of future federal/state/regional funding

Assumed amount

Residual amount needed after other available funding was applied to these projects.

Table V-1 includes several key assumptions that are important to note. These key assumptions are detailed in the list below:

- **Project-based funding is estimated at approximately \$169 million after accounting for other potential funding sources.** Project-based funding, which includes a proposed Railyards Plan Area Fee, Proposed Railyards Special Financing District, and citywide Development Impact Fees (Park and School development impact fees). Development based funding was estimated after assumptions were developed for all other funding sources. Project based funding may need to be increased if the other funding is not realized and alternative sources are not available.
- **Approximately \$80 million of tax increment revenue is preliminarily allocated to fund specific Facilities identified by the Redevelopment Agency as extraordinary costs.** The availability of tax increment for the Financing Plan has been conservatively estimated by the Redevelopment Agency. Additional Facilities may be funded by tax increment revenue should additional tax increment revenue become available. Further, if other funding sources are identified to fund Facilities specified in this table, tax increment could be used to fund other Facilities with extraordinary costs or to assist with private development.
- **Approximately \$52 million in funding for public parking structures is assumed to be derived from parking revenue bonds supported by revenues generated from the parking facility users.** Thomas Enterprises provide the assumption for parking revenue bonds. The amount of parking facilities funded by parking revenues will ultimately be determined by the actual cost of the parking facilities, market demand, and the market for setting parking rates.
- **Approximately \$150 million in Proposition 1C funding has been estimated for the Initial Phase Backbone Infrastructure.** Thomas Enterprises has estimated that the Railyards could receive up to \$150 million for Proposition 1C as a result of the in-fill transit oriented nature of the Railyards project.

DETAILED SOURCES AND USES OF FUNDS

Table V-2, Table V-3, and Table V-4 show the proposed funding sources by Public Facility for the Initial Phase, the Remaining Phase, and Buildout of the Project, respectively. At buildout under the proposed funding strategy, approximately \$168.8 million is estimated to be funded with Project-based funding, \$222.1 million funded through City/Redevelopment Agency funding sources, and \$354.4 million funded through outside sources of funding.

Initial Phase
(1A, 1B, & 2)

Table V-2
Railyards Specific Plan
Public Facilities Financing Plan
Estimated Sources and Uses for Initial Phase (2007\$)

Item	Potential Funding Sources [1]																	
	Project-Based Funding				Redevelopment		City Funding Sources					Other Funding Sources				Subtotal Other Funding Sources	Total Funding	Surplus/ (Shortfall)
	Proposed Railyards Plan Area Fee	Proposed Railyards Special Financing District	Park/School Impact Fees	Subtotal Project-Based Funding	Tax Increment	Measure A	Major Street Construction Tax (MSCT)	Downtown/River District Fees	Other City	Subtotal City Funding Sources	Regional, State, and Federal	Proposition 1C	Other [1]					
Infrastructure Improvements [2]																		
Storm Drainage	\$40,216,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,216,000	\$0	\$40,216,000	\$40,216,000	\$0		
Sanitary Sewer																		
On-Site Sanitary Sewer	\$28,906,000	\$0	\$0	\$0	\$0	\$0	\$0	\$12,143,124	\$0	\$12,143,124	\$0	\$16,762,876	\$0	\$16,762,876	\$28,906,000	\$0		
Off-Site Sanitary Sewer	\$6,439,230	\$0	\$0	\$0	\$0	\$0	\$0	\$3,275,126	\$0	\$3,275,126	\$0	\$3,164,104	\$0	\$3,164,104	\$6,439,230	\$0		
Total Sanitary Sewer	\$35,345,230	\$0	\$0	\$0	\$0	\$0	\$0	\$15,418,249	\$0	\$15,418,249	\$0	\$19,926,981	\$0	\$19,926,981	\$35,345,230	\$0		
Water	\$14,763,225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,763,225	\$0	\$14,763,225	\$14,763,225	\$0		
Transportation [3]																		
On-Site Roadways [4]	\$109,521,000	\$0	\$28,856,757	\$0	\$28,856,757	\$14,802,776	\$0	\$2,592,154	\$0	\$2,592,154	\$0	\$63,269,314	\$0	\$63,269,314	\$109,521,000	\$0		
Off-Site Roadways	\$6,995,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,995,000	\$0	\$6,995,000	\$0	\$0	\$0	\$6,995,000	\$0		
Dry Utilities	\$9,461,000	\$0	\$0	\$0	\$0	\$322,224	\$0	\$0	\$0	\$0	\$0	\$9,138,776	\$0	\$9,138,776	\$9,461,000	\$0		
Freeways [5]	\$8,231,000	\$1,177,515	\$0	\$0	\$1,177,515	\$0	\$0	\$0	\$2,367,780	\$0	\$2,367,780	\$0	\$2,685,705	\$0	\$2,685,705	\$6,231,000	\$0	
Total Transportation	\$132,208,000	\$1,177,515	\$28,856,757	\$0	\$30,034,272	\$15,125,000	\$0	\$2,592,154	\$9,362,780	\$0	\$11,954,934	\$0	\$75,093,794	\$0	\$75,093,794	\$132,208,000	\$0	
Total Infrastructure Improvements	\$222,532,455	\$1,177,515	\$28,856,757	\$0	\$30,034,272	\$15,125,000	\$0	\$2,592,154	\$24,781,029	\$0	\$27,373,183	\$0	\$150,000,000	\$0	\$150,000,000	\$222,532,455	\$0	
Public Facility Improvements																		
7th Street LRT Station [6]	\$5,000,000	\$5,000,000	\$0	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000	\$0	
Other Transit Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Central Shops [7]	\$124,900,060	\$0	\$0	\$0	\$0	\$26,125,000	\$0	\$0	\$0	\$0	\$0	\$26,500,000	\$0	\$26,500,000	\$124,900,060	\$0		
Community Center [8]	\$0	\$1,799,596	\$0	\$0	\$1,799,596	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,799,596	\$1,799,596	\$0	
Parks and Open Space [9]	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Surface and Structured Parking [10]	\$22,638,132	\$748,851	\$0	\$8,781,136	\$9,529,987	\$0	\$0	\$0	\$0	\$0	\$52,000,000	\$52,000,000	\$0	\$52,000,000	\$65,750,000	(\$71,571,560)		
Schools [11]	\$137,321,560	\$0	\$0	\$9,541,836	\$9,541,836	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,541,836	\$9,541,836	\$0	
Library [12]	\$9,541,836	\$0	\$0	\$0	\$0	\$184,574	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$184,574	\$184,574	\$0	
Police Station [13]	\$0	\$184,574	\$0	\$0	\$184,574	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$184,574	\$184,574	\$0	
Fire Station [13]	\$0	\$1,845,739	\$0	\$0	\$1,845,739	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,845,739	\$1,845,739	\$0	
Total Public Facility Improvements	\$299,401,588	\$11,424,498	\$0	\$18,322,972	\$29,747,470	\$39,875,000	\$0	\$0	\$0	\$0	\$52,000,000	\$52,000,000	\$26,500,000	\$72,275,060	\$98,775,060	\$442,929,985	(\$79,004,058)	
Subtotal Infra. and Public Facility Improvements	\$521,934,043	\$12,602,013	\$28,856,757	\$18,322,972	\$59,781,742	\$55,000,000	\$0	\$2,592,154	\$24,781,029	\$52,000,000	\$79,373,183	\$26,500,000	\$150,000,000	\$72,275,060	\$248,775,060	\$442,929,985	(\$79,004,058)	
Special Financing District Formation and Updates	\$600,000	\$600,000	\$0	\$0	\$600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600,000	\$0	
Total Infra. and Public Facility Improvements	\$522,534,043	\$13,202,013	\$28,856,757	\$18,322,972	\$60,381,742	\$55,000,000	\$0	\$2,592,154	\$24,781,029	\$52,000,000	\$79,373,183	\$26,500,000	\$150,000,000	\$72,275,060	\$248,775,060	\$443,529,985	(\$79,004,058)	

Source: 7/14/07 Railyards Phasing Scenario; 7/17/07 & 10/17/07 Nolte cost estimates; 7/11/07 & 5/2/07 Kimley-Horn and Assoc. cost estimates; 10/23/07 City of Sacramento cost estimates; EPS.

- [1] "Other" funding may include grant or other sources of revenue such as capital campaigns by user groups.
- [2] Infrastructure improvement costs include contingency, engineering and design, construction management, and plan check permit costs.
- [3] Transportation improvements include full sidewalk but excludes landscaping, wet/dry utilities, and demo (except where noted).
- [4] Estimated improvement costs for some arterial roadways, exclude costs associated with right-of-way acquisition.
- [5] Initial phase estimate of improvement costs based on the I-5 Richards Interchange Ultimate Split Diamond cost estimates. A portion has been allocated to Phase 1B.
- [6] Placeholder improvement cost estimate from the City of Sacramento as of 10/11/06.
- [7] Improvement costs estimates for the Central Shops provided by Thomas Enterprises.
- [8] Community Center improvement cost estimate from the City of Sacramento as of 6/2007. Based on an estimate of \$325/sq. ft. for a typical community center of 30,000 square feet.
- [9] Estimated improvement costs and costs by phase provided by the City of Sacramento's Department of Parks and Recreation 10/23/07.
- [10] Based on a preliminary improvement cost estimate prepared by Walker Parking Consultants on 6/29/07. Includes surface parking per the City of Sacramento 8/30/07.
- [11] For this iteration of the analysis, total improvement costs are assumed to equal fee revenue generated by the project. Actual costs will be updated when they are available.
- [12] Assumed to be a community reading room.
- [13] Improvement cost estimates provided by the City of Sacramento as of 5/17/07.

Buildout

Table V-4
Railyards Specific Plan
Public Facilities Financing Plan
Estimated Sources and Uses of Funds at Buildout (2007\$)

Item	Estimated Improvement Costs at Buildout (2007\$)	Project-Based Funding			Subtotal Project-Based Funding	Redevelopment Tax Increment	City Funding Sources				Other Funding Sources			Subtotal Other Funding Sources	Total Funding	Surplus/ (Shortfall)	
		Proposed Railyards Plan Area Fee	Proposed Railyards Special Financing District	Park/School Impact Fees			Measure A	Major Street Construction Tax (MSCT)	Downtown/River District Fees	Other City	Subtotal City Funding Sources	Regional, State, and Federal	Proposition 1C				Other [1]
Infrastructure Improvements [2]																	
Storm Drainage	\$45,403,450	\$0	\$5,187,450	\$0	\$5,187,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,216,000	\$0	\$40,216,000	\$45,403,450	\$0
Sanitary Sewer																	
On-Site Sanitary Sewer	\$30,101,000	\$0	\$1,195,000	\$0	\$1,195,000	\$0	\$0	\$0	\$12,143,124	\$0	\$12,143,124	\$0	\$16,762,676	\$0	\$16,762,676	\$30,101,000	\$0
Off-Site Sanitary Sewer	\$6,439,230	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,275,126	\$0	\$3,275,126	\$0	\$3,164,104	\$0	\$3,164,104	\$6,439,230	\$0
Total Sanitary Sewer	\$36,540,230	\$0	\$1,195,000	\$0	\$1,195,000	\$0	\$0	\$0	\$15,418,249	\$0	\$15,418,249	\$0	\$19,926,981	\$0	\$19,926,981	\$36,540,230	\$0
Water	\$21,603,217	\$0	\$6,839,992	\$0	\$6,839,992	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,763,225	\$0	\$14,763,225	\$21,603,217	\$0
Transportation [3]																	
On-Site Roadways [4]	\$158,412,000	\$0	\$39,476,097	\$0	\$39,476,097	\$21,531,310	\$0	\$9,135,280	\$0	\$0	\$9,135,280	\$25,000,000	\$63,269,314	\$0	\$88,269,314	\$158,412,000	\$0
Off-Site Roadways	\$14,122,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,122,000	\$0	\$14,122,000	\$0	\$0	\$0	\$0	\$14,122,000	\$0
Dry Utilities	\$14,853,000	\$0	\$5,245,534	\$0	\$5,245,534	\$468,690	\$0	\$0	\$0	\$0	\$0	\$0	\$9,138,776	\$0	\$9,138,776	\$14,853,000	\$0
Freeways [5]	\$69,661,000	\$3,189,820	\$0	\$0	\$3,189,820	\$0	\$15,000,000	\$0	\$26,471,180	\$0	\$41,471,180	\$22,314,295	\$2,685,705	\$0	\$25,000,000	\$69,661,000	\$0
Total Transportation	\$257,048,000	\$3,189,820	\$44,721,631	\$0	\$47,911,451	\$22,000,000	\$15,000,000	\$9,135,280	\$40,593,180	\$0	\$64,728,460	\$47,314,295	\$75,093,794	\$0	\$122,408,089	\$257,048,000	\$0
Total Infrastructure Improvements	\$360,594,897	\$3,189,820	\$57,944,073	\$0	\$61,133,893	\$22,000,000	\$15,000,000	\$9,135,280	\$56,011,429	\$0	\$80,146,709	\$47,314,295	\$150,000,000	\$0	\$197,314,295	\$360,594,897	\$0
Public Facility Improvements																	
7th Street LRT Station [6]	\$5,000,000	\$5,000,000	\$0	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$0
Other Transit Facilities	\$10,000,000	\$10,000,000	\$0	\$0	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000,000	\$0
Central Shops [7]	\$124,900,060	\$0	\$0	\$0	\$0	\$38,000,000	\$0	\$0	\$0	\$0	\$0	\$26,500,000	\$0	\$60,400,060	\$86,900,060	\$124,900,060	\$0
Community Center [8]	\$9,750,000	\$4,875,000	\$0	\$0	\$4,875,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,875,000	\$4,875,000	\$9,750,000	\$0
Parks and Open Space [9]	\$36,813,601	\$2,028,594	\$0	\$34,785,008	\$36,813,602	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,813,602	\$0
Surface and Structured Parking [10, 11]	\$137,321,560	\$0	\$0	\$0	\$0	\$20,000,000	\$0	\$0	\$0	\$52,000,000	\$52,000,000	\$0	\$0	\$65,321,560	\$65,321,560	\$137,321,560	\$0
Schools [12]	\$39,527,436	\$0	\$0	\$39,527,436	\$39,527,436	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,527,436	\$0
Library [13]	\$500,000	\$500,000	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$0
Police Station [14]	\$10,000,000	\$5,000,000	\$0	\$0	\$5,000,000	\$0	\$0	\$0	\$5,000,000	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$10,000,000	\$0
Fire Station [14]	\$10,000,000	\$5,000,000	\$0	\$0	\$5,000,000	\$0	\$0	\$0	\$5,000,000	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$10,000,000	\$0
Total Public Facility Improvements	\$383,812,657	\$32,403,594	\$0	\$74,312,444	\$106,716,038	\$58,000,000	\$0	\$0	\$10,000,000	\$52,000,000	\$62,000,000	\$26,500,000	\$0	\$130,596,620	\$157,096,620	\$383,812,658	\$0
Subtotal Infra. and Public Facility Improvements	\$744,407,554	\$35,593,414	\$57,944,073	\$74,312,444	\$167,849,930	\$80,000,000	\$15,000,000	\$9,135,280	\$66,011,429	\$52,000,000	\$142,146,709	\$73,814,295	\$150,000,000	\$130,596,620	\$354,410,915	\$744,407,555	\$0
Special Financing District Formation and Updates	\$1,000,000	\$1,000,000	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0
Total Infra. and Public Facility Improvements	\$745,407,554	\$36,593,414	\$57,944,073	\$74,312,444	\$168,849,930	\$80,000,000	\$15,000,000	\$9,135,280	\$66,011,429	\$52,000,000	\$142,146,709	\$73,814,295	\$150,000,000	\$130,596,620	\$354,410,915	\$745,407,554	\$0

sources_uses_buildout

Source: 7/14/07 Railyards Phasing Scenario; 7/17/07 & 10/17/07 Nolte cost estimates; 7/11/07& 5/2/07 Kimley-Horn and Assoc. cost estimates; 10/23/07 City of Sacramento cost estimates; EPS.

[1] "Other" funding may include grant or other sources of revenue such as capital campaigns by user groups.
 [2] Infrastructure improvement costs include contingency, engineering and design, construction management, and plan check permit costs.
 [3] Transportation improvements include full sidewalk but excludes landscaping, wet/dry utilities, and demo (except where noted).
 [4] Estimated improvement costs for some arterial roadways, exclude costs associated with right-of-way acquisition.
 [5] Initial phase estimate of improvement costs based on the I-5 Richards Interchange Ultimate Split Diamond cost estimates. A portion has been allocated to Phase 1B.
 [6] Placeholder improvement cost estimate from the City of Sacramento as of 10/11/06.
 [7] Improvement costs estimates for the Central Shops provided by Thomas Enterprises.
 [8] Community Center improvement cost estimate from the City of Sacramento as of 6/2007. Based on an estimate of \$325/sq. ft. for a typical community center of 30,000 square feet.
 [9] Estimated improvement costs and costs by phase provided by the City of Sacramento's Department of Parks and Recreation 10/23/07.
 [10] Based on a preliminary improvement cost estimate prepared by Walker Parking Consultants on 6/29/07. Includes surface parking per the City of Sacramento 8/30/07.
 [11] Other City revenue anticipated to fund surface and structured parking refers to anticipated parking revenues.
 [12] For this iteration of the analysis, total improvement costs are assumed to equal fee revenue generated by the project. Actual costs will be updated when they are available.
 [13] Assumed to be a community reading room.
 [14] Improvement cost estimates provided by the City of Sacramento as of 5/17/07.

In the Initial Phase, approximately \$60.4 million is estimated to be funded with Project-based funding, \$134.4 million through City/Redevelopment Agency funding sources, and \$248.8 million funded through outside sources of funding. Initial Phase funding is limited by the amount of development envisioned to be constructed in that phase.

The sources of funds for the Remaining Phase reflect the difference between funding assumptions in the Initial Phase and at Buildout. In the Remaining Phase, approximately \$108.5 million is estimated to be funded with Project-based funding, \$97.8 million funded through City/Redevelopment Agency funding sources, and \$105.6 million funded through outside sources of funding.

Funding Shortfall in Initial Phase and at Buildout

The Initial Phase of development and associated Facilities cost shows an un-funded deficit of nearly \$80 million. At buildout, no funding shortfall is estimated, however the many assumptions about the funding sources will have to be realized or alternative funding sources found.

The Financing Plan assumes the Initial Phase shortfall funding for parks may be funded through one or more of the following ways:

- Private development;
- Temporary transfer from existing fee programs (e.g., other fee components that may have surpluses); or
- Other City sources.

The Financing Plan assumes the Initial Phase shortfall funding for surface and structured parking may be funded through one or more of the following ways:

- Private development; or
- Other City sources.

Because the Financing Plan heavily relies on funding from sources beyond the control of the City and Master Developer, the implementation of the Railyards will require a subphasing approach which matches levels of development with available funding to meet Backbone Infrastructure and Public Facility requirements.

VI. PROJECT AREA FUNDING AND DEVELOPMENT FEE PROGRAMS

The Project is located within the following existing development fee programs:

- Richards/Railyards/Downtown Transportation Impact Fee Program (TIF); and
- Richards/Railyards Public Facilities Fee Program.

Each of the City fee programs were adopted in 1997 based on the 1997 Facility Element and the anticipated project area land uses at that time. All three development project areas were included in the Transportation Impact Fee program and only the Railyards and River District were included in the Public Facilities Fee program. For reference, **Map IV-1** in **Chapter IV** shows the boundaries of each of the benefit districts in the Richards/Railyards/Downtown TIF program.

An updated allocation of costs between the Railyards, River District, and Downtown is complicated at this time because of the new Project land uses and the status of the City's General Plan Update that is underway and scheduled for adoption in 2008. Because the land uses, and consequently, the corresponding capital improvement programs, may be subject to change as a result of the General Plan process, there is an incomplete foundation on which to base the updated allocations of area infrastructure costs to the three major development areas (Railyards, River District, and Downtown). Consequently, the Financing Plan recommends the following interim cost allocation methodology.

When the Transportation Impact and Public Facilities Fee programs are updated, appropriate credits and cost adjustments will be provided to each planning area (Railyards, River District, and Downtown) based on the types of Public Facility projects funded by outside sources of funding. These outside sources of funding will not be decided upon until approximately June 2008.

INTERIM COST ALLOCATION METHODOLOGY

To prepare the Railyards Financing Plan, the following methodology was used to assign infrastructure cost burdens to the Railyards project. The basic premise for the interim cost allocation methodology is that the major off-site regional facilities are still assumed to be funded on a proportional basis by the benefiting plan areas (Railyards, River District, and Downtown) but that all other facilities in the fee programs are assigned to the geographic area in which the improvements are planned.

METHODOLOGY FOR DETERMINING RAILYARDS AREA FUNDING

Since a complete cost allocation approach cannot be completed at this time, this Financing Plan uses building square footage as the allocation factor to preliminarily estimate the costs by land use assigned to the Railyards Plan Area Fee.

The cost allocation per square foot of developed space for each land use to fund the infrastructure included in this Financing Plan is summarized for the Railyards area in **Table VI-1** and **Table VI-2**. The development impacts for all Facilities serving the Railyards are estimated based on the buildout land uses since these improvements serve the entire development project.

The standard citywide fees or school impact fees are not included in either of these figures. The standard citywide fees include such items as citywide development impact fees (versus project specific fee discussed in this chapter), building permit fees, and plan check fees. Current existing citywide fees are shown in **Appendix B**.

DEVELOPMENT IMPACT FEE PROGRAMS

The cost allocation methodology provides the basis for establishing the updated development impact fee programs identified earlier in this chapter. Updated nexus studies will finalize the cost allocation formulas and provide the necessary findings to update the fee programs. Both the Financing Plan and the Nexus Studies will be periodically updated as more updated costs, funding, and land use data are available. The cost allocation in the Financing Plan and Nexus Study will establish a cost burden to each developable parcel by land use. Owners of developing parcels will be required to fund their share of facility costs through the fee program or through alternative funding sources.

Map VI-1 (not included in the EIR) shows the boundaries of the Richards/Railyards/Downtown fee program.

Table VI-1
 Railyards Specific Plan
 Public Facilities Financing Plan
 Summary of Cost Allocation Factors for Railyards Project Funding (2007\$)

Improvement	Proposed Railyards Plan Area Funding	Cost Allocation Factors		
		Residential	Nonresidential	Residential & Nonresidential
Infrastructure Improvements				
Storm Drainage	\$0	\$0	\$0	\$0
Sanitary Sewer				
On-Site Sanitary Sewer	\$0	\$0	\$0	\$0
Off-Site Sanitary Sewer	\$0	\$0	\$0	\$0
Total Sanitary Sewer	\$0	\$0	\$0	\$0
Water	\$0	\$0	\$0	\$0
Transportation				
On-Site Roadways	\$0	\$0	\$0	\$0
Off-Site Roadways	\$0	\$0	\$0	\$0
Dry Utilities	\$0	\$0	\$0	\$0
Freeways	\$3,189,820	\$0	\$0	\$3,189,820
Total Transportation	\$3,189,820	\$0	\$0	\$3,189,820
Total Infrastructure Improvements	\$3,189,820	\$0	\$0	\$3,189,820
Public Facility Improvements				
7th Street LRT Station [6]	\$5,000,000	\$0	\$0	\$5,000,000
Other Transit Facilities	\$10,000,000	\$0	\$0	\$10,000,000
Central Shops [7]	\$0	\$0	\$0	\$0
Community Center [8]	\$4,875,000	\$0	\$0	\$4,875,000
Parks and Open Space [9]	\$2,028,594	\$2,028,594	\$0	\$0
Surface and Structured Parking [10, 11]	\$0	\$0	\$0	\$0
Schools [12]	\$0	\$0	\$0	\$0
Library [13]	\$500,000	\$0	\$0	\$500,000
Police Station [14]	\$5,000,000	\$0	\$0	\$5,000,000
Fire Station [14]	\$5,000,000	\$0	\$0	\$5,000,000
Total Public Facility Improvements	\$32,403,594	\$2,028,594	\$0	\$30,375,000
Subtotal Infra. and Public Facility Improvements	\$35,593,414	\$2,028,594	\$0	\$33,564,820
Special Financing District Formation and Updates	\$1,000,000	\$0	\$0	\$1,000,000
Total Infra. and Public Facility Improvements	\$36,593,414	\$2,028,594	\$0	\$34,564,820

edu_factors

Source: 7/14/07 Railyards Phasing Scenario; 7/17/07 & 10/17/07 Nolte cost estimates; 7/11/07 & 5/2/07 Kimley-Horn and Assoc. cost estimates; City of Sacramento; EPS.

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Buildout

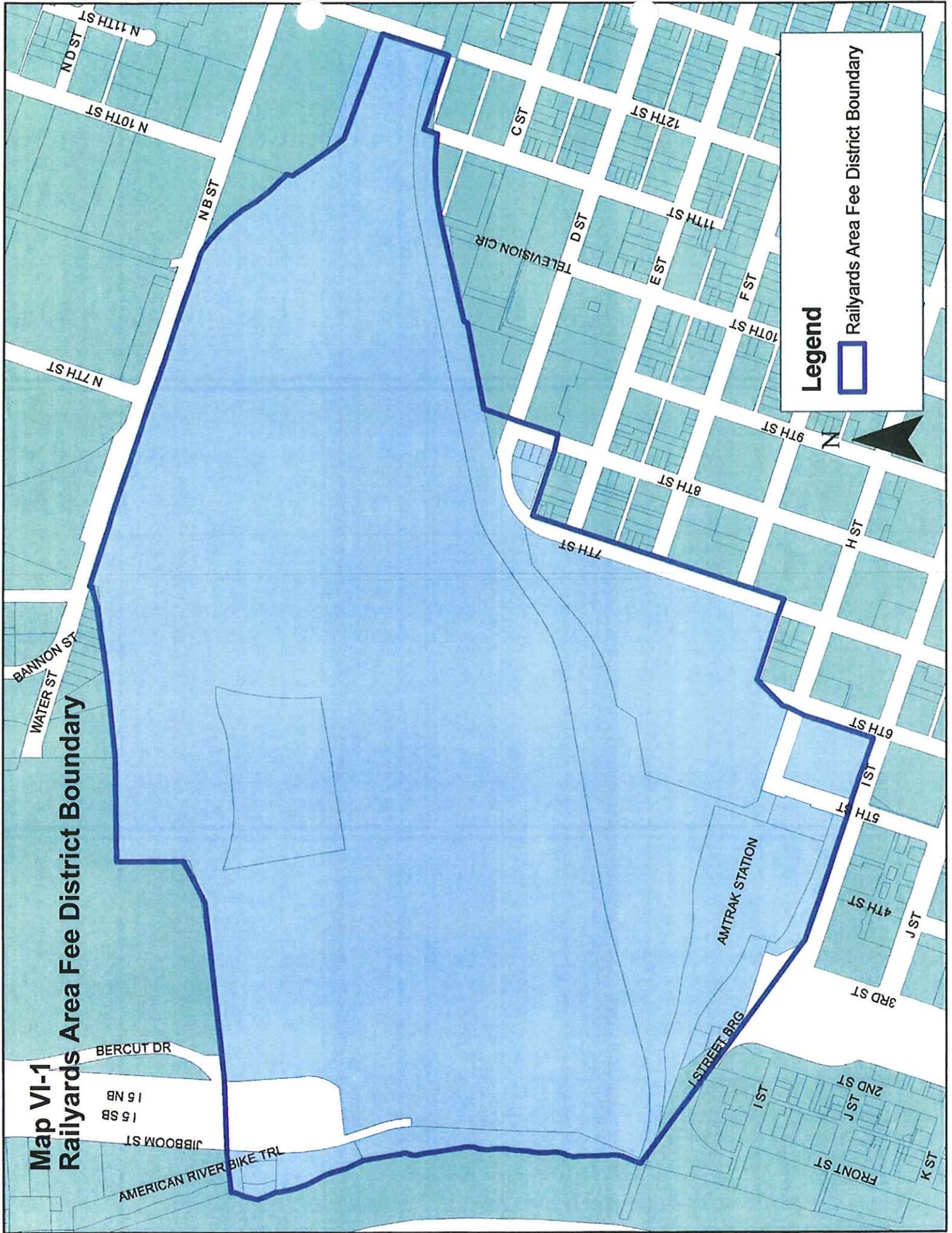
Table VI-2
 Railyards Specific Plan
 Public Facilities Financing Plan
 Proposed Plan Area Funding per Sq. Ft. for Residential and Nonresidential Land Uses

Item	Proposed Railyards Plan Area Funding	Cost Allocation Factors		Residential & Nonresidential	Total Plan Area Funding Per Building Sq. Ft.
		Residential	Nonresidential		
Total Plan Area Funding [1]	\$36,593,414	\$2,028,594	\$0	\$34,564,820	
Gross Building Square Feet [2]		13,410,000	4,668,390	18,078,390	
Total Plan Area Funding Per Sq. Ft.		\$0.15	\$0.00	\$1.91	
Total Residential		\$0.15	NA	\$1.91	\$2.06
Total Nonresidential		NA	\$0.00	\$1.91	\$1.91

Source: 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios, Thomas Enterprises; 10/23/07 Open Space Summary, City of Sacramento; and EPS.

[1] Derived in Table VI-1.
 [2] Based on Thomas Enterprises 7/14/07 Land Use Phasing Scenario at Buildout. Assumes an average residential unit size of 1,250 square feet and average hotel room size of 700 square feet.

Map VI-1 Railyards Area Fee District Boundary



VII. FEASIBILITY ANALYSIS

This chapter provides a preliminary analysis of financial feasibility of the Project. The feasibility analyses presented in this chapter evaluate the feasibility of the Project in light of current and proposed fees, estimated preliminary infrastructure burden, and taxes and assessments and a series of other assumptions. The actual costs, unit mix, Mello-Roos bond proceeds, fees, and other factors may vary according to the market conditions at the time of development. The actual sales prices of the units and major Backbone Infrastructure and Public Facilities costs at the time of development will significantly impact the actual feasibility.

INFRASTRUCTURE BURDEN COMPARISON

One method of evaluating the financial feasibility of the Railyards is to compare Public Facility costs to competitive projects in the Region. This analysis compares the standard development impact fees and the present value of special fees and special taxes per developable square foot for the following land uses:

- Class I high-rise office;
- Retail; and
- Multifamily development.

The most likely competitive projects include development in the Richards area, Downtown, and the Triangle Specific Plan in West Sacramento. Development in these areas will be the major competitors for the Railyards.

Caution should be exercised in using these comparisons because the infrastructure items paid for by these fees and special taxes may be different for the various projects. Moreover, these costs represent estimates only meant to be used for general planning and comparison purposes. Actual fees and assessments are likely to be different for specific parcels.

In some projects, a portion of the infrastructure costs are privately-funded, rather than being funded through fees and assessments. The amount of privately-funded infrastructure is not included in any of these comparisons. Land prices will be affected not only by the amount of fees and assessments on a parcel, but also the amount of privately-funded infrastructure required. These cost comparisons are current as of October 2007. Fees are constantly being changed which will affect the comparison results over time.

CLASS I HIGH-RISE OFFICE

A comparison of facility costs for Class I high-rise office development is shown in **Figure VII-1**. The competitive developments' facility costs have been estimated by EPS. The only areas comparable to proposed development in the Project is the Richards area, Downtown, and the Triangle Specific Plan in West Sacramento; other areas in the Region are not competitors for high-rise office development.

The infrastructure burden for Downtown high-rise office development includes the development impact fee estimate included in this analysis. However, it does not include any additional infrastructure or community facilities that might be required as mitigation for those projects. It is likely that additional infrastructure items will be required by future Downtown development as part of its environmental review. The total cost burden would probably be determined at the time of approval of the project.

The infrastructure burden for the Railyards includes a preliminary estimated Railyards Plan Area Fee approximately \$1.91 per building square foot for office development. Further, in addition to all of the fees included in the infrastructure burden for the Railyards, the analysis also includes preliminary estimated bond debt (Mello-Roos CFD) of approximately \$6.20 per building square foot for office development. This estimated bond debt amount is based on a preliminary estimated annual Mello-Ross special tax rate of \$0.50 per building square foot for office development.

As shown in **Figure VII-1**, the downtown CBD has the lowest fee cost per square foot followed by the Railyards area, Richards area, and Triangle Specific Plan. However, the downtown CBD also has the highest land cost per square foot of any of these regions.

Detailed infrastructure burden estimated are included in **Appendix C**.

RETAIL

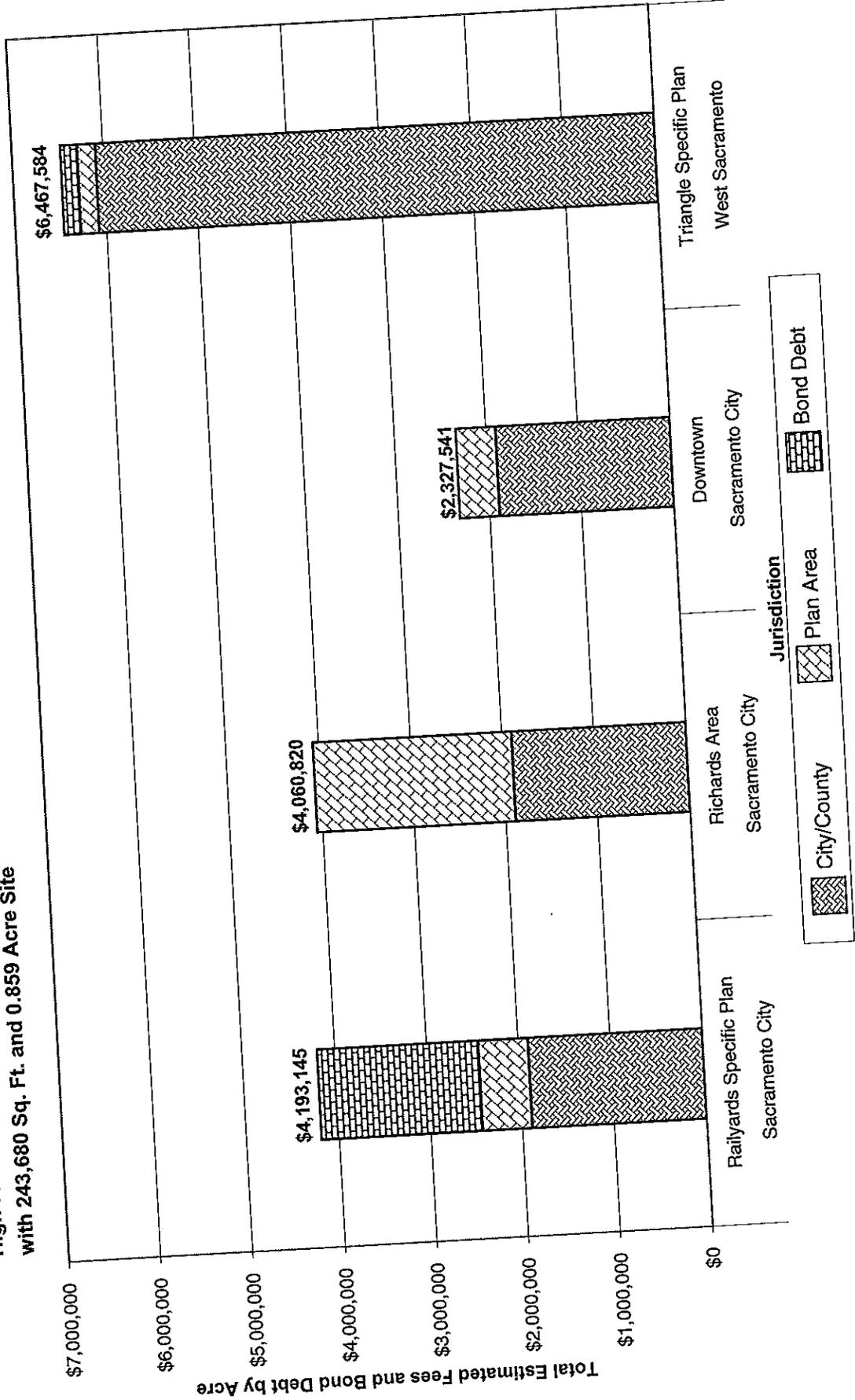
A comparison of facility costs for retail development is shown in **Figure VII-2**. The competitive developments' facility costs have been estimated by EPS. The only area comparable to proposed development in the Project is the Richards area, Downtown, and the Triangle Specific Plan in West Sacramento; other areas in the Region are not competitors for high-rise office development.

The infrastructure burden for Downtown retail development includes the development impact fee estimate included in this analysis. However, it does not include any additional infrastructure or community facilities beyond those provided in this

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Class I
High-Rise Office
Building

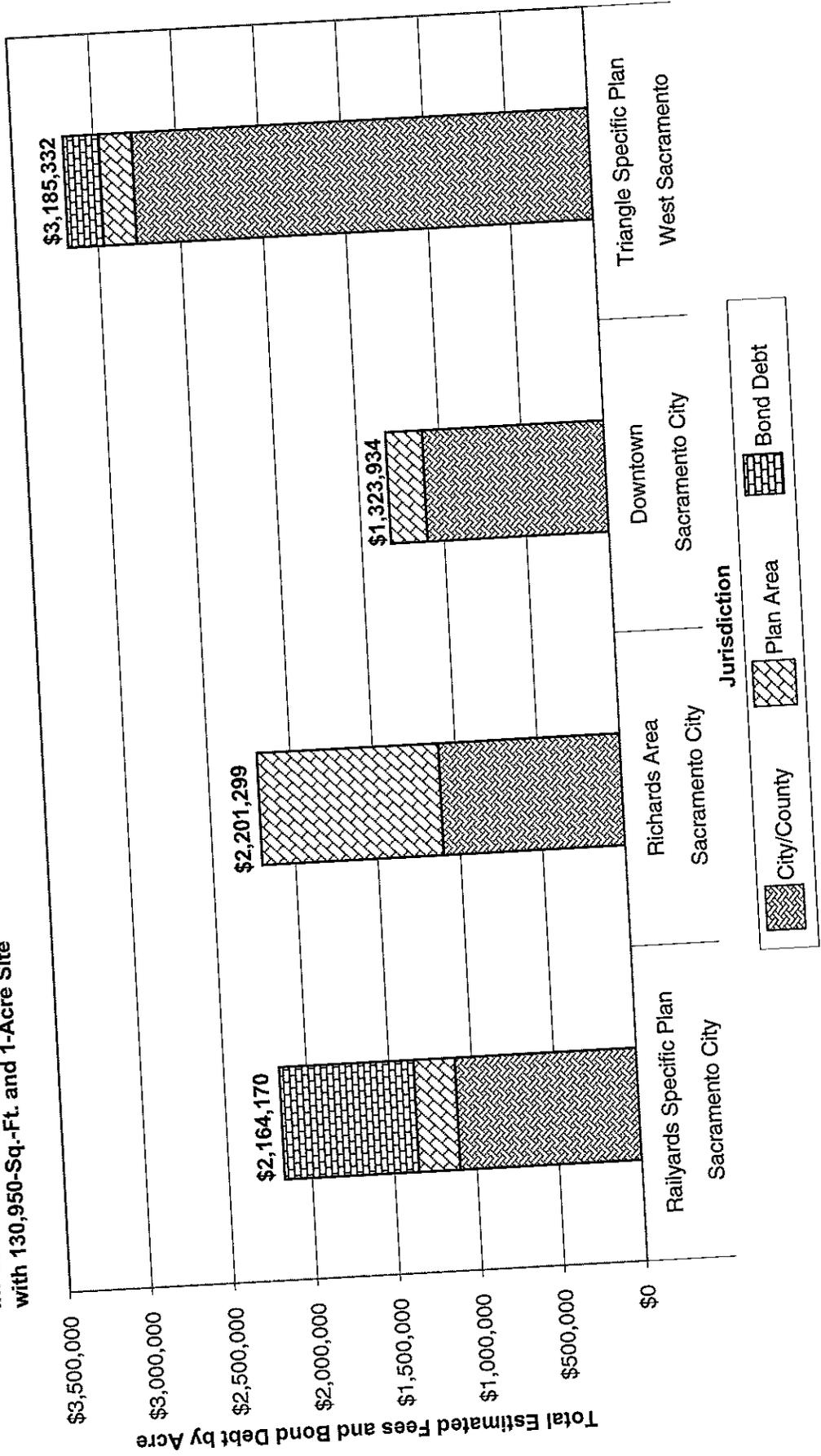
Figure VII-1
Infrastructure Burden Comparison for Class I
High-Rise Office Building
with 243,680 Sq. Ft. and 0.859 Acre Site



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Retail Building

Figure VII-2
Infrastructure Burden Comparison for Retail Building
with 130,950-Sq.-Ft. and 1-Acre Site



Financing Plan. It is likely that additional infrastructure items will be required by future Downtown development as part of its environmental review. The total cost burden would probably be determined at the time of approval of the project.

The infrastructure burden for the Railyards includes a preliminary estimated Railyards Plan Area Fee approximately \$1.91 per building square foot for retail development. Further, in addition to all of the fees included in the infrastructure burden for the Railyards, this analysis also includes preliminary estimated bond debt (Mello-Roos CFD) of approximately \$6.20 per building square foot for retail development. This estimated bond debt amount is based on a preliminary estimated annual Mello-Ross special tax rate of \$0.50 building per square foot for retail development.

As shown in **Figure VII-2**, the downtown CBD has the lowest fee cost per building square foot followed by the Railyards area, Richards area, and Triangle Specific Plan. However, the downtown CBD also has the highest land cost per square foot of any of these regions.

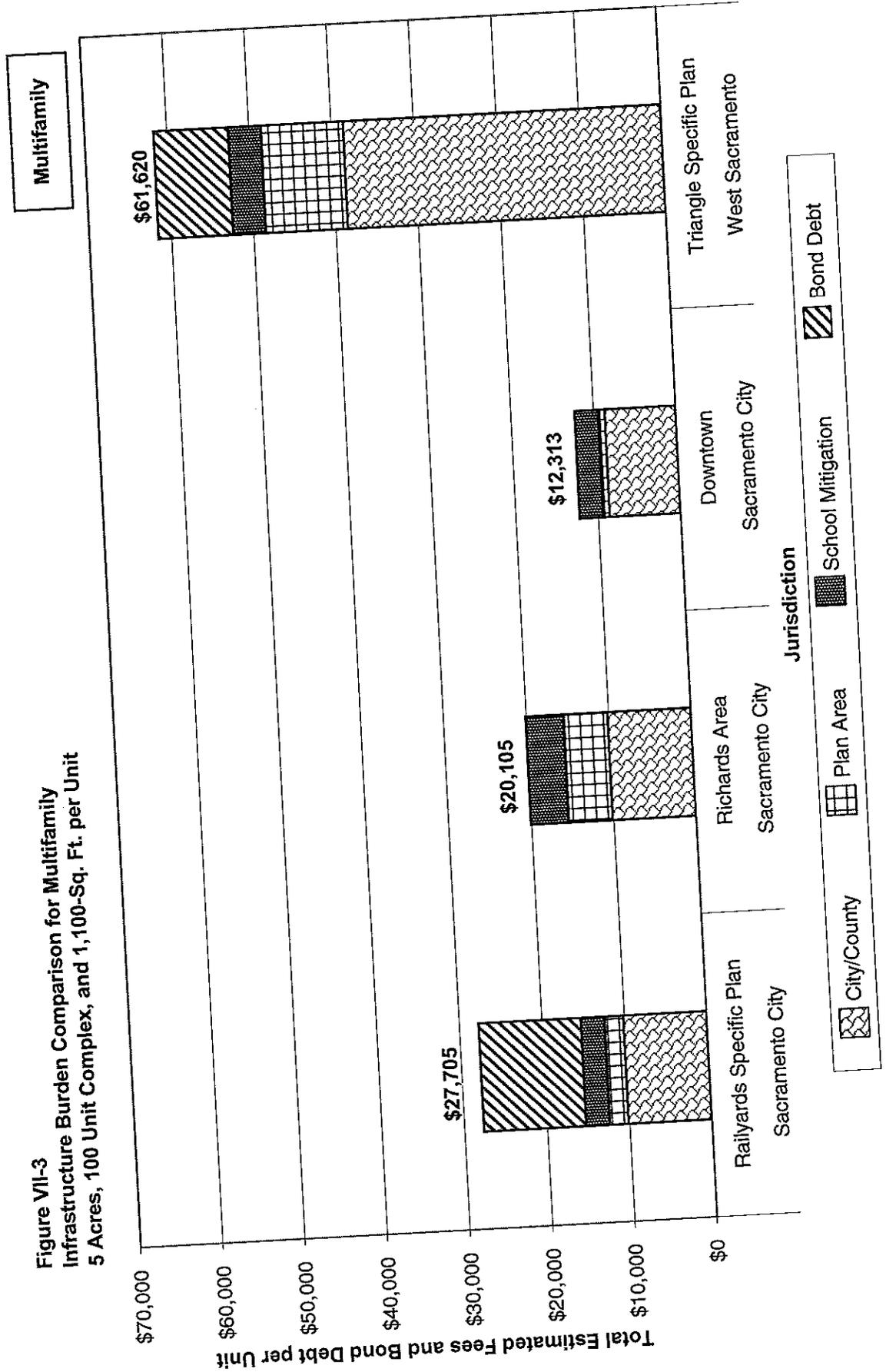
HIGH-DENSITY MULTIFAMILY RESIDENTIAL

A comparison of facility costs for Class I high-density multifamily development is shown in **Figure VII-3**. The competitive developments' facility costs have been estimated by EPS. The only area comparable to proposed development in the Project is the Richards area, Downtown, and the Triangle Specific Plan in West Sacramento; other areas in the Region are not competitors for high-density multifamily development.

The infrastructure burden for Downtown high-density multifamily development includes the development impact fee estimate included in this analysis. However, it does not include any additional infrastructure or community facilities beyond those provided in this Financing Plan. It is likely that additional infrastructure items will be required by future Downtown development as part of its environmental review. The total cost burden would probably be determined at the time of approval of the project.

The infrastructure burden for the Railyards includes a preliminary estimated Railyards Plan Area Fee approximately \$2,300 per unit for high-density multifamily development. Further, in addition to all of the fees included in the infrastructure burden for the Railyards, this analysis also includes preliminary estimated bond debt (Mello-Roos CFD) of approximately \$12,400 per unit for high-density multifamily development. This estimated bond debt amount is based on a preliminary estimated Mello-Ross special tax rate of \$1,000 per unit for high-density multifamily development.

Figure VII-3
Infrastructure Burden Comparison for Multifamily
5 Acres, 100 Unit Complex, and 1,100-Sq. Ft. per Unit



As shown in **Figure VII-3**, the downtown CBD has the lowest fee cost per unit followed by the Richards area, Railyards area, and Triangle Specific Plan. However, the downtown CBD also has the highest land cost per square foot of any of these regions.

**Table VIII-1
 Railyards Specific Plan
 Public Facilities Financing Plan
 Summary of Proposed Municipal Service Providers and Financing**

Public Facility/Service	Governance/Service Provider	Operation and Maintenance Financing
Roadways	City of Sacramento Caltrans	City Road Fund Benefit Assessment District/Caltrans
Wastewater	SRCSD and CSD-1	User Charges
Water	City of Sacramento	User Charges
Storm Drainage	City of Sacramento	Benefit Assessment District, CFD
Schools	Sacramento Unified School District	Property Tax
Parks and Recreation	City of Sacramento	Benefit Assessment District, CFD General Fund, User Fees
Landscape Corridors	City of Sacramento	Benefit Assessment District, CFD
Fire Protection	City of Sacramento Fire Department	City General Fund
Law Enforcement	City of Sacramento Police Department	City General Fund
Library	City of Sacramento	City General Fund
Transit	Sacramento Regional Transit TMA	Transit Operating Revenues Benefit Assessment District, CFD

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Source: EPS.

IX. FINANCE PROGRAM ADMINISTRATION

This chapter describes the current infrastructure-financing program for the Railyards. It is anticipated that the Infrastructure Financing Plan and related Nexus Study will need to be periodically updated as new information becomes available.

CHANGES IN THE CAPITAL IMPROVEMENT AND FINANCING PROGRAMS

It is anticipated that as the Financing Plan is implemented, infrastructure costs and available funding sources will change as development occurs. As a result, the Financing Plan must be flexible enough to appropriately accommodate these changes. Changes in the actual or assumed Facilities cost estimates or funding should be re-evaluated in the context of the overall financing strategy to ensure required funding is available when needed.

Possible refinements are listed below:

- New or revised infrastructure projects;
- New cost information based on actual construction costs, updated engineering estimates, or changes in the land use plan;
- New funding source data;
- Inflation adjustments to cost and funding data; and
- Land use changes to the Project.

Changes in the financing program could include higher or lower cost estimates, as well as changes in funding sources. Costs and funding sources will also need to be adjusted annually to reflect inflation costs, as information contained in the Financing Plan is shown in year 2007 dollars. Changing market conditions may also permit an increased funding burden on private development.

REIMBURSEMENTS AND FEE CREDITS

Under the City's capital improvement policy, the City and Master Developer may agree to have developers build or advance-fund certain facilities contained in the capital improvement program. The Facilities advance-funded or built may be part of the fee program or funded by non-fee revenues. In the case of such an agreement, developers should receive a reimbursement or fee credit based on the terms of the agreement.

Infrastructure projects that are the financial responsibility of the developer (i.e., designated as private capital) are not subject to reimbursement or fee credits.

For instance, if a developer constructs and funds the extension of a roadway contained in the fee program, then the developer would be eligible for a reimbursement or fee credit up to the amount of funding that was to be included in the fee program. In such an instance, the City and developer would come to agreement before the improvement construction to determine the amount, timing, and manner of repayment of the advance funding - fee credit or reimbursement. The City will establish a set of procedures to manage reimbursement/credit agreements. The procedures could include forms of any agreement, and accounting procedures to manage the reimbursement/credit program.



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

APPENDICES

- APPENDIX A: BONDING CAPACITY ESTIMATES
- APPENDIX B: EXISTING FEE REVENUE ESTIMATES
- APPENDIX C: DETAILED ESTIMATED INFRASTRUCTURE
COST-BURDEN COMPARISON



**Economic &
Planning Systems**

*Public Finance
Real Estate Economics
Regional Economics
Land Use Policy*

APPENDIX A

BONDING CAPACITY ESTIMATES

Table A-1	Summary of Maximum Annual Special Tax for Infrastructure CFD.....	A-1
Table A-2	Estimated Bond Sizing.....	A-2
Table A-3	Estimated Bond Proceeds per Unit, Nonresidential Sq. Ft., and Hotel Room for Initial Phase, Remaining Phase, and Buildout (3 Pages).....	A-3

Table A-1
 Railyards Specific Plan
 Infrastructure and Public Facilities Financing Plan
 Summary of Maximum Annual Special Tax for Infrastructure CFD (2007\$)

Land Use [1]	Initial Phase (1A, 1B & 2)			Remaining Phase (3 & 4)			Land Use Buildout		
	Units/SF/ Rooms	Preliminary Tax Rate [2]	Preliminary Maximum Annual Special Tax	Units/ Rooms	Preliminary Tax Rate [2]	Preliminary Maximum Annual Special Tax	Units/SF/ Rooms	Preliminary Tax Rate [2]	Preliminary Maximum Annual Special Tax
The Railyards Land Uses									
Residential									
Office/Residential Mixed Use (ORMU)	0	\$1,000	\$0	728	\$1,000	\$728,000	728	\$1,000	\$728,000
Residential Mixed Use (RMU)	0	\$1,000	\$0	8,296	\$1,000	\$8,296,000	8,296	\$1,000	\$8,296,000
Residential Commercial Mixed Use (RCMU)	1,704	\$1,000	\$1,704,000	0	\$1,000	\$0	1,704	\$1,000	\$1,704,000
Total Residential	1,704		\$1,704,000			\$9,024,000	10,728		\$10,728,000
Nonresidential [3]									
Office/Residential Mixed Use (ORMU)	1,694,900	\$0.50	\$847,450	0	\$0.50	\$0	1,694,900	\$0.50	\$847,450
Residential Mixed Use (RMU)	0	\$0.50	\$0	165,000	\$0.50	\$82,500	165,000	\$0.50	\$82,500
Residential Commercial Mixed Use (RCMU)	1,553,100	\$0.50	\$776,550	0	\$0.50	\$0	1,553,100	\$0.50	\$776,550
Total Nonresidential	3,248,000		\$1,624,000			\$82,500	3,413,000		\$1,706,550
Hotel									
Office/Residential Mixed Use (ORMU)	0	\$200.00	\$0	0	\$200.00	\$0	0	\$200.00	\$0
Residential Mixed Use (RMU)	0	\$200.00	\$0	500	\$200.00	\$100,000	500	\$200.00	\$100,000
Residential Commercial Mixed Use (RCMU)	600	\$200.00	\$120,000	0	\$200.00	\$0	600	\$200.00	\$120,000
Total Hotel	600		\$120,000			\$100,000	1,100		\$220,000
Total Land Uses			\$3,448,000			\$9,206,500			\$12,654,500

Summary_MaxTax

Source: 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios, Thomas Enterprises; 10/23/07 Open Space Summary, City of Sacramento; and EPS.

[1] Other Land Uses such as Open Space, Transportation Use, and Railroad Technology Museum are not considered taxable and therefore are not included.
 [2] Preliminary estimates.
 [3] Includes retail, office, and 2nd level mixed use square feet.

Table A-2
 Railyards Specifics Plan
 Public Facilities Financing Plan
 Estimated Bond Sizing (2007\$)

Item	Estimated Bond Sizing		
	Assumptions	Initial Phase (1A, 1B & 2)	Remaining Phase (3 & 4) Buildout
Maximum Special Taxes Available for Debt Service			
Estimated Annual Maximum Special Taxes		\$3,448,000	\$9,206,500
Less Estimated Administration Costs	4%	(\$138,000)	(\$368,000)
Less Delinquency Coverage	10%	(\$345,000)	(\$921,000)
Adjustment for Rounding		\$5,000	\$2,500
Estimated Gross Debt Service (Rounded)		\$2,970,000	\$7,920,000
			\$12,654,500
			(\$506,000)
			(\$1,266,000)
			\$7,500
			\$10,890,000
Bond Proceeds and Bond Size [1]			
Estimated Bond Size		\$36,855,000	\$98,280,000
Adjustment for Rounding		\$45,000	\$20,000
Total Bond Size (Rounded)		\$36,900,000	\$98,300,000
Increase for Annual Escalation [2]		\$738,000	\$1,966,000
Total Bond Size (Rounded)		\$37,638,000	\$100,266,000
			\$135,135,000
			\$65,000
			\$135,200,000
			\$2,704,000
			\$137,904,000
Estimated Bond Proceeds			
Rounded Bond Size		\$37,638,000	\$100,266,000
Less Capitalized Interest	18 months	(\$3,952,000)	(\$10,528,000)
Less Bond Reserve Fund	1 yr debt service	(\$2,970,000)	(\$7,920,000)
Less Issuance Cost	5%	(\$1,882,000)	(\$5,013,000)
Estimated Bond Proceeds		\$28,834,000	\$76,805,000
			\$137,904,000
			(\$14,480,000)
			(\$10,890,000)
			(\$6,895,000)
			\$105,639,000
Assumptions [3]			
Interest Rate		7.00%	"est_bond"
Term		30 years	
Annual Escalation		2.00%	

Source: 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios, Thomas Enterprises; 10/23/07 Open Space Summary, City of Sacramento; and EPS.

[1] Totals at buildout may not add up exactly due to rounding.
 [2] Assumes special taxes are escalated 2.0% annually for 30 years, which increases total Bond Size by approximately 20%.
 [3] Estimated bond sizing based on conservative assumptions. The interest rate will be determined at the time of bond sale; the bond term could be 25 to 30 years or more. This analysis assumes 30 years.

Initial Phase
(Phases 1A, 1B, & 2)

Table A-3
Railyards Specific Plan
Public Facilities Financing Plan
Estimated Bond Proceeds per Unit, Nonresidential Sq. Ft., and Hotel Room for Initial Phase (2007\$)

Land Use [1]	A		B		C = A * B	D = C / Total	E = D x total bond	F = E / A		G = D x bond proceeds		H = G / A
	Unit/SF/ Rooms	Prelim. Max. Special Tax Rate [2] [3]	Amounts	% of Total				Amount	Per Unit/SF/Rm	Amount	Per Unit/SF/Rm	
The Railyards												
Residential	<u>Units</u>	<u>Per Unit</u>										<u>Per Unit</u>
Office/Residential Mixed Use (ORMU)	0	\$1,000	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Mixed Use (RMU)	0	\$1,000	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Commercial Mixed Use (RCMU)	1,704	\$1,000	\$1,704,000	49.4%	\$1,704,000	\$18,600,682	\$10,916	\$14,249,749	\$8,363	\$14,249,749	\$8,363	\$8,363
Total Residential	1,704		\$1,704,000	49.4%		\$18,600,682	\$10,916	\$14,249,749	\$8,363	\$14,249,749	\$8,363	\$8,363
Nonresidential [4]	<u>Sq. Ft.</u>	<u>Per Sq. Ft.</u>										<u>Per Sq. Ft.</u>
Office/Residential Mixed Use (ORMU)	1,694,900	\$ 0.50	\$847,450	24.6%	\$847,450	\$9,250,674	\$5	\$7,086,825	\$4	\$7,086,825	\$4	\$4
Residential Mixed Use (RMU)	0	\$ 0.50	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Commercial Mixed Use (RCMU)	1,553,100	\$ 0.50	\$776,550	22.5%	\$776,550	\$8,476,737	\$5	\$6,493,922	\$4	\$6,493,922	\$4	\$4
Total Nonresidential	3,248,000		\$1,624,000	47.1%		\$17,727,411	\$11	\$13,580,747	\$4	\$13,580,747	\$4	\$4
Hotel	<u>Rooms</u>	<u>Per Room</u>										<u>Per Room</u>
Office/Residential Mixed Use (ORMU)	0	\$200	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Mixed Use (RMU)	0	\$200	\$0	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Residential Commercial Mixed Use (RCMU)	600	\$200	\$120,000	3.5%	\$120,000	\$1,309,907	\$2,183	\$1,003,503	\$1,673	\$1,003,503	\$1,673	\$1,673
Total Hotel	600		\$120,000	3.5%		\$1,309,907	\$2,183	\$1,003,503	\$1,673	\$1,003,503	\$1,673	\$1,673
Total Land Uses			\$3,448,000	100.0%		\$37,638,000		\$28,834,000				

Source: 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios, Thomas Enterprises; 10/23/07 Open Space Summary, City of Sacramento; and EPS.

- [1] Other Land Uses such as Open Space, Transportation Use, and Railroad Technology Museum are not considered taxable and therefore are not included.
- [2] Assumes special taxes are escalated 2.0% annually for 30 years, which increases total Bond Size by approximately 20%.
- [3] Preliminary estimates.
- [4] Includes retail, office, and 2nd level mixed use square feet.

Remaining Phase
(Phase 3 & 4)

Table A-3
Railyards Specific Plan
Public Facilities Financing Plan
Estimated Bond Proceeds per Unit, Nonresidential Sq. Ft., and Hotel Room for Remaining Phase (2007\$)

Land Use [1]	Unit/SF/ Rooms	Prelim. Max. Special Tax Rate [2] [3]	Maximum Special Tax Amounts % of Total	Rounded Bond Size [3] Amount	Estimated Bond Proceeds Amount Per Unit/SF/Rm	Formula	
						A	B
The Railyards							
Residential							
Office/Residential Mixed Use (ORMU)	Units 728	Per Unit \$1,000	\$728,000	7.9%	\$6,073,322	\$8,342	
Residential Mixed Use (RMU)	8,296	\$1,000	\$8,296,000	90.1%	\$69,209,176	\$8,342	
Residential Commercial Mixed Use (RCMU)	0	\$1,000	\$0	0.0%	\$0	\$0	
Total Residential	9,024		\$9,024,000	98.0%	\$75,282,498	\$8,342	
Nonresidential [4]							
Office/Residential Mixed Use (ORMU)	Sq. Ft. 0	Per Sq. Ft. \$ 0.50	\$0	0.0%	\$0	\$0	Per Sq. Ft.
Residential Mixed Use (RMU)	165,000	\$ 0.50	\$82,500	0.9%	\$688,254	\$4	
Residential Commercial Mixed Use (RCMU)	0	\$ 0.50	\$0	0.0%	\$0	\$0	
Total Nonresidential	165,000		\$82,500	0.9%	\$688,254	\$4	
Hotel							
Office/Residential Mixed Use (ORMU)	Rooms 0	Per Room \$200	\$0	0.0%	\$0	\$0	Per Room
Residential Mixed Use (RMU)	500	\$200	\$100,000	1.1%	\$834,248	\$1,668	
Residential Commercial Mixed Use (RCMU)	0	\$200	\$0	0.0%	\$0	\$0	
Total Hotel	500		\$100,000	1.1%	\$834,248	\$1,668	
Total Land Uses			\$9,206,500	100.0%	\$100,266,000	\$76,805,000	"bond_ren"

Source: 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios, Thomas Enterprises; 10/23/07 Open Space Summary, City of Sacramento; and EPS.

[1] Other Land Uses such as Open Space, Transportation Use, and Railroad Technology Museum are not considered taxable and therefore are not included.
 [2] Assumes special taxes are escalated 2.0% annually for 30 years, which increases total Bond Size by approximately 20%.
 [3] Preliminary estimates.
 [4] Includes retail, office, and 2nd level mixed use square feet.

**Table A-3
Railyards Specific Plan
Public Facilities Financing Plan
Estimated Bond Proceeds per Unit, Nonresidential Sq. Ft., and Hotel Room for Buildout (2007\$)**

Land Use [1]	Unit/SF/ Rooms	Prelim. Max. Special Tax Rate [2] [3]	Maximum Special Tax Amounts	D = C / Total MaxTax	E = D x total bond	F = E / A	G = D x bond proceeds	Estimated Bond Proceeds	
								Amount	Per Unit/SF/Rm
The Railyards									
Residential									
Office/Residential Mixed Use (ORMU)	Units 728	Per Unit \$1,000	\$728,000	5.8%	\$7,933,471	Per Unit \$10,898	\$6,077,300	Per Unit \$8,348	
Residential Mixed Use (RMU)	8,296	\$1,000	\$8,296,000	65.6%	\$90,406,700	\$10,898	\$69,254,506	\$8,348	
Residential Commercial Mixed Use (RCMU)	1,704	\$1,000	\$1,704,000	13.5%	\$18,569,554	\$10,898	\$14,224,889	\$8,348	
Total Residential	10,728		\$10,728,000	84.8%	\$116,909,725	\$10,898	\$89,556,695	\$8,348	
Nonresidential [4]									
Office/Residential Mixed Use (ORMU)	Sq. Ft. 1,694,900	Per Sq. Ft. \$ 0.50	\$847,450	6.7%	\$9,235,193	Per Sq. Ft. \$5	\$7,074,461	Per Sq. Ft. \$4	
Residential Mixed Use (RMU)	165,000	\$ 0.50	\$82,500	0.7%	\$899,054	\$5	\$688,705	\$4	
Residential Commercial Mixed Use (RCMU)	1,553,100	\$ 0.50	\$776,550	6.1%	\$8,462,551	\$5	\$6,482,592	\$4	
Total Nonresidential	3,413,000		\$1,706,500	13.5%	\$18,596,798	\$5	\$14,245,759	\$4	
Hotel									
Office/Residential Mixed Use (ORMU)	Rooms 0	Per Room \$200.00	\$0	0.0%	\$0	Per Room \$0	\$0	Per Room \$0	
Residential Mixed Use (RMU)	500	\$200.00	\$100,000	0.8%	\$1,089,763	\$2,180	\$834,794	\$1,670	
Residential Commercial Mixed Use (RCMU)	600	\$200.00	\$120,000	0.9%	\$1,307,715	\$2,180	\$1,001,753	\$1,670	
Total Hotel	1,100		\$220,000	1.7%	\$2,397,478	\$2,180	\$1,836,547	\$1,670	
Total Land Uses			\$12,654,500	100.0%	\$137,904,000		\$105,639,000		

"bond_buildout"

Source: 4/5/07 and 7/14/07 Railyards Land Use Phasing Scenarios, Thomas Enterprises; 10/23/07 Open Space Summary, City of Sacramento; and EPS.

[1] Other Land Uses such as Open Space, Transportation Use, and Railroad Technology Museum are not considered taxable and therefore are not included.
 [2] Assumes special taxes are escalated 2.0% annually for 30 years, which increases total Bond Size by approximately 20%.
 [3] Preliminary estimates.
 [4] Includes retail, office, and 2nd level mixed use square feet.



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

APPENDIX B

EXISTING FEE REVENUE ESTIMATES

Table B-1	City, County, and Other Fee Revenue per Unit, Sq. Ft., and Room.....	B-1
Table B-2	City, County, and Other Fee Revenue at Initial Phase.....	B-2
Table B-3	City, County, and Other Fee Revenue at Remaining Phase.....	B-3
Table B-4	City, County, and Other Fee Revenue at Buildout.....	B-4

READER'S NOTE

Specific building projects will be subject to all applicable City and other agency development impact fees in place at the time of building permit issuance. **Appendix B** only computes estimates of revenue generated by specific fee programs that will be used directly to fund backbone infrastructure and public facilities identified in the Financing Plan. Therefore, **Appendix B** calculates the fee revenues generated by the Major Street Construction Tax, Park Development Impact Fee, and the Sacramento City Unified School District (USD) School Mitigation Fee programs because these revenues are expected partially to fund facility improvements required for project development and are therefore included in the Financing Plan.

The City's Combined Sewer Development Fee will be collected and used for offsite improvements to the combined stormwater/sewer system. Because these offsite improvements are not required for development of the project, the improvements are not included in the Financing Plan, and the Combined Sewer Development fee revenues generated by the Project are not calculated herein.

Current plan area fees (Transportation Fee and Public Facilities Fee) are excluded from this analysis because actual fee amounts will be updated following approval of the City's Specific Plan. In place of estimating plan area fee revenue in this appendix, this Financing Plan approximates the total amount of revenue that may be generated by the Project (shown in Estimated Sources and Uses tables in **Chapter V**) after accounting for other potential funding sources.

Appendix C identifies the estimated fee amounts for each City, County, and Public Agency fee program that are anticipated to apply to office, retail, and multifamily residential development in the Project.

Fees Current as of:
10/22/07

Table B-1
Railyards Specific Plan
Public Facilities Financing Plan
City, County, and Other Fee Revenue per Unit, Sq. Ft. and Room

Fee Source	Sacramento City, County, and Other Fees by Land Use Type					
	District/ Zone	Residential		Nonresidential		Per Room
		Total Res. Units	Mixed Use Retail Sq. Ft.	Mixed Use Office Sq. Ft. [1]	Mixed Use Hotel Rooms	
	Per Unit	Per Bldg. Square Foot	Per Bldg. Square Foot	Per Room	Per Room	
Existing Development Impact Fees per Unit/Acre						
City/County Fees	City					
Major Street Construction Tax		\$717	\$0.15	\$0.56	\$94	
Park Development Impact Fee [2]		\$2,853	\$0.79	\$1.38	\$255	
Total City/County Fees		\$3,570	\$0.94	\$1.94	\$349	
Other Agency/Special District Fees	Sac City USD					
School Mitigation		\$3,288	\$0.98	\$1.26	\$315	
Total Other Agency/Special District Fees		\$3,288	\$0.98	\$1.26	\$315	
Total Existing Devel. Impact Fees per Unit, Sq. Ft. and Room		\$6,858	\$1.92	\$3.20	\$664	

READER'S NOTE:
Existing City, County and Special Financing District Development Impact Fees shown do not include all current and proposed fees. Only fees that will be used for project-related infrastructure and public facilities are included.

Current plan area fees (Transportation Fee and Public Facilities Fee) are excluded from this analysis because the actual fee amounts will be updated following approval of the City's Specific Plan. In place of estimating plan area fee revenue in this appendix, this Financing Plan approximates the total amount of revenue that may be generated by the Project (shown in Estimated Sources and Uses tables in Chapter V) after accounting for other potential funding sources.

Source: EPS.

[1] Square footage for flexible mixed use is considered 100% office.
 [2] Based on regular park fee rate for multifamily, mobile home, and other units. Infill fee does not apply.
 [3] Distribution of total fee to each cost component based on the 1997 Nexus Fee.

Initial Phase
(1A, 1B, & 2)

Table B-2
Sacramento Railyards
Infrastructure and Public Facilities Financing Plan
City, County, and Other Fee Revenue at Initial Phase (2007\$)

Fee Source	City, County, and Other Fees by Land Use Type					
	District/ Zone	Total Revenue	Nonresidential			Mixed Use Hotel Rooms
			Total Residential	Mixed Use Retail Sq. Ft.	Office Sq. Ft.	
Assumptions						
Residential Units			1,704	-	-	-
Mixed Use Retail Sq. Ft. [1]			-	1,219,800	-	-
Mixed Use Office Sq. Ft. [1]			-	-	2,028,200	-
Mixed Use Hotel Rooms			-	-	-	600
			Total Residential			
				Total Nonresidential		
Existing Development Impact Fees per Unit/Acre						
City/County Fees	City					
Major Street Construction Tax		\$2,592,154	\$1,222,109	\$180,085	\$1,133,856	\$56,104
Park Development Impact Fee [2]		\$8,781,136	\$4,861,512	\$957,708	\$2,798,916	\$153,000
Total City/County Fees		\$11,373,290	\$6,083,621	\$1,147,793	\$3,932,772	\$209,104
Other Agency/Special District Fees	Sac City USD					
School Mitigation		\$9,541,836	\$5,601,900	\$1,195,404	\$2,555,532	\$189,000
Total Other Agency/Special District Fees		\$9,541,836	\$5,601,900	\$1,195,404	\$2,555,532	\$189,000
Total Existing Development Impact Fees		\$20,915,126	\$11,685,521	\$2,343,197	\$6,488,304	\$398,104

*Fees_Initial"

READER'S NOTE:

Existing City, County and Special Financing District Development Impact Fees shown do not include all current and proposed fees. Only fees that will be used for project-related infrastructure and public facilities are included.

Current plan area fees (Transportation Fee and Public Facilities Fee) are excluded from this analysis because the actual fee amounts will be updated following approval of the City's Specific Plan. In place of estimating plan area fee revenue in this appendix, this Financing Plan approximates the total amount of revenue that may be generated by the Project (shown in Estimated Sources and Uses tables in Chapter V) after accounting for other potential funding sources.

Source: EPS.

[1] Square footage for flexible mixed use is considered 100% office.

[2] Based on regular park fee rate for multifamily, mobile home, and other units. Infill fee does not apply.

[3] Distribution of total fee to each cost component based on the 1997 Nexus Fee.

Remaining Phase
(3 & 4)

Table B-3
Sacramento Railyards
Infrastructure and Public Facilities Financing Plan
City, County, and Other Fee Revenue at Remaining Phase (2007\$)

Fee Source	District/ Zone	Total Revenue	Total Res. Units	Sacramento City, County, and Other Fees by Land Use Type at		
				Residential	Nonresidential	Mixed Use
				Retail Sq. Ft.	Office Sq. Ft.	Hotel Rooms
Assumptions						
Residential Units			9,024	-	-	-
Mixed Use Retail Sq. Ft.			-	165,000	-	-
Mixed Use Office Sq. Ft. [1]			-	-	0	-
Mixed Use Hotel Rooms			-	-	-	500
Existing Development Impact Fees per Unit/Acre						
	City					
City/County Fees						
Major Street Construction Tax		\$6,543,126	\$6,472,013	\$24,360	\$0	\$46,754
Park Development Impact Fee [2]		\$26,003,872	\$25,745,472	\$130,900	\$0	\$127,500
Total City/County Fees		\$32,546,998	\$32,217,485	\$155,260	\$0	\$174,254
Other Agency/Special District Fees						
School Mitigation	Sac City USD	\$29,985,600	\$29,666,400	\$161,700	\$0	\$157,500
Total Other Agency/Special District Fees		\$29,985,600	\$29,666,400	\$161,700	\$0	\$157,500
Total Existing Development Impact Fees		\$62,532,598	\$61,883,885	\$316,960	\$0	\$331,754

fees_per

READER'S NOTE:

Existing City, County and Special Financing District Development Impact Fees shown do not include all current and proposed fees. Only fees that will be used for project-related infrastructure and public facilities are included.

Current plan area fees (Transportation Fee and Public Facilities Fee) are excluded from this analysis because the actual fee amounts will be updated following approval of the City's Specific Plan. In place of estimating plan area fee revenue in this appendix, this Financing Plan approximates the total amount of revenue that may be generated by the Project (shown in Estimated Sources and Uses tables in Chapter V) after accounting for other potential funding sources.

Source: EPS.

[1] Square footage for flexible mixed use is considered 100% office.
 [2] Based on regular park fee rate for multifamily, mobile home, and other units. Infill fee does not apply.
 [3] Distribution of total fee to each cost component based on the 1997 Nexus Fee.



APPENDIX C

DETAILED ESTIMATED INFRASTRUCTURE COST-BURDEN COMPARISON

Table C-1	OFFICE BUILDING Summary of Infrastructure Cost per Acre	C-1
Table C-2	OFFICE BUILDING City/County Fees per Acre.....	C-2
Table C-3	OFFICE BUILDING Plan Area Fees per Acre	C-3
Table C-4	OFFICE BUILDING Special Taxes and Assessments per Acre.....	C-4
Table C-5	RETAIL CENTER BUILDING Summary of Infrastructure Costs per Acre.....	C-5
Table C-6	RETAIL CENTER BUILDING City/County Development Impact Fees per Acre.....	C-6
Table C-7	RETAIL CENTER BUILDING Plan Area Fees per Acre	C-7
Table C-8	RETAIL CENTER BUILDING Special Taxes and Assessments per Acre.....	C-8
Table C-9	MULTIFAMILY DEVELOPMENT Summary of Infrastructure Costs per Unit	C-9
Table C-10	MULTIFAMILY DEVELOPMENT City/County Development Impact Fees per Unit	C-10
Table C-11	MULTIFAMILY DEVELOPMENT Plan Area Fees per Unit.....	C-11
Table C-12	MULTIFAMILY DEVELOPMENT Estimated School Mitigation per Unit	C-12
Table C-13	MULTIFAMILY DEVELOPMENT Special Taxes and Assessments per Unit	C-13

Table C-1
OFFICE BUILDING
Summary of Infrastructure Cost per Acre
Based on a 243,680-Sq.-Ft. Building, 1-Acre Site (0.859 acres)
Building Value: \$17,922,664

Class I High-Rise Office Building

Summary of Infrastructure Costs Per Acre	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Area Specific Plan	Richards Area	Downtown	Triangle Specific Plan
Current as of	Aug-07	Aug-07	Aug-07	Oct-07
Total City/County Development Impact Fees				
Fees - Table C-2	\$1,890,675	\$1,890,675	\$1,890,675	\$6,082,130
Per Acre	\$43.40	\$43.40	\$43.40	\$139.63
Per Gross Square Foot of Land	\$6.66	\$6.66	\$6.66	\$21.44
Per Square Foot of Building				
Plan Area Fees - Table C-3	\$542,378	\$2,170,144	\$436,866	\$199,595
Per Acre	\$12.45	\$49.82	\$10.03	\$4.58
Per Gross Square Foot of Land	\$1.91	\$7.65	\$1.54	\$0.70
Per Square Foot of Building				
Estimated Bond Debt of Special Taxes and Assessments - Table C-4	\$1,760,092	\$0	\$0	\$185,860
Per Acre	\$40.41	\$0.00	\$0.00	\$4.27
Per Gross Square Foot of Land	\$6.20	\$0.00	\$0.00	\$0.66
Per Square Foot of Building				
Total Infrastructure Cost Per Acre	\$4,193,145	\$4,060,820	\$2,327,541	\$6,467,584
Per Gross Square Foot of Land	\$96.26	\$93.22	\$53.43	\$148.48
Per Square Foot of Building	\$14.78	\$14.31	\$8.20	\$22.80
Floor Area Ratio	6.51	6.51	6.51	6.51

"summary"

Source: Various cities and counties; various plan area fee programs; and EPS.

Table C-2
OFFICE BUILDING
City/County Fees per Acre
Based on a 243,680-Sq.-Ft. Building, 1-Acre Site (0.859 acres)
Building Value: \$17,922,664

Class I High-Rise Office Building
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City/County Development Impact Fees per Acre: These are fees charged by the City or County and do not include fees for a special plan area.	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Area Specific Plan	Richards Area [1]	Downtown [1]	Triangle Specific Plan
<i>Current as of</i>	<i>Aug-07</i>	<i>Aug-07</i>	<i>Aug-07</i>	<i>Oct-07</i>
CITY/COUNTY FEES PER ACRE				
Processing Fees per Acre [2]				
Building Permit	\$113,340	\$113,340	\$113,340	\$97,214
Plan Check	\$92,719	\$92,719	\$92,719	\$79,539
Energy	-	-	-	\$80
Technology Surcharge	\$8,242	\$8,242	\$8,242	\$4,861
Seismic/Strong Motion	\$4,382	\$4,382	\$4,382	\$4,382
Fire Review Fee	\$10,780	\$10,780	\$10,780	-
Total Processing Fees per Acre	\$229,462	\$229,462	\$229,462	\$186,075
Development Impact Fees per Acre				
Sewer [3]	\$308,528	\$308,528	\$308,528	\$781,067
Water [4]	\$28,973	\$28,973	\$28,973	\$97,163
Traffic	\$166,917	\$166,917	\$166,917	\$3,202,100
Sacramento Transportation Authority (STA) [5]	\$340,415	\$340,415	\$340,415	-
Drainage	-	-	-	-
School	\$119,145	\$119,145	\$119,145	\$119,145
Parks/Open Space [6]	\$130,492	\$130,492	\$130,492	\$454,454
Fire/Police	-	-	-	\$509,204
Habitat / Greenbelt Preservation	-	-	-	\$8,660
Affordable Housing	\$561,743	\$561,743	\$561,743	-
In-Lieu Flood Protection Fees	-	-	-	\$85,387
Other General Fees	\$5,000	\$5,000	\$5,000	\$463,815
Countywide Fee	-	-	-	\$175,058
Total Development Impact Fees per Acre	\$1,661,213	\$1,661,213	\$1,661,213	\$5,896,054
TOTAL CITY/COUNTY FEES PER ACRE	\$1,890,675	\$1,890,675	\$1,890,675	\$6,082,130
Fees per Gross Square Foot of Land	\$43.40	\$43.40	\$43.40	\$139.63
Fees per Square Foot of Building	\$6.66	\$6.66	\$6.66	\$21.44
Floor Area Ratio	6.51	6.51	6.51	6.51

city county

Source: Various cities and counties; various plan area fee programs; and EPS.

- [1] Depending on the location of the development, Richards could be subject to the new SAFCA development impact fees. The proposed fee for office building is \$4.00 per sq. ft. for building footprint.
- [2] Processing fees exclude mechanical, electrical, plumbing, and other similar review fees.
- [3] Sewer fees include the Combined Sewer Development Fee and Regional Sanitation Fee (SRCSD).
- [4] Assumes two 2-inch water meters.
- [5] The Sacramento Transportation Authority fee does not take effect until April 2009; included here as it is expected that project development will correspond with the implementation of the fee.
- [6] For Downtown this analysis assumed \$0.46 for park impact fee for Central City Office ≥ 20,001 sq. ft.

Table C-3
OFFICE BUILDING
Plan Area Fees per Acre
Based on a 243,680-Sq.-Ft. Building, 1-Acre Site (0.859 acres)
Building Value: \$17,922,664

Class I
High-Rise
Office Building

	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Area Specific Plan	Richards Area	Downtown	Triangle Specific Plan
Plan Area Fees: These fees are charged only within a certain area of a County or City to fund facilities to serve a specific development project.				
Current as of	<i>Aug-07</i>	<i>Aug-07</i>	<i>Aug-07</i>	<i>Oct-07</i>
PLAN AREA FEES PER ACRE				
Existing Infrastructure Fee	-	\$53,899	-	-
Existing Transportation Impact Fee	-	\$2,116,245	\$436,866	-
Preliminary Estimated Railyards Plan Area Fee [1]	\$542,378	-	-	-
Triangle Specific Plan Fee	-	-	-	\$28,123
Triangle Specific Plan Administrative Fee	-	-	-	\$281
Triangle Infrastructure Fee [2]	-	-	-	\$171,191
TOTAL PLAN AREA FEES PER ACRE	\$542,378	\$2,170,144	\$436,866	\$199,595
Fees per Gross Square Foot of Land	\$12.45	\$49.82	\$10.03	\$4.58
Fees per Gross Square Foot of Building	\$1.91	\$7.65	\$1.54	\$0.70
Floor Area Ratio	6.51	6.51	6.51	6.51

"plan area"

Source: Various cities and counties; various plan area fee programs; and EPS.

- [1] Preliminary estimated Railyards Plan Area Fee is assumed to fund freeways, transit facilities, community center, parks and open space, library, and police and fire station facilities. This analysis assumes that the infrastructure burden will be funded partially by plan area fees and partially by bond debt. The Financing Plan anticipates flexibility in the types of facilities funded by the CFD and Plan Area Fee. Placeholder fee amount calculated in Table VI-1 and Table VI-2.
- [2] Estimated rate of \$3.93 per land sq. ft. from the Updated Analysis Summary Report for the Triangle Area in West Sacramento prepared by Keyser Marston Associates, Inc. in August 2001. The rate has been inflated to 2006 dollars from the base rate of \$3.25, based on the change in the 20-City Construction Cost index as reported by the *Engineering News Record*.

Table C-4
OFFICE BUILDING
Special Taxes and Assessments per Acre
Based on a 243,680-Sq.-Ft. Building, 1-Acre Site (0.859 acres)
Building Value: \$17,922,664

Class I High-Rise Office Building
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Special Taxes and Assessments per Acre for Infrastructure	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Area Specific Plan [1]	Richards Area	Downtown	Triangle Specific Plan [2]
Current as of	Aug-07	Aug-07	Aug-07	Oct-07
Annual Special Taxes and Assessments per Acre				
Infrastructure CFD	\$141,839	-	-	\$11,900
Infrastructure Assessment District	-	-	-	\$638
Total Annual Special Taxes and Assessments	\$141,839	\$0	\$0	\$12,538
Annual Special Taxes and Assessments				
Per Gross Square Foot of Land	\$3,256	\$0.00	\$0.00	\$0.015
Per Square Foot of Building	\$0.500	\$0.00	\$0.00	\$0.002
Floor Area Ratio	6.51	6.51	6.51	6.51
Estimated Bond Debt of Special Taxes and Assessments per Acre				
Infrastructure CFD	-	-	-	\$176,839
Infrastructure Assessment District	\$1,760,092	-	-	\$9,020
Total Estimated Bond Debt	\$1,760,092	\$0	\$0	\$185,860

"bond debt"

Source: Various cities and counties; various plan area fee programs; and EPS.

- [1] This analysis assumes that debt will be issued to partially fund infrastructure costs storm drainage, on-site sanitary sewer, water, on-site roadway, and dry utilities. The Financing Plan anticipates flexibility in the types of facilities funded by the infrastructure CFD and Plan Area Fee.
- [2] The infrastructure assessment for the Triangle is for the West Sacramento Area Flood Control Agency. The assessment district will fund levee improvements and operation and maintenance costs. The assessment amount shown above, reflects the improvement portion only. Since the current assessment will be used to fund project costs on a cash basis until bonds will be issued in 2010, this analysis used the current assessment with a present value of 30 years and an interest rate of 5.75% as a placeholder.

Table C-5
RETAIL CENTER BUILDING
Summary of Infrastructure Costs Per Acre
1 Acre Site, 130,950 Sq. Ft. Project
Building Value: \$8,650,164

Retail

Summary of Infrastructure Costs Per Acre	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Specific Plan	Richards Area	Downtown	Triangle Specific Plan
<i>Current as of</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>
Total City/County Development Impact Fees - Table C-6				
Per Acre	\$1,101,319	\$1,101,319	\$1,101,319	\$2,765,935
Per Gross Square Foot of Land	\$25.28	\$25.28	\$25.28	\$63.50
Per Square Foot of Building	\$8.41	\$8.41	\$8.41	\$21.12
Plan Area Fees - Table C-7				
Per Acre	\$250,369	\$1,099,980	\$222,615	\$199,595
Per Gross Square Foot of Land	\$5.75	\$25.25	\$5.11	\$4.58
Per Square Foot of Building	\$1.91	\$8.40	\$1.70	\$1.52
Estimated Bond Debt of Special Taxes and Assessments - Table C-8				
Per Acre	\$812,482	\$0	\$0	\$219,802
Per Gross Square Foot of Land	\$18.65	\$0.00	\$0.00	\$5.05
Per Square Foot of Building	\$6.20	\$0.00	\$0.00	\$1.68
Total Infrastructure Cost Per Acre	\$2,164,170	\$2,201,299	\$1,323,934	\$3,185,332
Per Gross Square Foot of Land	\$49.68	\$50.53	\$30.39	\$73.13
Per Square Foot of Building	\$16.56	\$16.84	\$10.13	\$24.38
Floor Area Ratio	3.00	3.00	3.00	3.00

"retail summary"

Source: Various cities and counties; various plan area fee programs; and EPS.

Table C-6
RETAIL CENTER BUILDING
City/County Development Impact Fees Per Acre
1 Acre Site, 130,950 Sq. Ft. Project
Building Value: \$8,650,164

Retail

<u>City/County Development Impact Fees Per Acre:</u> These are fees charged by the City or County and do not include fees for a special plan area.	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Specific Plan	Richards Area [1]	Downtown [1]	Triangle Specific Plan
<i>Current as of</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>
CITY/COUNTY FEES PER ACRE				
Processing Fees Per Acre [2]				
Building Permit	\$49,763	\$49,763	\$49,763	\$41,688
Plan Check	\$39,684	\$39,684	\$39,684	\$34,108
Energy	-	-	-	\$80
Technology Surcharge	\$3,578	\$3,578	\$3,578	\$3,790
Seismic/Strong Motion	\$1,817	\$1,817	\$1,817	\$1,817
Fire Review Fee	\$4,976	\$4,976	\$4,976	-
Total Processing Fees Per Acre	\$99,817	\$99,817	\$99,817	\$81,483
Development Impact Fees Per Acre				
Sewer [3]	\$112,310	\$112,310	\$112,310	\$267,616
Water [4]	\$24,888	\$24,888	\$24,888	\$83,463
Traffic	\$69,201	\$69,201	\$69,201	\$1,729,114
Sacramento Transportation Authority (STA) [5]	\$485,170	\$485,170	\$485,170	-
Drainage	-	-	-	-
School	\$54,999	\$54,999	\$54,999	\$54,999
Parks/Open Space [6]	\$44,523	\$44,523	\$44,523	\$129,771
Fire/Police	-	-	-	\$141,164
Habitat / Greenbelt Preservation	-	-	-	\$8,660
Affordable Housing	\$206,951	\$206,951	\$206,951	-
In-Lieu Flood Protection Fees	-	-	-	\$60,892
Other General Fees	\$3,460	\$3,460	\$3,460	\$137,759
County-Wide Fee	-	-	-	\$71,014
Total Development Impact Fees Per Acre	\$1,001,502	\$1,001,502	\$1,001,502	\$2,684,452
TOTAL CITY/COUNTY FEES PER ACRE	\$1,101,319	\$1,101,319	\$1,101,319	\$2,765,935
Fees Per Gross Square Foot of Land	\$25.28	\$25.28	\$25.28	\$63.50
Fees Per Gross Square Foot of Building	\$8.41	\$8.41	\$8.41	\$21.12
Floor Area Ratio	3.00	3.00	3.00	3.00

"retail city county"

Source: Various cities and counties; various plan area fee programs; and EPS.

- [1] Depending on the location of the development, it could be subject to the new SAFCA development impact fees. The current proposed fee for retail building is \$4.00 per sq. ft. for building footprint.
- [2] Processing fees exclude mechanical, electrical, plumbing and other similar review fees.
- [3] Sewer fees include the Combined Sewer Development Fee and Regional Sanitation Fee (SRCSD).
- [3] Assumes two 2-inch water meters.
- [4] The Sacramento Transportation Authority fee does not take effect until April 2009; included here as it is expected that project development will correspond with the implementation of the fee.
- [5] For Downtown this analysis assumed \$0.34 for park impact fee for Central City commercial ≥ 20,001 sq. ft.

Table C-7
RETAIL CENTER BUILDING
Plan Area Fees Per Acre
1 Acre Site, 130,950 Sq. Ft. Project
Building Value: \$8,650,164

Retail

	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Specific Plan	Richards Area	Downtown	Triangle Specific Plan
Plan Area Fees: These fees are charged only within a certain area of a County or City to fund facilities to serve a specific development project.	Oct-07	Oct-07	Oct-07	Oct-07
Current as of				
PLAN AREA FEES PER ACRE				
Existing Infrastructure Fee	-	\$24,881	-	-
Existing Transportation Impact Fee	-	\$1,075,100	\$222,615	-
Preliminary Estimated Railyards Plan Area Fee [1]	\$250,369	-	-	\$28,123
Triangle Specific Plan Fee	-	-	-	\$281
Triangle Specific Plan Administrative Fee	-	-	-	\$171,191
Triangle Infrastructure Fee [2]	-	-	-	-
TOTAL PLAN AREA FEES PER ACRE	\$250,369	\$1,099,980	\$222,615	\$199,595
Fees Per Gross Square Foot of Land	\$5.75	\$25.25	\$5.11	\$4.58
Fees Per Gross Square Foot of Building	\$1.91	\$8.40	\$1.70	\$1.52
Floor Area Ratio	3.00	3.00	3.00	3.00

retail plan area

Source: Various cities and counties; various plan area fee programs; and EPS.

- [1] Preliminary estimated Railyards Plan Area Fee is assumed to fund freeways, transit facilities, community center, parks and open space, library, and police and fire stations facilities. This analysis assumes that the infrastructure burden will be funded partially by plan area fees and partially by bond debt. The Financing Plan anticipates flexibility in the types of facilities funded by the CFD and Plan Area Fee. Placeholder fee amount calculated in Table VI-1 and Table VI-2.
- [2] Estimated rate of \$3.93 per land sq. ft. from the Updated Analysis Summary Report for the Triangle Area in West Sacramento prepared by Keyser Marston Associates, Inc. in August 2001. The rate has been inflated to 2006 dollars from the base rate of \$3.25, based on the change in the 20-City Construction Cost index as reported by the *Engineering News Record*.

**Table C-8
RETAIL CENTER BUILDING
Special Taxes and Assessments Per Acre
1 Acre Site, 130,950 Sq. Ft. Project
Building Value: \$8,650,164**

Retail

Special Taxes and Assessments Per Acre for Infrastructure	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Specific Plan [1]	Richards Area	Downtown	Triangle Specific Plan
Current as of	Oct-07	Oct-07	Oct-07	Oct-07
Annual Special Taxes and Assessments Per Acre				
Infrastructure CFD	\$65,475	-	-	\$11,900
Infrastructure Assessment District [2]	-	-	-	\$3,038
Total Annual Taxes and Assessments	\$65,475	\$0	\$0	\$14,938
Annual Special Taxes and Assessments				
Per Gross Square Foot of Land	\$1.50	\$0.00	\$0.00	\$0.34
Per Square Foot of Building	\$0.50	\$0.00	\$0.00	\$0.11
Floor Area Ratio	3.00	3.00	3.00	3.00
Estimated Bond Debt of Special Taxes and Assessments				
Infrastructure CFD	\$812,482	-	-	\$176,839
Infrastructure Assessment District	-	-	-	\$42,963
Total Estimated Bond Debt	\$812,482	\$0	\$0	\$219,802

retail taxes

Source: Various cities and counties; various plan area fee programs; and EPS.

- [1] This analysis assumes that debt will be issued to partially fund infrastructure costs storm drainage, on-site sanitary sewer, water, on-site roadway, and dry utilities. The Financing Plan anticipates flexibility in the types of facilities funded by the infrastructure CFD and Plan Area Fee.
- [2] The infrastructure assessment for the Triangle is for the West Sacramento Area Flood Control Agency. The assessment district will fund levee improvements and operation and maintenance costs. The assessment amount shown above, reflects the improvement portion only. Since the current assessment will be used to fund project costs on a cash basis until bonds will be issued in 2010, this analysis used the current assessment with a present value of 30 years and an interest rate of 5.75% as a placeholder.

Table C-9
MULTIFAMILY DEVELOPMENT
Summary of Infrastructure Costs Per Unit
5 Acres, 100 Unit Complex, 1,100 Sq. Ft. Per Unit

Multifamily

Summary of Infrastructure Costs Per Unit	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Specific Plan	Richards Area	Downtown	Triangle Specific Plan
<i>Current as of</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>
Total City/Countywide Development Impact Fees (from Table C-10)	\$10,133	\$10,133	\$8,609	\$38,538
Plan Area Fees (from Table C-11)	\$2,270	\$5,374	\$811	\$9,980
Total School Mitigation (from Table C-12)	\$2,893	\$4,598	\$2,893	\$4,004
Estimated Bond Debt Of Special Taxes and Assessments (from Table C-13)	\$12,409	\$0	\$0	\$9,099
Total Infrastructure Cost Per Unit	\$27,705	\$20,105	\$12,313	\$61,620
Total Fees (City, County, Schools and Plan Area)	\$15,296	\$20,105	\$12,313	\$52,521
Total Annual Taxes	\$1,000	\$0	\$0	\$613

"MF summary"

Source: Various cities and counties; various plan area fee programs; and EPS.

**Table C-10
MULTIFAMILY DEVELOPMENT
City/County Development Impact Fees per Unit
5 Acres, 100 Unit Complex, 1,100 Sq. Ft. Per Unit**

Multifamily

<u>City/County Development Impact Fees per Unit:</u> These are fees charged by the City or County and do not include fees for a special plan area.	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Specific Plan	Richards Area [1]	Downtown [1]	Triangle Specific Plan
<i>Current as of</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>
CITY/COUNTY FEES PER UNIT				
Processing Fees per Unit [2]				
Building Permit	\$523	\$523	\$523	\$439
Plan Check	\$428	\$428	\$428	\$359
Energy Fee	-	-	-	\$80
Technology Surcharge	\$38	\$38	\$38	\$40
Seismic /Strong Motion	\$9	\$9	\$9	\$9
Fire Review Fee	\$42	\$42	\$42	-
Total Processing Fees per Unit	\$1,039	\$1,039	\$1,039	\$927
Development Impact Fees per Unit				
Sewer [3]	\$3,387	\$3,387	\$3,387	\$4,577
Water [4]	\$1,387	\$1,387	\$1,387	\$9,204
Traffic	\$731	\$731	\$731	\$8,138
Sacramento Transportation Authority (STA) [5]	\$700	\$700	\$700	-
Drainage	-	-	-	-
Parks/Open Space [6]	\$2,853	\$2,853	\$1,329	\$9,412
Fire/Police	-	-	-	\$1,779
Habitat / Greenbelt Preservation	-	-	-	\$433
In-Lieu Flood Protection Fees	-	-	-	\$115
Other General Fees/One-Time Taxes	\$37	\$37	\$37	\$1,452
Countywide Fees	-	-	-	\$2,500
Total Development Impact Fees per Unit	\$9,094	\$9,094	\$7,570	\$37,610
TOTAL CITY/COUNTY FEES PER UNIT	\$10,133	\$10,133	\$8,609	\$38,538

"mf city county"

Source: Various cities and counties; various plan area fee programs; and EPS.

- [1] Depending on the location of the development, it could be subject to the new SAFCA development impact fees. The current proposed fee for multifamily is \$2.25 per sq. ft. for building footprint.
- [2] Processing fees exclude mechanical, electrical, plumbing, and other similar review fees.
- [3] Sewer fees include the Combined Sewer Development Fee and Regional Sanitation Fee (SRCSD).
- [3] Assumes one 4-inch water meter for domestic use and one for irrigation use and 8-inch tap for fire for City of Sacramento. For the City of West Sacramento assumes three bedrooms per unit one 4-inch meter for irrigation and a private fire protection tap.
- [4] The Sacramento Transportation Authority fee does not take effect until April 2009; included here as it is expected that project development will correspond with the implementation of the fee.
- [5] This analysis assumes Downtown Park Impact Fees for Central City at \$1,329 per unit.

Table C-11
MULTIFAMILY DEVELOPMENT
Plan Area Fees per Unit
5 Acres, 100 Unit Complex, 1,100 Sq. Ft. Per Unit

Multifamily

	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Specific Plan	Richards Area	Downtown	Triangle Specific Plan
<i>Current as of</i>	Oct-07	Oct-07	Oct-07	Oct-07
PLAN AREA FEES PER UNIT				
Existing Infrastructure Fee	-	\$1,449	-	-
Existing Transportation Impact Fee	-	\$3,925	\$811	-
Preliminary Estimated Railyards Plan Area Fee [1]	\$2,270	-	-	\$1,406
Triangle Specific Plan Fee	-	-	-	\$14
Triangle Specific Plan Administrative Fee	-	-	-	\$8,560
Triangle Infrastructure Fee [2]	-	-	-	-
TOTAL PLAN AREA FEES PER UNIT	\$2,270	\$5,374	\$811	\$9,980

mf plan area

Source: Various cities and counties; various plan area fee programs; and EPS.

- [1] Preliminary estimated Railyards Plan Area Fee is assumed to fund freeways, transit facilities, community center, parks and open space, library, and police and fire station facilities. This analysis assumes that the infrastructure burden will be funded partially by plan area fees and partially by bond debt. The Financing Plan anticipates flexibility in the types of facilities funded by the CFD and Plan Area Fee. Placeholder fee amount calculated in Table VI-1 and Table VI-2.
- [2] Estimated rate of \$3.93 per land sq. ft. from the Updated Analysis Summary Report for the Triangle Area in West Sacramento prepared by Keyser Marston Associates, Inc. in August 2001. The rate has been inflated to 2006 dollars from the base rate of \$3.25, based on the change in the 20-City Construction Cost index as reported by the *Engineering News Record*.

Table C-12
MULTIFAMILY DEVELOPMENT
Estimated School Mitigation Per Unit
5 Acres, 100 Unit Complex, 1,100 Sq. Ft. Per Unit

Multifamily

Estimated School Mitigation Per Unit	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Specific Plan	Richards Area	Downtown	Triangle Specific Plan
<i>Current as of</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>
<i>School District</i>	<i>Sacramento City USD</i>	<i>Natomas USD</i>	<i>Sacramento City USD</i>	<i>Washington USD</i>
A. Annual School Mello-Roos CFD Taxes	-	-	-	-
B. Present Value of School Taxes	\$0	\$0	\$0	\$0
C. School Fee Per Sq. Ft.:				
Stirling Fee	\$2.63	-	\$2.63	-
Level 2 (or 3) SB50 Fee	-	\$4.18	-	\$3.64
Mitigation Agreement	-	-	-	-
D. Total School Fee:				
Stirling Fee	\$2,893	-	\$2,893	-
Level 2 (or 3) SB50 Fee	-	\$4,598	-	\$4,004
Mitigation Agreement	-	-	-	-
Total School Mitigation (B + D)	\$2,893	\$4,598	\$2,893	\$4,004

"mf school"

Source: Various cities and counties; various plan area fee programs; and EPS.

Table C-13
MULTIFAMILY DEVELOPMENT
Special Taxes and Assessments Per Unit
5 Acres, 100 Unit Complex, 1,100 Sq. Ft. Per Unit

Multifamily

Special Taxes and Assessments Per Unit for Infrastructure [1]	Sacramento County			Yolo County
	City of Sacramento			City of West Sacramento
	Railyards Specific Plan [2]	Richards Area	Downtown	Triangle Specific Plan
<i>Current as of</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>	<i>Oct-07</i>
Annual Special Taxes and Assessments Per Unit				
Infrastructure CFD	\$1,000	-	-	\$595
Infrastructure Assessment District [3]	-	-	-	\$18
Total Annual Taxes and Assessments	\$1,000	\$0	\$0	\$613
Estimated Bond Debt of Special Taxes and Assessments				
Infrastructure CFD	\$12,409	-	-	\$8,842
Infrastructure Assessment District	-	-	-	\$257
Total Estimated Bond Debt	\$12,409	\$0	\$0	\$9,099

mf taxes

Source: Various cities and counties; various plan area fee programs; and EPS.

- [1] Taxes and Assessments for schools can be found in Figure M-4.
- [2] This analysis assumes that debt will be issued to partially fund infrastructure costs storm drainage, on-site sanitary sewer, water, on-site roadway, and dry utilities. The Financing Plan anticipates flexibility in the types of facilities funded by the infrastructure CFD and Plan Area Fee.
- [3] The infrastructure assessment for the Triangle is for the West Sacramento Area Flood Control Agency. The assessment district will fund levee improvements and operation and maintenance costs. The assessment amount shown above, reflects the improvement portion only. Since the current assessment will be used to fund project costs on a cash basis until bonds will be issued in 2010, this analysis used the current assessment with a present value of 30 years and an interest rate of 5.75% as a placeholder.