



**CONCURRENT MEETING
CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY (CRA)/
RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

**City Council Chambers
2729 Prospect Park Drive, Rancho Cordova
and
***Caribbean Beach Resort
900 Cayman Way, Lake Buena Vista, Florida**

**Monday, March 6, 2006
5:30 P.M. – Regular Meeting**

AGENDA

REGULAR MEETING

Call to Order

Roll Call: Council Members Budge, ***Cooley, Skoglund, Sander & Mayor McGarvey

Metro Cable TV Telecast Announcement

Pledge of Allegiance

Cub Scout Pack 28 Den 2 will lead the Pledge of Allegiance.

Invocation

1. Pastor David McFarland of the New Life Center will give the invocation.

Presentations

2. State Department of Parks & Recreation Superintendent Robert Williamson
3. Recognition of Rancho Cordova Christmas Lights Award Winners
4. Proclamation for Arbor Day

*Time listed on the agenda is approximate and for convenience only

***NOTE: Council Member Cooley will be joining the meeting via conference call from Florida

ORAL COMMUNICATIONS

5. Public Comment

Citizens wishing to address the Council for any matter on the Consent Calendar or not on the agenda may do so at this time by completing and submitting a (blue) Speaker Card to the City Clerk. **For items on the agenda, speakers will be called up to the podium by the Mayor at the point on the agenda when the item will be heard.** Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any unagendized item unless it is an emergency or the need to take immediate action arose after the posting of the agenda.

CONSENT CALENDAR ITEMS – ROLL CALL VOTE

6. **Subject:** Minutes of City Council Meetings
a. Special Meeting of November 1, 2005
b. Special Meeting of November 9, 2005
c. Special Meeting of November 14, 2005
Recommendation: Approve Minutes.
7. **Subject:** Second Reading and Adoption of Ordinance No. 07-2006 Approving Development Agreements for Douglas 103, Douglas 98, Grantline 208, and Arista del Sol
Recommendation: Waive second reading and adopt Ordinance No. 07-2006. **(Roll Call Vote)**
Result of Recommended Action: The proposed agreements tax property in the development to pay for added police protection services, collect funds from the developer for existing park renovation and new park construction, and annex the development into a road maintenance district.
Staff Responsible: Bill Campbell, Planning
8. **Subject:** Second Reading and Adoption of Ordinance No. 08-2006 Amending the Specific Plan and Approving the Rezone of SunRidge East Projects
Recommendation: Waive second reading and adopt Ordinance No. 08-2006. **(Roll Call Vote)**
Result of Recommended Action: The approval will allow the eastern portion of the SunRidge Specific Plan to develop according to the General Plan, protect over 120 acres of sensitive wetlands habitat, and provide needed infrastructure.
Staff Responsible: Bill Campbell, Planning
9. **Subject:** Kilgore Cemetery Updated Gate and Fence Design
Recommendation: Approve the updated design concept of the proposed gate and fence.
Result of Recommended Action: Approval will allow staff to incorporate an update of the previously reviewed design into final construction drawings.
Staff Responsible: Cyrus Abhar, Public Works

10. **Subject:** Resolution Endorsing Assembly Bill 2137 Regarding Weighted Voting Structure for Sacramento Regional Transit District (RT).
Recommendation: Adopt Resolution No. 23-2006.
Result of Recommended Action: The action will endorse legislative changes to the current method of voting by the RT Board (“one member, one vote”) to a weighted voting system that will allow and promote greater participation by regional members.
Staff Responsible: Stephanie Snyder, City Manager’s Office
11. **Subject:** Resolution Supporting Regional Flood Control
Recommendation: Adopt Resolution No. 24-2006
Result of Recommended Action: The action will support the efforts of California’s Governor, its State Legislators, and the City’s Congressional Representatives to obtain federal funding needed for strengthening levees and achieving a 200-year level of flood protection.
Staff Responsible: Stephanie Snyder, City Manager’s Office

CONSENT PUBLIC HEARING ITEM

12. **Subject:** Resolution Extending An Interim Authorization for Supplemental Community Facilities Fees in Rancho Cordova to Fund Construction of Municipal Facilities Related to Animal Services, Telecommunication & Computer Systems, and a Records Management System.
Recommendation: Hold public hearing and adopt Resolution No. 22-2006.
Result of Recommended Action: The resolution will extend for 30 days the temporary authorization granted by the City Council on February 6, 2006, for the immediate collection of new development impact fees for the above-stated purposes. The fees will be collected from applicants for new development projects in the City.
Staff Responsible: Bill Thomas, Finance

PUBLIC HEARING ITEMS

There are no public hearing items

* 7:30 P.M. - BREAK

REGULAR CALENDAR ITEMS

13. **Subject:** Annual Report on Residential Solid Waste Collection and Recycling Services Contract with Allied Waste Services, Inc., Report on Status of Recycling and Planning Process (AB 939) and Commercial Solid Waste Issues
Recommendation: Receive annual report.
Result of Recommended Action: The report will provide information about Allied Waste services and other solid waste related issues. Staff will receive input from the Council and input from the community regarding solid waste issues. The report includes summaries on residential collection services, commercial hauler franchise fees, illegal dumping issues, 2005 residential tonnages, garbage cart distribution, on-call Neighborhood Cleanup

Program, Used Oil Block Grant, annual rate adjustment, update on commercial solid waste programs and update on AB 939 planning process (recycling diversion rate within the City).
Staff Responsible: Cyrus Abhar, Public Works

14. **Subject:** Review of Community Room Rental Policy

Recommendation: Review and comment on the proposed City Hall community room rental policy.

Result of Recommended Action: The proposed policy addresses both the objective of operating revenues and serving the community. Once Council has reviewed the policy, City staff will begin renting City Hall facilities.

Staff Responsible: Tom Trimmerger, Building

15. **Subject:** Review of Draft Housing Program/Housing Element

Recommendation: Review final policy issues associated with the Housing Element and provide direction to staff. If the Element is acceptable to the Council, the Council will direct staff to submit the Draft Housing Element to HCD for review.

Result of Recommended Action: The City Council will continue its review of the Draft Housing Program. Following review and discussion, the Council will decide whether the Draft Housing Element is ready to submit to the Department of Housing and Community Development (HCD) for initial review. The City will continue to work on specific housing programs over the next two months. The Draft Housing Element will return to the City Council for review in May/June 2006.

Staff Responsible: Paul Junker, Planning

16. **Subject:** Highway 50 Bus/Carpool Lane and Community Enhancements Project

Recommendation: Conceptually approve the scope of community enhancements proposed along Highway 50 within Rancho Cordova.

Result of Recommended Action: Approval of the conceptual scope will allow staff to negotiate with Caltrans to include community enhancements with their installation of new bus and carpool lanes on Highway 50 within Rancho Cordova. Community enhancements proposed by staff consist of approximately 4.5 miles of new sound walls and the new landscaping along the corridor.

Staff Responsible: Cyrus Abhar, Public Works

17. **Subject:** Citywide Goals & Objectives

Recommendation: Approve the citywide goals and direct staff to develop action plans for objectives and incorporate objectives in current and future work through the annual budget process.

Result of Recommended Action: The action will approve 12 citywide goals developed over recent months of collaborative work between Council and staff for the purpose of guiding both existing and new projects with a sense of the City's priorities.

Staff Responsible: Stephanie Snyder, City Manager's Office

CORRESPONDENCE

COUNCIL REPORTS

COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

CITY MANAGER'S REPORT

ADJOURNMENT

UPCOMING MEETINGS	
<i>Monday, March 20, 2006**</i>	<i>**4:00 p.m. – Note earlier start time for Regular Meeting to accommodate Town Hall meeting scheduled by Congressman Dan Lundgren at 7:00 p.m.</i>
<i>Tuesday, March 28, 2006</i>	<i>5:30 p.m. – Work Session –Open Space Performance Standards & Fees and Discussion with Sacramento Metropolitan Air Quality Management District</i>
<i>Monday, April 3, 2006</i>	<i>4:00 p.m. – Study Session – Transit Plan 5:30 p.m. – Regular Meeting</i>
<i>Monday, April 17, 2006</i>	<i>5:30 p.m. – Regular Meeting</i>
<i>Tuesday, April 25, 2006</i>	<i>5:30 p.m. – Work Session – Code Enforcement Program</i>

ADDITIONAL INFORMATION

The agenda items are accessible on the City's website at www.cityofranchocordova.org on Thursdays prior to the Regular City Council Meeting. If you have any technical questions related to the agenda items, please contact the appropriate departments as follows:

DEPARTMENTAL GENERAL TELEPHONE NUMBERS	
Building Department	(916) 851-8760
Finance Department	(916) 851-8730
Planning Department	(916) 851-8750
Public Works Department	(916) 851-8710
Redevelopment & Economic Development Department	(916) 851-8780

*Time listed on the agenda is approximate and for convenience only

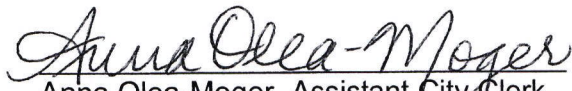
***NOTE: Council Member Cooley will be joining the meeting via conference call from Florida

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 or lhare@cityofranchocordova.org at least 48 hours prior to the meeting.

CERTIFICATION OF AGENDA POSTING

I, Anna Olea-Moger, Assistant City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the March 6, 2006 Regular Meeting of the Rancho Cordova City Council/CRA/RCFC was posted and available for review on March 2, 2006 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city web site at www.cityofranchocordova.org.

Signed this 2nd day of March 2006 at Rancho Cordova, California.


Anna Olea-Moger, Assistant City Clerk



**Special Meeting
City Council Chambers
3121 Gold Canal Drive, Rancho Cordova**

**Tuesday, November 1, 2005
5:00 P.M.**

MINUTES

Call to Order

The meeting was called to order at 5:12 p.m. by Mayor Cooley.

Roll Call

Present: Council Members: Budge, McGarvey, Sander, Skoglund and Mayor Cooley

Staff Present: Gaebler, Meyers

Oral Communication

1. Public Comment

None.

The Council adjourned to Closed Session at 5:13 p.m. for the following purpose:

2. Personnel – Public Employee Performance Evaluation (Government Code Section 54957)
Title: City Manager

Present in Closed Session were all Council Members; Ted Gaebler, City Manager; and Steve Meyers, City Attorney.

The Council reconvened into Open Session at 9:00 p.m.

The following action was reported from Closed Session

Mr. Meyers indicated that a report from Closed Session would be made at the November 7, 2005 Regular City Council Meeting.

AGENDA ITEM # *6a*

Adjournment

The meeting adjourned at 9:00 p.m.

Respectfully submitted,

Lillian Hare, City Clerk



**Special Joint Meeting of the City Council and
Cordova Recreation & Park District
Mills Middle School
10439 Coloma Road, Rancho Cordova**

**Wednesday, November 9, 2005
6:30 P.M.**

MINUTES

JOINT STUDY SESSION

Call to Order

The meeting was called to order at 6:40 p.m.

Roll Call

Present: Council Members: Budge, McGarvey, Sander, Skoglund and Mayor Cooley
District Board: Anderson, Glasscock, Haven, Lund Nickerson

City Staff: Gaebler, Hare, Junker, Lindgren

Oral Communication

1. Public Comment

None at this point in the meeting.

Study Session Items:

2. Park and Open Space Design guidelines/Facilities Plan

Paul Junker, Planning Director and Consultant MIG gave a presentation.

Public input targeted the following issues as needing to be considered/taken into account in any design: light rail and open space; smaller lots that homes are being built on; need for renovating and adding new soccer facilities; budget for maintenance; above ground drainage and water quality; need for rugby fields; facilities for leagues and tournaments; upgrading aquatic facilities; sidewalks and bike lanes; dog parks; neighborhood parks; dealing with homeless; joint use facilities; flexible use; hope for destination facilities;

upgrading Hagan park; access by all to the new parks; indoor pool; that the 5 acre standard might not provide enough park space.

3. Park Renovation Fee Project Priorities and Funding Allocations as Presented by CRPD

There was Council and Board discussion. Next steps: Board to bring forward to Council a request for funding three master plans (Cordova Community Pool; Dave Roberts Community Park; Lincoln Village Park) and ADA renovations at six neighborhood parks.

4. Review of Current Grant Projects totaling \$6,651,786

A presentation was given by Charlie Rice.

5. Mather Sports Center Master Plan and Preferred Alignment of International Drive with Old Placerville Road

Jay Beals of Beals Alliance described the Mather Master plan process and plans for the Mather Sports Center renovation.

Ted Gaebler discussed the alignment of International Drive with Old Placerville Road. Its current configuration misses Mather Sports Center.

Rod Borba noted that the city and district should “make no small plans because it inspires no one!”

Adjournment

The meeting adjourned at 10:50 p.m.

Respectfully submitted,

Lillian Hare, City Clerk



SPECIAL CITY COUNCIL MEETING

**Mills Station
2900 Mather Field Road
Rancho Cordova, CA 95670**

**Monday, November 14, 2005
5:30 P.M.**

Minutes

STUDY SESSION

Call to Order

Roll Call: Council Members Budge, McGarvey, Sander, Skoglund & Mayor Cooley

Oral Communications

1. Public Comment

None

Study Session Item

2. City of Rancho Cordova Town Hall Meeting – The Boulevard: The City of Rancho Cordova had displays and interactive stations that illustrated plans for transforming Folsom Boulevard into a vibrant corridor for living, working and playing.

There was no action.

ADJOURNMENT

The meeting adjourned at 7:30 p.m.

Respectfully submitted,

Lillian E. Hare, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 07-2006

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING FOUR DEVELOPMENT AGREEMENTS FOR THE SUNRIDGE EAST PROJECTS,
KNOWN AS DOUGLAS 103 , DOUGLAS 98, GRANT LINE 208 AND ARISTA DEL SOL.**

The City Council of the City of Rancho Cordova does ordain as follows:

Section 1: Recitals

- A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864, et seq., of the Government Code (the "Development Agreement Statute"), which authorizes the City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.
- B. The proposed Sunridge East Projects are located south of Douglas Road and east of Jaeger Road, which is within the Sunridge Specific Plan ("Specific Plan") and which is designated as Low Density Residential by the General Plan and the Community Plan.
- C. Development Agreements were filed requesting approval between the City of Rancho Cordova and the Sunridge East property owners known as, Douglas Road 103, LLC (Exhibit A), Douglas Road 98, LP (Exhibit B), Grantline 208, LLC (Exhibit C) and Arista Del Sol, LP (Exhibit D), ("Developers").
- D. On January 26, 2006, the Planning Commission, as the planning agency for purposes of development agreement review, held a properly noticed public hearing pursuant to Government Code Section 65867 and recommended that the City Council approve the Development Agreement.
- E. On February 21, 2006, the City Council, as the legislative body for purposes of development agreement approval, held a properly noticed public hearing pursuant to Government Code Section 65867 and considered all comments received in writing and all testimony received at the public hearing.
- F. In 2002, Sacramento County ("County"), certified as adequate and complete the Final EIR (the "EIR") for Sunridge Specific Plan and Zoning Ordinance for the Sunridge East properties. The City also approved a Mitigated Negative Declaration for the Tentative Subdivision Map for the Sunridge East Projects on February 21, 2006. Mitigation measures were required in the EIR and Mitigated Negative Declaration and are incorporated into the Sunridge East Projects and into the terms and conditions of the Development Agreement.
- G. Pursuant to the California Environmental Quality Act, the City has performed an Initial Study and issued a Mitigated Negative Declaration for the Sunridge East Projects Tentative Subdivision Maps, which concluded that: (a) the Sunridge East Projects will not have a significant impact on the environment due to the mitigation measures adopted by the City and for the following reasons: i) it will not have the potential to degrade the quality of the environment or negatively impact fish or wildlife species, including plants, or damage archaeologically significant resources; ii) it will not result in considerable cumulative impacts on the environment; iii) it will not result in environmental

effects that directly or indirectly cause substantial adverse effects on human beings; and iv) the environmental impacts of the project have been reduced to a less than significant level; and (b) that the preparation of an environmental impact report pursuant to the Environmental Quality Act is not required.

Section 2: Findings and Determinations

Therefore, on the basis of (a) the foregoing Recitals, which are incorporated herein, (b) the City of Rancho Cordova's General Plan, (c) the Sunridge Specific Plan, the City's Mitigated Negative Declaration and on the basis of the specific conclusions set forth below, the City Council finds and determines that:

A. The Development Agreements are consistent with the objectives, policies, general land uses and programs specified and contained in the City's General Plan, and in the Sunridge Specific Plan in that (a) the land use designation for the Sunridge East projects are Low Density Residential and the proposed projects will to create 2,624 single family lots consistent with that land use, (b) the projects are consistent with the fiscal policies of the General Plan and the Sunridge Specific Plan with respect to provision of infrastructure and public services, and (c) the Development Agreements include provisions relating to financing public services, construction and maintenance of public facilities, park development fees and similar provisions set forth in the Sunridge Specific Plan.

B. The Development Agreements are compatible with the uses authorized in, and the regulations prescribed for, the land use area in which the real property is located in that the projects approval include the Rezoning of the Property as adopted by the City on February 21, 2006 by City Ordinance 08-2006.

C. The Development Agreements are in conformity with public convenience, general welfare and good land use policies in that the Sunridge East Projects will implement land use guidelines set forth in the Sunridge Specific Plan and the General Plan, which have planned for residential uses at this location.

D. The Development Agreements will not be detrimental to the health, safety and general welfare in that the project will proceed in accordance with all the programs and policies of the Sunridge Specific Plan. The impacts of the development on existing land uses, public services and the environment have been evaluated and mitigated through the CEQA compliance process.

E. The Development Agreements will not adversely affect the orderly development of property or the preservation of property values in that the project will be consistent with the General Plan and with the Sunridge Specific Plan.

F. The Development Agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5 in that it includes all the substantive elements and has been processed consistent with all the procedural requirements of Government Code Sections 65864 through 65869.5.

Section 3: Approval

The City Council hereby approves the Development Agreements (Exhibits A-D) and authorizes the City Manager to sign them after the effective date of the amendment in Section 4, below.

Section 4: Amendment of the Zoning Code

Title I, Chapter 1, Article 4, of the Rancho Cordova Zoning Code, "Comprehensive Zoning Plans," is hereby amended by adding the following section:

"101-814. Development Agreement between the City and Douglas Grantline 103, LLC (RC-04-134)."

"101-815. Development Agreement between the City and Douglas Road 98, LP (RC-03-025)."

"101-816. Development Agreement between the City and Grantline 208 LLC (RC-04-064)."

"101-817. Development Agreement between the City and Arista Del Sol, LP (RC-04077)."

Pursuant to Government Code section 57376, the City Council hereby declares its intention that Title I, Chapter 1, Article 4, of the Rancho Cordova Zoning Code, as amended, shall supersede Title I, Chapter 1, Article 4 of the Sacramento County Zoning Code

Section 5: Recordation

Within ten (10) days after the Development Agreement is executed by the City Manager, the City Clerk shall submit the Agreements to the County Recorder for recordation.

Section 6: Effective Date and Publication of Ordinance Summary

This Ordinance shall take effect and be in force thirty (30) days from and after the date of its passage. The City Clerk of the City of Rancho Cordova shall cause a summary of the Ordinance to be posted in accordance with Section 36933 of the Government Code of the State of California.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this 6th day of March, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Robert J. McGarvey, Mayor

ATTEST:

Lillian E. Hare, City Clerk

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova
2729 Prospect Park
Rancho Cordova, CA 95670
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE)

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF RANCHO CORDOVA

AND

DOUGLAS GRANTLINE 103, LLC , AS LANDOWNERS

RELATIVE TO DOUGLAS 103

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DEVELOPMENT AGREEMENT RELATIVE TO DOUGLAS 103

This Development Agreement is entered into as of this _____ day of _____, 2006, by and between the CITY OF RANCHO CORDOVA, a municipal corporation ("City"), DOUGLAS GRANTLINE 103, LLC, a California limited liability company ("Landowner"). City and Landowner are hereinafter collectively referred to as the "Parties" and singularly as "Party."

RECITALS

1. **Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Section 65864, et seq. (the "Development Agreement Statute"), which authorizes the City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.

2. **Property.** Landowner holds a legal or equitable interest in certain real property located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2 attached hereto (the "Property"). Landowner represents that all persons holding legal or equitable interests in the Property shall be bound by this Agreement.

3. **Project.** Landowner has obtained various approvals from the City (described in more detail in Recital 6 below), including approval for a tentative subdivision map for a mixed use project known as Douglas 103 (the "Project") to be located on the Property.

4. **Public Hearing.** On January 26, 2006, the Planning Commission of the City of Rancho Cordova, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code Section 65867, considered this Agreement and recommended approval of this Agreement to the City Council.

5. **Environmental Review.** On _____, the City Council certified as adequate and complete, the Subsequent Mitigated Negative Declaration ("SMND") for the Project. Mitigation measures were required in the SMND and are incorporated into the Project and into the terms and conditions of this Agreement, as reflected by the findings adopted by the City Council concurrently with this Agreement.

6. **Project Approvals.** The following land use approvals (together the "Project Approvals") have been granted for the Property, which entitlements are the subject of this Agreement.

6.1. The Sunridge Specific Plan adopted by County, as adopted by the City on July 1, 2003, by City Resolution No. 06-2003 (the "Specific Plan");

6.2. The SMND. The Subsequent Mitigation Measures in both the Environmental Impact Report ("EIR") and the SMND are incorporated into the Project and into the terms and conditions of this Agreement.

6.3. The Rezoning of the Property, approved by the City on January 20, 2004, by City Ordinance No. 1-2004;

6.4. The Large Lot Tentative Subdivision Map for the Project (attached hereto as Exhibit B approved by the City on _____, by City Resolution No. _____;

6.5. The Small Lot Tentative Subdivision Map for the Project (attached hereto as Exhibit C approved by the City on _____, by City Resolution No. _____;

6.6. This Development Agreement, as adopted on _____, 200_ by City Ordinance No. _____ (the "Adopting Ordinance").

7. **Need for Services and Facilities.** Development of the Property will result in a need for municipal services and facilities, some of which services and facilities will be provided by the City to such development subject to the performance of Landowner's obligations hereunder. With respect to water, pursuant to Government Code Section 65867.5, any tentative map approved for the Property will comply with the provisions of Government Code 66473.7.

8. **Contribution to Costs of Facilities and Services.** Landowner agrees to contribute to the costs of such public facilities and services as required herein to mitigate impacts on the community of the development of the Property, and City agrees to provide such public facilities and services as required herein to assure that Landowner may proceed with and complete development of the Property in accordance with the terms of this Agreement. City and Landowner recognize and agree that, but for Landowner's contributions to mitigate the impacts arising as a result of development entitlements granted pursuant to this Agreement, City would not and could not approve the development of the Property as provided by this Agreement and that, but for City's covenant to provide certain facilities and services for development of the Property, Landowner would not and could not commit to provide the mitigation as provided by this Agreement. City's vesting of the right to develop the Property as provided herein is in reliance upon and in consideration of Landowner's agreement to make contributions toward the cost of public improvements as herein provided to mitigate the impacts of development of the Property as development occurs.

9. **Development Agreement Ordinance.** City and Landowner have taken all actions mandated by, and fulfilled all requirements set forth in, the Development Agreement Ordinance of the City of Rancho Cordova, as set forth in the City Municipal Code.

10. **Consistency with General and Specific Plan.** Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, in City Ordinance No. ____-06, the City found that this Agreement satisfies the Government Code §65867.5 requirement of general plan and specific plan consistency.

NOW, THEREFORE, in consideration of the mutual promises, conditions and covenants hereinafter set forth, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Preamble, the Recitals and all defined terms set forth in both are hereby incorporated into this Agreement as if set forth herein in full.

2. **Description of Property.** The property, which is the subject of this Development Agreement, is described in Exhibit A-1 and depicted in Exhibit A-2 attached hereto ("Property").

3. **Interest of Landowner.** The Landowner has a legal or equitable interest in the Property. Landowner represents that all persons holding legal or equitable interests in the Property shall be bound by the Agreement.

4. **Relationship of City and Landowner.** It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by City and Landowner and that Landowner is not an agent of City. The City and Landowner hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Landowner joint venturers or partners.

5. **Effective Date and Term.**

5.1. **Effective Date.** The effective date of this Agreement ("Effective Date") is _____ 2006, which is the effective date of City Ordinance No. _____, adopting this Agreement.

5.2. **Term.** Upon execution, the term of this Agreement shall commence on the Effective Date and extend for a period of fifteen (15) years, unless said term is terminated, modified or extended by circumstances set forth in this Agreement. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect. Said termination of the Agreement shall not affect any right or duty created by City approvals for the Property adopted prior to, concurrently with, or subsequent to the approval of this Agreement.

5.3. **Automatic Termination Upon Completion and Sale of Residential Lot.** This Agreement shall automatically be terminated, without any further action by either party or need to record any additional document, with respect to any single-family residential lot within a parcel designated by the Project Approvals for residential use, upon completion of construction and issuance by the City of a final occupancy permit for a dwelling unit upon such residential lot and conveyance of such improved residential lot by Landowner to a bona-fide good-faith purchaser thereof. In connection with its issuance of a final inspection for such improved lot, City shall confirm that all improvements, which are required to serve the lot, as determined by City, have been accepted by City. Termination of this Agreement for any such residential lot as provided for in this Section shall not in any way be construed to terminate or modify any assessment district or Mello-Roos Community Facilities District lien affecting such lot at the time of termination.

6. **Use of Property.**

6.1. **Right to Develop.** Landowner shall have the vested right to develop the Project in accordance with the terms and conditions of this Agreement, the Project Approvals, and any amendments to any of them as shall, from time to time, be approved pursuant to this Agreement. Landowner's vested right to develop the Property shall be subject to subsequent approvals; provided however, except as provided in Section 6.3, that any conditions, terms, restrictions and requirements for such subsequent approvals shall not prevent development of the Property for the uses, or reduce the density and intensity of development, or limit the rate or timing of development set forth in this Agreement, so long as Landowner is not in default under this Agreement.

6.2. Permitted Uses. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, location and maintenance of on-site and off-site improvements, location of public utilities and other terms and conditions of development applicable to the Property, shall be those set forth in this Agreement, the Project Approvals and any amendments to this Agreement or the Project Approvals. City acknowledges that the Project Approvals provide for the land uses and approximate acreages for the Property as set forth in Exhibit D-1 and Exhibit D-2.

6.3. Moratorium, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of development agreements, Landowner and City intend that, except as otherwise provided in this Agreement, this Agreement shall vest the Project Approvals against subsequent City resolutions, ordinances and initiatives that directly or indirectly limit the rate, timing, sequencing of development, or prevent or conflict with the permitted uses, density and intensity of uses as set forth in the Project Approvals; provided however, Landowner shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted on a uniformly applied, City-wide or area-wide basis, and directly concerns a public health or safety issue, in which case City shall treat Landowner in a uniform, equitable and proportionate manner with all properties, public and private, which are impacted by that public health or safety issue.

6.4. Additional Conditions.

6.4.1. New Park Development Obligation. The Project shall be subject to Resolution No. 28-2005, which establishes revised standards for Park and Open Space in the City. The Project shall also be subject to the development impact fees imposed by the City pursuant to Resolution 122-2005, which established the City's intent to modify its park improvement impact fee.

6.4.2. Timing of Dedications and Improvements of Parks. Prior to the recordation of any final map or individual residential or non-residential parcel for the Property, Landowner shall: (1) fulfill the obligation described in Section 6.4.1, and (2) enter into a park improvement agreement with the Cordova Recreation and Parks District. Landowner shall pay to the City any in-lieu fees required under Section 6.4.1 prior to the issuance of each building permit for the Property. Prior to the issuance of the final building permit for the Project, Landowner agrees to commence construction of the improvements described in the park improvement agreement to be entered into between Landowner and Cordova Recreation and Parks District. The park improvement agreement shall address, but not be limited to the specific facilities to be constructed by Landowner, fees to be paid by Landowner, credits and reimbursements that shall be issued by the District to the Landowner, and reference to the requirements in this Section regarding the timing of construction of improvements and the payment of fees. Prior to the issuance of the 100th building permit, Landowner agrees to complete construction of all the improvements described by the park improvement agreement. Landowner will be deemed to have satisfied in full its new park development obligation, after fulfilling the requirement described in Section 6.4.1 and 6.4.2.

6.4.3. In-fill Park and Open Space Renovation and Acquisition Fee. The Landowner agrees that it shall pay the City the total sum of one thousand and five hundred dollars (\$1500.00) for each residential parcel shown on the final

maps for the Property. Beginning on January 1, 2006, the fee shall be adjusted annually on each January 1 based upon the percentage change in the United States Department of Labor Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose area between April and April of each year. This fee shall be paid to the City no later than prior to issuance of the building permit for each residential parcel for the Property. It shall be used by the City, at its sole discretion to acquire, renovate, repair, improve or maintain parks or open space in that portion of the City outlined in Exhibit E. This payment is made voluntarily by the Landowner. It is in addition to all other existing park fees, and construction and dedication obligations, including without limitation any fees paid pursuant to California Government Code Section 66477 (the "Quimby Act"). Landowner agrees that it shall not claim any credit or right to reimbursement of any other existing park fees, and construction and dedication obligations, including Quimby Act fees, as a result of paying the existing park renovation fees required under this Section.

6.4.4. Police Tax. Landowner agrees to vote in favor of and to cooperate in the creation of a special tax zone area within the Rancho Cordova Special Police Tax Area. The boundaries of the special tax zone area shall be contiguous with the boundaries of the Property. The Landowner shall vote in favor of and cooperate in the levy of a special tax for police services on each residential parcel or residential parcel equivalent on the Property. The City is in the process of preparing a General Plan Fiscal Analysis which will include a review of the current shortfall of revenue for police services, and a new proposed amount of the special police tax. The special tax shall be in the amount of the lesser of (1) \$450 annually, per single-family residential parcel or residential parcel equivalent, and \$0.25 for each square foot of gross parcel area of non-residential use (excluding recreational and agricultural uses), or (2) the amount calculated in the General Plan Fiscal Analysis which the City is in the process of preparing. Multi-family residential units on a single parcel shall be assessed on a proportionately equivalent basis (e.g., a two-unit attached housing structure, such as a duplex, would be deemed to consist of two residential parcels for purposes of the police tax). The amount of the special tax shall be adjusted annually based upon the percentage change in the United States Department of Labor Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose area between April and April of each year. If the Consumer Price Index is discontinued, or revised, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised. The special tax shall be payable annually following issuance of a building permit for each subject parcel. The Landowner shall pay all the costs of conducting the election and all costs related to the implementation of this Section for the Project.

6.4.5. Road Maintenance Conditions. Landowner shall provide a funding mechanism for maintenance services for all new public improvements associated with the project including but not limited to streets, bridges/culverts, traffic signals, traffic signs, striping and legends, ITS operations, and street lights. This may be accomplished through annexation to the City Road Maintenance Assessment District. All costs associated with the annexation shall be borne by Landowner.

7. Applicable Rules, Regulations, Fees and Official Policies.

7.1. Rules Regarding Permitted Uses. Except as provided in this Agreement, the City's ordinances, resolutions, rules, regulations and official policies governing the permitted uses of the Property, the density and intensity of use, the rate timing and sequencing of development, the maximum height and size of proposed buildings, and

provisions for reservation and dedication of land shall be those in force on the Effective Date of this Agreement. Except as provided in Section 8.2, this Agreement does not vest Landowner's rights to pay development impact fees, exactions and dedications, processing fees, inspection fees, plan checking fees or charges.

7.2. Rules Regarding Design and Construction. Unless otherwise expressly provided in this Agreement, all other ordinances, resolutions, rules, regulations and official policies governing design, improvement and construction standards and specifications applicable to the Project and to public improvements to be constructed by the Landowner shall be those in force and effect at the time the applicable permit approval is granted.

7.3. Changes in State or Federal Law. This Agreement shall not preclude the application to development of the Property of changes in City laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in State or Federal laws or regulations.

7.4. Uniform Codes Applicable. Unless otherwise expressly provided in this Agreement, the Project shall be constructed in accordance with the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the California Code of Regulations, relating to Building Standards, in effect at the time of approval of the appropriate building, grading, encroachment or other construction permits for the Project. If no permits are required for infrastructure improvements, such improvements will be constructed in accordance with the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the California Code of Regulations, relating to Building Standards, in effect at the start of construction of such infrastructure.

8. Subsequently Enacted Fees, Dedications, Assessments and Taxes.

8.1. Processing Fees and Charges. Landowner shall pay those processing, inspection, and plan check fees and charges required by City under then current regulations for processing applications and requests for permits, approvals and other actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions with respect thereto or any performance required of Landowner hereunder.

8.2. Development Impact Fees, Exactions and Dedications. Landowner shall pay all development impact fees, dedications of land, connection or mitigation fees, and exactions required by the City to support in the construction of any public facilities and improvements or the provision of public services in relation to development of the Property (together "Exactions") authorized by City after the Effective Date so long as said Exactions otherwise comply with applicable law, and are either (i) required on a City-wide basis, or (ii) apply uniformly to all properties within the City that are zoned consistent with the Project Approvals, or (iii) apply uniformly to all properties that are similarly situated, whether by geographic location or other distinguishing circumstances. Except as otherwise provided in this Agreement, Exactions required by City to be paid by the Landowner that do not meet one of the preceding criteria, shall be the Exactions authorized as of the Effective Date. Wherever this Agreement obligates Landowner to design, construct or install any improvements, the cost thereof may be provided by Landowner or by a Community Facilities District (CFD) or other such financing mechanism acceptable to the City, subject to and in accordance with the provisions thereof.

9. Community Facilities District.

9.1. Community Facilities District Formation - Financing. City acknowledges that Landowner may cause to be formed a Community Facilities District ("CFD") pursuant to the provisions of Section 53311 et seq. of the Government Code for the purpose of financing the acquisition or construction of a portion of the Improvements described in Section 8.2.

9.2. Issuance of Bonds. City and Landowner agree that, with the consent of Landowner, and to the extent permitted by law, City and Landowner shall use their best efforts to cause bonds to be issued in amounts sufficient to achieve the purposes of this Section.

9.3. Payment Prior to Issuance of Bonds. Nothing in this Agreement shall be construed to preclude the payment by an owner of any of the parcels to be included within the CFD of a cash amount equivalent to its proportionate share of costs for the Improvements, or any portion thereof, prior to the issuance of bonds.

9.4. Private Financing. Nothing in this Agreement shall be construed to limit Landowners option to install the Improvements through the use of private financing.

9.5. Acquisition and Payment. City agrees that it shall use its best efforts to allow and facilitate monthly acquisition of completed Improvements or completed portions thereof, and monthly payment of appropriate amounts for such Improvements to the person or entity constructing Improvements or portions thereof, provided City shall only be obligated to use CFD bond or tax proceeds for such acquisitions.

10. Service District for Maintenance.

10.1. Formation, Consent, Waiver and Special Benefit. Landowner must cooperate in formation or annexation to, one or more financing mechanism or assessment district for maintenance purposes, as chosen by the City (herein the "Services District"), and consents herewith to the levy of such special taxes as are necessary to fund the maintenance obligations described below. No residential building permit, excluding permits for model homes, shall be issued until the formation of, and inclusion of the Property in, the Services District. For purposes of Article XIID of the California Constitution, Landowner acknowledges hereby that all the services described herein to be provided by the Services District will provide a "special benefit" to the Property, as defined by said Article, and that the foregoing support and consent shall apply as to any claim that any portion of the services supported by the special tax does not provide special benefit to the Property. The Services District shall:

i. Provide the City assured funding for the ongoing maintenance and operation of public facilities and all Improvements required herein or in the Project Approvals, whether such facilities and Improvements are located within or outside of the boundaries of the Project, including: public roads, public alleys and associated frontage improvements such as curb, gutter and sidewalks, intersection signals, and street signs; road special features (e.g. speed bumps, textured or painted surfaces, modified crosswalks, etc.); project monument signs; all public landscaping, including street frontage landscaping and road medians; streetlights within the Property and upon the Property frontages and statuary, fountains or ornamental structures.

ii. Cause to be established appropriate funding mechanisms, to the satisfaction of the Park District, to fund the ongoing maintenance of park facilities and

improvements within the Project, and any other park improvements pursuant to the Project Approvals.

iii. Cause to be established appropriate funding mechanisms, as determined appropriate by the City, in consultation with the Sacramento County Department of Water Resources, to fund the ongoing maintenance of drainage facilities within the Project consistent with the Project Approvals.

iv. Cause to be established appropriate funding mechanisms, as determined appropriate by the City, to maintain all public open space areas within the Property, other than improved park sites, including without limitation, maintaining bike trails and conducting weed abatement and providing fire prevention to the satisfaction of the Sacramento Metropolitan Fire District within such open space areas. Such fire prevention efforts may include flail mowing from adjacent private property lines into such open space areas and other such vegetation management efforts as deemed necessary by the Fire District.

v. Conduct, manage and finance any environmental mitigation monitoring required by the Project Approvals.

Landowner acknowledges that the total annual cost of the maintenance obligations in this Section 10.1 is not known as of the Effective Date, and will be determined in the future. The assessments listed herein shall be adjusted annually on each January 1, beginning on January 1, 2006, based upon the Consumer Price Index, consistent with Sections 6.4.3 and 6.4.4 of this Agreement.

10.2. Public Parcel Exclusion. Landowner expressly agrees that Parcels conveyed or to be conveyed to the City or Park District shall be excluded from any assessment to be imposed by the Services District.

11. Amendment or Cancellation.

11.1. Modification Because of Conflict with State or Federal Laws. In the event that State or Federal laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City, the parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such federal or state law or regulation. Any such amendment or suspension of the Agreement shall be approved by the City Council in accordance with the Municipal Code and this Agreement.

11.2. Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the parties hereto and in accordance with the procedures of State law and the Municipal Code.

11.3. Insubstantial Amendments. Notwithstanding the provisions of the preceding Section 11.2, any amendments to this Agreement which do not relate to (a) the term of the Agreement as provided in Section 5.2; (b) the permitted uses of the Property as provided in Sections 6.2 and 7.1; (c) provisions for "significant" reservation or dedication of land; (d) the location and maintenance of on-site and off-site improvements; (e) the density or intensity of use of the Project; (f) the maximum height or size of proposed buildings or (g) monetary contributions by Landowner as provided in this Agreement shall not, except to the extent

otherwise required by law, require notice or public hearing before either the Planning Commission or the City Council before the parties may execute an amendment hereto. City's City Manager shall determine whether a reservation or dedication is "significant".

11.4. Amendment of Project Approvals. Any amendment of Project Approvals relating to: (a) the permitted use of the Property; (b) provision for reservation or dedication of land; (c) the density or intensity of use of the Project; (d) the maximum height or size of proposed buildings; (e) monetary contributions by the Landowner; (f) the location and maintenance of on-site and off-site improvements; or (g) any other issue or subject not identified as an "insubstantial amendment" in Section 11.3 of this Agreement, shall require an amendment of this Agreement. Such amendment shall be limited to those provisions of this Agreement, which are implicated by the amendment of the Project Approval. Any other amendment of the Project Approval(s) shall not require amendment of this Agreement unless the amendment of the Project Approval(s) relates specifically to some provision of this Agreement.

11.5. Cancellation by Mutual Consent. Except as otherwise permitted herein, this Agreement may be canceled in whole or in part only by the mutual consent of the parties or their successors in interest, in accordance with the provisions of the Municipal Code. Any fees paid pursuant to this Agreement prior to the date of cancellation shall be retained by City.

12. Term of Project Approvals. Pursuant to California Government Code Section 66452.6(a), the term of any parcel map or tentative subdivision map shall automatically be extended for the term of this Agreement.

13. Annual Review.

13.1. Review Date. The annual review date for this Agreement shall be approximately 12 months from the date the Agreement is entered into.

13.2. Initiation of Review. The City's Planning Director shall initiate the annual review by giving to Landowner written notice that the City intends to undertake such review. Within thirty (30) days of City's notice, Landowner shall provide evidence to the Planning Director to demonstrate good faith compliance with the Development Agreement. The burden of proof, by substantial evidence of compliance, is upon the Landowner. The City's failure to timely initiate the annual review is not deemed to be a waiver of the right to do so at a later date; accordingly, Landowner is not deemed to be in compliance with the Agreement by virtue of such failure to timely initiate review.

13.3. Staff Reports. City shall deposit in the mail to Landowner a copy of all staff reports, and related Exhibits, concerning contract performance at least three (3) days prior to any annual review.

13.4. Costs. Costs reasonably incurred by the City in connection with the annual review shall be paid by Landowner in accordance with the City's schedule of fees and billing rates in effect at the time of review.

13.5. Non-compliance with Agreement; Hearing. If the Planning Director determines, on the basis of substantial evidence, that Landowner has not complied in good faith with the terms and conditions of the Agreement during the period under review, the City Council, upon receipt of any report or recommendation from the Planning Commission, may initiate

proceedings to modify or terminate the Agreement, at which time an administrative hearing shall be conducted, in accordance with the procedures of State law and Municipal Code Section 110-05. As part of that final determination, the City Council may impose conditions that it considers necessary and appropriate to protect the interest of the City.

13.6. Appeal of Determination. The decision of the City Council as to Landowner's compliance shall be final, and any Court action or proceeding to attack, review, set aside, void or annul any decision of the determination by the Council shall be commenced within thirty (30) days, as set forth in the Municipal Code (Section 115-39).

14. Default. Subject to any applicable extension of time, failure by any party to perform any term or provision of this Agreement required to be performed by such party shall constitute an event of default ("Event of Default"). For purposes of this Agreement, a party claiming another party is in default shall be referred to as the "Complaining Party," and the party alleged to be in default shall be referred to as the "Party in Default." A Complaining Party shall not exercise any of its remedies as the result of such Event of Default unless such Complaining Party first gives notice to the Party in Default as provided in Section 14.1.1, and the Party in Default fails to cure such Event of Default within the applicable cure period.

14.1. Procedure Regarding Defaults.

14.1.1. Notice. The Complaining Party shall give written notice of default to the Party in Default, specifying the default complained of by the Complaining Party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

14.1.2. Cure. The Party in Default shall diligently endeavor to cure, correct or remedy the matter complained of, provided such cure, correction or remedy shall be completed within the applicable time period set forth herein after receipt of written notice (or such additional time as may be deemed by the Complaining Party to be reasonably necessary to correct the matter).

14.1.3. Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

14.1.4. Notice of Default. If an Event of Default occurs prior to exercising any remedies, the Complaining Party shall give the Party in Default written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the Party in Default shall have such period to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged default is such that it cannot, practicably be cured within such thirty (30) day period, the cure shall be deemed to have occurred within such thirty (30) day period if: (a) the cure shall be commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the curing party's receipt of the notice), the curing party provides written notice to the other party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded

from exercising remedies if a default is not cured within ninety (90) days after the first notice of default is given.

14.1.5. Legal Proceedings. Subject to the foregoing, if the Party in Default fails to cure a default in accordance with the foregoing, the Complaining Party, at its option, may institute legal proceedings pursuant to this Agreement or, in the event of a material default, terminate this Agreement. Upon the occurrence of an Event of Default, the parties may pursue all other remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement, or in the City's regulations governing development agreements, expressly including the remedy of specific performance of this Agreement.

14.1.6. Effect of Termination. If this Agreement is terminated following any Event of Default of Landowner or for any other reason, such termination shall not affect the validity of any building or improvement within the Property which is completed as of the date of termination, provided that such building or improvement has been constructed pursuant to a building permit issued by the City. Furthermore, no termination of this Agreement shall prevent Landowner from completing and occupying any building or other improvement authorized pursuant to a valid building permit previously issued by the City that is under construction at the time of termination, provided that any such building or improvement is completed in accordance with said building permit in effect at the time of such termination.

15. Estoppel Certificate. Either Party may, at any time, and from time to time, request written notice from the other Party requesting such Party to certify in writing that, (a) this Agreement is in full force and effect and a binding obligation of the Parties; (b) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments; and (c) to the knowledge of the certifying Party the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof, or such longer period as may reasonably be agreed to by the Parties. City Manager of City shall be authorized to execute any certificate requested by Landowner. Should the party receiving the request not execute and return such certificate within the applicable period, this shall not be deemed to be a default.

16. Mortgagee Protection; Certain Rights of Cure.

16.1. Mortgagee Protection. This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof after the date of recording this Agreement, including the lien for any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this Agreement shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or mortgagee ("Mortgagee") who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

16.2. Mortgagee Not Obligated. Notwithstanding the provisions of Section 16.1 above, no Mortgagee shall have any obligation or duty under this Agreement, before or after foreclosure or a deed in lieu of foreclosure, to construct or complete the construction of improvements, or to guarantee such construction of improvements, or to guarantee such construction or completion, or to pay, perform or provide any fee, dedication, improvements or other exaction or imposition; provided, however, that a Mortgagee shall not be entitled to devote

the Property to any uses or to construct any improvements thereon other than those uses or improvements provided for or authorized by the Project Approvals or by this Agreement.

16.3. Notice of Default to Mortgagee and Extension of Right to Cure. If City receives notice from a Mortgagee requesting a copy of any notice of default given Landowner hereunder and specifying the address for service thereof, then City shall deliver to such Mortgagee, concurrently with service thereon to Landowner, any notice given to Landowner with respect to any claim by City that Landowner has committed an Event of Default. Each Mortgagee shall have the right during the same period available to Landowner to cure or remedy, or to commence to cure or remedy, the Event of Default claimed set forth in the City's notice. City, through its City Manager, may extend the cure period provided in Section 13.1 for not more than an additional sixty (60) days upon request of Landowner or a Mortgagee.

17. Severability. Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Agreement from and after such determination.

18. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

19. Attorneys' Fees and Costs in Legal Actions By Parties to the Agreement. Should any legal action be brought by either party for breach of this Agreement or to enforce any provisions herein, the prevailing party to such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the Court.

20. Attorneys' Fees and Costs in Legal Actions By Third Parties to the Agreement. If any person or entity not a party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement or the Project Approvals, the parties shall cooperate and appear in defending such action. Landowner shall bear its own costs of defense as a real party in interest in any such action, and Landowner shall reimburse City on an equal basis for all reasonable court costs and attorneys' fees expended by City in defense of any such action or other proceeding.

21. Transfers and Assignments. From and after recordation of this Agreement against the Property, Landowner shall have the full right to assign this Agreement as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, and upon the express written assignment by Landowner and assumption by the assignee of such assignment in the form attached hereto as Exhibit F and the conveyance of Landowner's interest in the Property related thereto, Landowner shall be released from any further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Landowner," with all rights and obligations related thereto, with respect to such conveyed property. Prior to recordation of this Agreement, any proposed assignment of this Agreement by Landowner shall be subject to the prior written consent of the City Manager

on behalf of the City and the form of such assignment shall be subject to the approval of the City Attorney, neither of which shall be unreasonably withheld.

22. Agreement Runs with the Land. Except as otherwise provided for in Section 15 of this Agreement, all of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property; (a) is for the benefit of such properties and is a burden upon such properties; (b) runs with such properties; and (c) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each party and its property hereunder and each other person succeeding to an interest in such properties.

23. Bankruptcy. The obligations of this Agreement shall not be dischargeable in bankruptcy.

24. Indemnification. Landowner agrees to indemnify, defend and hold harmless City, and its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives from any and all claims, costs (including legal fees and costs) and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by the Landowner, or any actions or inactions of Landowner's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project, provided that Landowner shall have no indemnification obligation with respect to the gross negligence or willful misconduct of City, its contractors, subcontractors, agents or employees or with respect to the maintenance, use or condition of any improvement after the time it has been dedicated to and accepted by the City or another public entity (except as provided in an improvement agreement or maintenance bond).

25. Insurance.

25.1. Public Liability and Property Damage Insurance. At all times that Landowner is constructing any improvements that will become public improvements, Landowner shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of not less than one million (\$1,000,000) dollars and a deductible of not more than ten thousand (\$10,000.00) dollars per claim. The policy so maintained by Landowner shall name the City as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

25.2. Workers' Compensation Insurance. At all times that Landowner is constructing any improvements that will become public improvements, Landowner shall maintain Workers' Compensation insurance for all persons employed by Landowner for work at the Project site. Landowner shall require each contractor and subcontractor similarly to provide Workers' Compensation insurance for its respective employees. Landowner agrees to indemnify the City for any damage resulting from Landowner's failure to maintain any such insurance.

25.3. Evidence of Insurance. Prior to commencement of construction of any improvements which will become public improvements, Landowner shall furnish City satisfactory evidence of the insurance required in Sections 25.1 and 25.2 and evidence that the carrier is required to give the City at least fifteen (15) days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to Landowner performing work on the Project.

26. Excuse for Nonperformance. Landowner and City shall be excused from performing any obligation or undertaking provided in this Agreement, except any obligation to pay any sum of money under the applicable provisions hereof, in the event and so long as the performance of any such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action of labor unions, condemnation, requisition, laws, orders of governmental, civil, military or naval authority, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform. The Party claiming such extension shall send written notice of the claimed extension to the other Party within thirty (30) days from the commencement of the cause entitling the Party to the extension.

27. Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Landowner and, the City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

28. Notices. All notices required by this Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to the City shall be addressed as follows:

CITY OF RANCHO CORDOVA
Planning Director
2729 Prospect Park
Rancho Cordova, CA 95670

Notice required to be given to the Landowner shall be addressed as follows:

DOUGLAS GRANTLINE 103, LLC
Attn: Jim Galovan
111 Woodmere Drive, Suite 190
Folsom, CA 95630

Either party may change the address stated herein by giving notice in writing to the other party, and thereafter notices shall be addressed and transmitted to the new address.

29. Form of Agreement; Recordation; Exhibits. Except when this Agreement is automatically terminated due to the expiration of the Term of the Agreement or the provisions of Section 5.3 (Automatic Termination Upon Completion and Sale of Residential Lot), the City shall cause this Agreement, any amendment hereto and any other termination of any parts or provisions hereof, to be recorded, at Landowner's expense, with the county Recorder within ten

(10) days of the effective date thereof. Any amendment or termination of this Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment or termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This Agreement consists of 17 pages and 8 Exhibits, which constitute the entire understanding and agreement of the parties.

30. **Further Assurances.** The Parties agree to execute such additional instruments and to undertake such actions as may be necessary to effectuate the intent of this Agreement.

31. **City Cooperation.** The City agrees to cooperate with Landowner in securing all permits which may be required by City. In the event state or federal laws or regulations enacted after the Effective Date, or action of any governmental jurisdiction, prevent delay or preclude compliance with one or more provisions of this Agreement, or require changes in plans, maps or permits approved by City, the parties agree that the provisions of this Agreement shall be modified, extended, or suspended as may be necessary to comply with such State and Federal laws or regulations or the regulations of other governmental jurisdictions. Each party agrees to extend to the other its prompt and reasonable cooperation in so modifying this Agreement or approved plans.

IN WITNESS WHEREOF, the City of Rancho Cordova, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. _____, adopted by the Council of the City on the _____, and Landowner has caused this Agreement to be executed.

"CITY"

"LANDOWNER"

CITY OF RANCHO CORDOVA,
a municipal corporation

DOUGLAS GRANTLINE 103, LLC
a California limited liability company

By: _____

By:

Name: _____

Name: Jim Galovan

Its: _____

Its: Authorized Agent

ATTEST:

City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren
Assistant City Attorney

EXHIBIT LIST

Exhibit A-1:	Legal Description of the Property
Exhibit A-2:	Diagram of the Property
Exhibit B:	Douglas 103 Large Lot Tentative Subdivision Map
Exhibit C:	Douglas 103 Small Lot Tentative Subdivision Map
Exhibit D-1:	Land Use Map for the Property
Exhibit D-2:	Land Use Table
Exhibit E:	Diagram of Park Land Dedication
Exhibit F:	Form of Assignment

EXHIBIT 'A-1'

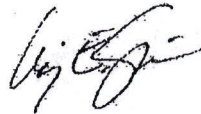
DESCRIPTION OF PROPERTY
DOUGLAS 103 DEVELOPMENT AGREEMENT

All that certain real property situate in the City of Rancho Cordova, County of Sacramento, State of California, and being more particularly described as follows:

The South 53 1/2 acres of the East one half of the Southwest one quarter, the Southwest one quarter of the Southwest one quarter and Lot 4 of the Southwest one quarter of Section 10, Township 8 North, Range 7 East, MDB&M.

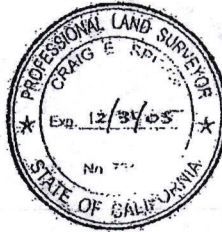
APN: 067-0040-004

This description is for a development agreement only and not intended to circumvent the Subdivision Map Act and shall not be used for sale, lease or finance. Any conveyance must comply with the Subdivision Map Act and local ordinances.



Craig E. Spiess P.L.S. 7944
Expires: December 31, 2005

Date: 10/4/05



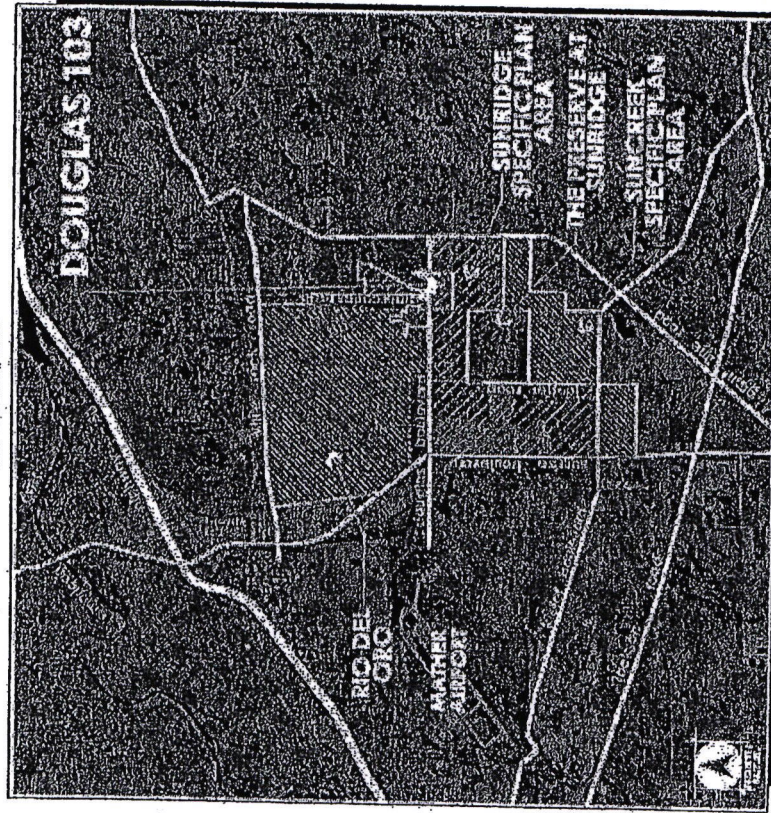
PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

EXHIBIT A-2 LOCATION MAP

DOUGLAS 103

CITY OF RANCHO CORDOVA, CALIFORNIA

OCTOBER 3, 2005



WOOD ROGERS
DEVELOPING INNOVATIVE DESIGN SOLUTIONS
8801 O STREET, SUITE 100, SACRAMENTO, CA 95816
PHONE: 916.341.7200 FAX: 916.341.7700

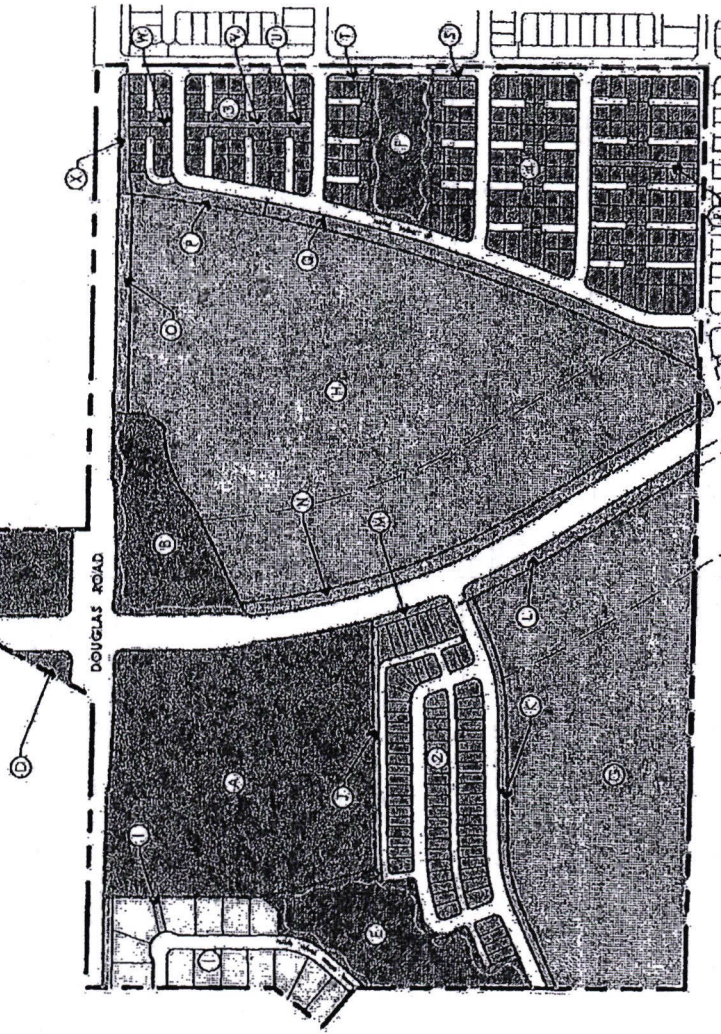
CITY OF RANCHO CORDOVA, CALIFORNIA
OCTOBER 3, 2005

OCTOBER 3, 2005



WOOD RODGERS
DEVELOPING INNOVATIVE DESIGN SOLUTIONS
3301 C STREET, BLDG. 100-B, SACRAMENTO, CA 95816
PHONE (916) 341-7760 FAX (916) 341-7767

EXHIBIT D-1 LAND USE MAP
DOUGLAS 103
 CITY OF RANCHO CORDOVA, CALIFORNIA
 OCTOBER 3, 2005



note: see land use summary on the following page for detailed information



WOOD RODGERS
 DEVELOPING INNOVATIVE DESIGN SOLUTIONS
 3301 D STREET, BLDG. 100-B, SACRAMENTO, CA 95816
 PHONE (916) 341-7760 FAX (916) 341-7767

EXHIBIT D-2 LAND USE TABLE

DOUGLAS 103

CITY OF RANCHO CORDOVA, CALIFORNIA
OCTOBER 3, 2005

LOT NO./VILLAGE NO.	GENERAL PLAN/SPECIFIC PLAN/ ZONING DESIGNATIONS	USE	ACRES (N)	ACRES (G)	UNITS
VILLAGE 1	LDR/RD-5/RD-6	S-F RESIDENTIAL (77'x110'-TYP.)	3.6	3.7	14
VILLAGE 2	LDR/RD-10/RD-10	S-F RESIDENTIAL (30'x70'-TYP.)	7.5	8.3	74
VILLAGES 3 & 4	LDR/RD-15/RD-15	S-F RESIDENTIAL (CLUSTER TYP.)	17.8	19.9	213
SUBTOTAL			28.9	31.9	301
LOTS A & B	-	COMMERCIAL	15.9	15.9	-
LOTS C & D	-	CMU	3.6	3.6	-
LOTS E & F	-	PARK	5.1	5.2	-
LOTS G & H	-	WETLAND PRESERVE	43.8	43.8	-
LOTS I - W	-	PARKWAY	5.54	2.6	-
LOTS X & Y	-	LANDSCAPE CORRIDOR*	0.3	-	-
DOUGLAS ROAD & AMERICANOS BOULEVARD	-	MAJOR ROADS	8.5	8.5	-
SUBTOTAL			82.74	79.6	-
TOTAL				111.5 ACRES	301

* LANDSCAPE AND DRAINAGE CORRIDOR TOTALS ALREADY INCLUDED IN GROSS ACREAGE OF ABOVE PARCELS.

GROSS ACREAGES INCLUDE ALL STREETS & LANDSCAPE CORRIDOR/LOTS.

NET ACREAGES INCLUDE MINOR-RESIDENTIAL STREETS ONLY.

SUBDIVIDER RESERVES THE RIGHT TO FILE MULTIPLE FINAL MAPS PER SECTION 66463.1 (A) OF THE SUBDIVISION MAP ACT.

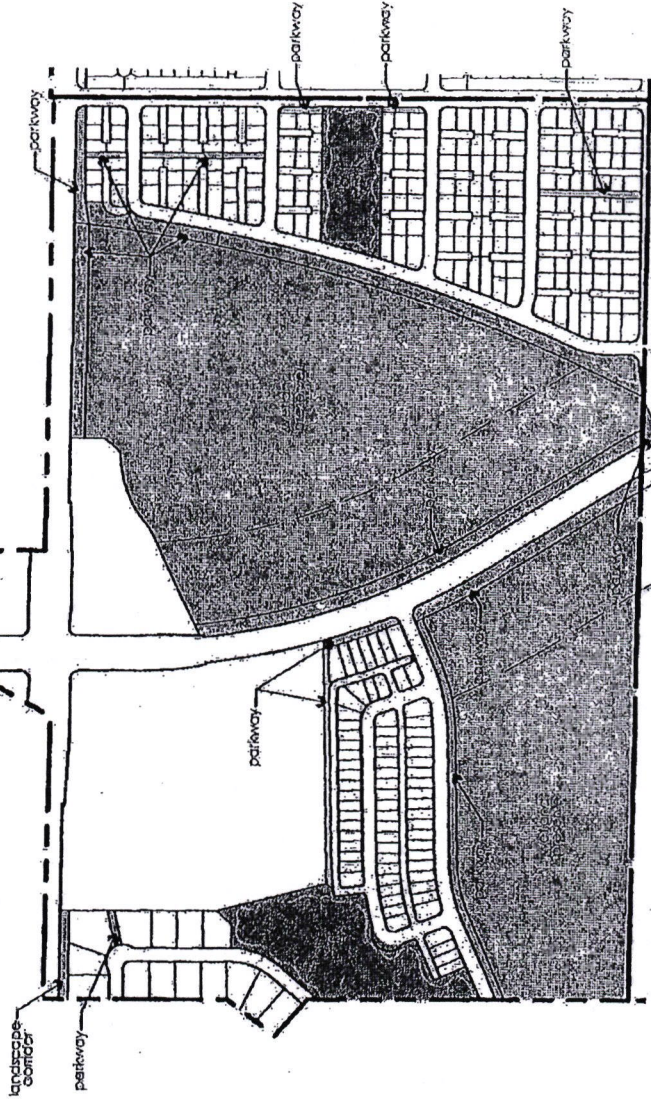
note: see land use plan on previous page for detailed information

WOOD ROGERS
DEVELOPING INNOVATIVE DESIGN SOLUTIONS
3301 O STREET, BLDG 100B, SACRAMENTO, CA 95816
PHONE: (916) 341-7760 FAX: (916) 341-7767

EXHIBIT E DIAGRAM OF PARKLAND DEDICATION

DOUGLAS 103

CITY OF RANCHO CORDOVA, CALIFORNIA
OCTOBER 3, 2005



parkland summary table		
lot no.	acres (a)	
lot 6	3.4	
lot 1	1.8	
total	5.2	



parkland dedication requirement = 30% of du x 0.0206 ac/du = 6.2 ac. parkland required
total parkland required = 6.2 ac. total parkland provided = 5.2 ac.

WOOD ROGERS
INNOVATIVE DESIGN SOLUTIONS
DEVELOPING
3301 D STREET, BLDG. 100-B, SACRAMENTO, CA 95816
PHONE: (916) 341-7760 FAX: (916) 341-7767

**EXHIBIT F
FORM OF ASSIGNMENT**

OFFICIAL BUSINESS

Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova
2729 Prospect Park
Rancho Cordova, CA 95670
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE)

**ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO DOUGLAS 98**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this _____ day of _____, 200_, by and between _____, a _____ (hereinafter "Developer"), and _____, a _____ (hereinafter "Assignee").

RECITALS

1. On _____, 200_, the City of Rancho Cordova and Developer entered into that certain agreement entitled "Development Agreement By and Between The City of Rancho Cordova and Relative to the Development known as Douglas 98 (hereinafter the "Development Agreement"). Pursuant to the Development Agreement, Developer agreed to develop certain property more particularly described in the Development Agreement (hereinafter, the "Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of Sacramento County on _____, 200_, as Instrument No. 200_ - _____.

2. Developer intends to convey a portion of the Subject Property to Assignee, commonly referred to as Parcel _____, and more particularly identified and described in Exhibits A-1 and A-2, attached hereto and incorporated herein by this reference (hereinafter the "Assigned Parcel").

3. Developer desires to assign and Assignee desires to assume all of Developer's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, Developer and Assignee hereby agree as follows:

1. Developer hereby assigns, effective as of Developer's conveyance of the Assigned Parcel to Assignee, all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement with respect to the Assigned Parcel. Developer retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other property within the Subject Property owned by Developer.

2. Assignee hereby assumes all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Developer under the Development Agreement with respect to the Assigned Parcel. The parties intend hereby that, upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee, Assignee shall become substituted for Developer as the "Developer" under the Development Agreement with respect to the Assigned Parcel.

3. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

4. The Notice Address described in Section 28 of the Development Agreement for the Developer with respect to the Assigned Parcel shall be:

Attn: _____

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written. This Agreement may be signed in identical counterparts.

DEVELOPER:

ASSIGNEE:

DOUGLAS ROAD 98
a California limited liability company

a _____

By: _____
Print Name: Gus Galaxidas
Title: Managing Partner

By: _____
Print Name: _____
Title: _____

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova
2729 Prospect Park
Rancho Cordova, CA 95670
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE)

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF RANCHO CORDOVA

AND

DOUGLAS ROAD 98, LP, AS LANDOWNERS

RELATIVE TO DOUGLAS 98

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**DEVELOPMENT AGREEMENT
RELATIVE TO DOUGLAS 98**

This Development Agreement is entered into as of this _____ day of _____, 2006, by and between the CITY OF RANCHO CORDOVA, a municipal corporation ("City"), DOUGLAS ROAD 98, LP, a California limited partnership ("Landowner"). City and Landowner are hereinafter collectively referred to as the "Parties" and singularly as "Party."

RECITALS

1. **Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Section 65864, et seq. (the "Development Agreement Statute"), which authorizes the City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.

2. **Property.** Landowner holds a legal or equitable interest in certain real property located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2 attached hereto (the "Property"). Landowner represents that all persons holding legal or equitable interests in the Property shall be bound by this Agreement.

3. **Project.** Landowner has obtained various approvals from the City (described in more detail in Recital 6 below), including approval for a tentative subdivision map for a mixed use project known as Douglas 98 (the "Project") to be located on the Property.

4. **Public Hearing.** On January 26, 2006, the Planning Commission of the City of Rancho Cordova, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code Section 65867, considered this Agreement and recommended approval of this Agreement to the City Council.

5. **Environmental Review.** On _____, the City Council certified as adequate and complete, the Subsequent Mitigated Negative Declaration ("SMND") for the Project. Mitigation measures were required in the SMND and are incorporated into the Project and into the terms and conditions of this Agreement, as reflected by the findings adopted by the City Council concurrently with this Agreement.

6. **Project Approvals.** The following land use approvals (together the "Project Approvals") have been granted for the Property, which entitlements are the subject of this Agreement.

6.1. The Sunridge Specific Plan adopted by County, as adopted by the City on July 1, 2003, by City Resolution No. 06-2003 (the "Specific Plan");

6.2. The SMND. The Subsequent Mitigation Measures in both the Environmental Impact Report ("EIR") and the SMND are incorporated into the Project and into the terms and conditions of this Agreement.

6.3. The Rezoning of the Property, approved by the City on January 20, 2004, by City Ordinance No. 1-2004;

6.4. The Large Lot Tentative Subdivision Map for the Project (attached hereto as Exhibit B approved by the City on _____, by City Resolution No. _____;

6.5. The Small Lot Tentative Subdivision Map for the Project (attached hereto as Exhibit C approved by the City on _____, by City Resolution No. _____;

6.6. This Development Agreement, as adopted on _____, 200_ by City Ordinance No. _____ (the "Adopting Ordinance").

7. **Need for Services and Facilities.** Development of the Property will result in a need for municipal services and facilities, some of which services and facilities will be provided by the City to such development subject to the performance of Landowner's obligations hereunder. With respect to water, pursuant to Government Code Section 65867.5, any tentative map approved for the Property will comply with the provisions of Government Code 66473.7.

8. **Contribution to Costs of Facilities and Services.** Landowner agrees to contribute to the costs of such public facilities and services as required herein to mitigate impacts on the community of the development of the Property, and City agrees to provide such public facilities and services as required herein to assure that Landowner may proceed with and complete development of the Property in accordance with the terms of this Agreement. City and Landowner recognize and agree that, but for Landowner's contributions to mitigate the impacts arising as a result of development entitlements granted pursuant to this Agreement, City would not and could not approve the development of the Property as provided by this Agreement and that, but for City's covenant to provide certain facilities and services for development of the Property, Landowner would not and could not commit to provide the mitigation as provided by this Agreement. City's vesting of the right to develop the Property as provided herein is in reliance upon and in consideration of Landowner's agreement to make contributions toward the cost of public improvements as herein provided to mitigate the impacts of development of the Property as development occurs.

9. **Development Agreement Ordinance.** City and Landowner have taken all actions mandated by, and fulfilled all requirements set forth in, the Development Agreement Ordinance of the City of Rancho Cordova, as set forth in the City Municipal Code.

10. **Consistency with General and Specific Plan.** Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, in City Ordinance No. ____-06, the City found that this Agreement satisfies the Government Code §65867.5 requirement of general plan and specific plan consistency.

NOW, THEREFORE, in consideration of the mutual promises, conditions and covenants hereinafter set forth, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Preamble, the Recitals and all defined terms set forth in both are hereby incorporated into this Agreement as if set forth herein in full.

2. **Description of Property.** The property, which is the subject of this Development Agreement, is described in Exhibit A-1 and depicted in Exhibit A-2 attached hereto ("Property").

3. **Interest of Landowner.** The Landowner has a legal or equitable interest in the Property. Landowner represents that all persons holding legal or equitable interests in the Property shall be bound by the Agreement.

4. **Relationship of City and Landowner.** It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by City and Landowner and that Landowner is not an agent of City. The City and Landowner hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Landowner joint venturers or partners.

5. **Effective Date and Term.**

5.1. **Effective Date.** The effective date of this Agreement ("Effective Date") is _____ 2006, which is the effective date of City Ordinance No. _____, adopting this Agreement.

5.2. **Term.** Upon execution, the term of this Agreement shall commence on the Effective Date and extend for a period of fifteen (15) years, unless said term is terminated, modified or extended by circumstances set forth in this Agreement. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect. Said termination of the Agreement shall not affect any right or duty created by City approvals for the Property adopted prior to, concurrently with, or subsequent to the approval of this Agreement.

5.3. **Automatic Termination Upon Completion and Sale of Residential Lot.** This Agreement shall automatically be terminated, without any further action by either party or need to record any additional document, with respect to any single-family residential lot within a parcel designated by the Project Approvals for residential use, upon completion of construction and issuance by the City of a final occupancy permit for a dwelling unit upon such residential lot and conveyance of such improved residential lot by Landowner to a bona-fide good-faith purchaser thereof. In connection with its issuance of a final inspection for such improved lot, City shall confirm that all improvements, which are required to serve the lot, as determined by City, have been accepted by City. Termination of this Agreement for any such residential lot as provided for in this Section shall not in any way be construed to terminate or modify any assessment district or Mello-Roos Community Facilities District lien affecting such lot at the time of termination.

6. **Use of Property.**

6.1. **Right to Develop.** Landowner shall have the vested right to develop the Project in accordance with the terms and conditions of this Agreement, the Project Approvals, and any amendments to any of them as shall, from time to time, be approved pursuant to this Agreement. Landowner's vested right to develop the Property shall be subject to subsequent approvals; provided however, except as provided in Section 6.3, that any conditions, terms, restrictions and requirements for such subsequent approvals shall not prevent development of the Property for the uses, or reduce the density and intensity of development, or limit the rate or timing of development set forth in this Agreement, so long as Landowner is not in default under this Agreement.

6.2. Permitted Uses. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, location and maintenance of on-site and off-site improvements, location of public utilities and other terms and conditions of development applicable to the Property, shall be those set forth in this Agreement, the Project Approvals and any amendments to this Agreement or the Project Approvals. City acknowledges that the Project Approvals provide for the land uses and approximate acreages for the Property as set forth in Exhibit D-1 and Exhibit D-2.

6.3. Moratorium, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of development agreements, Landowner and City intend that, except as otherwise provided in this Agreement, this Agreement shall vest the Project Approvals against subsequent City resolutions, ordinances and initiatives that directly or indirectly limit the rate, timing, sequencing of development, or prevent or conflict with the permitted uses, density and intensity of uses as set forth in the Project Approvals; provided however, Landowner shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted on a uniformly applied, City-wide or area-wide basis, and directly concerns a public health or safety issue, in which case City shall treat Landowner in a uniform, equitable and proportionate manner with all properties, public and private, which are impacted by that public health or safety issue.

6.4. Additional Conditions.

6.4.1. New Park Development Obligation. The Project shall be subject to Resolution No. 28-2005, which establishes revised standards for Park and Open Space in the City. The Project shall also be subject to the development impact fees imposed by the City pursuant to Resolution 122-2005, which established the City's intent to modify its park improvement impact fee.

6.4.2. Timing of Dedications and Improvements of Parks. Prior to the recordation of any final map or individual residential or non-residential parcel for the Property, Landowner shall: (1) fulfill the obligation described in Section 6.4.1, and (2) enter into a park improvement agreement with the Cordova Recreation and Parks District. Landowner shall pay to the City any in-lieu fees required under Section 6.4.1 prior to the issuance of each building permit for the Property. Prior to the issuance of the final building permit for the Project, Landowner agrees to commence construction of the improvements described in the park improvement agreement to be entered into between Landowner and Cordova Recreation and Parks District. The park improvement agreement shall address, but not be limited to the specific facilities to be constructed by Landowner, fees to be paid by Landowner, credits and reimbursements that shall be issued by the District to the Landowner, and reference to the requirements in this Section regarding the timing of construction of improvements and the payment of fees. Prior to the issuance of the 250th building permit, Landowner agrees to complete construction of all the improvements described by the park improvement agreement. Landowner will be deemed to have satisfied in full its new park development obligation, after fulfilling the requirement described in Section 6.4.1 and 6.4.2.

6.4.3. In-fill Park and Open Space Renovation and Acquisition Fee. The Landowner agrees that it shall pay the City the total sum of one thousand and five hundred dollars (\$1500.00) for each residential parcel shown on the final

maps for the Property. Beginning on January 1, 2006, the fee shall be adjusted annually on each January 1 based upon the percentage change in the United States Department of Labor Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose area between April and April of each year. This fee shall be paid to the City no later than prior to issuance of the building permit for each residential parcel for the Property. It shall be used by the City, at its sole discretion to acquire, renovate, repair, improve or maintain parks or open space in that portion of the City outlined in Exhibit E. This payment is made voluntarily by the Landowner. It is in addition to all other existing park fees, and construction and dedication obligations, including without limitation any fees paid pursuant to California Government Code Section 66477 (the "Quimby Act"). Landowner agrees that it shall not claim any credit or right to reimbursement of any other existing park fees, and construction and dedication obligations, including Quimby Act fees, as a result of paying the existing park renovation fees required under this Section.

6.4.4. Police Tax. Landowner agrees to vote in favor of and to cooperate in the creation of a special tax zone area within the Rancho Cordova Special Police Tax Area. The boundaries of the special tax zone area shall be contiguous with the boundaries of the Property. The Landowner shall vote in favor of and cooperate in the levy of a special tax for police services on each residential parcel or residential parcel equivalent on the Property. The City is in the process of preparing a General Plan Fiscal Analysis which will include a review of the current shortfall of revenue for police services, and a new proposed amount of the special police tax. The special tax shall be in the amount of the lesser of (1) \$450 annually, per single-family residential parcel or residential parcel equivalent, and \$0.25 for each square foot of gross parcel area of non-residential use (excluding recreational and agricultural uses), or (2) the amount calculated in the General Plan Fiscal Analysis which the City is in the process of preparing. Multi-family residential units on a single parcel shall be assessed on a proportionately equivalent basis (e.g., a two-unit attached housing structure, such as a duplex, would be deemed to consist of two residential parcels for purposes of the police tax). The amount of the special tax shall be adjusted annually based upon the percentage change in the United States Department of Labor Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose area between April and April of each year. If the Consumer Price Index is discontinued, or revised, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised. The special tax shall be payable annually following issuance of a building permit for each subject parcel. The Landowner shall pay all the costs of conducting the election and all costs related to the implementation of this Section for the Project.

6.4.5. Road Maintenance Conditions. Landowner shall provide a funding mechanism for maintenance services for all new public improvements associated with the project including but not limited to streets, bridges/culverts, traffic signals, traffic signs, striping and legends, ITS operations, and street lights. This may be accomplished through annexation to the City Road Maintenance Assessment District. All costs associated with the annexation shall be borne by Landowner.

7. Applicable Rules, Regulations, Fees and Official Policies.

7.1. Rules Regarding Permitted Uses. Except as provided in this Agreement, the City's ordinances, resolutions, rules, regulations and official policies governing the permitted uses of the Property, the density and intensity of use, the rate timing and sequencing of development, the maximum height and size of proposed buildings, and

provisions for reservation and dedication of land shall be those in force on the Effective Date of this Agreement. Except as provided in Section 8.2, this Agreement does not vest Landowner's rights to pay development impact fees, exactions and dedications, processing fees, inspection fees, plan checking fees or charges.

7.2. Rules Regarding Design and Construction. Unless otherwise expressly provided in this Agreement, all other ordinances, resolutions, rules, regulations and official policies governing design, improvement and construction standards and specifications applicable to the Project and to public improvements to be constructed by the Landowner shall be those in force and effect at the time the applicable permit approval is granted.

7.3. Changes in State or Federal Law. This Agreement shall not preclude the application to development of the Property of changes in City laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in State or Federal laws or regulations.

7.4. Uniform Codes Applicable. Unless otherwise expressly provided in this Agreement, the Project shall be constructed in accordance with the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the California Code of Regulations, relating to Building Standards, in effect at the time of approval of the appropriate building, grading, encroachment or other construction permits for the Project. If no permits are required for infrastructure improvements, such improvements will be constructed in accordance with the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the California Code of Regulations, relating to Building Standards, in effect at the start of construction of such infrastructure.

8. Subsequently Enacted Fees, Dedications, Assessments and Taxes.

8.1. Processing Fees and Charges. Landowner shall pay those processing, inspection, and plan check fees and charges required by City under then current regulations for processing applications and requests for permits, approvals and other actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions with respect thereto or any performance required of Landowner hereunder.

8.2. Development Impact Fees, Exactions and Dedications. Landowner shall pay all development impact fees, dedications of land, connection or mitigation fees, and exactions required by the City to support in the construction of any public facilities and improvements or the provision of public services in relation to development of the Property (together "Exactions") authorized by City after the Effective Date so long as said Exactions otherwise comply with applicable law, and are either (i) required on a City-wide basis, or (ii) apply uniformly to all properties within the City that are zoned consistent with the Project Approvals, or (iii) apply uniformly to all properties that are similarly situated, whether by geographic location or other distinguishing circumstances. Except as otherwise provided in this Agreement, Exactions required by City to be paid by the Landowner that do not meet one of the preceding criteria, shall be the Exactions authorized as of the Effective Date. Wherever this Agreement obligates Landowner to design, construct or install any improvements, the cost thereof may be provided by Landowner or by a Community Facilities District (CFD) or other such financing mechanism acceptable to the City, subject to and in accordance with the provisions thereof.

9. Community Facilities District.

9.1. Community Facilities District Formation - Financing. City acknowledges that Landowner may cause to be formed a Community Facilities District ("CFD") pursuant to the provisions of Section 53311 et seq. of the Government Code for the purpose of financing the acquisition or construction of a portion of the Improvements described in Section 8.2.

9.2. Issuance of Bonds. City and Landowner agree that, with the consent of Landowner, and to the extent permitted by law, City and Landowner shall use their best efforts to cause bonds to be issued in amounts sufficient to achieve the purposes of this Section.

9.3. Payment Prior to Issuance of Bonds. Nothing in this Agreement shall be construed to preclude the payment by an owner of any of the parcels to be included within the CFD of a cash amount equivalent to its proportionate share of costs for the Improvements, or any portion thereof, prior to the issuance of bonds.

9.4. Private Financing. Nothing in this Agreement shall be construed to limit Landowners option to install the Improvements through the use of private financing.

9.5. Acquisition and Payment. City agrees that it shall use its best efforts to allow and facilitate monthly acquisition of completed Improvements or completed portions thereof, and monthly payment of appropriate amounts for such Improvements to the person or entity constructing Improvements or portions thereof, provided City shall only be obligated to use CFD bond or tax proceeds for such acquisitions.

10. Service District for Maintenance.

10.1. Formation, Consent, Waiver and Special Benefit. Landowner must cooperate in formation or annexation to, one or more financing mechanism or assessment district for maintenance purposes, as chosen by the City (herein the "Services District"), and consents herewith to the levy of such special taxes as are necessary to fund the maintenance obligations described below. No residential building permit, excluding permits for model homes, shall be issued until the formation of, and inclusion of the Property in, the Services District. For purposes of Article XIID of the California Constitution, Landowner acknowledges hereby that all the services described herein to be provided by the Services District will provide a "special benefit" to the Property, as defined by said Article, and that the foregoing support and consent shall apply as to any claim that any portion of the services supported by the special tax does not provide special benefit to the Property. The Services District shall:

i. Provide the City assured funding for the ongoing maintenance and operation of public facilities and all Improvements required herein or in the Project Approvals, whether such facilities and Improvements are located within or outside of the boundaries of the Project, including: public roads, public alleys and associated frontage improvements such as curb, gutter and sidewalks, intersection signals, and street signs; road special features (e.g. speed bumps, textured or painted surfaces, modified crosswalks, etc.); project monument signs; all public landscaping, including street frontage landscaping and road medians; streetlights within the Property and upon the Property frontages and statuary, fountains or ornamental structures.

ii. Cause to be established appropriate funding mechanisms, to the satisfaction of the Park District, to fund the ongoing maintenance of park facilities and

improvements within the Project, and any other park improvements pursuant to the Project Approvals.

iii. Cause to be established appropriate funding mechanisms, as determined appropriate by the City, in consultation with the Sacramento County Department of Water Resources, to fund the ongoing maintenance of drainage facilities within the Project consistent with the Project Approvals.

iv. Cause to be established appropriate funding mechanisms, as determined appropriate by the City, to maintain all public open space areas within the Property, other than improved park sites, including without limitation, maintaining bike trails and conducting weed abatement and providing fire prevention to the satisfaction of the Sacramento Metropolitan Fire District within such open space areas. Such fire prevention efforts may include flail mowing from adjacent private property lines into such open space areas and other such vegetation management efforts as deemed necessary by the Fire District.

v. Conduct, manage and finance any environmental mitigation monitoring required by the Project Approvals.

Landowner acknowledges that the total annual cost of the maintenance obligations in this Section 10.1 is not known as of the Effective Date, and will be determined in the future. The assessments listed herein shall be adjusted annually on each January 1, beginning on January 1, 2006, based upon the Consumer Price Index, consistent with Sections 6.4.3 and 6.4.4 of this Agreement.

10.2. Public Parcel Exclusion. Landowner expressly agrees that Parcels conveyed or to be conveyed to the City or Park District shall be excluded from any assessment to be imposed by the Services District.

11. Amendment or Cancellation.

11.1. Modification Because of Conflict with State or Federal Laws. In the event that State or Federal laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City, the parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such federal or state law or regulation. Any such amendment or suspension of the Agreement shall be approved by the City Council in accordance with the Municipal Code and this Agreement.

11.2. Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the parties hereto and in accordance with the procedures of State law and the Municipal Code.

11.3. Insubstantial Amendments. Notwithstanding the provisions of the preceding Section 11.2, any amendments to this Agreement which do not relate to (a) the term of the Agreement as provided in Section 5.2; (b) the permitted uses of the Property as provided in Sections 6.2 and 7.1; (c) provisions for "significant" reservation or dedication of land; (d) the location and maintenance of on-site and off-site improvements; (e) the density or intensity of use of the Project; (f) the maximum height or size of proposed buildings or (g) monetary contributions by Landowner as provided in this Agreement shall not, except to the extent

otherwise required by law, require notice or public hearing before either the Planning Commission or the City Council before the parties may execute an amendment hereto. City's City Manager shall determine whether a reservation or dedication is "significant".

11.4. Amendment of Project Approvals. Any amendment of Project Approvals relating to: (a) the permitted use of the Property; (b) provision for reservation or dedication of land; (c) the density or intensity of use of the Project; (d) the maximum height or size of proposed buildings; (e) monetary contributions by the Landowner; (f) the location and maintenance of on-site and off-site improvements; or (g) any other issue or subject not identified as an "insubstantial amendment" in Section 11.3 of this Agreement, shall require an amendment of this Agreement. Such amendment shall be limited to those provisions of this Agreement, which are implicated by the amendment of the Project Approval. Any other amendment of the Project Approval(s) shall not require amendment of this Agreement unless the amendment of the Project Approval(s) relates specifically to some provision of this Agreement.

11.5. Cancellation by Mutual Consent. Except as otherwise permitted herein, this Agreement may be canceled in whole or in part only by the mutual consent of the parties or their successors in interest, in accordance with the provisions of the Municipal Code. Any fees paid pursuant to this Agreement prior to the date of cancellation shall be retained by City.

12. Term of Project Approvals. Pursuant to California Government Code Section 66452.6(a), the term of any parcel map or tentative subdivision map shall automatically be extended for the term of this Agreement.

13. Annual Review.

13.1. Review Date. The annual review date for this Agreement shall be approximately 12 months from the date the Agreement is entered into.

13.2. Initiation of Review. The City's Planning Director shall initiate the annual review by giving to Landowner written notice that the City intends to undertake such review. Within thirty (30) days of City's notice, Landowner shall provide evidence to the Planning Director to demonstrate good faith compliance with the Development Agreement. The burden of proof, by substantial evidence of compliance, is upon the Landowner. The City's failure to timely initiate the annual review is not deemed to be a waiver of the right to do so at a later date; accordingly, Landowner is not deemed to be in compliance with the Agreement by virtue of such failure to timely initiate review.

13.3. Staff Reports. City shall deposit in the mail to Landowner a copy of all staff reports, and related Exhibits, concerning contract performance at least three (3) days prior to any annual review.

13.4. Costs. Costs reasonably incurred by the City in connection with the annual review shall be paid by Landowner in accordance with the City's schedule of fees and billing rates in effect at the time of review.

13.5. Non-compliance with Agreement; Hearing. If the Planning Director determines, on the basis of substantial evidence, that Landowner has not complied in good faith with the terms and conditions of the Agreement during the period under review, the City Council, upon receipt of any report or recommendation from the Planning Commission, may initiate

proceedings to modify or terminate the Agreement, at which time an administrative hearing shall be conducted, in accordance with the procedures of State law and Municipal Code Section 110-05. As part of that final determination, the City Council may impose conditions that it considers necessary and appropriate to protect the interest of the City.

13.6. Appeal of Determination. The decision of the City Council as to Landowner's compliance shall be final, and any Court action or proceeding to attack, review, set aside, void or annul any decision of the determination by the Council shall be commenced within thirty (30) days, as set forth in the Municipal Code (Section 115-39).

14. Default. Subject to any applicable extension of time, failure by any party to perform any term or provision of this Agreement required to be performed by such party shall constitute an event of default ("Event of Default"). For purposes of this Agreement, a party claiming another party is in default shall be referred to as the "Complaining Party," and the party alleged to be in default shall be referred to as the "Party in Default." A Complaining Party shall not exercise any of its remedies as the result of such Event of Default unless such Complaining Party first gives notice to the Party in Default as provided in Section 14.1.1, and the Party in Default fails to cure such Event of Default within the applicable cure period.

14.1. Procedure Regarding Defaults.

14.1.1. Notice. The Complaining Party shall give written notice of default to the Party in Default, specifying the default complained of by the Complaining Party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

14.1.2. Cure. The Party in Default shall diligently endeavor to cure, correct or remedy the matter complained of, provided such cure, correction or remedy shall be completed within the applicable time period set forth herein after receipt of written notice (or such additional time as may be deemed by the Complaining Party to be reasonably necessary to correct the matter).

14.1.3. Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

14.1.4. Notice of Default. If an Event of Default occurs prior to exercising any remedies, the Complaining Party shall give the Party in Default written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the Party in Default shall have such period to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged default is such that it cannot, practicably be cured within such thirty (30) day period, the cure shall be deemed to have occurred within such thirty (30) day period if: (a) the cure shall be commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the curing party's receipt of the notice), the curing party provides written notice to the other party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded

from exercising remedies if a default is not cured within ninety (90) days after the first notice of default is given.

14.1.5. Legal Proceedings. Subject to the foregoing, if the Party in Default fails to cure a default in accordance with the foregoing, the Complaining Party, at its option, may institute legal proceedings pursuant to this Agreement or, in the event of a material default, terminate this Agreement. Upon the occurrence of an Event of Default, the parties may pursue all other remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement, or in the City's regulations governing development agreements, expressly including the remedy of specific performance of this Agreement.

14.1.6. Effect of Termination. If this Agreement is terminated following any Event of Default of Landowner or for any other reason, such termination shall not affect the validity of any building or improvement within the Property which is completed as of the date of termination, provided that such building or improvement has been constructed pursuant to a building permit issued by the City. Furthermore, no termination of this Agreement shall prevent Landowner from completing and occupying any building or other improvement authorized pursuant to a valid building permit previously issued by the City that is under construction at the time of termination, provided that any such building or improvement is completed in accordance with said building permit in effect at the time of such termination.

15. Estoppel Certificate. Either Party may, at any time, and from time to time, request written notice from the other Party requesting such Party to certify in writing that, (a) this Agreement is in full force and effect and a binding obligation of the Parties; (b) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments; and (c) to the knowledge of the certifying Party the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof, or such longer period as may reasonably be agreed to by the Parties. City Manager of City shall be authorized to execute any certificate requested by Landowner. Should the party receiving the request not execute and return such certificate within the applicable period, this shall not be deemed to be a default.

16. Mortgagee Protection; Certain Rights of Cure.

16.1. Mortgagee Protection. This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof after the date of recording this Agreement, including the lien for any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this Agreement shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or mortgagee ("Mortgagee") who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

16.2. Mortgagee Not Obligated. Notwithstanding the provisions of Section 16.1 above, no Mortgagee shall have any obligation or duty under this Agreement, before or after foreclosure or a deed in lieu of foreclosure, to construct or complete the construction of improvements, or to guarantee such construction of improvements, or to guarantee such construction or completion, or to pay, perform or provide any fee, dedication, improvements or other exaction or imposition; provided, however, that a Mortgagee shall not be entitled to devote

the Property to any uses or to construct any improvements thereon other than those uses or improvements provided for or authorized by the Project Approvals or by this Agreement.

16.3. Notice of Default to Mortgagee and Extension of Right to Cure. If City receives notice from a Mortgagee requesting a copy of any notice of default given Landowner hereunder and specifying the address for service thereof, then City shall deliver to such Mortgagee, concurrently with service thereon to Landowner, any notice given to Landowner with respect to any claim by City that Landowner has committed an Event of Default. Each Mortgagee shall have the right during the same period available to Landowner to cure or remedy, or to commence to cure or remedy, the Event of Default claimed set forth in the City's notice. City, through its City Manager, may extend the cure period provided in Section 13.1 for not more than an additional sixty (60) days upon request of Landowner or a Mortgagee.

17. Severability. Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Agreement from and after such determination.

18. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

19. Attorneys' Fees and Costs in Legal Actions By Parties to the Agreement. Should any legal action be brought by either party for breach of this Agreement or to enforce any provisions herein, the prevailing party to such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the Court.

20. Attorneys' Fees and Costs in Legal Actions By Third Parties to the Agreement. If any person or entity not a party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement or the Project Approvals, the parties shall cooperate and appear in defending such action. Landowner shall bear its own costs of defense as a real party in interest in any such action, and Landowner shall reimburse City on an equal basis for all reasonable court costs and attorneys' fees expended by City in defense of any such action or other proceeding.

21. Transfers and Assignments. From and after recordation of this Agreement against the Property, Landowner shall have the full right to assign this Agreement as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, and upon the express written assignment by Landowner and assumption by the assignee of such assignment in the form attached hereto as Exhibit F and the conveyance of Landowner's interest in the Property related thereto, Landowner shall be released from any further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Landowner," with all rights and obligations related thereto, with respect to such conveyed property. Prior to recordation of this Agreement, any proposed assignment of this Agreement by Landowner shall be subject to the prior written consent of the City Manager

on behalf of the City and the form of such assignment shall be subject to the approval of the City Attorney, neither of which shall be unreasonably withheld.

22. Agreement Runs with the Land. Except as otherwise provided for in Section 15 of this Agreement, all of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property; (a) is for the benefit of such properties and is a burden upon such properties; (b) runs with such properties; and (c) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each party and its property hereunder and each other person succeeding to an interest in such properties.

23. Bankruptcy. The obligations of this Agreement shall not be dischargeable in bankruptcy.

24. Indemnification. Landowner agrees to indemnify, defend and hold harmless City, and its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives from any and all claims, costs (including legal fees and costs) and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by the Landowner, or any actions or inactions of Landowner's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project, provided that Landowner shall have no indemnification obligation with respect to the gross negligence or willful misconduct of City, its contractors, subcontractors, agents or employees or with respect to the maintenance, use or condition of any improvement after the time it has been dedicated to and accepted by the City or another public entity (except as provided in an improvement agreement or maintenance bond).

25. Insurance.

25.1. Public Liability and Property Damage Insurance. At all times that Landowner is constructing any improvements that will become public improvements, Landowner shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of not less than one million (\$1,000,000) dollars and a deductible of not more than ten thousand (\$10,000.00) dollars per claim. The policy so maintained by Landowner shall name the City as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

25.2. Workers' Compensation Insurance. At all times that Landowner is constructing any improvements that will become public improvements, Landowner shall maintain Workers' Compensation insurance for all persons employed by Landowner for work at the Project site. Landowner shall require each contractor and subcontractor similarly to provide Workers' Compensation insurance for its respective employees. Landowner agrees to indemnify the City for any damage resulting from Landowner's failure to maintain any such insurance.

25.3. Evidence of Insurance. Prior to commencement of construction of any improvements which will become public improvements, Landowner shall furnish City satisfactory evidence of the insurance required in Sections 25.1 and 25.2 and evidence that the carrier is required to give the City at least fifteen (15) days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to Landowner performing work on the Project.

26. Excuse for Nonperformance. Landowner and City shall be excused from performing any obligation or undertaking provided in this Agreement, except any obligation to pay any sum of money under the applicable provisions hereof, in the event and so long as the performance of any such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action of labor unions, condemnation, requisition, laws, orders of governmental, civil, military or naval authority, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform. The Party claiming such extension shall send written notice of the claimed extension to the other Party within thirty (30) days from the commencement of the cause entitling the Party to the extension.

27. Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Landowner and, the City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

28. Notices. All notices required by this Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to the City shall be addressed as follows:

CITY OF RANCHO CORDOVA
Planning Director
2729 Prospect Park
Rancho Cordova, CA 95670

Notice required to be given to the Landowner shall be addressed as follows:

DOUGLAS ROAD 98, LP
Attn: Jim Galovan
111 Woodmere Drive, Suite 190
Folsom, Ca 95630

Either party may change the address stated herein by giving notice in writing to the other party, and thereafter notices shall be addressed and transmitted to the new address.

29. Form of Agreement; Recordation; Exhibits. Except when this Agreement is automatically terminated due to the expiration of the Term of the Agreement or the provisions of Section 5.3 (Automatic Termination Upon Completion and Sale of Residential Lot), the City shall cause this Agreement, any amendment hereto and any other termination of any parts or provisions hereof, to be recorded, at Landowner's expense, with the county Recorder within ten

(10) days of the effective date thereof. Any amendment or termination of this Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment or termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This Agreement consists of 17 pages and 8 Exhibits, which constitute the entire understanding and agreement of the parties.

30. **Further Assurances.** The Parties agree to execute such additional instruments and to undertake such actions as may be necessary to effectuate the intent of this Agreement.

31. **City Cooperation.** The City agrees to cooperate with Landowner in securing all permits which may be required by City. In the event state or federal laws or regulations enacted after the Effective Date, or action of any governmental jurisdiction, prevent delay or preclude compliance with one or more provisions of this Agreement, or require changes in plans, maps or permits approved by City, the parties agree that the provisions of this Agreement shall be modified, extended, or suspended as may be necessary to comply with such State and Federal laws or regulations or the regulations of other governmental jurisdictions. Each party agrees to extend to the other its prompt and reasonable cooperation in so modifying this Agreement or approved plans.

IN WITNESS WHEREOF, the City of Rancho Cordova, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. _____, adopted by the Council of the City on the _____, and Landowner has caused this Agreement to be executed.

"CITY"

"LANDOWNER"

CITY OF RANCHO CORDOVA,
a municipal corporation

DOUGLAS ROAD 98, LP
a California limited partnership

By: _____

By:

Name: _____

Name: Gus Galaxidas

Its: _____

Its: Managing Partner

ATTEST:

City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren
Assistant City Attorney

EXHIBIT LIST

Exhibit A-1:	Legal Description of the Property
Exhibit A-2:	Diagram of the Property
Exhibit B:	Douglas 98 Large Lot Tentative Subdivision Map
Exhibit C:	Douglas 98 Small Lot Tentative Subdivision Map
Exhibit D-1:	Land Use Map for the Property
Exhibit D-2:	Land Use Table
Exhibit E:	Diagram of Park Land Dedication
Exhibit F:	Form of Assignment

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

The South 107 acres of the Southeast one-quarter of Section 10, Township 8 North, Range 7 East, Mount Diablo Base and Meridian, the dimensions of said 107 acres being computed to the West, South and East lines of said Southeast one-quarter.

EXCEPTING THEREFROM the North 300 feet of the East 300 feet thereof;

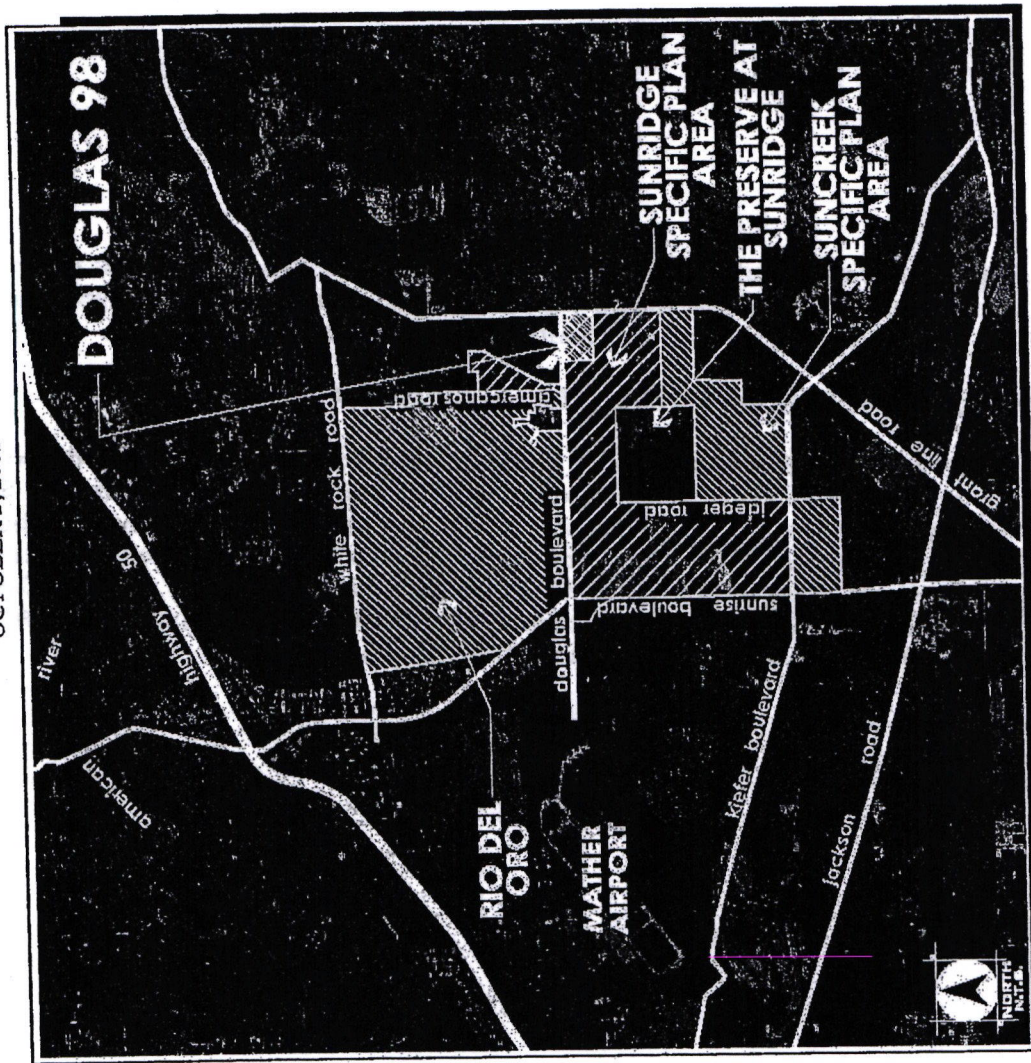
ALSO EXCEPTING THEREFROM all that portion lying North of the following described land: Beginning at a point located North 89 deg. 21'10" East 494.16 feet from the Southeast corner of "Rancho Rio de los Americanos", as said Southeast corner is shown on the "Record of Survey of the Southeasterly portion of Rancho Rio de los Americanos", according to the Official Plat thereof, filed in the Office of the Recorder of Sacramento County, California in Book 12 of Surveys, Survey No. 30; thence from said point of beginning South 89 deg. 49'50" East 3970.00 feet to the point in a County Road.

APN: 067-0040-005

EXHIBIT A-2 LOCATION MAP

DOUGLAS 98

CITY OF RANCHO CORDOVA, CALIFORNIA
OCTOBER 3, 2005

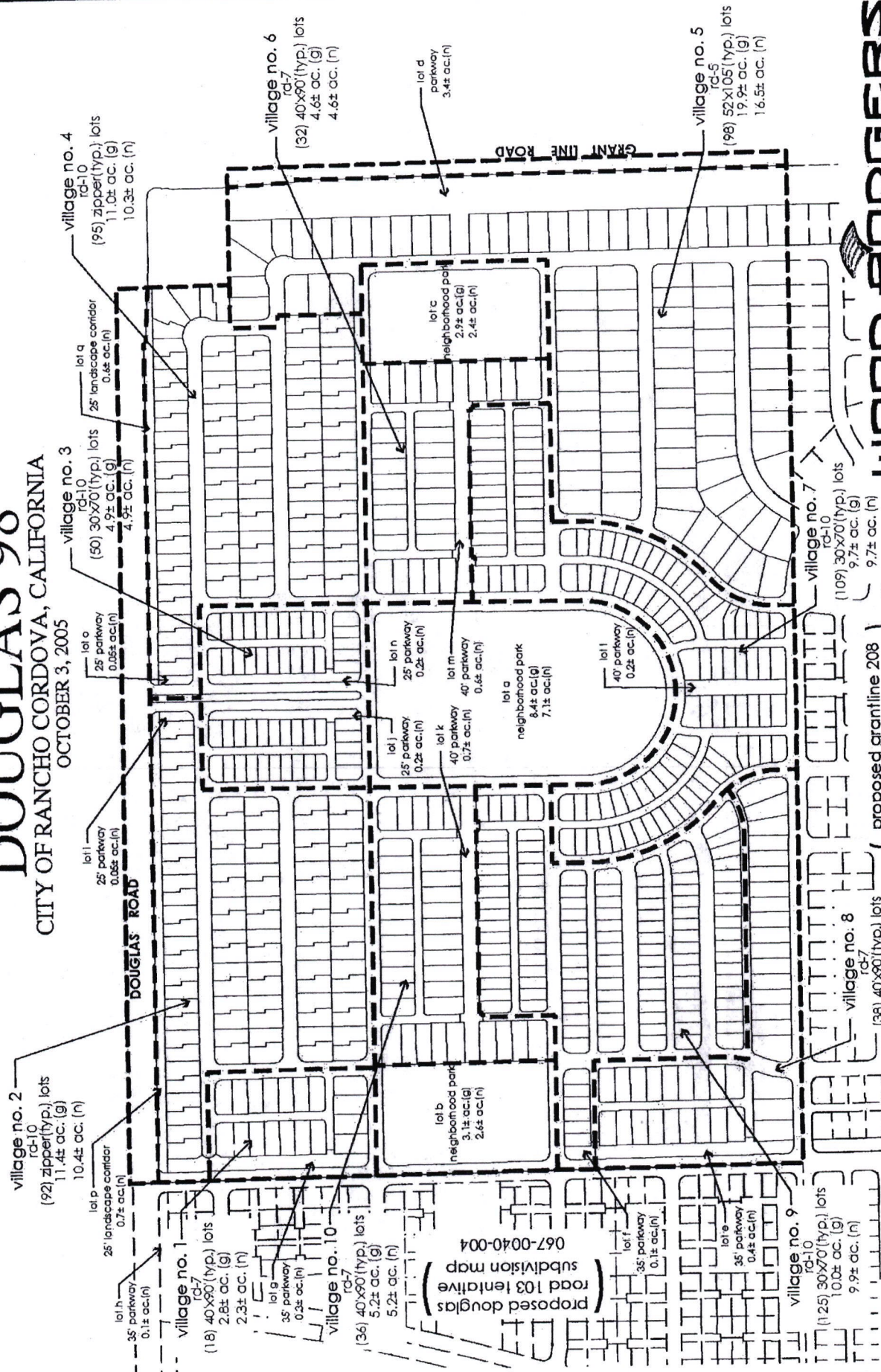


WOOD RODGERS
INNOVATIVE DESIGN SOLUTIONS
DEVELOPING
3301 C STREET, BLDG. 100-B, SACRAMENTO, CA 95816
PHONE: (916) 341-7750 FAX: (916) 341-7767

EXHIBIT B LARGE LOT TENTATIVE SUBDIVISION MAP

DOUGLAS 98

CITY OF RANCHO CORDOVA, CALIFORNIA
OCTOBER 3, 2005



WOOD RODGERS
INNOVATIVE DESIGN SOLUTIONS
DEVELOPING
3301 C STREET, BLDG. 100-B, SACRAMENTO, CA 95816
PHONE: (916) 341-7760 FAX: (916) 341-7767

proposed grantline 208
(tentative subdivision map)
067-0040-012

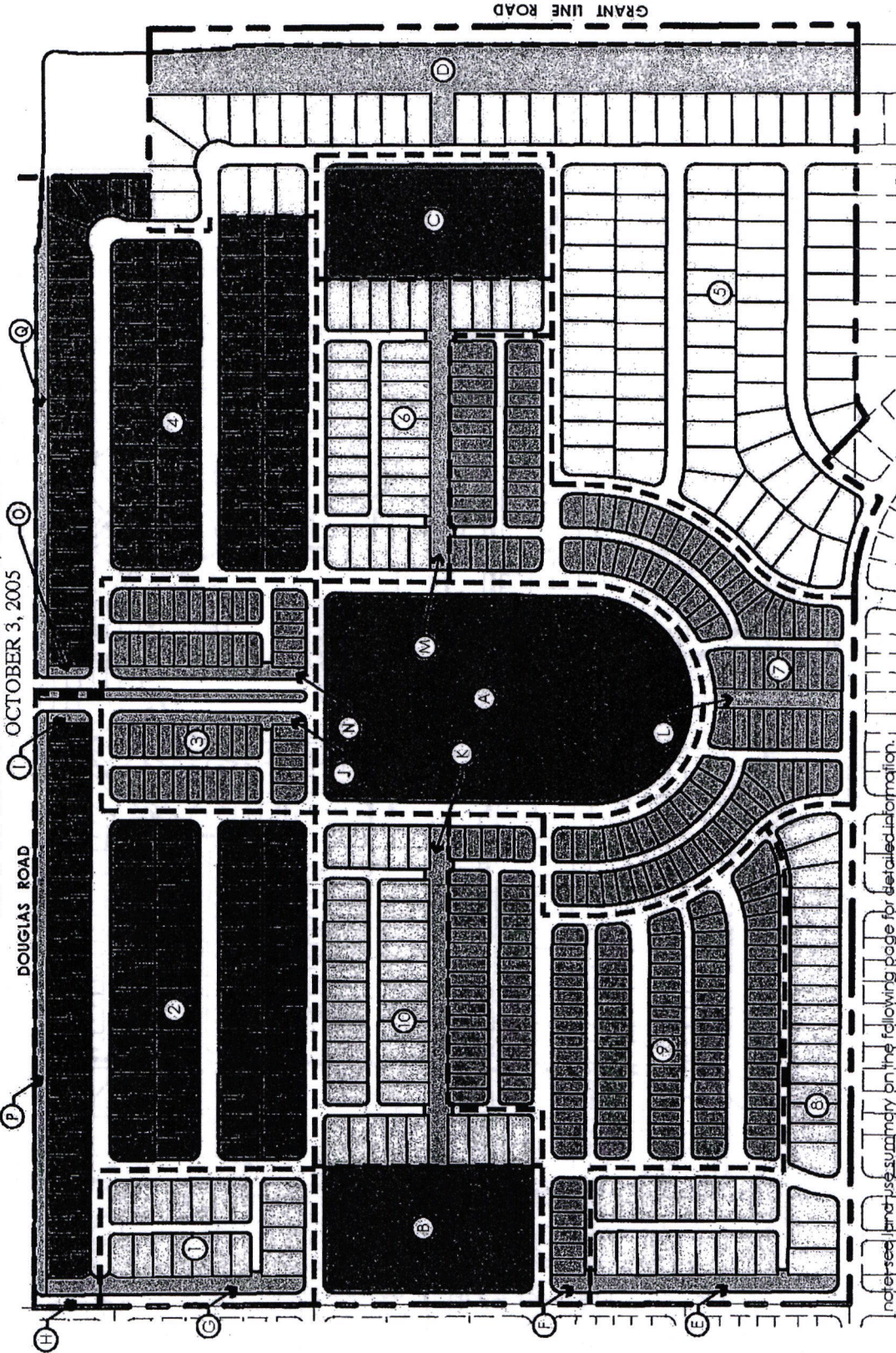


EXHIBIT D-1 LAND USE MAP

DOUGLAS 98

CITY OF RANCHO CORDOVA, CALIFORNIA

OCTOBER 3, 2005



Refer to the following page for detailed information.

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 DEVELOPING INNOVATIVE DESIGN SOLUTIONS
 3301 G STREET, BLDG. 100-B, SACRAMENTO, CA 95815
 PHONE: (916) 341-7760 FAX: (916) 341-7767



EXHIBIT D-2 LAND USE TABLE

DOUGLAS 98

CITY OF RANCHO CORDOVA, CALIFORNIA
OCTOBER 3, 2005

lot no./village no.	general plan/specific plan/ zoning designations	use	acres (n)	acres (g)	units
village 5	ldr/rd-5/rd-5	s-f residential (52'x105' typ.)	16.5	19.9	98
villages 1, 6, 8 & 10	ldr/rd-7/rd-7	s-f residential (40'x90' typ.)	17.3	18.6	124
villages 3, 7 & 9	ldr/rd-10/rd-10	s-f residential (30'x70' typ.)	24.5	24.6	284
villages 2 & 4	ldr/rd-10/rd-10	s-f residential (zipper typ.)	20.7	22.4	187
subtotal			79.0	85.5	693
lots a, b & c	ldr/park/rd-7	neighborhood park	12.1	14.4	-
lots d-o	-	parkway*	6.3	-	-
lots p & q	-	landscape corridor*	1.3	-	-
douglas & grant line roads	-	major roads	-	5.2	-
subtotal			4.6	19.6	-
total				105.1 acres	693

* parkway and landscape corridor totals already included in gross acreage of above parcels.

gross acreages include all streets, parkways & landscape corridor lots.

net acreages include minor residential streets only.

note: see land use plan on previous page for detailed information

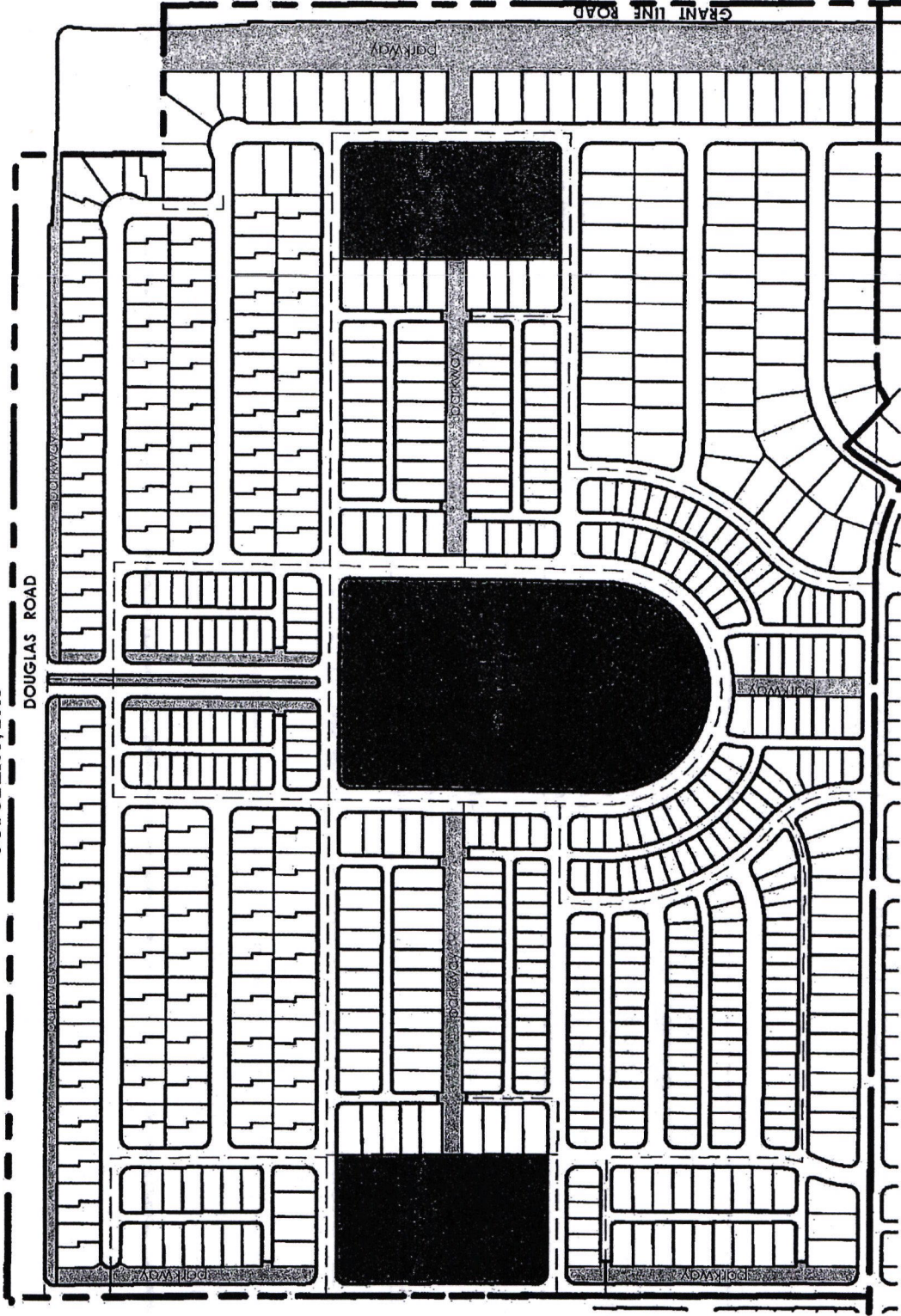
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DEVELOPING INNOVATIVE DESIGN SOLUTIONS
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PHONE: (916) 341-7760 FAX: (916) 341-7767

EXHIBIT E DIAGRAM OF PARKLAND DEDICATION

DOUGLAS 98

CITY OF RANCHO CORDOVA, CALIFORNIA

OCTOBER 3, 2005



parkland summary table	
lot no.	acres (a)
lot a	8.4
lot b	3.1
lot c	2.9
total	14.4

parkland dedication requirement= 693 sf du x 0.0206 ac/du= 14.3 ac. parkland required
total parkland required = 14.3 ac. total parkland provided = 14.4 ac.

WOOD RODGERS
DESIGN SOLUTIONS
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PHONE: (916) 341-7760 FAX: (916) 341-7767

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova
2729 Prospect Park
Rancho Cordova, CA 95670
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE)

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF RANCHO CORDOVA

AND

GRANTLINE INVESTMENTS, LLC, AS LANDOWNERS

RELATIVE TO GRANTLINE 208

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**DEVELOPMENT AGREEMENT
RELATIVE TO GRANTLINE 208**

This Development Agreement is entered into as of this _____ day of _____, 2006, by and between the CITY OF RANCHO CORDOVA, a municipal corporation ("City"), GRANTLINE INVESTORS, LLC, a California limited liability company ("Landowner"). City and Landowner are hereinafter collectively referred to as the "Parties" and singularly as "Party."

RECITALS

1. **Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Section 65864, et seq. (the "Development Agreement Statute"), which authorizes the City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.
2. **Property.** Landowner holds a legal or equitable interest in certain real property located in the City of Rancho Cordova, County of Sacramento, more particularly described in Exhibit A-1 and Exhibit A-2 attached hereto (the "Property"). Landowner represents that all persons holding legal or equitable interests in the Property shall be bound by this Agreement.
3. **Project.** Landowner has obtained various approvals from the City (described in more detail in Recital 6 below), including approval for a tentative subdivision map for a mixed use project known as Grantline 208 (the "Project") to be located on the Property.
4. **Public Hearing.** On January 26, 2006, the Planning Commission of the City of Rancho Cordova, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code Section 65867, considered this Agreement and recommended approval of this Agreement to the City Council.
5. **Environmental Review.** On _____, the City Council certified as adequate and complete, the Subsequent Mitigated Negative Declaration ("SMND") for the Project. Mitigation measures were required in the SMND and are incorporated into the Project and into the terms and conditions of this Agreement, as reflected by the findings adopted by the City Council concurrently with this Agreement.
6. **Project Approvals.** The following land use approvals (together the "Project Approvals") have been granted for the Property, which entitlements are the subject of this Agreement.
 - 6.1. The Sunridge Specific Plan adopted by County, as adopted by the City on July 1, 2003, by City Resolution No. 06-2003 (the "Specific Plan");
 - 6.2. The SMND. The Subsequent Mitigation Measures in both the Environmental Impact Report ("EIR") and the SMND are incorporated into the Project and into the terms and conditions of this Agreement.

6.3. The Rezoning of the Property, approved by the City on January 20, 2004, by City Ordinance No. 1-2004;

6.4. The Large Lot Tentative Subdivision Map for the Project (attached hereto as Exhibit B approved by the City on _____, by City Resolution No. _____;

6.5. The Small Lot Tentative Subdivision Map for the Project (attached hereto as Exhibit C approved by the City on _____, by City Resolution No. _____;

6.6. This Development Agreement, as adopted on _____, 200_ by City Ordinance No. _____ (the "Adopting Ordinance").

7. **Need for Services and Facilities.** Development of the Property will result in a need for municipal services and facilities, some of which services and facilities will be provided by the City to such development subject to the performance of Landowner's obligations hereunder. With respect to water, pursuant to Government Code Section 65867.5, any tentative map approved for the Property will comply with the provisions of Government Code 66473.7.

8. **Contribution to Costs of Facilities and Services.** Landowner agrees to contribute to the costs of such public facilities and services as required herein to mitigate impacts on the community of the development of the Property, and City agrees to provide such public facilities and services as required herein to assure that Landowner may proceed with and complete development of the Property in accordance with the terms of this Agreement. City and Landowner recognize and agree that, but for Landowner's contributions to mitigate the impacts arising as a result of development entitlements granted pursuant to this Agreement, City would not and could not approve the development of the Property as provided by this Agreement and that, but for City's covenant to provide certain facilities and services for development of the Property, Landowner would not and could not commit to provide the mitigation as provided by this Agreement. City's vesting of the right to develop the Property as provided herein is in reliance upon and in consideration of Landowner's agreement to make contributions toward the cost of public improvements as herein provided to mitigate the impacts of development of the Property as development occurs.

9. **Development Agreement Ordinance.** City and Landowner have taken all actions mandated by, and fulfilled all requirements set forth in, the Development Agreement Ordinance of the City of Rancho Cordova, as set forth in the City Municipal Code.

10. **Consistency with General and Specific Plan.** Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, in City Ordinance No. ____-06, the City found that this Agreement satisfies the Government Code §65867.5 requirement of general plan and specific plan consistency.

NOW, THEREFORE, in consideration of the mutual promises, conditions and covenants hereinafter set forth, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Preamble, the Recitals and all defined terms set forth in both are hereby incorporated into this Agreement as if set forth herein in full.

2. **Description of Property.** The property, which is the subject of this Development Agreement, is described in Exhibit A-1 and depicted in Exhibit A-2 attached hereto ("Property").

3. **Interest of Landowner.** The Landowner has a legal or equitable interest in the Property. Landowner represents that all persons holding legal or equitable interests in the Property shall be bound by the Agreement.

4. **Relationship of City and Landowner.** It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by City and Landowner and that Landowner is not an agent of City. The City and Landowner hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Landowner joint venturers or partners.

5. **Effective Date and Term.**

5.1. **Effective Date.** The effective date of this Agreement ("Effective Date") is _____ 2006, which is the effective date of City Ordinance No. _____, adopting this Agreement.

5.2. **Term.** Upon execution, the term of this Agreement shall commence on the Effective Date and extend for a period of fifteen (15) years, unless said term is terminated, modified or extended by circumstances set forth in this Agreement. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect. Said termination of the Agreement shall not affect any right or duty created by City approvals for the Property adopted prior to, concurrently with, or subsequent to the approval of this Agreement.

5.3. **Automatic Termination Upon Completion and Sale of Residential Lot.** This Agreement shall automatically be terminated, without any further action by either party or need to record any additional document, with respect to any single-family residential lot within a parcel designated by the Project Approvals for residential use, upon completion of construction and issuance by the City of a final occupancy permit for a dwelling unit upon such residential lot and conveyance of such improved residential lot by Landowner to a bona-fide good-faith purchaser thereof. In connection with its issuance of a final inspection for such improved lot, City shall confirm that all improvements, which are required to serve the lot, as determined by City, have been accepted by City. Termination of this Agreement for any such residential lot as provided for in this Section shall not in any way be construed to terminate or modify any assessment district or Mello-Roos Community Facilities District lien affecting such lot at the time of termination.

6. **Use of Property.**

6.1. **Right to Develop.** Landowner shall have the vested right to develop the Project in accordance with the terms and conditions of this Agreement, the Project Approvals, and any amendments to any of them as shall, from time to time, be approved pursuant to this Agreement. Landowner's vested right to develop the Property shall be subject to subsequent approvals; provided however, except as provided in Section 6.3, that any conditions, terms, restrictions and requirements for such subsequent approvals shall not prevent development of the Property for the uses, or reduce the density and intensity of development, or limit the rate or timing of development set forth in this Agreement, so long as Landowner is not in default under this Agreement.

6.2. Permitted Uses. The permitted uses of the Property, the density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes, location and maintenance of on-site and off-site improvements, location of public utilities and other terms and conditions of development applicable to the Property, shall be those set forth in this Agreement, the Project Approvals and any amendments to this Agreement or the Project Approvals. City acknowledges that the Project Approvals provide for the land uses and approximate acreages for the Property as set forth in Exhibit D-1 and Exhibit D-2.

6.3. Moratorium, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of development agreements, Landowner and City intend that, except as otherwise provided in this Agreement, this Agreement shall vest the Project Approvals against subsequent City resolutions, ordinances and initiatives that directly or indirectly limit the rate, timing, sequencing of development, or prevent or conflict with the permitted uses, density and intensity of uses as set forth in the Project Approvals; provided however, Landowner shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted on a uniformly applied, City-wide or area-wide basis, and directly concerns a public health or safety issue, in which case City shall treat Landowner in a uniform, equitable and proportionate manner with all properties, public and private, which are impacted by that public health or safety issue.

6.4. Additional Conditions.

6.4.1. New Park Development Obligation. The Project shall be subject to Resolution No. 28-2005, which establishes revised standards for Park and Open Space in the City. The Project shall also be subject to the development impact fees imposed by the City pursuant to Resolution 122-2005, which established the City's intent to modify its park improvement impact fee.

6.4.2. Timing of Dedications and Improvements of Parks. Prior to the recordation of any final map or individual residential or non-residential parcel for the Property, Landowner shall: (1) fulfill the obligation described in Section 6.4.1, and (2) enter into a park improvement agreement with the Cordova Recreation and Parks District. Landowner shall pay to the City any in-lieu fees required under Section 6.4.1 prior to the issuance of each building permit for the Property. Prior to the issuance of the final building permit for the Project, Landowner agrees to commence construction of the improvements described in the park improvement agreement to be entered into between Landowner and Cordova Recreation and Parks District. The park improvement agreement shall address, but not be limited to the specific facilities to be constructed by Landowner, fees to be paid by Landowner, credits and reimbursements that shall be issued by the District to the Landowner, and reference to the requirements in this Section regarding the timing of construction of improvements and the payment of fees. Prior to the issuance of the 300th building permit, Landowner agrees to complete construction of all the improvements described by the park improvement agreement. Landowner will be deemed to have satisfied in full its new park development obligation, after fulfilling the requirement described in Section 6.4.1 and 6.4.2.

6.4.3. In-fill Park and Open Space Renovation and Acquisition Fee. The Landowner agrees that it shall pay the City the total sum of one thousand and five hundred dollars (\$1500.00) for each residential parcel shown on the final

maps for the Property. Beginning on January 1, 2006, the fee shall be adjusted annually on each January 1 based upon the percentage change in the United States Department of Labor Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose area between April and April of each year. This fee shall be paid to the City no later than prior to issuance of the building permit for each residential parcel for the Property. It shall be used by the City, at its sole discretion to acquire, renovate, repair, improve or maintain parks or open space in that portion of the City outlined in Exhibit E. This payment is made voluntarily by the Landowner. It is in addition to all other existing park fees, and construction and dedication obligations, including without limitation any fees paid pursuant to California Government Code Section 66477 (the "Quimby Act"). Landowner agrees that it shall not claim any credit or right to reimbursement of any other existing park fees, and construction and dedication obligations, including Quimby Act fees, as a result of paying the existing park renovation fees required under this Section.

6.4.4. Police Tax. Landowner agrees to vote in favor of and to cooperate in the creation of a special tax zone area within the Rancho Cordova Special Police Tax Area. The boundaries of the special tax zone area shall be contiguous with the boundaries of the Property. The Landowner shall vote in favor of and cooperate in the levy of a special tax for police services on each residential parcel or residential parcel equivalent on the Property. The City is in the process of preparing a General Plan Fiscal Analysis which will include a review of the current shortfall of revenue for police services, and a new proposed amount of the special police tax. The special tax shall be in the amount of the lesser of (1) \$450 annually, per single-family residential parcel or residential parcel equivalent, and \$0.25 for each square foot of gross parcel area of non-residential use (excluding recreational and agricultural uses), or (2) the amount calculated in the General Plan Fiscal Analysis which the City is in the process of preparing. Multi-family residential units on a single parcel shall be assessed on a proportionately equivalent basis (e.g., a two-unit attached housing structure, such as a duplex, would be deemed to consist of two residential parcels for purposes of the police tax). The amount of the special tax shall be adjusted annually based upon the percentage change in the United States Department of Labor Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose area between April and April of each year. If the Consumer Price Index is discontinued, or revised, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised. The special tax shall be payable annually following issuance of a building permit for each subject parcel. The Landowner shall pay all the costs of conducting the election and all costs related to the implementation of this Section for the Project.

6.4.5. Road Maintenance Conditions. Landowner shall provide a funding mechanism for maintenance services for all new public improvements associated with the project including but not limited to streets, bridges/culverts, traffic signals, traffic signs, striping and legends, ITS operations, and street lights. This may be accomplished through annexation to the City Road Maintenance Assessment District. All costs associated with the annexation shall be borne by Landowner.

7. Applicable Rules, Regulations, Fees and Official Policies.

7.1. Rules Regarding Permitted Uses. Except as provided in this Agreement, the City's ordinances, resolutions, rules, regulations and official policies governing the permitted uses of the Property, the density and intensity of use, the rate timing and sequencing of development, the maximum height and size of proposed buildings, and

provisions for reservation and dedication of land shall be those in force on the Effective Date of this Agreement. Except as provided in Section 8.2, this Agreement does not vest Landowner's rights to pay development impact fees, exactions and dedications, processing fees, inspection fees, plan checking fees or charges.

7.2. Rules Regarding Design and Construction. Unless otherwise expressly provided in this Agreement, all other ordinances, resolutions, rules, regulations and official policies governing design, improvement and construction standards and specifications applicable to the Project and to public improvements to be constructed by the Landowner shall be those in force and effect at the time the applicable permit approval is granted.

7.3. Changes in State or Federal Law. This Agreement shall not preclude the application to development of the Property of changes in City laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in State or Federal laws or regulations.

7.4. Uniform Codes Applicable. Unless otherwise expressly provided in this Agreement, the Project shall be constructed in accordance with the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the California Code of Regulations, relating to Building Standards, in effect at the time of approval of the appropriate building, grading, encroachment or other construction permits for the Project. If no permits are required for infrastructure improvements, such improvements will be constructed in accordance with the provisions of the Uniform Building, Mechanical, Plumbing, Electrical and Fire Codes, City standard construction specifications, and Title 24 of the California Code of Regulations, relating to Building Standards, in effect at the start of construction of such infrastructure.

8. Subsequently Enacted Fees, Dedications, Assessments and Taxes.

8.1. Processing Fees and Charges. Landowner shall pay those processing, inspection, and plan check fees and charges required by City under then current regulations for processing applications and requests for permits, approvals and other actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions with respect thereto or any performance required of Landowner hereunder.

8.2. Development Impact Fees, Exactions and Dedications. Landowner shall pay all development impact fees, dedications of land, connection or mitigation fees, and exactions required by the City to support in the construction of any public facilities and improvements or the provision of public services in relation to development of the Property (together "Exactions") authorized by City after the Effective Date so long as said Exactions otherwise comply with applicable law, and are either (i) required on a City-wide basis, or (ii) apply uniformly to all properties within the City that are zoned consistent with the Project Approvals, or (iii) apply uniformly to all properties that are similarly situated, whether by geographic location or other distinguishing circumstances. Except as otherwise provided in this Agreement, Exactions required by City to be paid by the Landowner that do not meet one of the preceding criteria, shall be the Exactions authorized as of the Effective Date. Wherever this Agreement obligates Landowner to design, construct or install any improvements, the cost thereof may be provided by Landowner or by a Community Facilities District (CFD) or other such financing mechanism acceptable to the City, subject to and in accordance with the provisions thereof.

9. Community Facilities District.

9.1. Community Facilities District Formation - Financing. City acknowledges that Landowner may cause to be formed a Community Facilities District ("CFD") pursuant to the provisions of Section 53311 et seq. of the Government Code for the purpose of financing the acquisition or construction of a portion of the Improvements described in Section 8.2.

9.2. Issuance of Bonds. City and Landowner agree that, with the consent of Landowner, and to the extent permitted by law, City and Landowner shall use their best efforts to cause bonds to be issued in amounts sufficient to achieve the purposes of this Section.

9.3. Payment Prior to Issuance of Bonds. Nothing in this Agreement shall be construed to preclude the payment by an owner of any of the parcels to be included within the CFD of a cash amount equivalent to its proportionate share of costs for the Improvements, or any portion thereof, prior to the issuance of bonds.

9.4. Private Financing. Nothing in this Agreement shall be construed to limit Landowners option to install the Improvements through the use of private financing.

9.5. Acquisition and Payment. City agrees that it shall use its best efforts to allow and facilitate monthly acquisition of completed Improvements or completed portions thereof, and monthly payment of appropriate amounts for such Improvements to the person or entity constructing Improvements or portions thereof, provided City shall only be obligated to use CFD bond or tax proceeds for such acquisitions.

10. Service District for Maintenance.

10.1. Formation, Consent, Waiver and Special Benefit. Landowner must cooperate in formation or annexation to, one or more financing mechanism or assessment district for maintenance purposes, as chosen by the City (herein the "Services District"), and consents herewith to the levy of such special taxes as are necessary to fund the maintenance obligations described below. No residential building permit, excluding permits for model homes, shall be issued until the formation of, and inclusion of the Property in, the Services District. For purposes of Article XIIID of the California Constitution, Landowner acknowledges hereby that all the services described herein to be provided by the Services District will provide a "special benefit" to the Property, as defined by said Article, and that the foregoing support and consent shall apply as to any claim that any portion of the services supported by the special tax does not provide special benefit to the Property. The Services District shall:

i. Provide the City assured funding for the ongoing maintenance and operation of public facilities and all Improvements required herein or in the Project Approvals, whether such facilities and Improvements are located within or outside of the boundaries of the Project, including: public roads, public alleys and associated frontage improvements such as curb, gutter and sidewalks, intersection signals, and street signs; road special features (e.g. speed bumps, textured or painted surfaces, modified crosswalks, etc.); project monument signs; all public landscaping, including street frontage landscaping and road medians; streetlights within the Property and upon the Property frontages and statuary, fountains or ornamental structures.

ii. Cause to be established appropriate funding mechanisms, to the satisfaction of the Park District, to fund the ongoing maintenance of park facilities and

improvements within the Project, and any other park improvements pursuant to the Project Approvals.

iii. Cause to be established appropriate funding mechanisms, as determined appropriate by the City, in consultation with the Sacramento County Department of Water Resources, to fund the ongoing maintenance of drainage facilities within the Project consistent with the Project Approvals.

iv. Cause to be established appropriate funding mechanisms, as determined appropriate by the City, to maintain all public open space areas within the Property, other than improved park sites, including without limitation, maintaining bike trails and conducting weed abatement and providing fire prevention to the satisfaction of the Sacramento Metropolitan Fire District within such open space areas. Such fire prevention efforts may include flail mowing from adjacent private property lines into such open space areas and other such vegetation management efforts as deemed necessary by the Fire District.

v. Conduct, manage and finance any environmental mitigation monitoring required by the Project Approvals.

Landowner acknowledges that the total annual cost of the maintenance obligations in this Section 10.1 is not known as of the Effective Date, and will be determined in the future. The assessments listed herein shall be adjusted annually on each January 1, beginning on January 1, 2006, based upon the Consumer Price Index, consistent with Sections 6.4.3 and 6.4.4 of this Agreement.

10.2. Public Parcel Exclusion. Landowner expressly agrees that Parcels conveyed or to be conveyed to the City or Park District shall be excluded from any assessment to be imposed by the Services District.

11. Amendment or Cancellation.

11.1. Modification Because of Conflict with State or Federal Laws. In the event that State or Federal laws or regulations enacted after the Effective Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City, the parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such federal or State law or regulation. Any such amendment or suspension of the Agreement shall be approved by the City Council in accordance with the Municipal Code and this Agreement.

11.2. Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the parties hereto and in accordance with the procedures of State law and the Municipal Code.

11.3. Insubstantial Amendments. Notwithstanding the provisions of the preceding Section 11.2, any amendments to this Agreement which do not relate to (a) the term of the Agreement as provided in Section 5.2; (b) the permitted uses of the Property as provided in Sections 6.2 and 7.1; (c) provisions for "significant" reservation or dedication of land; (d) the location and maintenance of on-site and off-site improvements; (e) the density or intensity of use of the Project; (f) the maximum height or size of proposed buildings or (g) monetary contributions by Landowner as provided in this Agreement shall not, except to the extent

otherwise required by law, require notice or public hearing before either the Planning Commission or the City Council before the parties may execute an amendment hereto. City's City Manager shall determine whether a reservation or dedication is "significant".

11.4. Amendment of Project Approvals. Any amendment of Project Approvals relating to: (a) the permitted use of the Property; (b) provision for reservation or dedication of land; (c) the density or intensity of use of the Project; (d) the maximum height or size of proposed buildings; (e) monetary contributions by the Landowner; (f) the location and maintenance of on-site and off-site improvements; or (g) any other issue or subject not identified as an "insubstantial amendment" in Section 11.3 of this Agreement, shall require an amendment of this Agreement. Such amendment shall be limited to those provisions of this Agreement, which are implicated by the amendment of the Project Approval. Any other amendment of the Project Approval(s) shall not require amendment of this Agreement unless the amendment of the Project Approval(s) relates specifically to some provision of this Agreement.

11.5. Cancellation by Mutual Consent. Except as otherwise permitted herein, this Agreement may be canceled in whole or in part only by the mutual consent of the parties or their successors in interest, in accordance with the provisions of the Municipal Code. Any fees paid pursuant to this Agreement prior to the date of cancellation shall be retained by City.

12. Term of Project Approvals. Pursuant to California Government Code Section 66452.6(a), the term of any parcel map or tentative subdivision map shall automatically be extended for the term of this Agreement.

13. Annual Review.

13.1. Review Date. The annual review date for this Agreement shall be approximately 12 months from the date the Agreement is entered into.

13.2. Initiation of Review. The City's Planning Director shall initiate the annual review by giving to Landowner written notice that the City intends to undertake such review. Within thirty (30) days of City's notice, Landowner shall provide evidence to the Planning Director to demonstrate good faith compliance with the Development Agreement. The burden of proof, by substantial evidence of compliance, is upon the Landowner. The City's failure to timely initiate the annual review is not deemed to be a waiver of the right to do so at a later date; accordingly, Landowner is not deemed to be in compliance with the Agreement by virtue of such failure to timely initiate review.

13.3. Staff Reports. City shall deposit in the mail to Landowner a copy of all staff reports, and related Exhibits, concerning contract performance at least three (3) days prior to any annual review.

13.4. Costs. Costs reasonably incurred by the City in connection with the annual review shall be paid by Landowner in accordance with the City's schedule of fees and billing rates in effect at the time of review.

13.5. Non-compliance with Agreement; Hearing. If the Planning Director determines, on the basis of substantial evidence, that Landowner has not complied in good faith with the terms and conditions of the Agreement during the period under review, the City Council, upon receipt of any report or recommendation from the Planning Commission, may initiate

proceedings to modify or terminate the Agreement, at which time an administrative hearing shall be conducted, in accordance with the procedures of State law and Municipal Code Section 110-05. As part of that final determination, the City Council may impose conditions that it considers necessary and appropriate to protect the interest of the City.

13.6. Appeal of Determination. The decision of the City Council as to Landowner's compliance shall be final, and any Court action or proceeding to attack, review, set aside, void or annul any decision of the determination by the Council shall be commenced within thirty (30) days, as set forth in the Municipal Code (Section 115-39).

14. Default. Subject to any applicable extension of time, failure by any party to perform any term or provision of this Agreement required to be performed by such party shall constitute an event of default ("Event of Default"). For purposes of this Agreement, a party claiming another party is in default shall be referred to as the "Complaining Party," and the party alleged to be in default shall be referred to as the "Party in Default." A Complaining Party shall not exercise any of its remedies as the result of such Event of Default unless such Complaining Party first gives notice to the Party in Default as provided in Section 14.1.1, and the Party in Default fails to cure such Event of Default within the applicable cure period.

14.1. Procedure Regarding Defaults.

14.1.1. Notice. The Complaining Party shall give written notice of default to the Party in Default, specifying the default complained of by the Complaining Party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

14.1.2. Cure. The Party in Default shall diligently endeavor to cure, correct or remedy the matter complained of, provided such cure, correction or remedy shall be completed within the applicable time period set forth herein after receipt of written notice (or such additional time as may be deemed by the Complaining Party to be reasonably necessary to correct the matter).

14.1.3. Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

14.1.4. Notice of Default. If an Event of Default occurs prior to exercising any remedies, the Complaining Party shall give the Party in Default written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the Party in Default shall have such period to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged default is such that it cannot, practicably be cured within such thirty (30) day period, the cure shall be deemed to have occurred within such thirty (30) day period if: (a) the cure shall be commenced at the earliest practicable date following receipt of the notice; (b) the cure is diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the curing party's receipt of the notice), the curing party provides written notice to the other party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure is completed at the earliest practicable date. In no event shall Complaining Party be precluded

from exercising remedies if a default is not cured within ninety (90) days after the first notice of default is given.

14.1.5. Legal Proceedings. Subject to the foregoing, if the Party in Default fails to cure a default in accordance with the foregoing, the Complaining Party, at its option, may institute legal proceedings pursuant to this Agreement or, in the event of a material default, terminate this Agreement. Upon the occurrence of an Event of Default, the parties may pursue all other remedies at law or in equity, which are not otherwise provided for or prohibited by this Agreement, or in the City's regulations governing development agreements, expressly including the remedy of specific performance of this Agreement.

14.1.6. Effect of Termination. If this Agreement is terminated following any Event of Default of Landowner or for any other reason, such termination shall not affect the validity of any building or improvement within the Property which is completed as of the date of termination, provided that such building or improvement has been constructed pursuant to a building permit issued by the City. Furthermore, no termination of this Agreement shall prevent Landowner from completing and occupying any building or other improvement authorized pursuant to a valid building permit previously issued by the City that is under construction at the time of termination, provided that any such building or improvement is completed in accordance with said building permit in effect at the time of such termination.

15. Estoppel Certificate. Either Party may, at any time, and from time to time, request written notice from the other Party requesting such Party to certify in writing that, (a) this Agreement is in full force and effect and a binding obligation of the Parties; (b) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments; and (c) to the knowledge of the certifying Party the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof, or such longer period as may reasonably be agreed to by the Parties. City Manager of City shall be authorized to execute any certificate requested by Landowner. Should the party receiving the request not execute and return such certificate within the applicable period, this shall not be deemed to be a default.

16. Mortgagee Protection; Certain Rights of Cure.

16.1. Mortgagee Protection. This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof after the date of recording this Agreement, including the lien for any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this Agreement shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or mortgagee ("Mortgagee") who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

16.2. Mortgagee Not Obligated. Notwithstanding the provisions of Section 16.1 above, no Mortgagee shall have any obligation or duty under this Agreement, before or after foreclosure or a deed in lieu of foreclosure, to construct or complete the construction of improvements, or to guarantee such construction of improvements, or to guarantee such construction or completion, or to pay, perform or provide any fee, dedication, improvements or other exaction or imposition; provided, however, that a Mortgagee shall not be entitled to devote

the Property to any uses or to construct any improvements thereon other than those uses or improvements provided for or authorized by the Project Approvals or by this Agreement.

16.3. Notice of Default to Mortgagee and Extension of Right to Cure. If City receives notice from a Mortgagee requesting a copy of any notice of default given Landowner hereunder and specifying the address for service thereof, then City shall deliver to such Mortgagee, concurrently with service thereon to Landowner, any notice given to Landowner with respect to any claim by City that Landowner has committed an Event of Default. Each Mortgagee shall have the right during the same period available to Landowner to cure or remedy, or to commence to cure or remedy, the Event of Default claimed set forth in the City's notice. City, through its City Manager, may extend the cure period provided in Section 13.1 for not more than an additional sixty (60) days upon request of Landowner or a Mortgagee.

17. Severability. Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Agreement from and after such determination.

18. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

19. Attorneys' Fees and Costs in Legal Actions By Parties to the Agreement. Should any legal action be brought by either party for breach of this Agreement or to enforce any provisions herein, the prevailing party to such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the Court.

20. Attorneys' Fees and Costs in Legal Actions By Third Parties to the Agreement. If any person or entity not a party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement or the Project Approvals, the parties shall cooperate and appear in defending such action. Landowner shall bear its own costs of defense as a real party in interest in any such action, and Landowner shall reimburse City on an equal basis for all reasonable court costs and attorneys' fees expended by City in defense of any such action or other proceeding.

21. Transfers and Assignments. From and after recordation of this Agreement against the Property, Landowner shall have the full right to assign this Agreement as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, and upon the express written assignment by Landowner and assumption by the assignee of such assignment in the form attached hereto as Exhibit F and the conveyance of Landowner's interest in the Property related thereto, Landowner shall be released from any further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Landowner," with all rights and obligations related thereto, with respect to such conveyed property. Prior to recordation of this Agreement, any proposed assignment of this Agreement by Landowner shall be subject to the prior written consent of the City Manager

on behalf of the City and the form of such assignment shall be subject to the approval of the City Attorney, neither of which shall be unreasonably withheld.

22. Agreement Runs with the Land. Except as otherwise provided for in Section 15 of this Agreement, all of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon the parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property; (a) is for the benefit of such properties and is a burden upon such properties; (b) runs with such properties; and (c) is binding upon each party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each party and its property hereunder and each other person succeeding to an interest in such properties.

23. Bankruptcy. The obligations of this Agreement shall not be dischargeable in bankruptcy.

24. Indemnification. Landowner agrees to indemnify, defend and hold harmless City, and its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives from any and all claims, costs (including legal fees and costs) and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by the Landowner, or any actions or inactions of Landowner's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project, provided that Landowner shall have no indemnification obligation with respect to the gross negligence or willful misconduct of City, its contractors, subcontractors, agents or employees or with respect to the maintenance, use or condition of any improvement after the time it has been dedicated to and accepted by the City or another public entity (except as provided in an improvement agreement or maintenance bond).

25. Insurance.

25.1. Public Liability and Property Damage Insurance. At all times that Landowner is constructing any improvements that will become public improvements, Landowner shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of not less than one million (\$1,000,000) dollars and a deductible of not more than ten thousand (\$10,000.00) dollars per claim. The policy so maintained by Landowner shall name the City as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

25.2. Workers' Compensation Insurance. At all times that Landowner is constructing any improvements that will become public improvements, Landowner shall maintain Workers' Compensation insurance for all persons employed by Landowner for work at the Project site. Landowner shall require each contractor and subcontractor similarly to provide Workers' Compensation insurance for its respective employees. Landowner agrees to indemnify the City for any damage resulting from Landowner's failure to maintain any such insurance.

25.3. Evidence of Insurance. Prior to commencement of construction of any improvements which will become public improvements, Landowner shall furnish City satisfactory evidence of the insurance required in Sections 25.1 and 25.2 and evidence that the carrier is required to give the City at least fifteen (15) days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to Landowner performing work on the Project.

26. Excuse for Nonperformance. Landowner and City shall be excused from performing any obligation or undertaking provided in this Agreement, except any obligation to pay any sum of money under the applicable provisions hereof, in the event and so long as the performance of any such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action of labor unions, condemnation, requisition, laws, orders of governmental, civil, military or naval authority, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform. The Party claiming such extension shall send written notice of the claimed extension to the other Party within thirty (30) days from the commencement of the cause entitling the Party to the extension.

27. Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Landowner and, the City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

28. Notices. All notices required by this Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to the City shall be addressed as follows:

CITY OF RANCHO CORDOVA
Planning Director
2729 Prospect Park
Rancho Cordova, CA 95670

Notice required to be given to the Landowner shall be addressed as follows:

ARISTA DEL SOL, LP
Attn: Thad Johnson
2020 L Street, 5th Floor
Sacramento, CA 95814

Either party may change the address stated herein by giving notice in writing to the other party, and thereafter notices shall be addressed and transmitted to the new address.

29. Form of Agreement; Recordation; Exhibits. Except when this Agreement is automatically terminated due to the expiration of the Term of the Agreement or the provisions of Section 5.3 (Automatic Termination Upon Completion and Sale of Residential Lot), the City shall cause this Agreement, any amendment hereto and any other termination of any parts or provisions hereof, to be recorded, at Landowner's expense, with the county Recorder within ten

(10) days of the effective date thereof. Any amendment or termination of this Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment or termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This Agreement consists of 17 pages and 8 Exhibits, which constitute the entire understanding and agreement of the parties.

30. Further Assurances. The Parties agree to execute such additional instruments and to undertake such actions as may be necessary to effectuate the intent of this Agreement.

31. City Cooperation. The City agrees to cooperate with Landowner in securing all permits which may be required by City. In the event state or federal laws or regulations enacted after the Effective Date, or action of any governmental jurisdiction, prevent delay or preclude compliance with one or more provisions of this Agreement, or require changes in plans, maps or permits approved by City, the parties agree that the provisions of this Agreement shall be modified, extended, or suspended as may be necessary to comply with such State and Federal laws or regulations or the regulations of other governmental jurisdictions. Each party agrees to extend to the other its prompt and reasonable cooperation in so modifying this Agreement or approved plans.

IN WITNESS WHEREOF, the City of Rancho Cordova, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. _____, adopted by the Council of the City on the _____, and Landowner has caused this Agreement to be executed.

"CITY"

"LANDOWNER"

CITY OF RANCHO CORDOVA,
a municipal corporation

ARISTA DEL SOL, LP
a California limited partnership

By: _____

By:

Name: _____

Name: John Pappas

Its: _____

Its: Authorized Agent

ATTEST:

City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren
Assistant City Attorney

EXHIBIT 'A-1'

DESCRIPTION OF PROPERTY
ARISTA DEL SOL DEVELOPMENT AGREEMENT

All that certain real property situated in the City of Rancho Cordova, County of Sacramento, State of California, and being more particularly described as follows:

The South one-half of the following property: The North on-half of Section 15 and the North 50 rods of the South one-half of the Section 15, Township 8 North, range 7 East M.D.B.&M.

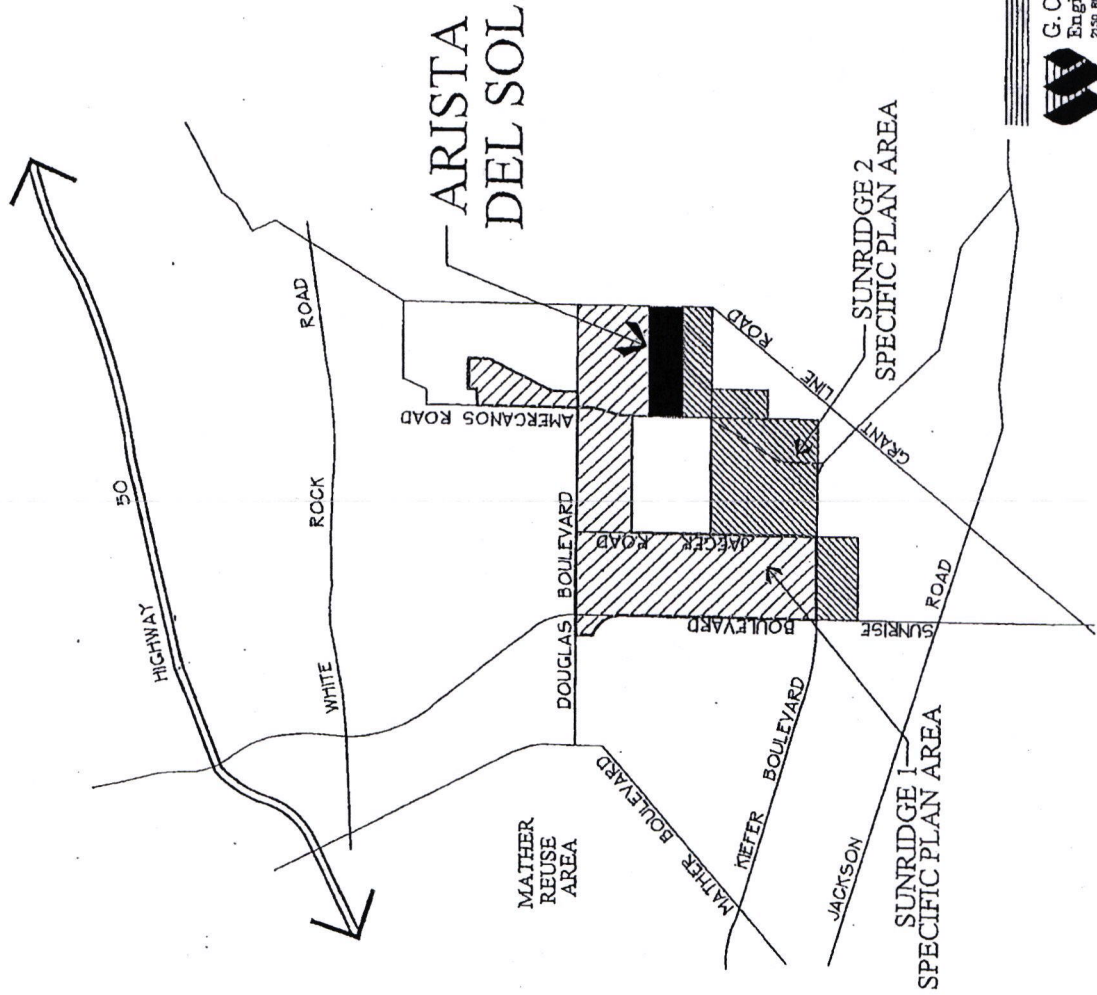
APN: 067-0040-013

Note: This description is for a development agreement only and not intended to circumvent the Subdivision Map Act and shall not be used for sale, lease, or finance. Any conveyance must comply with the Subdivision Map Act and local ordinances.

EXHIBIT A-2

VICINITY MAP

ARISTA DEL SOL
CITY OF RANCHO CORDOVA, CALIFORNIA



G.C. WALLACE OF CALIFORNIA, INC.
Engineers/Planners/Surveyors
2550 RIVER PLAZA DR., SUITE 100/SACRAMENTO, CALIFORNIA 95833
TELEPHONE: (916) 285-7600 • FAX: (916) 285-7601

EXHIBIT B

[illegible]

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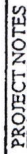
PARCEL	USE	ACRES
1	RD-7	12.84AC
2	RD-7	1.32AC
3	RD-5	11.45AC
4	RD-5	23.69AC
5	RD-7	18.72AC
6	RD-7	20.25AC
7	RD-10	10.75AC
8	RD-10	1.09AC
9	RD-10	3.25AC
10	PARK	1.44AC
11	COMMERCIAL	7.85AC
12	RD-10	9.08AC
13	OPEN SPACE	43.32AC
TOTAL		209.47AC



G.G.C. WALLACE OF CALIFORNIA, INC.
Engineers/Planners/Surveyors
2150 RIVER PIAZA DR., SUITE 100/SACRAMENTO CALIFORNIA 95833
TELEPHONE: (916) 286-7600 • FAX: (916) 286-7601

22150 RIVER PLAZA DR., SUITE 100/SACRAMENTO, CALIFORNIA 95833
TELEPHONE: (916) 285-7500 • FAX: (916) 285-7501

TENTATIVE SUBDIVISION MAP
ARISTA DEL SOIL
CITY OF RANCHO CORDOVA, CALIFORNIA



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LAND USE SUMMARY

NATION		LIFE E		LIFE F		LIFE G		LIFE H		LIFE I		LIFE J		LIFE K		LIFE L		LIFE M		LIFE N		LIFE O		LIFE P		LIFE Q		LIFE R		LIFE S		LIFE T		LIFE U		LIFE V		LIFE W		LIFE X		LIFE Y		LIFE Z																																																							
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G.C. WALLACE OF CALIFORNIA, INC.
Engineers/Planners/Surveyors
2150 RIVER PLAZA DR., SUITE 100, SACRAMENTO, CALIFORNIA 95811
TELEPHONE: (916) 286-1600 / FAX: (916) 286-1601

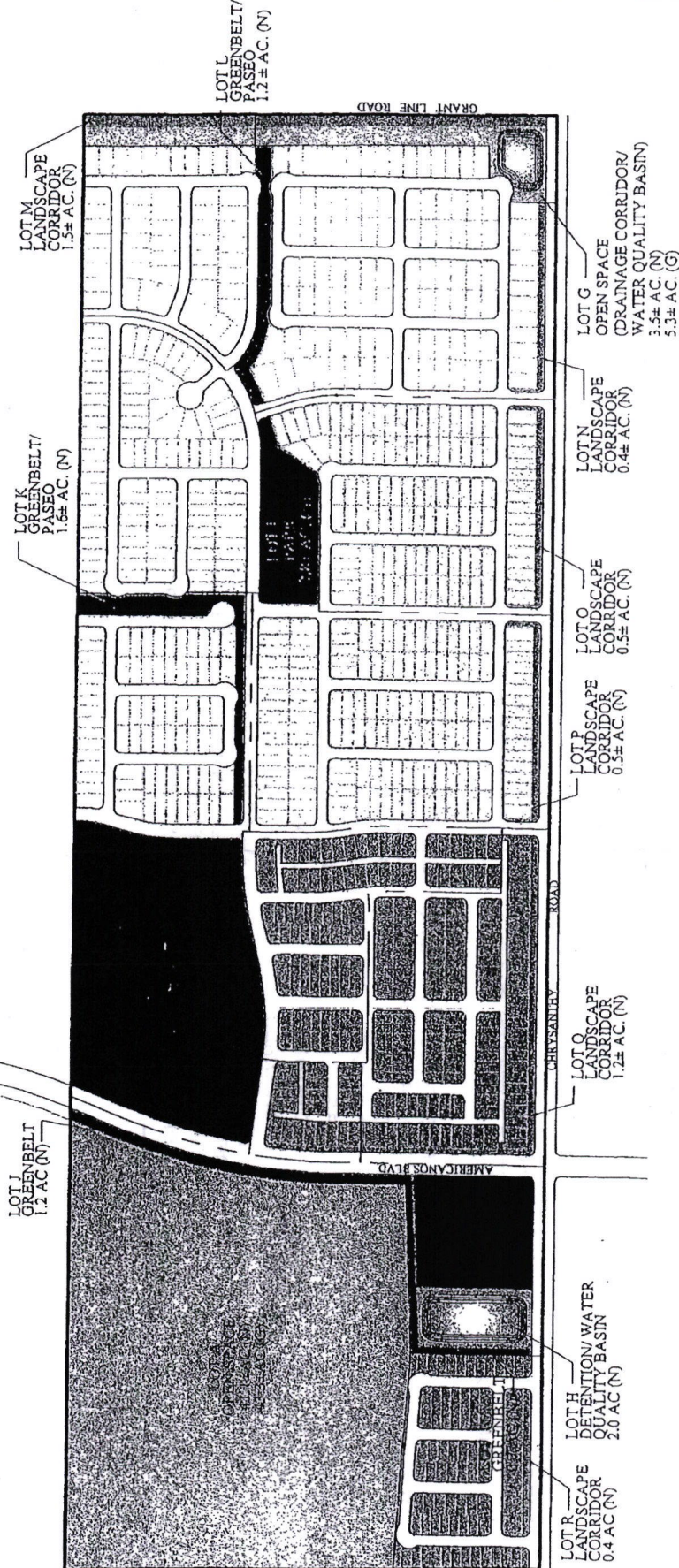


MINOR RESIDENTIAL
40' STREET SETBACK

AMERICANOS BOULEVARD • CURRY SANTRY ROAD

EXHIBIT D-1 LAND USE PLAN

ARISTA DEL SOIL CITY OF RANCHO CORDOVA, CALIFORNIA



G. C. WALLACE OF CALIFORNIA, INC.
Engineers/Planners/Surveyors
1050 RIVER PACE DR., SUITE 100, SACRAMENTO, CALIFORNIA 95833
TELEPHONE: (916) 288-7800 • FAX: (916) 288-7801

EXHIBIT D-2

LAND USE SUMMARY

ARISTA DEL SOL

CITY OF RANCHO CORDOVA, CALIFORNIA

GENERAL PLAN/SPECIFIC PLAN/ ZONING DESIGNATIONS

LOT NO./VILLAGE NO.	USE	ACRES (N)	ACRES (G)	UNITS
VILLAGES 3, 4	S-F RESIDENTIAL	29.6	31.9	161
VILLAGES 1, 2, 5, 6	S-F RESIDENTIAL	58.7	62.7	421
VILLAGES 7, 8, 9	S-F RESIDENTIAL	33.13	38.9	323

SUBTOTAL

121.43 133.5 905

LOT C COMM-OFFICE/COMMERCIAL/SC SHOPPING CENTER

4.0 5.6

SUBTOTAL

4.0 5.6

LOT A	NATURAL PRESERVE/OPEN SPACE/O	OPEN SPACE	41.1	43.3	-
LOT J	NATURAL PRESERVE/OPEN SPACE/O	GREENBELT	1.2	-	-
LOTS D, F	LDR/PARK/O	NEIGHBORHOOD PARK	18.8	19.4	-
LOTS L	LRD/RD-5/RD-5	GREENBELT/PASEO	1.2	-	-
LOTS K	LDR/RD-7/RD-7	GREENBELT/PASEO	1.6	-	-
LOTS M, N	LRD/RD-5/RD-5	LANDSCAPE CORRIDOR	1.9	-	-
LOTS O, P	LDR/RD-7/RD-7	LANDSCAPE CORRIDOR	1.0	-	-
LOTS S, T, U, V, X, Y	LDR/R-10/R-10	LANDSCAPE CORRIDOR	1.93	-	-
LOT H	COMM-OFFICE/COMMERCIAL/SC	DETENTION/WATER QUALITY BASIN	2.0	2.2	-
LOT I	COMM-OFFICE/COMMERCIAL/SC	GREENBELT	0.7	-	-
LOT G	LDR/RD-5/RD-5	DRAINAGE CORRIDOR / WATER QUALITY BASIN	3.5	5.4	-

SUBTOTAL

74.98 70.3

PUBLIC STREETS

8.99

TOTAL

209.4 905 D.U.



G.C. WALLACE OF CALIFORNIA, INC.
Engineers/Planners/Surveyors
2150 RIVER PLAZA DR. SUITE 100/SACRAMENTO, CALIFORNIA 95833
TELEPHONE: (916) 288-7600 • FAX: (916) 288-7601

EXHIBIT E



PARKLAND SUMMARY



EXHIBIT "F"

Form of Assignment

OFFICIAL BUSINESS

Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Rancho Cordova
3121 Gold Canal Drive
Rancho Cordova, CA 95670
Attn: Adam U. Lindgren, Assistant City
Attorney

(SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE)

ASSIGNMENT AND ASSUMPTION AGREEMENT
RELATIVE TO ARISTA DEL SOL

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (hereinafter, the "Agreement") is entered into this ____ day of _____, 200____, by and between ARISTA DEL SOL, LP, a California limited liability company (hereinafter "Developer"), and _____, a _____ (hereinafter "Assignee").

RECITALS

1. On _____, 200____, the City of Rancho Cordova and Developer entered into that certain agreement entitled "Development Agreement By and Between The City of Rancho Cordova and Relative to the Development known as Arista Del Sol (hereinafter the "Development Agreement"). Pursuant to the Development Agreement, Developer agreed to develop certain property more particularly described in the Development Agreement (hereinafter, the "Subject Property"), subject to certain conditions and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of Sacramento County on _____, 200____, as Instrument No. 2005-_____.

2. Developer intends to convey a portion of the Subject Property to Assignee, commonly referred to as Parcel _____, and more particularly identified and described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter the "Assigned Parcel").

3. Developer desires to assign and Assignee desires to assume all of Developer's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related to the Assigned Parcel.

ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE, Developer and Assignee hereby agree as follows:

1. Developer hereby assigns, effective as of Developer's conveyance of the Assigned Parcel to Assignee, all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement with respect to the Assigned Parcel. Developer retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other property within the Subject Property owned by Developer.

2. Assignee hereby assumes all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement with respect to the Assigned Parcel, and agrees to observe and fully perform all of the duties and obligations of Developer under the Development Agreement with respect to the Assigned Parcel. The parties intend hereby that, upon the execution of this Agreement and conveyance of the Assigned Parcel to Assignee, Assignee shall become substituted for Developer as the "Developer" under the Development Agreement with respect to the Assigned Parcel.

3. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

4. The Notice Address described in Section 27 of the Development Agreement for the Developer with respect to the Assigned Parcel shall be:

Attn: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written. This Agreement may be signed in identical counterparts.

DEVELOPER:

ARISTA DEL SOL, LP,
a California limited liability company

By: John Pappas
Its: Authorized Agent

ASSIGNEE:

a _____

By:

Print Name _____

Title _____

CITY OF RANCHO CORDOVA

ORDINANCE 08- 2006

AN ORDINANCE OF THE CITY OF RANCHO CORDOVA AMENDING THE SUNRIDGE SPECIFIC PLAN DESIGNATIONS AND THE ZONING OF THE SUNRIDGE SPECIFIC PLAN ON ASSESSOR PARCEL NUMBERS 067-0040-004, 005, 012 AND 013, FOR PROJECTS KNOWN AS SUNRIDGE EAST, CONSISTING OF DOUGLAS 103 (RC-04-134), DOUGLAS 98 (RC-03-025), GRANT LINE 208 (RC-04-064) AND ARISTA DEL SOL (RC-04-077).

The City Council of the City of Rancho Cordova does ordain as follows:

Section 1: Purpose and Authority

The purpose of this Ordinance is to amend the City of Rancho Cordova General Plan and the Zoning within the Sunridge Specific Plan to assign a change to the General Plan/Specific Plan Designations and Zoning of the parcels specified within the attached Exhibits A and B.

Section 2: Findings

1. **Finding:** The proposal will not have a significant adverse impact on the environment and a Mitigated Negative Declaration has been prepared and completed in accordance with the California Environmental Quality Act (CEQA).

Evidence: An Initial Environmental Study was prepared for the proposed project that addressed the impacts of the General Plan/Specific Plan Amendment and Rezone of the Sunridge East projects. On the basis of the Mitigated Negative Declaration, comments received, and the whole record, there is no substantial evidence the project will have a significant adverse impact on the environment.

2. **Finding:** The proposed Specific Plan Amendment and Rezone request will implement and be consistent with goals and policies of the General Plan of the City of Rancho Cordova and the SunRidge Specific Plan.

Evidence: The following supports the Specific Plan Amendment and the Rezone.

- This project is consistent with the Sunridge Specific Plan, which has been included within the Interim General Plan for internal consistency. This project has incorporated an open space connection to the property south of the proposed project in order to provide a reasonable non-vehicular connection to planned commercial centers. The density of the project has increased in the areas suitable for development and would be consistent with regional goals for increasing density and preserving more open space, which the Eastside Plan accomplishes.

- The developers and City have agreed to Development Agreements that will provide additional revenues for police protection, park improvement fees, existing park renovation fees and future street maintenance district. The Development Agreements and the existing Community Facilities District applied to the Specific Plan will offset the costs associated with extending public services to the new development.

- These projects are providing the appropriate street system to serve the proposed lots and are making the adequate pedestrian connections to adjoining land uses, given terrain differences and proximity to existing developments and barriers. In addition, the

AGENDA ITEM #

8

Sunridge East projects are participants with other adjacent development interests in the construction of significant on and off-site infrastructure as is required by the Sunridge Specific Plan. The eastern side of the project has provided suitable right of way for the future improvements of Grant Line Road as a regional expressway connecting Highway 50 to Highway 99.

- Seven parks are included within the proposed Sunridge East projects totaling approximately 61 acres. A requirement of 7 acres per 1,000 population results in a park requirement of 54.25 acres. The proposed park space exceeds the minimum requirement by approximately 6.75 acres.

- The project has provided many opportunities for non-vehicular access through the Sunridge East projects. Dedicated greenway and paseos are provided to connect parks and the school. Trail corridors are provided along the west of Grant Line Road and along side the wetland preserve, adjacent to the Americanos Blvd right of way. A major access feature with the plan is a grade separated pedestrian trail under Americanos Blvd connecting the trail system along the wetland preserve and the 30 acre park. The substantive goals of the City with regard to open space connections have been met.

- The Sunridge East projects have been redesigned several times in response to evolving design expectations of the City. The most recent design effort was focused on the parks and open space requirements. Significant effort has been expended to achieve a design that meets the City's expectations and the effort resulted in the City's park and open space requirements have been met. Appropriate pedestrian links and open space connections are provided to each of the points that City staff identified as important. Fairness is served by acknowledging these efforts and approving the project as presently proposed.

Section 3: Action

The City Council hereby amends the Sunridge Specific Plan and the Zoning of the City of Rancho Cordova for Assessor's Parcel Number 067-0040-004, 005, 012 and 013, as shown on the attached Exhibits A and B.

Section 4: No Mandatory Duty of Care

This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 5: Severability

If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 6: Effective Date and Publication

This Ordinance shall take effect thirty (30) days after its adoption. In lieu of publication of the full text of the ordinance within 15 days after its passage, a summary of the ordinance may be published at least five days prior to and fifteen (15) days after adoption by the City Council and a certified copy shall be posted in the office of the City Clerk, pursuant to GC 36933(c)(1).

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova this 6th day of March, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Robert J. McGarvey, Mayor

ATTEST:

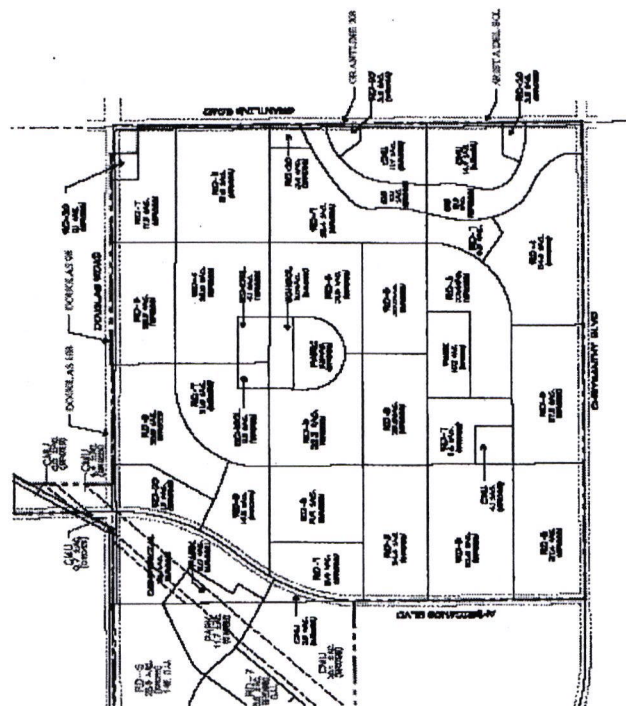
Lillian E. Hare, City Clerk

SUNRIDGE SPECIFIC PLAN - EAST AREA

SPECIFIC PLAN AMENDMENT EXHIBIT

CITY OF RANCHO CORDOVA, CALIFORNIA

OCTOBER 5, 2004
(REVISED JANUARY 2, 2005)



Existing Specific Plan

DOUGLAS 103 COMPARISON TABLE

EXISTING SPECIFIC PLAN	EXISTING AREA (AC)	EXISTING AREA (SQ FT)	EXISTING AREA (SQ YD)	EXISTING AREA (SQ MI)	EXISTING AREA (AC)	EXISTING AREA (SQ FT)	EXISTING AREA (SQ YD)	EXISTING AREA (SQ MI)
DOUGLAS 103	103	103	103	103	103	103	103	103
TOTAL	103	103	103	103	103	103	103	103

DOUGLAS 98 COMPARISON TABLE

EXISTING SPECIFIC PLAN	EXISTING AREA (AC)	EXISTING AREA (SQ FT)	EXISTING AREA (SQ YD)	EXISTING AREA (SQ MI)	EXISTING AREA (AC)	EXISTING AREA (SQ FT)	EXISTING AREA (SQ YD)	EXISTING AREA (SQ MI)
DOUGLAS 98	98	98	98	98	98	98	98	98
TOTAL	98	98	98	98	98	98	98	98

GRANTLINE 208 COMPARISON TABLE

EXISTING SPECIFIC PLAN	EXISTING AREA (AC)	EXISTING AREA (SQ FT)	EXISTING AREA (SQ YD)	EXISTING AREA (SQ MI)	EXISTING AREA (AC)	EXISTING AREA (SQ FT)	EXISTING AREA (SQ YD)	EXISTING AREA (SQ MI)
GRANTLINE 208	208	208	208	208	208	208	208	208
TOTAL	208	208	208	208	208	208	208	208

ARISTA DEL SOL COMPARISON TABLE

EXISTING SPECIFIC PLAN	EXISTING AREA (AC)	EXISTING AREA (SQ FT)	EXISTING AREA (SQ YD)	EXISTING AREA (SQ MI)	EXISTING AREA (AC)	EXISTING AREA (SQ FT)	EXISTING AREA (SQ YD)	EXISTING AREA (SQ MI)
ARISTA DEL SOL	103	103	103	103	103	103	103	103
TOTAL	103	103	103	103	103	103	103	103

OVERALL SPECIFIC PLAN COMPARISON TABLE

EXISTING SPECIFIC PLAN	EXISTING AREA (AC)	EXISTING AREA (SQ FT)	EXISTING AREA (SQ YD)	EXISTING AREA (SQ MI)	EXISTING AREA (AC)	EXISTING AREA (SQ FT)	EXISTING AREA (SQ YD)	EXISTING AREA (SQ MI)
DOUGLAS 103	103	103	103	103	103	103	103	103
DOUGLAS 98	98	98	98	98	98	98	98	98
GRANTLINE 208	208	208	208	208	208	208	208	208
ARISTA DEL SOL	103	103	103	103	103	103	103	103
TOTAL	512	512	512	512	512	512	512	512

NOT: EXISTING SPECIFIC PLAN AREAS ARE AS SHOWN IN THE APPROVED SUNRIDGE SPECIFIC PLAN.
PROPOSED AREAS ARE BASED ON CURRENT SURVEY DATA.

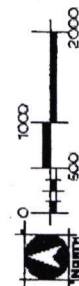
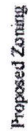


Exhibit A

OCTOBER 5, 2004
 RECEIVED JUNE 3, 2006
 RECEIVED APRIL 7, 2006

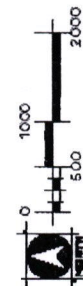


DOUGLAS 98 COMPARISON TABLE			
CENTRAL HEATING PLAN		PERIPHERAL HEATING PLAN	
ZONE	AREA SQ. FT.	ZONE	AREA SQ. FT.
1	104	1	104
2	104	2	104
3	104	3	104
4	104	4	104
5	104	5	104
6	104	6	104
7	104	7	104
8	104	8	104
9	104	9	104
10	104	10	104
11	104	11	104
12	104	12	104
13	104	13	104
14	104	14	104
15	104	15	104
16	104	16	104
17	104	17	104
18	104	18	104
19	104	19	104
20	104	20	104
21	104	21	104
22	104	22	104
23	104	23	104
24	104	24	104
25	104	25	104
26	104	26	104
27	104	27	104
28	104	28	104
29	104	29	104
30	104	30	104
31	104	31	104
32	104	32	104
33	104	33	104
34	104	34	104
35	104	35	104
36	104	36	104
37	104	37	104
38	104	38	104
39	104	39	104
40	104	40	104
41	104	41	104
42	104	42	104
43	104	43	104
44	104	44	104
45	104	45	104
46	104	46	104
47	104	47	104
48	104	48	104
49	104	49	104
50	104	50	104
51	104	51	104
52	104	52	104
53	104	53	104
54	104	54	104
55	104	55	104
56	104	56	104
57	104	57	104
58	104	58	104
59	104	59	104
60	104	60	104
61	104	61	104
62	104	62	104
63	104	63	104
64	104	64	104
65	104	65	104
66	104	66	104
67	104	67	104
68	104	68	104
69	104	69	104
70	104	70	104
71	104	71	104
72	104	72	104
73	104	73	104
74	104	74	104
75	104	75	104
76	104	76	104
77	104	77	104
78	104	78	104
79	104	79	104
80	104	80	104
81	104	81	104
82	104	82	104
83	104	83	104
84	104	84	104
85	104	85	104
86	104	86	104
87	104	87	104
88	104	88	104
89	104	89	104
90	104	90	104
91	104	91	104
92	104	92	104
93	104	93	104
94	104	94	104
95	104	95	104
96	104	96	104
97	104	97	104
98	104	98	104
99	104	99	104
100	104	100	104



ARISTA DEL SOL COMPARISON TABLE			
BENTON'S STROKE PLAN		TECHNIQUE STROKE PLAN	
LOCAL NAME	STROKE	LOCAL NAME	STROKE
1	1	1	1
2	2	2	2
3	3	3	3
4	4	4	4
5	5	5	5
6	6	6	6
7	7	7	7
8	8	8	8
9	9	9	9
10	10	10	10
11	11	11	11
12	12	12	12
13	13	13	13
14	14	14	14
15	15	15	15
16	16	16	16
17	17	17	17
18	18	18	18
19	19	19	19
20	20	20	20
21	21	21	21
22	22	22	22
23	23	23	23
24	24	24	24
25	25	25	25
26	26	26	26
27	27	27	27
28	28	28	28
29	29	29	29
30	30	30	30
31	31	31	31
32	32	32	32
33	33	33	33
34	34	34	34
35	35	35	35
36	36	36	36
37	37	37	37
38	38	38	38
39	39	39	39
40	40	40	40
41	41	41	41
42	42	42	42
43	43	43	43
44	44	44	44
45	45	45	45
46	46	46	46
47	47	47	47
48	48	48	48
49	49	49	49
50	50	50	50
51	51	51	51
52	52	52	52
53	53	53	53
54	54	54	54
55	55	55	55
56	56	56	56
57	57	57	57
58	58	58	58
59	59	59	59
60	60	60	60
61	61	61	61
62	62	62	62
63	63	63	63
64	64	64	64
65	65	65	65
66	66	66	66
67	67	67	67
68	68	68	68
69	69	69	69
70	70	70	70
71	71	71	71
72	72	72	72
73	73	73	73
74	74	74	74
75	75	75	75
76	76	76	76
77	77	77	77
78	78	78	78
79	79	79	79
80	80	80	80
81	81	81	81
82	82	82	82
83	83	83	83
84	84	84	84
85	85	85	85
86	86	86	86
87	87	87	87
88	88	88	88
89	89	89	89
90	90	90	90
91	91	91	91
92	92	92	92
93	93	93	93
94	94	94	94
95	95	95	95
96	96	96	96
97	97	97	97
98	98	98	98
99	99	99	99
100	100	100	100

NOT: EXISTING ZONING AGREEMENTS ARE AS SHOWN IN THE APPROVED SURVEY SPECIFIC PLAN
PROPOSED AGREEMENTS ARE BASED ON CURRENT SURVEY DATA.

[illegible]

WOOD PRODUCTS
 10000 10th Ave. S.W.
 Seattle, WA 98148
 Tel: 206/461-7700
 Fax: 206/461-7770

MEMORANDUM

DATE: March 6, 2006
TO: Mayor and Council Members
FROM: Bill Thomas, Finance Director
SUBJECT: KILGORE CEMETERY UPDATED GATE AND FENCE DESIGN



RECOMMENDATION

It is recommended that City Council approve the updated design concept of the proposed gate and fence.

RESULT OF RECOMMENDED ACTION

Approval of the above recommendations will allow Staff to incorporate the updated design into construction drawings.

BACKGROUND

The City of Rancho Cordova has recently acquired the Mathew Kilgore Cemetery located on Kilgore Road and design of the restoration is proceeding in conformance with City Council's general approval provided February 6, 2006. The approved preliminary plan is included as **Attachment A**. Since discussion on February 6, Council has provided direction to modify the originally proposed concept for the gate and fence.

The originally proposed gate concept was prepared by Lisa Kewish (**Attachment B**). Although this concept is no longer proposed for incorporation into the gate design, the concept will be utilized in design of a monument which will be prominently placed within the cemetery itself. City Council has directed staff to incorporate a gate and fence concept prepared by Rimma Smirnova (**Attachment C**) into the final design with the following modifications.

- The diamond shapes on the gate will not be included.
- The gate will be approximately 10-feet wide.
- The top of the arch will be approximately 9.7-feet high.
- The arch over the gate will read "Mathew Kilgore Cemetery" and underneath "Established 1874."
- The fence will be 6-feet high.

- Fence posts will have ball caps.
- Brick pillars faced with "railroad blend" historic bricks will be used at either side of the gate, and at the four corners of the fence.

City Council approval of the updated design will allow Staff to continue with final design of the gate and fence, and incorporate into final construction documents.

Attachments:

Attachment A – Approved Site Plan

Attachment B – Gate Concept by Lisa Kewish

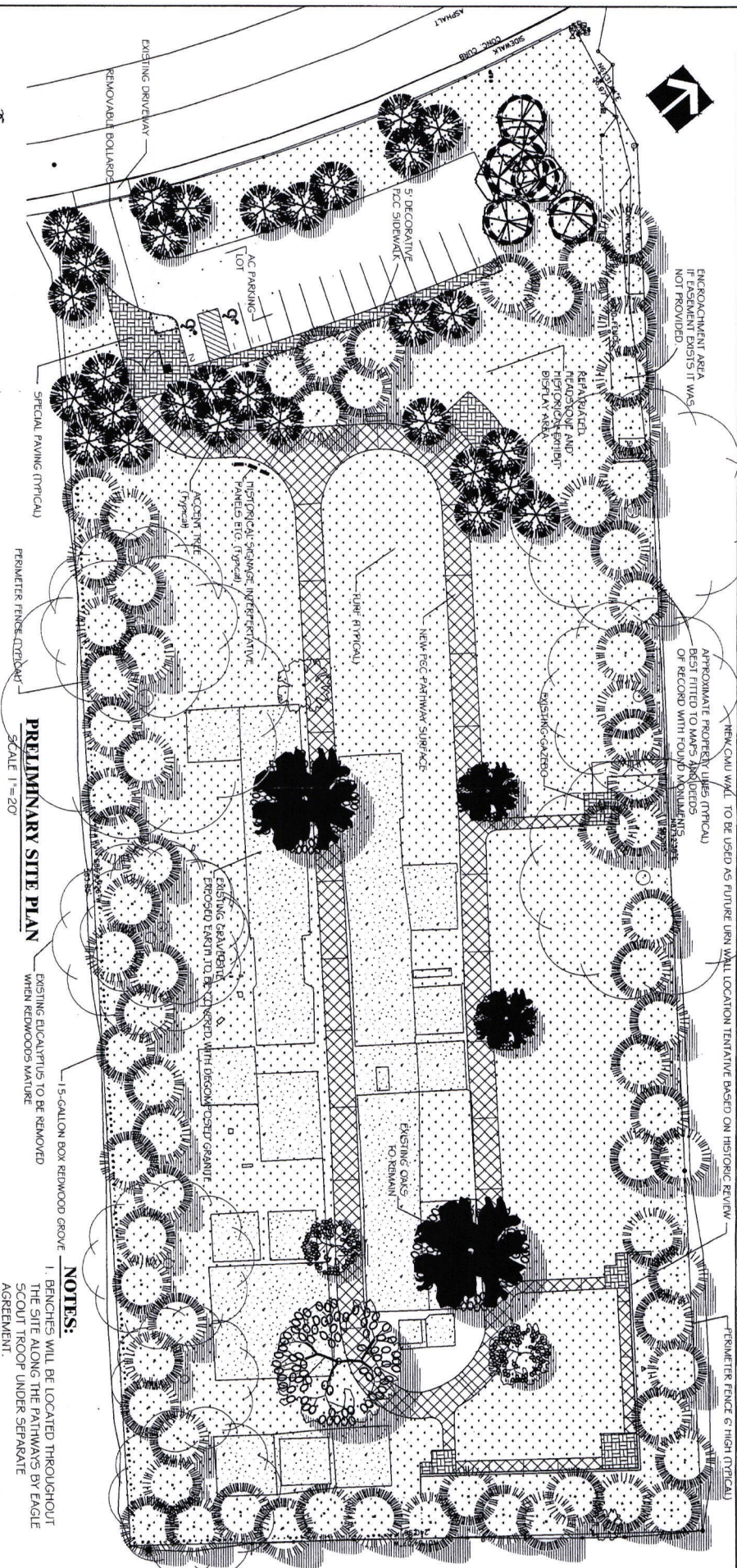
Attachment C – Gate and Fence Concept by Rimma Smirnova

ATTACHMENT A

Approved Site Plan

APPROXIMATE PROPERTY LINES (TYPICAL)
- BEST FITTED TO MAPS AND DEEDS
OF RECORD WITH FOUND MONUMENTS
NB732

PERIMETER FENCE 6' HIGH (TYPICAL)



PRELIMINARY SITE PLAN

SCALE 1"=20'

LEGEND

	DECORATIVE PAVING		ASPHALT CONCRETE PAVING
	TURF		DECOMPOSED GRANITE
	PCC WALKWAY		

NOTES:

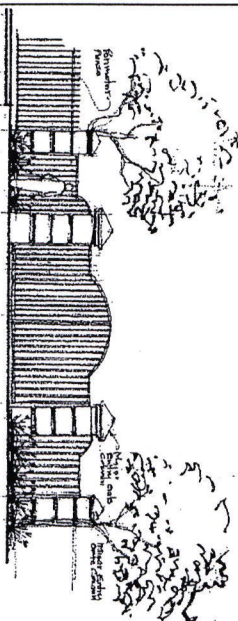
1. BENCHES WILL BE LOCATED THROUGHOUT THE SITE ALONG THE PATHWAYS BY EAGLE SCOUT TROOP UNDER SEPARATE AGREEMENT.
2. LOW VOLTAGE LANDSCAPE LIGHTS WILL BE PROVIDED IN THE PARKING LOT AREA AND ALONG THE PATHWAY.
3. DEDICATION PLANT AREA TO BE IRRIGATED UNDER CONTRACT. PLANTING AND MAINTENANCE BY OTHERS UNDER SEPARATE AGREEMENT.
4. TREE PLANTING SCHEDULED FOR OCTOBER.

35% SUBMITTAL 01/17/06

CONCEPTUAL ENTRY GATE ELEVATION

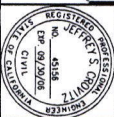
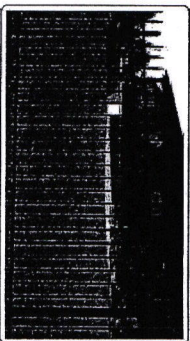
NOT TO SCALE

NOTE: DECORATIVE METAL TO BE INSTALLED ON GATE BASED ON ARTISTIC RENDERING



TYPICAL FENCE

NOT TO SCALE



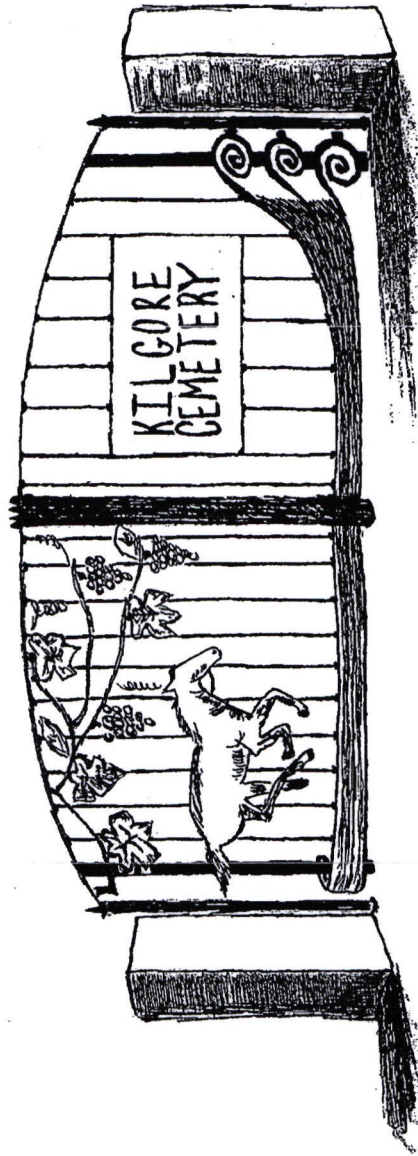
MGE ENGINEERING INC.

419 MAIN STREET, SUITE 300
PLACERVILLE, CALIFORNIA 95667
(530) 621-9593

**KILGORE CEMETERY
IMPROVEMENTS AND REHABILITATION
FOR THE CITY OF RANCHO CORDOVA**

ATTACHMENT B

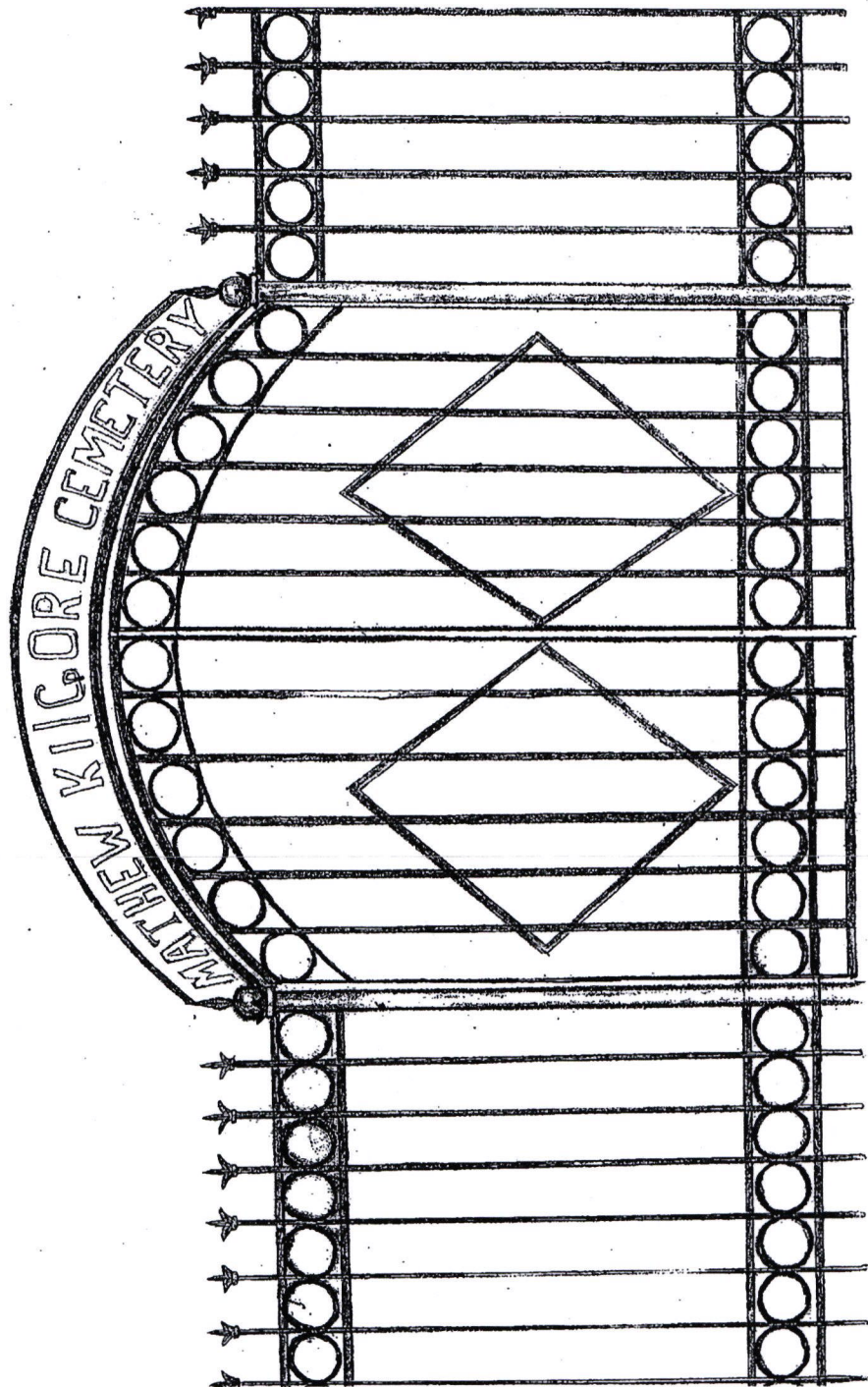
Gate Concept by Lisa Kewish



Kilgore Cemetery Concept Design:
 Swirls on right with continuation to left
 Signifies the American River -
 Horse in motion represents the Pony
 Express (hills station) - and
 Grapes + vine symbolize of Rancho
 Cordova's agriculture.
 Lisa Kewish
 November 2005
 916.363.3744

ATTACHMENT C

Gate Concept by Rimma Smirnova



MEMORANDUM

DATE: March 6, 2006
TO: Mayor and Council Members
FROM: Stephanie Snyder, City Manager's Office 
SUBJECT: RESOLUTION ENDORSING ASSEMBLY BILL 2137 REGARDING
WEIGHTED VOTING STRUCTURE FOR SACRAMENTO REGIONAL
TRANSIT DISTRICT (RT)



RECOMMENDATION

Adopt Resolution No. 23-2006.

RESULT OF RECOMMENDED ACTION

The recommended action will endorse legislative changes to the current method of voting by the RT board ("one member, one vote") to a weighted voting system that will allow and promote greater participation by regional members.

BACKGROUND

This legislation would alter the voting structure of the Sacramento Regional Transit District (RT) by adopting a weighted voting structure designed to promote regional participation in RT and equitably distribute voting power. In addition, the legislation would eliminate or modify several incorrect or obsolete portions of RT's enabling act.

RT is perhaps unique among California transit district in that it has two classes of voting members on its board of directors: "annexed" members and "regional" members. Annexed members have activated their membership in the district. RT directly receives state and federal money to provide transit service in these areas. "Regional" members have entered into contracts with RT by which they provide some funding for the operation of regional transit service. As RT's enabling legislation currently reads, regional members can only vote on agenda items which have been classified as "regional matters." When voting, each member of the board casts one vote, but regional members have been limited to voting on only a few matters.

This legislation would alter RT's voting structure from a standard "one member, one vote" structure to weighted voting structure intended to promote greater participation by regional members. All members of the board would vote on every agenda item, largely

eliminating the distinction between annexed and regional members. Each member's vote would be weighted based on financial contribution to RT, giving greater weight to the vote of members representing jurisdictions that provide greater financial support to RT.

The legislation would also modify or delete several obsolete provisions in RT's enabling act and would increase the compensation afforded to board members for attendance at board meetings.

Attachments:

Attachment A—Discussion Points about the Weighted Voting System

Attachment A- Discussion Points about the Weighted Vote System

- General Elements of the Weighted Voting System
 - (1) Use a weighted voting system with one hundred (100) total voting shares, with the presence of members holding fifty-one (51) or more shares constituting a quorum.
 - (2) Allocate the shares on two bases: (1) five (5) incentive shares to each annexed jurisdiction, up to a total of thirty (30) incentive shares (if more than six jurisdictions are annexed, the incentive shares will be divided equally among all annexed jurisdictions); and (2) the remaining shares will be divided based on financial contribution, defined as: (a) TDA funds; (b) funds made available through a contract with RT; (c) other local funds made available to the district by a jurisdiction for the operation of public transit service; and (d) federal formula funds.
 - (3) Annually reallocate the shares at the time the yearly budget is approved.
 - (4) Eliminate the distinction in voting rights between regional and non-regional members.
- Rounding: Round any fractional allocations at the entity level using the convention of rounding decimals of .6 or greater up and decimals of less than .6 down. If the total after such rounding is either greater or less than 100 votes, take or give shares from/to the jurisdictions with the most votes, one vote at a time, until a total of 100 votes is reached.
- Multiple Member Jurisdictions: For multiple member jurisdictions, divide the jurisdiction's shares as equally as possible among that jurisdictions' members' seniority.
- Seat Share Cap: Add an additional member for a jurisdiction if its number of shares per member exceeds fifteen (15).
- Mid-year Additions: Conduct a mid-year reallocation if an additional jurisdiction annexes to or contracts with the district.
- Seats on the Board: Explicitly state that each annexed jurisdiction and each jurisdiction that contracts with RT is entitled to a least one seat on the board.
- Alternates: Adopt the model of SACOG, allowing the legislative body of each appointing jurisdiction to determine: (1) the number of members it wishes to appoint, up to the maximum permitted for the jurisdiction; (2) how many, if any, alternates it wishes to appoint; and (3) how those alternates will be appointed. The votes of the jurisdiction would be divided equally among those members and alternates present and voting. Any alternate appointed would not be permitted to act as Chair or Vice-Chair.
- Term Limits: Eliminate the existing term limit provision.
- Staggered Terms: Eliminate the staggered term requirement.
- Supermajority Votes: Specify that if another statute calls for a vote by "members" of the board (including supermajority statutes), the vote will be tallied in two ways: (1) by counting members of the board; and (2) by counting the weighted vote and that the vote must pass under both tallies for the board to take action.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 23-2006

**A RESOLUTION ENDORSING ASSEMBLY BILL 2137 REGARDING WEIGHTED VOTING
STRUCTURE FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT (RT)**

WHEREAS, the annexed members of the Sacramento Regional Transit District (RT) Board of Directors have voted to approve an alternative governance proposal, and

WHEREAS, the alternative proposal was developed by an ad hoc governance committee that included the City of Rancho Cordova's representative to the RT Board, and

WHEREAS, this proposal required an amendment to RT's enabling act that has been authored by Assembly Members Dave Jones and Roger Niello and is embodied in Assembly Bill 2137, and

WHEREAS, the intent of the proposal is to promote greater voting participation by regional members, including the City of Rancho Cordova, in matters that come before the RT Board, and

WHEREAS, the goal of the legislation is to minimize the voting distinction between annexed and regional members of the RT Board and to delete or modify several incorrect or obsolete provisions of RT's enabling act.

NOW, THEREFORE, the City Council of the City of Rancho Cordova hereby endorses Assembly Bill 2137 regarding weighted voting structure for the Sacramento Regional Transit District (RT) to provide enhanced voting authority for regional members.

BE IT FURTHER RESOLVED that the City Clerk is hereby directed to transmit a signed copy of this resolution to State Senators Cox and Ortiz, State Assembly Members Nakanishi, Jones and Niello, all members of the RT Board of Directors and the RT General Manager/CEO.

PASSED AND ADOPTED THIS 6th day of March, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Robert J. McGarvey, Mayor

ATTEST:

Lillian E. Hare, City Clerk

MEMORANDUM

DATE: March 6, 2006
TO: Mayor and Council Members
FROM: Stephanie Snyder, City Manager's Office 
SUBJECT: RESOLUTION SUPPORTING REGIONAL FLOOD CONTROL



RECOMMENDATION

Adopt Resolution No. 24-2006.

RESULT OF RECOMMENDED ACTION

The recommended action will support the efforts of California's Governor and State legislators and the City's Congressional representatives to obtain federal funding needed for strengthening levees and achieving a 200 year level of flood protection.

BACKGROUND

On February 24, 2006, Governor Arnold Schwarzenegger proclaimed a state of emergency for the California levee system due to the imminent threat of catastrophic levee failure. As a result of this threat, the Governor sent a letter to President George W. Bush requesting that a federal state of emergency be declared in the State of California, focusing first on 24 identified critical levee erosion sites in six counties, including Sacramento, and then on additional critical levee erosion sites as they are identified. The 24 critical levee erosion sites were identified in a report for the U.S. Army Corps of Engineers.

Increasingly severe weather systems each season have accelerated the deterioration of the state's levee system to the point where they are now in danger of failing during the next major rainfall or earthquake. The situation creates conditions of extreme peril to the public and property protected by the levees, to the environment and to the foundation of California's economy.

The Governor's letter points out that the issue is so severe and huge that effective response is beyond the capabilities of the state and affected local governments, and additional federal assistance is necessary to save lives and protect property, public health and safety, and to lessen or avert the threat of a disaster.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 24-2006

A RESOLUTION SUPPORTING REGIONAL FLOOD CONTROL

WHEREAS, for all jurisdictions within the SACOG region, achieving 200 year flood protection must be the greatest single priority, and without that protection to our levee system, local investment by both the public and private sectors is in jeopardy; and

WHEREAS, the effect of a significant levee failure on lives and property would potentially be greater than the destruction experienced by the Gulf Coast of the United States from hurricanes Katrina and Rita; and

WHEREAS, in addition to the potential loss of lives and property, the entire transportation system in all modes would collapse due to the location of major highways, railroad routes, airports, and the Port of Sacramento within the heart of California's great central valley; and

WHEREAS, the negative effects of a large scale flood would again be felt throughout the entire United States with the cessation of the highway and rail transportation system providing access for goods movement from west coast ports of entry to the rest of the Country, in addition to the loss of the agricultural production that feeds much of our fellow citizenry; and

WHEREAS, our hearts go out to the residents of the Gulf Coast for the tragedies that they have experienced, but we have to learn the lesson that they have lived and take action to prevent a recurrence of their experience in our own region; and

WHEREAS, we are aware that 42 of California's 58 counties have had states of emergency declared during the last two flood seasons, and that these events are a wake up call that cannot prudently be ignored; and

WHEREAS, the cost of this levee repair is much larger than can be reasonably born by the State and Local Governments in California;

NOW, THEREFORE, the City Council of the City of Rancho Cordova hereby supports the combined efforts of the Governor, our California Senators, and our Congressional Delegation in obtaining the funding necessary to strengthen our levees and achieve that 200 year level of flood protection.

BE IT FURTHER RESOLVED that the City Council lends support to the Governor's call to President Bush asking that he also declare an emergency for the State of California and that he direct the focus of the US Army Corps of Engineers to effect repairs on the critical levee erosion sites which have been identified.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 24-2006

PASSED AND ADOPTED THIS 6th day of March, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Robert J. McGarvey, Mayor

ATTEST:

Lillian E. Hare, City Clerk

Staff Report



Date: March 6, 2006

To: Honorable City Council

From: William Thomas, Finance Director

Subject: Resolution Extending an Interim Authorization for Supplemental Community Facilities Fees Within the City of Rancho Cordova to Fund Construction of Municipal Facilities Relating to Animal Service, Telecommunication and Computer Systems, and a Records Management System

RECOMMENDATION

1. Open hearing
2. Receive testimony
3. Close hearing
4. Approve the attached resolution.

Abstain

RESULT OF RECOMMENDED ACTION

Passage of this resolution will extend for 30 days the temporary authorization granted by the City Council on February 6, 2006, for the immediate collection of new development impact fees for the construction of facilities related to animal service, telecommunication and computer systems, and a records management system. The fees will be collected from applicants for new development projects in the City.

BACKGROUND

On February 6, 2006, the City Council adopted Resolution No. 06-2006 establishing development impact fees for the construction of facilities related to animal service, telecommunication and computer systems, and a records management system. The fees were adopted as both a permanent measure, to go into effect 60 days after adoption, and on an urgency basis, to go into effect immediately for a 30-day interim period.

Pursuant to Government Code section 66017(b), the Council may extend the interim, urgency approval for an additional 30 days.

The basis for the urgency still exists. The City is newly incorporated and does not have sufficient community facilities. Construction of the facilities is necessary to mitigate the impacts caused by future development and the resulting growth in City population.

REQUESTED MOTION

"I move that the City Council adopt a resolution extending an interim authorization for supplemental community facilities fees within the City of Rancho Cordova to fund construction of municipal facilities relating to animal service, telecommunication and computer systems, and a records management system."

ATTACHMENTS

1. Resolution No. 22- 2006

CITY OF RANCHO CORDOVA

RESOLUTION NO. 22-2006

**A RESOLUTION EXTENDING AN INTERIM AUTHORIZATION FOR SUPPLEMENTAL
COMMUNITY FACILITIES FEES WITHIN THE CITY OF RANCHO CORDOVA TO FUND
CONSTRUCTION OF MUNICIPAL FACILITIES RELATING TO ANIMAL SERVICE,
TELECOMMUNICATION AND COMPUTER SYSTEMS,
AND A RECORDS MANAGEMENT SYSTEM**

WHEREAS, the City Council (the "City Council") of the City of Rancho Cordova (the "City") established a Supplemental Community Facilities Fee ("SCFF"), by adopting Resolution 06-2006 (attached as Attachment 1 hereto and incorporated by reference herein) on February 06, 2006, because it found that, due to anticipated future development in the City, municipal facilities were, and will be, needed to serve the resulting increase in City population; and

WHEREAS, prior to adopting Resolution 06-2006, the City considered a Supplemental Community Facilities Fee Program Nexus Study, dated October 21, 2005 (the "Nexus Study"), which analyzed future use of and need for new City public facilities resulting from contemplated future development in the City, and the nexus between the use and need for such facilities on the one hand, and the amount of the development impact fee assigned to future land uses in the City, on the other hand, and considered other analyses; and

WHEREAS, before adopting Resolution 06-2006, the City Council held a noticed public hearing, duly considered all written and oral presentations received at or before said hearing, and otherwise followed all statutory and other requirements, and made all necessary and required findings, for adoption of the SCFF Program; and

WHEREAS, pursuant to Resolution 06-2006, the City Council found it necessary and/or desirable to meet the needs and goals of the City to construct certain community facilities (defined as the "Community Facilities" in Resolution 06-2006) and, in order to help fund the costs of constructing such facilities, found that it was necessary to levy a development impact fee (the "Fee") upon all new construction within the City; and

WHEREAS, although the SCFF Program described in, and authorized by, Resolution 06-2006 becomes effective and permanent on April 7, 2006 (i.e., the 60th day following adoption the resolution on February 06, 2006), the City determined that, on an interim basis, it was necessary to make the Fee effective immediately (i.e., as of February 06, 2006), to protect the public health, welfare and safety, in accordance with California Government Code section 66017(b), because construction of the Community Facilities to mitigate the impacts caused by future development in the City, and resulting growth in City population, constituted a current and immediate threat to the public health, welfare and safety, in accordance with section 66017(b); and

WHEREAS, the City has determined that this current and immediate threat to the public health, welfare and safety continues as of the date of this resolution, and authorizes the City to use its authority pursuant to Government Code section 66017(b) to extend the interim authority for one period of 30 days, to begin upon the termination of the initial 30-day period of interim authorization;

NOW THEREFORE, the City Council of the City of Rancho Cordova hereby finds as follows:

A. Because the City is newly incorporated and does not have sufficient Community Facilities, construction of the Community Facilities to mitigate the impacts caused by future development in the City, and the resulting growth in City population, constitute a current and immediate threat to the public health, welfare and safety, in accordance with Government Code section 66017(b), which threat authorizes the City to extend the interim authority of the SCFF Program for a period of 30 days from the termination of the initial 30-day period of interim authorization; and

B. The findings of the City Council articulated in Resolution 06-2006 remain in full force and effect and such findings are hereby incorporated into this resolution extending the interim authorization of the SCFF Program; and

C. The purpose of the Fee is to finance construction (including construction-related costs) of the Community Facilities, to mitigate the impacts caused by future development in the City, and resulting growth in City population.

D. The Fees collected pursuant to this resolution shall be used to finance the construction of the Community Facilities identified in Resolution 06-2006 and in the Nexus Study; and

E. The Fee amount, as set forth in the schedule attached as Attachment 2 to Resolution 06-2006, which amount reflects the particular Community Facility being funded, will not change pursuant to this resolution, and does not exceed the estimated reasonable cost of providing the facilities for which the Fee was, and is being, imposed.

F. The method of allocation of the Community Facilities Fee to a particular development bears a fair and reasonable relationship to each development's burden on, and benefit from, the facilities to be funded by the Fee.

G. The extension of interim authorization pursuant to this resolution is not subject to the California Environmental Quality Act (CEQA) due to section 15273(a)(4) of the CEQA Guidelines. Section 15273(a)(4) is a statutory exemption for "establishment, structuring, restructuring, or approval of rates ... for the purpose of (4) obtaining funds for capital projects, necessary to maintain service within existing service areas. The City Council finds section 15273(a)(4) applicable because:

1. The purpose of the Supplemental Community Facilities Fees is to finance public facilities (i.e., the Community Facilities, as defined in Resolution 06-2006 and in the Nexus Study), to reduce the impacts caused by future developments in the City; and

2. The future development of the City will generate the need for such public facilities; and

3. The Fees are a charge by the City, a public agency, to obtain funds for capital projects necessary to maintain service within the City, an existing service area; and

NOW THEREFORE, The City Council of the City of Rancho Cordova hereby resolves as follows:

1. The City Council hereby extends for thirty (30) days the interim authorization of the Supplemental Community Facilities Fee Program, established on February 6, 2006 pursuant to Resolution 06-2006; and
2. This second 30-day period of interim authorization shall take effect on March 9, 2006 and shall terminate on April 7, 2006, on which date the CFF Program becomes effective and permanent; and
3. All other aspects of the SCFF Program adopted pursuant to Resolution 06-2006, including without limitation, the timing of Fees imposed, the amount of the Fee, exemptions from the Fee, use of Fee revenues, expenditures of the Fee, and periodic review, analysis and adjustment of the Fee Program, shall remain in full force and effect for this additional period of interim authorization.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova, this 6th day of March, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Robert J. McGarvey, Mayor

ATTEST:

Lillian E. Hare, City Clerk

LIST OF ATTACHMENTS

Attachment 1 - Resolution 06-2006, adopted by the City Council on February 6, 2006.

CITY OF RANCHO CORDOVA

RESOLUTION NO. 06-2006

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
ESTABLISHING SUPPLEMENTAL COMMUNITY FACILITIES FEES WITHIN THE
CITY OF RANCHO CORDOVA TO FUND CONSTRUCTION OF MUNICIPAL
FACILITIES RELATING TO ANIMAL SERVICES, TELECOMMUNICATION AND
COMPUTER SYSTEMS, AND A RECORDS MANAGEMENT SYSTEM**

RECITALS

WHEREAS, the City Council (the "City Council") of the City of Rancho Cordova (the "City") finds that, due to anticipated future development in the City, municipal facilities will be required to serve the resulting increase in City population; and

WHEREAS, on May 17, 2004, the City Council of the City of Rancho Cordova adopted Resolution No. 59-2004 establishing a community facilities fee within the City to fund construction of municipal facilities; and

WHEREAS, the City Council has determined that additional community facilities are needed to serve the increasing population of the City; and

WHEREAS, a Supplemental Community Facilities Fee Program Nexus Study, dated October 21, 2005 (the "Study") (attached as Attachment 1 hereto and incorporated herein by this reference), was prepared by Ralph Anderson & Associates, and analyzes future use of and need for new City public facilities resulting from contemplated future development in the City, and analyzes the nexus between the use and need for such facilities on the one hand, and the amount of the development impact fee assigned to future land uses in the City, on the other hand. These facilities will be funded through the City Community Facilities Fee ("CFF") Program, which contains a separate fee component for each facility; and

WHEREAS, the Study supplements and incorporates certain information and processes contained in a previous Community Facilities Fees Program Nexus Study, dated April 12, 2004, which was prepared by Goodwin Consulting Group, Inc. (the "Prior Study") (attached as Attachment 3); and

WHEREAS, the Prior Study incorporated a Needs Assessment study by Chong / Partners Architecture and Daniel C. Smith and Associates, Inc., dated February 17, 2004, which study set forth the relationship between estimated City population increase resulting from contemplated future development, needed facilities and staffing, and the estimated costs of new facilities and staffing; and

WHEREAS, the City Council finds that the construction and construction-related costs of the following community facilities (collectively, the "Community Facilities") is necessary and/or desirable to meet the needs and goals of the City:

- Animal services (i.e., construction of an animal shelter, furnishings, equipment, land acquisition, and financing costs);
- Telecommunication and Computer Systems, including the Geographic Information System (GIS) (i.e., capital expenses, acquisition of equipment, telecommunication, computer and geographic information systems);
- The Records Management System (i.e., capital expenses, acquisition of equipment and support materials); and

WHEREAS, Article XI, section 7, of the California Constitution authorizes cities and counties to impose and charge development impact fees to fund the estimated cost of certain facilities, the need for which is directly or indirectly generated by the type and level of proposed development; and

WHEREAS, Government Code section 66017 requires that a local agency hold a noticed public hearing, at which oral or written presentations can be made, prior to the adoption of a resolution approving a new development impact fee or increasing an existing development impact fee; and

WHEREAS, all written and oral presentations received at or before said hearing have been duly considered by the City Council; and

WHEREAS, the Study was available for public inspection and review for ten days prior to this public hearing; and

WHEREAS, the City Council finds that future development in the City will generate the need for the Community Facilities, and that these Community Facilities are consistent with the City's General Plan; and

WHEREAS, after considering the Study and the testimony received at this noticed public hearing, the City Council wants to approve and adopt the Study; and

WHEREAS, the City Council finds that in order to help fund the costs of the Community Facilities, it will be necessary to levy a development impact fee upon all new construction within the City ("Community Facilities Fee" or the "Fee");

NOW, THEREFORE, the City Council of the City of Rancho Cordova hereby finds as follows:

A. The purpose of the fee is to finance the construction (including construction-related costs) and acquisition of the Community Facilities to mitigate the impacts caused by future development in the City, and resulting growth in City population.

B. The Fees collected pursuant to this resolution shall be used to finance the construction and acquisition of the Community Facilities identified herein and in the Study.

C. The Study and the testimony establish:

1. That there is a reasonable relationship between the use of the Community Facilities Fee and the type of development projects on which the Fee is imposed because the development impact fees collected from the CFF Program will be used to mitigate the impacts of such development by funding the construction and acquisition of public facilities needed by the City due to the new demand for community services that will be generated by residents of the new development; and

2. That there is a reasonable relationship between the need for the public facilities and the impacts of the types of development on which the corresponding fee is imposed because the Fee is imposed on those types of development--residential and non-residential (i.e., commercial, office and industrial)--that will generate the need for the public facilities to which the CFF Program directs the Fee; and

3. That there is a reasonable relationship between the amount of the Fee and the cost of the public facility or portion of the public facility attributable to the development on which the Fee is imposed because the amount of the Fee is based upon the portion of the cost of the Community Facilities for which future development will be responsible, and recognizes that the need for public facilities is related to the level of service demanded and varies in proportion to the number of residents or employees generated by a particular development, and the Fee for a particular development therefore reflects the number of residents or employees generated by that particular development because it is tailored according to the development's land use type (using a per-dwelling-unit basis for residential land use categories and per square-foot-of-building-space basis for non-residential land use categories).

D. Consistent with Government Code section 66005(a), the Fees set forth in the schedule attached as Attachment 2 hereto, and incorporated herein by this reference, and in the Study do not exceed the estimated reasonable cost of providing the facilities for which the Fee is being imposed.

E. The method of allocation of the Community Facilities Fee to a particular development bears a fair and reasonable relationship to each development's burden on, and benefit from, the facilities to be funded by the Fee, because the Fee is allocated based upon the portion of the cost of the Community Facilities for which future development will be responsible, recognizing that the need for public facilities varies in proportion to the number of residents or employees generated by a particular development, and reflecting this principle by ensuring that the development's land use type is a key component for calculating the Fee (using a per-dwelling-unit basis for residential land use categories and per square-foot-of-building-space basis for non-residential land use categories).

F. The City Council finds that the Community Facilities Fees are not subject to the California Environmental Quality Act (CEQA) due to section 15273(a)(4) of the CEQA Guidelines. Guideline 15273(a)(4) is a statutory exemption for "establishment, structuring, restructuring, or approval of rates ... for the purpose of (4) obtaining funds for capital projects, necessary to maintain service within existing service areas. The City Council finds section 15273(a)(4) applicable because:

1. The purpose of the Community Facilities Fees is to finance public facilities (i.e., the Community Facilities) to reduce the impacts caused by future developments in the City; and

2. The future development of the City will generate the need for such public facilities; and

3. The Fees are a charge by the City, a public agency, to obtain funds for capital projects necessary to maintain service within the City, an existing service area; and

G. The City Council finds that, because the City is newly incorporated and does not have sufficient Community Facilities, construction of the Community Facilities to mitigate the impacts caused by future development in the City, and resulting growth in City population, constitutes a current and immediate threat to the public health, welfare and safety, in accordance with Government Code section 66017(b), which threat authorizes the City to use its interim authority pursuant thereto to cause this Resolution to take effect immediately after its adoption.

NOW, THEREFORE, The City Council of the City of Rancho Cordova hereby resolves as follows:

1. Definitions

a. "Development" shall mean the construction, alteration, addition, occupancy or use of any building or structure within the City.

b. "Dwelling Unit" shall mean a dwelling unit as defined in the Uniform Building Code (UBC) as adopted by the City.

c. "Multiple Unit" shall mean any dwelling unit which is not a single family unit.

d. "Single Family Unit" shall mean a dwelling unit for which no enclosing walls, including the walls of any attached structures, are within six (6) feet of an enclosing wall of another dwelling unit or a wall of an attached structure of that unit. A mobile home is a single-family unit.

e. "Square Foot" shall mean every square foot of floor area as defined in the UBC as adopted by the City, except for floor area devoted exclusively to parking. The City Manager or his/her designee shall determine the square footage of any project which cannot be calculated by using the definition of floor area.

f. "Land Area" shall mean every square foot of parcel area.

2. Timing of Fees Imposed.

a. A Community Facilities Fee shall be charged and paid at the time of issuance of a building permit for development. The Fee shall be paid as a condition of any extension or renewal of a building permit issued

after the effective date of this resolution, if the Fee has not been paid previously.

b. To the extent permitted by law, the Fee shall be paid prior to occupancy by any development built by any entity that is not required to obtain a building permit from the City.

3. Amount of Fee.

a. The Fee shall be in the amount specified in the Schedule of Fees (Attachment 2), as adjusted in accordance with Paragraph 10 of this resolution.

b. For specialized or unique development projects, the City Manager or his/her designee, at the time development fees are to be levied, shall determine the amount of the Fee in accordance with the standards set forth in this resolution and the specific characteristics of the development at issue, in order to categorize the development into the proper land use category and to determine the Fee pertaining thereto.

c. The Fee adopted pursuant to this Resolution No. 06-2006 supplements, but does not replace, the community facilities fee adopted pursuant to Rancho Cordova Resolution No. 59-2004.

4. Exemptions From Fee.

The Fee shall not be imposed on any of the following:

a. Any alteration or addition to a residential structure, except to the extent that additional units are created or square footage is increased;

b. Any replacement or reconstruction of an existing residential or non-residential structure that has been destroyed or demolished, provided that the building permit for reconstruction is obtained within two years after the building was demolished, unless the replacement or reconstruction increases the square footage of the structure ten percent or more, or changes the use of the structure to a different land use category, as described in the Prior Study.

5. Payment of Other Fees Required.

Notwithstanding any other provision of this resolution, every development is responsible for the payment of all other applicable fees adopted or imposed by the City.

6. Use of Fee Revenues.

a. In accordance with Government Code § 66006(a), the revenues raised by payment of the Fees shall be deposited with the other fees for the construction or improvement of the Community Facilities in a

separate capital facilities account or fund, along with any interest income on such account, in a manner to avoid any commingling of the Fees with other revenues and funds of the City.

b. The revenues raised by payment of the Fees shall be used for the following purposes:

(1) To pay for design and construction of the Community Facilities, including without limitation, direct costs, such as site development, facility construction, and parking, and indirect costs, such as architecture and engineering fees and other consultant fees, project administration, testing and inspection, permits and plan review, soils testing, data communication, and furniture, fixtures and equipment costs;

(2) To reimburse the City for the Community Facilities constructed by the City with funds from other sources, unless the City funds were expended to remedy existing deficiencies as identified in the Study or were obtained from grants or gifts;

(3) To reimburse developers who have designed and constructed designated public facilities which are oversized with supplemental size, length, or capacity; and

(4) To pay for and/or reimburse costs of program development and ongoing administration of the CFF Program.

7. Accounts.

The City Manager or his/her designee may create accounts to which the Fees collected pursuant to this resolution will be deposited.

8. Expenditures of the Fee.

In accordance with Government Code section 66006(a), the City shall expend the Fees only for those facilities listed in the Recitals of this Agreement, and solely for the purpose for which the fee was collected.

9. Periodic Review.

a. As required by Government Code section 66006(b), for each separate account or fund established pursuant to Government Code section 66006(a), the City, within 180 days after the last day of each fiscal year, shall prepare a report, made available to the public, which contains the information for the fiscal year, as provided in section 66006(b).

b. For the fifth fiscal year following the first deposit into the account or fund established pursuant to Government Code section

66006(a), and every five years thereafter, the City shall, with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted, make the findings required by Government Code section 66001(d).

c. Pursuant to Government Code section 66002, the City Council shall also review and annually update, as part of any adopted capital improvement plan each year, the approximate location, size, time of availability and estimates of cost for all Community Facilities to be financed with the Fee.

10. Subsequent Fee Analysis and Adjustment.

a. The Fee established herein is adopted and implemented by the City Council in reliance on the Study. The City may conduct further study and analysis to determine whether the Fee should be revised. When additional information is available, the City Council may review the Fee to determine that the amounts are reasonably related to the impacts of development in the City. The City shall make the findings required by Government Code section 66001(d), as described in Paragraph 9.b. of this Agreement.

b. The City Council may adjust the Fee in future years to reflect revised facility standards, receipt of funding from alternative sources (i.e., state or federal grants), revised costs, or changes in demographics or the City's land uses, subject to the notice and hearing requirements of Government Code section 66018. In addition to such adjustments, the Fee for each type of development will automatically be adjusted by the change in the 20-city Construction Cost Index (CCI), as reported in the *Engineering News Record* for the 12-month period ending October of the prior year.

c. The City Manager or his/her designee will determine whether certain redevelopment projects may be eligible for a fee adjustment depending in whole or in part upon whether the project results in a change of land use on a particular parcel.

d. Except as otherwise provided herein, the CFF Program shall apply to all future development in the City, as well as any development in land annexed by the City in the future.

11. Effective Date.

The Fee provided in this resolution shall be effective and permanent on the sixtieth (60th) day following adoption of this resolution.

On an interim basis, the Fee provided in this resolution shall be effective immediately, to protect the public health, welfare and safety, in accordance with Government Code section 66017(b). The City may extend this interim authority for an additional 30 days, in compliance with section 66017(b).

12. Severability.

Each component of the Community Facilities Fee and all portions of this resolution are severable. Should any individual component of the Fee or other provision of this resolution be adjudged to be invalid and unenforceable, the remaining provisions shall be and continue to be fully effective, and the Fee shall be fully effective except as to that portion that has been judged to be invalid.

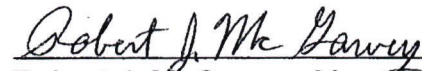
PASSED and ADOPTED by the City Council of the City of Rancho Cordova, this 6th day of February, 2006, by the following vote:

AYES: Cooley, Sander, McGarvey

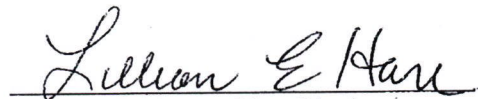
NOES: None

ABSENT: Skoglund

ABSTAIN: Budge


Robert J. McGarvey, Mayor

ATTEST:


Lillian E. Hare, City Clerk

LIST OF ATTACHMENTS

Attachment 1 – Supplemental Community Facilities Fee Program Nexus Study, dated October 21, 2005, prepared by Ralph Anderson & Associates

Attachment 2 – Schedule of Fees

Attachment 3 – Community Facilities Fee Program Nexus Study, dated April 12, 2004, prepared by Goodwin Consulting Group, Inc.

ATTACHMENT 1

**SUPPLEMENTAL COMMUNITY FACILITIES FEE PROGRAM
NEXUS STUDY**



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& Associates

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October 21, 2005

Project Staff:

John Goss, Project Director

**SUPPLEMENTAL COMMUNITY
FACILITIES FEE PROGRAM
NEXUS STUDY**

CITY OF RANCHO CORDOVA

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Introduction

Background

The City of Rancho Cordova incorporated on July 1, 2003, and among other challenges, faces the need to construct a number of City facilities over the next several years. The City is also expected to grow substantially over time, likely more than tripling its current population as its vacant land is developed. Not expecting the existing City and its taxpayers to pay for those portions of future City capital improvements, Rancho Cordova's City Council, in effect, adopted a policy that "growth should pay for itself."

To partially implement that policy, the City Council adopted Community Facilities Fees (CFF) consistent with state law (AB 1600) to help finance major future City facilities. These facilities include a city hall, police station and equipment, community center, city corporation yard, library facilities, city museum, and parking structure. These fees were adopted by the City Council on May 17, 2004.

While the City has adopted Community Facilities Fees to help insure that major public facilities will be available to accommodate increased population created by new development, there are other needed facilities also impacted by growth for which Community Service Fees need to be developed and adopted. These facilities are relatively minor compared to already approved Community Facilities Fees, but nonetheless are important to serve the growing City. So while the fees per dwelling unit discussed in this report are modest compared to those already adopted, they are crucial in providing needed funds for important city facilities and equipment not previously covered by earlier City Council action.

Specifically, the Community Facilities Fees proposed to be added to those already adopted, include the following components:

- Animal Service;
- The Telecommunication and Computer Systems, including the Geographic Information System (GIS); and
- The Records Management System.

Because the City is just beginning to project its facility and equipment needs, it is likely that this report will understate the extent of some of these needs, especially for the long term. However, as the determination of the City's needs become more mature during the next several years, these fees can be revisited, reevaluated and adjusted to reflect Rancho Cordova's ultimate capital needs.

Scope

The purpose and scope of this report and study is to supplement the City of Rancho Cordova's Community Facilities Fees Program by adding fees for facilities and equipment to accommodate the City's population growth. These supplemental fees are for animal service, telecommunication and computer systems and the records management system. These fees are prepared in accordance with AB 1600 (Government Code Section 66000) which requires that a city establish a reasonable relationship, or "nexus", between a development project or a class of development projects and the public improvement for which the fee is charged. The City is required to:

- Identify the purpose of the fee;
- Identify the use to which the fee will be put;
- Determine that there is a reasonable relationship between the fee's use and the type of development projects on which the fee is imposed (a "type" nexus);
- Determine that there is a reasonable relationship between the need for the public facility and the type of development projects on which the fee is imposed (a "burden" nexus); and
- Determine that there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of that facility attributable to that development.

The scope and purpose of this study is to develop the supplemental Community Facility Fees described above in accordance with the City Council's policy goals, and to demonstrate that all components of these Community Facility Fees comply with AB 1600. This study will constitute the "Nexus Report" for these fees.

Methodology

To meet the requirements of AB 1600 as just described, the methodology required to implement these supplemental Community Facility Fees is fairly straightforward. It follows the same steps used in the Community Facility Fee Nexus Report for the city hall, police station, community center, corporation yard, library, museum and parking structure report. These steps include:

1. Identifying existing development within the City and estimating future growth for both residential and non-residential development. City planning staff has provided this information as stated in the next section of this report.
2. Determining the facilities and their size that will be required to serve the City's existing development and its projected growth. This involves identifying existing city facilities and current service levels to determine future facilities needs; however, since the City recently incorporated, there are no existing facilities. Thus, all facilities will be new and a proportion of existing and future city impact will be determined to insure that the impact

fee will be based upon that part of the project costs which are attributable to new development.

3. Estimating the total facility costs required to serve the current and future city, and determine that portion of the cost for which future growth will be responsible. These costs cannot include operating expenses, but can include the cost of: (a) constructing the facility adjusted, as applicable, including finance charges; (b) purchase and installation of needed equipment; (c) the cost of administering the fee program; and (d) the cost of any study or report prepared to determine the fair allocation of the fee so that it applies only to those expenses attributable to new development. These facility costs, and resulting impact fees, are based upon the best-cost estimates at this time.
4. Subtracting those revenues that might be available from alternative funding sources such as federal, state, or local grants, the City's General Fund, City reserves, if any, to determine a net facilities cost that should be allocated to future development. However, as a new City, no alternative revenues are predicted or expected by the City.
5. Identifying the demand upon the infrastructure created by new development. The facilities costs allocated in this report are based on the number of persons served (residents plus employees) or residents served, then translated into a fee per residential dwelling unit or by building square footage for nonresidential uses.
6. Estimating the total number of persons or residents that will be generated by all current and new development by land use categories, and determining the amount of demand by such category, and then for the City as a whole;
7. Based on the above calculations, determine the portion of the facility and/or equipment that benefits current and new development, and then allocate the cost of the facility and/or equipment to current and future development within the City;
8. Based on these calculations, determine a cost per person or resident served;
9. The cost per person or resident served by the number of persons or residents will be determined by each land use category, then the fees based on residential dwelling units and building square footage for nonresidential land use will be calculated.

Future Growth Projections

The planning horizon used in this analysis is the year 2030. This is the target date used in the adopted tentative land use plan as the City prepares its first General Plan. Based upon the CIP/Traffic Impact Fee Land Use Modeling, City Planning staff estimates the current and estimated residential dwelling units in the City of Rancho Cordova now and in the year 2030 as stated in Table I.

Table I City of Rancho Cordova – Population Projections – 2005 & 2030	
Year	Population
2005	55,000
2030	174,900

While Community Facility Fees are normally determined by dwelling unit, at least for residential development, the currently approved fees for major city facilities, i.e., city hall, were first calculated based upon population projections as described in the previous section titled "Methodology". This was done in order to convert the fees to dwelling units for residential development and by square footage of the construction of commercial, office and industrial development. In order to be consistent with the City's initial study that same approach will also be used for the Telecommunications and Computer (including GIS) Systems, and the Records Management System Community Facilities Fees. For the Animal Service Community Facilities Fee, however, it will only be applied to residential uses since the animal facility and equipment serve primarily the residential land uses of the City. This relationship will be discussed further when presenting the Animal Service Community Facilities Fee.

Using the same population and employment data used in the initial Community Facilities Fee Nexus Study, it is estimated that Rancho Cordova has 55,000 people, and it will grow to approximately 175,000 residents by the year 2030. It is also estimated that there are 55,000 jobs in the City currently, which will increase to approximately 64,000 jobs in 2030. Additional employees by land use are projected to be 2,800 for commercial, 5,350 for office and 850 for industrial.

It should be noted, that all numbers and data, including current and future population and growth projections, have been determined by the City or by their consultants.

The following sections will discuss each additional component to be added to Rancho Cordova's Community Facility Fee Program. As required by the methodology to determine these fees, they will be based upon the future growth projections described above.

Summary of Proposed Community Facility Fees

Table II summarizes proposed Community Facility Fees for three additional fee components. These components include: (1) Animal Service; (2) Telecommunications and Computer Systems; and (3) Records Management Systems. The fees include construction of facilities, acquisition of equipment, financing of facilities, the same city administrative fee used in the currently adopted Community Facilities Fees, and the cost of the report to ensure that the fee only applies to those expenses attributable to new development.

Table II Proposed Fees for Additional Components to Rancho Cordova's Community Facility Fees					
CFF Component	Single Family Residential	Multi-Family Residential	Commercial	Office	Industrial
Animal Service	\$55.00	\$43.00	N/A	N/A	N/A
Telecommunications and Computer Systems	\$42.00	\$33.00	\$.007	\$.01	\$.003
Records Management Systems	\$3.00	\$2.50	\$.0005	\$.0008	\$.0002

The calculations and nexus determinations for each fee component of the Community Facility Fee Program are described in the following sections of this report.

Animal Service Component of the CFF

Existing Animal Service System. The City of Rancho Cordova currently contracts for animal patrol and shelter services with Sacramento County. During fiscal year 2005-06, the City will acquire one animal control vehicle and hire two animal control specialists (one of who will be shared with the City of Elk Grove) to provide animal patrol service to Rancho Cordova. Also during this fiscal year, the City will begin contracting with the Sacramento Chapter of the Society for the Prevention of Cruelty to Animals (SSPCA) for animal shelter services. Ultimately, the City will eventually construct its own animal shelter during the next 5 – 10 years, and will provide all needed animal services to the City.

Demand Upon Infrastructure Created by the Development of Undeveloped or Vacant Land. Residents benefit from animal services either directly, calling animal services to report a lost animal from their property, indirectly, by the City picking up a lost dog in a residential neighborhood that might be threat to those living in the neighborhood, and by service availability, benefiting the community by having an animal control officer and the shelter available for response if needed.

Additional residential units, which will be constructed on currently vacant land in the City, will increase the demand for animal service. This new residential development will create more calls for service, more areas requiring preventative patrol, and more chances that animals in residential neighborhoods will escape from their yards, pens or cages. Commercial, including hotels/motels, office and industrial uses will not be charged this fee for future growth since records from other communities show that there is very little activity directly caused by these uses.

The Purpose of the Fee. The purpose of the Animal Service Community Facility Fee is to fund facilities and equipment needed to accommodate growth and the increased population of Rancho Cordova caused by new residential development. These costs include eventual construction of an animal shelter, related equipment for the shelter, land acquisition, and financing charges, patrol equipment, a small charge for the duties necessary to administer the fee, and the cost of the report prepared to determine the fair allocation of the fee to new development.

Of course, the purpose of the shelter is to house lost and found animals, patrol officers and other staff necessary to oversee the shelter and administer programs of the City related to animal service. The purpose of the patrol equipment is to respond to calls for service and to engage in preventative patrol throughout the community.

The Use of the Fee. Fee revenue from this component of the CFF Program would be limited to capital costs, namely facility and equipment expense described above, directly related to the residential growth of the City. As already described, the fee would be used for construction of facilities, acquisition of land, purchase of equipment, financing animal shelter construction, the pur-

chase of patrol equipment, plus other minor expenses. Of course, the City would pay for that portion of the cost related to existing development's fair share of those costs.

Relationship Between the Need for the Fee and Type of Development Projects. As vacant land fills up in Rancho Cordova caused by new residential development, there will be an increasing need in the City for the development of an animal shelter and acquisition of patrol equipment. Activity from residential land uses are more likely to generate the need for these facilities and equipment than from business uses such as those found in commercial, office or industrial land use zones. People in the City's residential neighborhoods are more likely to loose a pet, while a business is more likely to find an occasional stray accessing their property, unrelated to their business use.

Relationship Between the Use of the Fee and the Type of Development Projects Paying the Fee. It is proposed that this fee be imposed only on residential development, since it is clear that this type of development will most likely generate the need for the service, and the corresponding facilities and equipment. This is because nearly all of the direct and indirect animal services comes from residential areas. Further, as new residential neighborhoods are constructed, there will be an increased demand for these services and facilities.

Relationship Between the Amount of the Fee and the Cost of that Portion of the Facility/Equipment Attributable to the Development Project. This part of the report will discuss the cost of the animal service facilities and equipment purchases and its relationship to the fee proposed to be charged new residential development as its fair share of these expenses.

As mentioned earlier, during this fiscal year, Rancho Cordova will begin the provision of animal patrol services and will contract with SSPCA for shelter and related services. Ultimately, the City expects to construct its own animal shelter. The costs related to constructing the shelter are summarized in Table A-1, and as discussed in the following paragraphs.

Table A-1 Estimated Cost of Constructing Rancho Cordova Animal Shelter		
Facility/Equipment Description	Cost	
Shelter Construction (10,000 sq. ft. x \$200 sq. ft.)	\$2,000,000	
Land Acquisition (2/3 acre x \$450,000/acre)	301,500	
Land Preparation/Landscaping (on- and off-site improvements)	250,000	
Total Construction/Land Expense		\$2,551,500
Shelter Equipment		
Computers	\$15,000	
Computer Software	25,000	
Traps & Portable Kennels/Cages	25,000	
Miscellaneous Furniture	10,000	
Total Shelter Equipment		\$75,000

Table A-1 Estimated Cost of Constructing Rancho Cordova Animal Shelter		
Facility/Equipment Description		Cost
Financing Cost		\$472,000
Miscellaneous Expense		\$120,000
TOTAL SHELTER COSTS		\$3,218,000

It is estimated that Rancho Cordova will need an animal shelter of 10,000 – 12,000 square feet. Mr. Rick Johnson, Executive Director, SSPCA, estimated in an interview on July 21, 2005, that as the City grows and matures it would need a shelter of 10,000 square feet. This does not include space for a clinic or veterinary services. Other cities similar in size to Rancho Cordova have or are planning to build their own animal shelters as large as 12,000 square feet. For the purposes of calculating this fee the more conservative estimate of 10,000 square feet is being utilized.

The cost per square foot for constructing the shelter is approximately \$200. This is based upon an interview with George Meirs, architect, who is consulting on shelter projects for both SSPCA and Sacramento County. Based on his considerable experience designing animal shelters in various regions throughout the State, he estimated that the current cost per square foot for constructing a shelter in Rancho Cordova would be \$200. Based upon these projections, it is estimated that the shelter for the City would cost \$2,000,000 (10,000 sq. ft. x \$200).

Mr. Johnson also estimated that the new shelter would need 14-15 computers. To be conservative in developing the fee, however, the purchase of 10 computers is contemplated. It is estimated that \$15,000 would be required for this equipment. Also, Mr. Johnson indicated that the City would need a software program for the computers in its shelter estimated to cost \$25,000. Adding funds for specialty shelter equipment (\$25,000) and furniture (\$10,000) would create a total of \$75,000 for shelter equipment and furniture.

It is expected that a portion of the shelter would be financed, and using the same assumptions as those used in the approval of the City's initial Community Facility Fees, it is estimated that this financing would cost \$472,000.

Finally, the City's initial Community Facilities Fees applied an administrative fee to reimburse the City for its tracking and administration of the fee. This component also includes this expense as well as a share of the cost of the report to make certain that the fee only applies to expenses attributable to new development.

In addition to the cost of the shelter, related equipment, land acquisition, and financing, there is also the cost of patrolling the community as part of the animal service. The City has budgeted in 2005-06 for a vehicle with appropriate specialty equipment in the amount of \$30,000. Since the City's population is expected to more than triple over the next 25 years, it is reasonable to expect that the City will purchase additional vehicles. These are not replacement vehicles that are ineligible for this fee, but are the initial vehicles required to establish and provide this service over the next several years. So, while the City's first vehicle will serve the existing City and its pro-

jected growth over the next few years, additional vehicles will need to be purchased because of the City's growth. It is expected that calls for service will increase in proportion to the City's population growth, requiring the purchase ultimately of three such patrol vehicles at a current day cost of \$90,000 (3 x \$30,000).

With the total cost of the shelter and related expenses totaling \$3,218,000, and the eventual cost of patrol vehicles of \$90,000, the total cost of facilities and equipment for Animal Service will be \$3,308,000.

Recommended Animal Service CFF Fee

The estimated population of Rancho Cordova as well as its future population to the year 2030 is outlined in Table I of this report. Using the number of people, or population, to estimate new development impacts in animal service facilities and equipment by land use type, the amount of the Community Facility Fee for Animal Service is outlined in Table A-2. It should be remembered that the fee applies only to residential development, not commercial, industrial and office land uses as discussed earlier. Further, these fees are based upon a projected existing city population of 55,000, with a future population of 174,900 (175,000 rounded). Also, the initial Community Facilities Fee Study used 2.88 persons per household for single family residential, and 2.25 per households for multi-family residential. These numbers are slightly higher than what the Planning Department currently projects as the number of persons per household as currently reflected in the existing city. Since it is expected that as the City grows, the average household size will increase, this study uses the slightly larger household size utilized in the first Community Facilities Fee Study. This comment also applies to the other two Community Facilities Fees contained in this study.

Table A-2			
Animal Service Fee Calculation			
Land Use Type	Persons per Household	Cost per Future Person	Impact Fee per Dwelling Unit
Residential			
Single Family Residential	2.88	\$18.90	\$55
Multi-Family Residential	2.25	\$18.90	\$43
Non-Residential			
Commercial			N/A
Office			N/A
Industrial			N/A

By dividing the total cost of animal service facilities and equipment (\$3,218,000) by the projected future City population (175,000), a cost of \$18.90 per person is calculated for animal service facilities and equipment. Multiplying the \$18.90 per person by the average number of persons per household for each residential land use category yields a Community Facilities Fee, or impact fee per dwelling unit, of \$55 (rounded) per single-family dwelling unit, and \$43 (rounded) per multi-family dwelling unit.

Telecommunication and Computer Systems Component of the CFF

Existing Telecommunication/Computer Systems (Including GIS). The City of Rancho Cordova currently contracts for telephone and computer systems that are used by staff and consultants in the City's temporary City Hall. With the move to a new City Hall, there will be the purchase of telecommunication and computer systems to serve city services in that new facility.

Regarding use of a Geographic Information System (GIS), the City currently contracts for these services from Sacramento County. Such expenses, since they are payment for services, are not eligible to be calculated as part of a Community Facilities Fee. However, in the future, if the City establishes its own GIS program, or the County charges a special assessment to participating cities in order to expand its current GIS system by requiring the purchase of additional equipment, these expenses should be examined to determine if a GIS component to the CFF should be established, or incorporated into the Telecommunications/Computer systems component.

Demand Upon Infrastructure Created by Development of Undeveloped or Vacant Land. Rancho Cordova is a newly incorporated City, operating out of a leased building, currently creating and establishing the facilities and systems, which will be necessary to support municipal services as the City grows and moves into the future. This growth will place a significant demand upon City services, including the purchase of various systems needed to support these services such as telecommunication, computer and geographic information systems.

The Purpose of the Fee. The purpose of the Telecommunication/Computer Systems Fee is to fund that equipment needed to support services that will accommodate growth and the increased population of Rancho Cordova. These costs include a telephone system, a computer network structure, and computers for employees that eventually will be hired for the City's new City Hall. The fee will also include a charge for the duties necessary to administer the fee, and a portion of the cost of the report prepared to determine the fair allocation of the fee to new development.

The Use of the Fee. Fee revenue from this component of the CFF Program would be limited to capital costs, specifically for the equipment and systems described in the previous paragraph. Of course, the City would pay for that portion of the cost of such equipment related to existing development's fair share of those costs.

Relationship Between the Need for the Fee and the Type of Development Projects. As vacant land fills up in Rancho Cordova caused by new residential, commercial, office and industrial development, there will be an increasing need for the services provided by the City. These development projects in each of these land use categories will also create an increasing need for the telecommunications and computer systems required to support the competent and efficient provision of City services.

Relationship Between the Use of the Fee and the Type of Development Projects Paying the Fee. The fee will be used for new growth's fair share of equipment needed to support necessary city services to the newly developing parts of Rancho Cordova. The fee will be used to purchase telecommunications and computer equipment needed to support efficient city services to not only for the existing City which will pay its fair share of this equipment but for the new development projects in the City's residential, commercial, office and industrial areas as well.

Relationship Between the Amount of the Fee and the Cost of that Portion of the Equipment Attributable to the Development Project. This part of the report will discuss the cost of telecommunication and computer equipment purchases and its relationship to the fee to be charged to new development as its fair share of these expenses.

As already mentioned, Rancho Cordova is currently leasing telecommunications and computer equipment to support its operations in a leased City Hall. As the City moves into its new offices new equipment will need to be purchased to support efficient and effective city services for not only the existing but for the future City of Rancho Cordova.

It should be noted that only estimated costs of known equipment and systems are included in the current calculation of the CFF for telecommunications and computers. Next year when this and other fees are required to be revisited, consideration should be given to revisiting the City's telecommunication and computer needs, with a view toward updating the City's equipment purchase budget. Then the CFF for telecommunications and computers should be revisited and recalculated.

Also at that same time, staff should determine if any charges for capital costs for the GIS system are forthcoming or are projected for sometime in the future. Those projected expenses, assuming they meet the requirements of AB 1600, could also be considered as part of a CFF recalculation.

The costs related to purchasing telecommunications and computer equipment is summarized in Table B-1, and is discussed in the following paragraphs.

Table B-1 Equipment Purchase Expense for Telecommunications and Computers for the City of Rancho Cordova	
Equipment Description	Cost
Telephone System	\$200,000
Computer Network Structure	\$250,000
Finance Software	\$1,600,000
Computers	\$350,000
Financing Cost	\$350,000
Miscellaneous Expense	\$50,000
TOTAL EXPENSE	\$2,800,000

These cost estimates were obtained in conferring with Jay Hadley, Access Computers, Rancho Cordova's computer consultant as well as William Thomas, Finance Director. The cost estimate

for the telephone system of \$150,000 was obtained by Access Computers in consultation with city staff, and represents equipment the City is in the process, or will be in the process, of purchasing. Another \$50,000 was set aside for the handsets and other equipment necessary to utilize the telephone system.

The Computer Network Structure cost of \$250,000 is an estimate obtained from Access Computers, and would include network hardware, servers, printers, firewalls, etc. The Finance Director estimates that the comprehensive financial system will cost \$1,600,000.

The cost for computers was determined in part from the Community Facilities Fee Program Nexus Study adopted by the City. Page 9 of that study references a Needs Assessment Study prepared for the City in which it was "estimated that the City would need 152 staff members and consultants (not police employees)."¹ Assuming that 80% of those employees will require a computer as one of their work tools, it is estimated that 122 employees will require a computer. In addition, computer expense for durable, mobile laptop computers, plus related software, for up to 25 building inspectors has also been included. Using information supplied by Access Computers, the City's Finance Director, and the Chief Building Official, it is projected that this computer expense will be \$350,000. It is also estimated that a portion of the equipment and software purchase will be financed. It is projected that this finance cost will be \$350,000.

Finally, since the City's initial CFF Program applied an administrative fee to reimburse the City for fees tracking and administration, a similar fee is added to this CFF component in the amount of \$46,875. A share of the cost of the report to make certain that the fee only applies to expenses attributable to new development is also included (\$3,500) for a total miscellaneous expense of \$50,357 (\$50,000 rounded).

The total cost of telecommunications and computer equipment expenses is estimated at \$2,800,000.

Recommended Telecommunication/Computer CFF Fee

The estimated current population of Rancho Cordova as well as its future population to the year 2030 is stated in Table I. A "persons served" number is used to estimate development impacts on the acquisition of needed telecommunications and computer equipment. For this CFF component, the "persons served" factor is defined as residential population plus the number of employees working in the City. As with the earlier CFF study, the impact of people employed within the City, compared to residents living in the City, is determined by assuming that most employees work 40 hours per week in Rancho Cordova. By making this assumption, it is projected that one employee will equal approximately .24 residents (40 hrs./week divided by 168 hrs./week = .24 residents). Also note, unlike the Animal Service component of the CFF, this fee would apply to all land use types, including residential, commercial, office and industrial.

¹ It is understood further that this statement did not include Animal Service whose computer needs are assessed separately from this analysis.

Table B-2 outlines the pertinent data in the calculation of the fee for this CFF component.

Table B-2 Telecommunications/Computer Fee Calculation			
Residential	Persons per Household	Cost per Person Served	Impact Fee per Dwelling Unit
Single Family Residential	2.88	\$14.72	\$42.00
Multi-Family Residential	2.25	\$14.72	\$33.00
Non-Residential	Sq. Ft. per Employee	Cost per Person Served	Impact Fee per Sq. Ft.
Commercial	500	\$3.53	\$.007
Office	300	\$3.53	\$.01
Industrial	1,200	\$3.53	\$.003

As demonstrated in Table I, it is calculated that in 2030 Rancho Cordova will have a residential population of 175,000. When another 15,352 persons served (employees spending part of their time in the City—63,967 x .24) are added to the population number, there is a total of 190,252 persons served. Compared to total equipment purchases for this component of \$2,800,000, the cost per person served amounts to \$14.72 per person. For residential development, the impact fee per single-family dwelling unit is \$42.00 (rounded from \$42.39), and \$33.00 (rounded from \$33.12) for each multi-family dwelling unit. For non-residential development, the impact fee is \$.007 per square foot for commercial development, \$.01 per square foot for office, and \$.003 for industrial.

Records Management System Component of the CFF

Existing Records Management System. The City Clerk of the City of Rancho Cordova maintains the records for the City. This not only includes agenda and minutes for meetings of the City Council along with ordinances and resolutions adopted by that body, but all other documents and records as well. As a new City, Rancho Cordova is still in the process of organizing its records system, and as well as taking over engineering and personnel records from Sacramento County, which previously provided service to this area. With a move to a new City Hall, the City Clerk is developing a modern records management system, which should adequately serve the City now and in the future.

Demand Upon Infrastructure Created by Development of Undeveloped or Vacant Land. As a newly incorporated City operating out of a leased building, creating new support system infrastructure, such a Records Management System, will be needed as the City grows and moves into the future. Growth will place a significant demand upon City services, requiring the purchase of equipment for a Records Management System, which will be needed to support the efficient and effective provision of municipal services.

The Purpose of the Fee. The purpose of the Records Management System is to fund that equipment needed to support services that will accommodate growth and the resulting increased population of Rancho Cordova. These costs include a mobile shelving system, a file tracker and a Council agenda software system. The fee will also include a small charge for the duties needed to administer the fee, and a portion of the cost of the report prepared to determine the fair allocation of the fee to new development.

The Use of the Fee. Fee revenue from this component of the CFF Program would be limited to capital expense, specifically the equipment and related support for the Records Management System. The City, of course, would pay for a portion of the equipment relating to existing development's fair share of these costs.

Relationship Between the Need for the Fee and the Type of Development Projects. As new development fills up vacant land in Rancho Cordova involving new residential, commercial, office and industrial development, there will be an increasing need for services provided by the City. Development projects in each of these land use categories will also create an increasing need for the services supported by the Records Management System in order for these services to be efficient and effective.

Relationship Between the Use of the Fee and the Type of Development Projects Paying the Fee. The fee will be used for new growth's fair share of equipment necessary to support needed city services to the newly developing parts of Rancho Cordova. The fee will help purchase equipment for the Records Management System needed to support efficient city services for not only the ex-

isting City which will pay its fair share of this equipment but for the new development projects in the City's residential, commercial, office and industrial areas as well.

Relationship Between the Amount of the Fee and the Cost of that Portion of the Equipment Attributable to the Development Projects. This part of the report will discuss the cost of the Records Management System equipment purchases and its relationship to the fee to be charged to new development as its fair share of these expenses.

As already mentioned, Rancho Cordova is just embarking upon developing a Records Management System. As the City leaves its currently leased City Hall to move to a new facility, the City is presented with the opportunity to establish a modern Records Management System, both for records that will be obtained from Sacramento County, and for new city records that will be created during the next several years.

The costs related to purchasing equipment and related support for the Records Management System are summarized in Table C-1 and were developed in consultation with the Rancho Cordova City Clerk.

Table C-1 Equipment Purchase Expense for the Records Management System	
Equipment Description	Cost
Mobile Shelving System	\$75,000
File Tracker System	25,000
Agenda Software System / Imaging System	100,000
Miscellaneous Expense	11,000
TOTAL EXPENSE	\$211,000

The mobile shelving system, file tracker system and agenda software system tied into an imaging system will enable the City Clerk to establish a modern Records Management System that will, among other things, be able to adequately maintain records for engineering, personnel, and City Council actions. This will help support the services Rancho Cordova will provide its citizens, both those currently living in the City and those that will move into the City.

Also, since the City's initial CFF Program applied an administrative fee to reimburse the City for fees tracking and administration, a similar fee is added to this CFF component in the amount of \$7,500. A share of the cost of the report to ensure that the fee only applies to expenses attributable to new development (\$3,500) is also included for a total miscellaneous expense of \$11,000.

The total cost for the Records Management System capital cost is estimated at \$211,000.

Recommended Records Management System CFF Fee

The estimated current population of Rancho Cordova as well as its future population to the year 2030 is stated in Table I. A "persons served" number is used to estimate development impacts on the acquisition of needed records management equipment. For this CFF component, the "persons served" factor is defined as residential population plus the number of employees working in the City. As with the earlier CFF study, the impact of people employed within the City, compared to residents living in the City, is determined by assuming that most employees work 40 hours per week in Rancho Cordova. By making this assumption, it is projected that one employee will equal approximately .24 residents (40 hrs./week divided by 168 hrs./week = .24 residents). Also note, unlike the Animal Service component of the DFF, this fee would apply to all land use types, including residential, commercial, office and industrial.

Table C-2 outlines the pertinent data in the calculation of the fee for this CFF component.

Table C-2 Records Management System Fee Calculation			
Residential	Persons per Household	Cost per Person Served	Impact Fee per Dwelling Unit
Single Family Residential	2.88	\$1.10	\$3.00
Multi-Family Residential	2.25	1.10	2.50
Non-Residential	Sq. Ft. per Employee	Cost per Person Served	Impact Fee per Sq. Ft.
Commercial	500	\$.26	\$.0005
Office	300	.26	.0008
Industrial	1,200	.26	.0002

As demonstrated in Table C-2 it is calculated that in 2030 Rancho Cordova will have a residential population of 175,000. When another 15,352 persons served (employees spending part of their time in the City – 63,967 x .24) are added to the population figure, there is a total of 190,252 persons served. Compared to total equipment purchases for this component of \$211,000, the cost per person served is \$1.10. For residential development, the impact fee per single-family dwelling unit is \$3.00 (rounded from \$3.16), and is \$2.50 for each multi-family dwelling unit (rounded from \$2.475). For non-residential development, the impact fee is \$.0005 per square foot for commercial development, \$.0008 for office and \$.0002 for industrial.

ATTACHMENT 2

SCHEDULE OF FEES

SCHEDULE OF FEES

	Animal Services	Telecommunications and Computer Systems	Records Management	Total CFF
<u>Residential</u> <u>Per Unit</u>				
Single Family	\$55	\$42	\$3	\$100
Multi-Family	\$43	\$33	\$2	\$78
<u>Non-Residential</u> <u>Per Building SF</u>				
Commercial	N/A	\$.007	\$.0005	\$0.012
Office	N/A	\$.01	\$.0008	\$0.0108
Industrial	N/A	\$.003	\$.0002	\$0.0032

ATTACHMENT 3

**COMMUNITY FACILITIES FEE PROGRAM NEXUS STUDY BY
GOODWIN CONSULTING GROUP, INC**

**CITY OF RANCHO CORDOVA
COMMUNITY FACILITIES FEE
PROGRAM NEXUS STUDY**

April 12, 2004

**GOODWIN CONSULTING GROUP, INC.
701 University Avenue, Suite 225
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(916) 561-0890**

**CITY OF RANCHO CORDOVA
COMMUNITY FACILITIES FEE PROGRAM NEXUS STUDY**

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**City of Rancho Cordova
Community Facilities Fee Program Nexus Study**

Executive Summary

PURPOSE OF CFF PROGRAM NEXUS STUDY

As new development continues within the City, municipal facilities will be required to serve future development. The City has identified these facilities to include a city hall, a police station and equipment, a community center, a city corporation yard, library facilities, a city museum, and a parking structure. These facilities will be funded through the City's Community Facilities Fee ("the CFF") Program, which contains a separate fee component for each. The CFF Program is described in detail in this Community Facilities Fee Program Nexus Study (the 'Nexus Study'). The fee program will apply to all future growth within the City limits.

The City of Rancho Cordova retained Goodwin Consulting Group, Inc. to establish the Rancho Cordova Community Facilities Fee Program. The CFF Program is established through the Nexus Study which ensures that a rational nexus exists between future development in the City and the use and need of the proposed facilities. The CFF Program is compliant with the laws set forth in AB 1600 and ensures that a rational nexus exists between future development in the City and (i) the use and need of the proposed facilities, and (ii) the amount of the development impact fee assigned to future land uses. This CFF Nexus Study demonstrates that a reasonable relationship exists between the development impact fee to be levied on each type of land use and the cost of the facilities attributable to that land use.

FEES INCLUDED IN CFF PROGRAM

The City of Rancho Cordova has determined that the CFF Program is needed to mitigate the impacts of future development on the following municipal facilities:

- City Hall
- Police Station and Vehicles
- Community Center
- Corporation Yard
- Library
- Museum
- Parking Structure

SUMMARY OF THE CFF FEE

The table below summarizes the fee components in the CFF Program as calculated in this report. Note that the library fee component of the CFF will not be levied on development in the Sunrise Douglas Specific Plan area since this area will fund a 20,000 square foot library facility.

	City Hall	Police	Community Center	Corp. Yard	Library (1)	Museum	Parking Structure	Admin (3.75%)	Total CFF
<u>Residential</u>									
<u>Per Unit</u>									
Single Family	\$522	\$686	\$631	\$188	\$490	\$214	\$219	\$111	\$3,061
Multi-Family	\$408	\$536	\$493	\$147	\$383	\$167	\$171	\$86	\$2,391
<u>Non-Residential</u>									
<u>Per Building SF</u>									
Commercial	\$0.09	\$0.11	\$0.11	\$0.03	N/A	N/A	\$0.04	\$0.01	\$0.39
Office	\$0.14	\$0.19	\$0.18	\$0.05	N/A	N/A	\$0.06	\$0.02	\$0.64
Industrial	\$0.04	\$0.05	\$0.04	\$0.01	N/A	N/A	\$0.02	\$0.01	\$0.17

(1) The Sunrise Douglas Community Plan Area will not be subject to the library fee since development in this area will fund separate library facilities.

FEE ADJUSTMENTS

The CFF may be adjusted in future years to reflect revised facility standards, receipt of funding from alternative sources (i.e., state or federal grants), revised costs, or changes in demographics or the City's land uses. In addition to such adjustments, the fees will be inflated automatically each year by a predetermined index. The City's building department will determine the specific characteristics of the development at the time development fees are to be levied in order to categorize the development into the proper land use category and to determine the CFF.

I. Introduction

The City of Rancho Cordova (the "City") is located in the eastern central portion of Sacramento County along Highway 50, neighboring the cities of Sacramento and Folsom. On July 1, 2003, Rancho Cordova incorporated and became the seventh city in Sacramento County.

At the time of incorporation, the City assumed full responsibility for a variety of municipal facilities and services, although the County of Sacramento continues to provide some facilities and services. Also upon incorporation, the City assumed responsibility for local planning, including long-range and current planning for land uses and development projects.

The City has deemed it necessary to construct certain municipal facilities that will serve the City's current as well as future populace. Funding for these facilities will come from several sources, including development impact fees, the City's general fund, various reserve funds and other unidentified funding sources. The Community Facilities Fee Program discussed in this report will apply to all future development occurring in the City as well as any development in future City annexations.

PURPOSE OF CFF STUDY

As development continues within the City, municipal facilities will be required to serve the new populace. The City has identified these facilities to include a city hall, a police station and equipment, a community center, a city corporation yard, library facilities, a city museum, and a City parking structure. These facilities will be funded through the City's Community Facilities Fee ("the CFF") Program, which contains a separate fee component for each facility. The CFF Program is described in detail in this Community Facilities Fee Program Nexus Study (the "Nexus Study"). The fee program will apply to all future growth within the City limits. The CFF complies with AB 1600 nexus requirements because the fees are set to mitigate the specific impacts that will result from new development in the City.

The City of Rancho Cordova retained Goodwin Consulting Group, Inc. to establish the Rancho Cordova Community Facilities Fee Program. The CFF Program is established through the Nexus Study which ensures that a rational nexus exists between future development in the City and the use and need of the proposed facilities. The CFF Program is compliant with the laws set forth in AB 1600 and ensures that a rational nexus exists between future development in the City and (i) the use and need of the proposed facilities, and (ii) the amount of the development impact fee assigned to

future land uses. This CFF Nexus Study demonstrates that a reasonable relationship exists between the development impact fee to be levied on each type of land use and the cost of the facilities attributable to that land use.

CFF PROGRAM NEXUS REQUIREMENTS (AB 1600)

Assembly Bill (AB) 1600, which was enacted by the State of California in 1987, created Section 66000 et. seq. of the Government Code. AB 1600, also referred to as the Mitigation Fee Act, requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval for a development project:

1. Identify the purpose of the fee.
2. Identify the use to which the fee will be put.
3. Determine how there is a reasonable relationship between:
 - A. The fee's use and the type of development project on which the fee is imposed.
 - B. The need for the public facility and the type of development project on which the fee is imposed.
 - C. The amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

The purpose of this CFF Nexus Study is to demonstrate that all components of the Community Facilities Fee comply with AB 1600. The assumptions, methodology, facility standards, costs, and cost allocation factors that were used to establish the nexus between the Community Facilities Fee and the development on which it will be levied are summarized in the subsequent sections of this report.

ORGANIZATION OF REPORT

The remainder of this report has been organized into the following sections:

- | | |
|---------------|--|
| Section II | Provides a detailed explanation of the methodology used to calculate the impact fee for each fee component in the CFF |
| Section III | Defines the demographics and land use categories to be used in the application of the fees |
| Sections IV-X | Provides the details of the costs and fee calculations for the city hall, police, community center, corporation yard, library, museum, and parking structure |
| Section XI | Provides a summary of the impact fee component rates calculated in this report |
| Section XII | Addresses future fee adjustments, fee implementation and administrative responsibilities required by the fee program. |

II. Fee Methodology

When impact fees are calculated, an analysis must be presented in enough detail to demonstrate that a logical, thorough consideration was applied in the process of determining how the fee relates to the impacts from new development. Various findings must be made to ensure that there is a need for, as well as, a reasonable relationship between the fee amount and the type of development on which that impact fee will be levied. The methodology used to establish this reasonable relationship is defined in the following section of this report.

FEE METHODOLOGY

The City must analyze existing facilities, geographic constraints, and current levels of service in order to identify future facility needs. This information is analyzed in conjunction with a projection of the amount and location of future development in order to determine the adequacy of existing facilities and the demand for new facilities that will be required. Because the City was recently incorporated, it has no existing facilities and is establishing various existing levels of service through a Needs Assessment Study it has recently commissioned.

The steps used to calculate a fee component of the CFF include the following:

- Step 1.* Identify existing development within the City and estimate future growth projections for residential and nonresidential development
- Step 2.* Determine the facilities and the size of the facilities that will be needed to serve projected growth and, if necessary, the existing development in the City
- Step 3.* Estimate the gross cost of facilities needed to serve the current and future City population and determine that portion of the cost for which future growth will be responsible
- Step 4.* Subtract revenues available from alternative funding sources such as federal, state, or other funding source, if any, to identify a net facilities cost that will be allocated to future development; at this time, no alternative funding sources of revenue are expected by the City

- Step 5.* Identify the demand variable that will be used to allocate facilities costs on a benefit rationale basis to each current and future land use; facilities costs in this Nexus Study were allocated on a basis of either persons served (residents plus employees) or residents served for each of the facilities
- Step 6.* Estimate the total amount of persons or residents served that will be generated by all current and future development land use categories by multiplying the land uses by their assigned demand variables and taking the sum
- Step 7.* Based on the sum of the demand variables (i.e., persons served or residents served) determine the portion of the facility that benefits current development and future development in the City; based on this benefit determination, allocate the total cost of the facility to current and future development within the City
- Step 8.* Divide the cost of each facility allocated to future development by the total of the demand variables projected from Step 7 to calculate a cost per person or resident served
- Step 9.* Multiply the cost per person or resident served by the amount of residents or employees estimated for each land use category to determine the impact fee for that land use category; this Nexus Study contains fees calculated based on residential units and building square footage for nonresidential land use categories

III. Population and Land Use Categories

POPULATION

The City of Rancho Cordova area is expected to experienced significant growth in the near future. As of January 1, 2004, the Department of Finance estimates the City's population to be approximately 57,000. Over the next twenty to twenty-five years, the City expects its population to increase to approximately 175,000 residents.

The City estimates it currently has approximately 55,000 jobs. Job growth over the next twenty to twenty-five years is projected to increase to approximately 64,000 jobs. Current and future population and employment figures as well as persons per household, nonresidential floor area ratios, and building square footage assumptions are presented in Table A-1 of Appendix A.

LAND USE CATEGORIES

The Mitigation Fee Act requires that a reasonable relationship exist between the need for public facilities and the type of development on which an impact fee is imposed. The need for public facilities is related to the level of service demanded, which varies in proportion to the number of residents or employees generated by a particular land use type. Therefore, land use categories have been defined in order to distinguish between relative impacts on facilities. All fee components of the CFF have been calculated per dwelling unit for residential land use categories and per square-foot of building space for non-residential land use categories.

The following land use categories are identified for purposes of the CFF:

- Single Family:** all single family residential development categories, including duplex units
- Multi-Family:** all multi-family residential development categories, including residential buildings with three or more units
- Commercial:** Retail and service businesses, including but is not limited to, shopping centers, general commercial, restaurants, car sales, supermarkets, and gas stations.

Office: Includes, but is not limited to, buildings in which professional, banking, insurance, real estate, administrative or in-office medical or dental activities are conducted

Industrial: Contains industrial-type businesses such as manufacturing, fabrication, and warehousing

City staff will make the final determination as to which land use category a particular development type will be assigned. Staff will determine the land use category that corresponds most directly to the development or alternatively, can determine that none of the land use categories in this Nexus Study adequately correspond to the development in question and may work in conjunction with the City Engineer or other staff members to determine the applicable fee amounts.

IV. City Hall Fee Component of the CFF

This section of the report identifies the facilities, costs, and the fee rates required to fund a new city hall. The city hall fee component of the CFF meets the AB 1600 nexus requirements, as discussed in the table below.

AB 1600 Nexus Test for the City Hall Fee Component of the CFF	
Identify Purpose of Fee	Funding for a new city hall building, furnishings, equipment, land acquisition, and financing costs
Identify Use of Fee	Fee revenue from future development will fund a fair share portion of the construction, land acquisition, and financing of the city hall facilities costs. The City will contribute funding for a portion of this facility to pay for the existing development's fair share of the costs.
Determine how there is a reasonable relationship between the need for the public facility, the use of the fee, the amount of the fee and the type of development project on which the fee is imposed.	New residential and commercial development will generate additional residents and employees in the City of Rancho Cordova that will increase the demand for additional City administrative staff. Additional City personnel will be housed at the new city hall building. A portion of the impact fees collected from the CFF, as well as contributions from other City sources, will be used to fund this facility.

ASSUMPTIONS

The City currently leases sufficient office space for its administrative functions to serve the City's current population. However, as the City experiences significant population growth, additional city staff will be necessary to serve the future population. In turn, the additional staff will require additional building space, furnishings and equipment, creating a need for a new city hall.

Table A-2 in Appendix A shows the assumptions used in the calculation of the city hall fee component of the CFF. The upper section of this table shows the estimated population and employment numbers that currently exist in the City as well as future population and employment numbers in the City within the next twenty to twenty-five years. City hall costs are allocated based on residents and employees since residential and nonresidential developments benefit from municipal services.

A "persons served" figure is used to estimate development impacts for city hall facilities. The persons served factor is defined as the residential population impacts plus employee impacts. The impact of employees as compared to residents is quantified by assuming the average employee is at his or her job approximately 40 hours per week. The calculation below shows that one employee can be assumed to equal approximately 0.24 residents.

$$\text{Employee: } 40 \text{ hrs/week} \div 168 \text{ hrs in a week} = 0.24 \text{ residents}$$

The impact of an employee can be assumed to equal that of approximately 0.24 residents. Multiplying 0.24 by the 63,967 employees estimated within the City in twenty to twenty-five years produces an equivalent of 15,352 residents. Therefore, the total persons served in the City in twenty to twenty-five years will be $174,900 + 15,352 = 190,252$.

FUTURE FACILITY REQUIREMENTS AND COSTS

The City hired the team of Chong / Partners Architecture & Daniel C. Smith and Associates to complete a Needs Assessment Study (the "Study") which examined facilities at various cities. The Study reviewed municipal facilities at cities with population levels of 100,000, 140,000, and 175,000. It was determined that the 175,000 population level was the most applicable to Rancho Cordova since development projections estimate that the City will have a population of approximately 175,000 in about twenty to twenty-five years. Various municipal facilities were reviewed in several cities from which the Needs Assessment Study proposed facilities size and cost estimates for Rancho Cordova.

In order to estimate future city hall space requirements, the consultants estimated the projected number of staff that would be employed by the City with a population of 175,000. The Study estimated that the City would need 152 staff members and consultants (not including police employees) based on suggested staffing ratios of 0.54 general government employees per 1,000 residents and 0.33 community development employees per 1,000 residents.

Based on these staffing levels and assuming a space requirement of 460 square feet of building space per employee, the City will require approximately 70,000 square feet of building space when the City's population reaches 175,000.

Based on industry averages for city hall construction costs and construction industry practices, the Needs Assessment Study estimated that the future cost of the city hall building will be, on average, \$389 per square foot. This amount includes the cost of the building, furniture, fixtures, equipment, site construction, surface parking, and other indirect costs. Applying this cost to the 70,000 square feet of building space required for the new city hall produces a total cost of \$27.2 million. Adding land costs of \$1.63 million brings the total cost for a new city hall to \$28.9 million.

The financing cost for the new city hall was calculated based on the Study's estimate that funding for this facility will be needed in 2008. As a result, fee revenues will be collected over the next several years and therefore, approximately 80% of the total cost will need to be debt financed. The financing cost calculation assumes an average interest rate of 6.0%, a 15-year bond term, and annual inflation of 3.5%. This translates into a financing cost present value of approximately \$5.7 million.

The total cost associated with the new city hall building, including financing, is approximately \$34.5 million. Dividing the total cost by the 190,252 persons served at buildout produces an average cost of \$181 per person served. Because existing and future residents and employees will benefit from the new city hall, the total cost must be allocated to each group. Table A-2 shows that approximately \$12.7 million is allocated to existing development in the City and \$21.8 million to future development. This cost allocation is based on the distribution of persons served as of January 2004 compared to persons served when the City's residential population reaches 175,000. The City must provide funding for the \$12.7 million allocated to the existing City development since this cost cannot be funded by future development.

CITY HALL FEE COMPONENT

The bottom section of Table A-2 shows the calculation of the city hall fee component of the CFF. Applying the \$181 per person served cost to the average number of persons per household for each residential land use category yields impact fee rates of \$522 per single family unit, and \$408 per multi-family unit.

For non-residential development, multiplying the person served cost of \$181 by 0.24 to account for the reduced impact from employees, produces a cost of \$43 per employee. Dividing \$43 per employee by the number of square feet per employee for each nonresidential land use category produces fee rates of \$0.09 per square foot of commercial space, \$0.14 per square foot of office space, and \$0.04 per square foot of industrial space.

V. Police Fee Component of the CFF

This section of the report identifies the facilities, costs, and CFF fee component required to fund a police station and police vehicles to serve the City at the 175,000 population level. The police fee component of the CFF calculated in this section meets the AB 1600 nexus requirement, as outlined in the table below.

AB 1600 Nexus Test for the Police Fee Component of the CFF	
Identify Purpose of Fee	Funding for a police station, land acquisition, financing costs and police vehicles
Identify Use of Fee	Fee revenue from new development will fund a fair share portion of the financing, land acquisition, and construction of a police station, and the purchase of police vehicles. The City will contribute funding for a portion of this facility to pay for the existing development's fair share of the cost.
Determine how there is a reasonable relationship between the need for the public facility, the use and amount of the fee, and the type of development project on which the fee is imposed.	New residential and commercial development will generate additional residents and employees in the City of Rancho Cordova. This will increase demand for additional police services and facilities. Additional personnel cannot be housed at the current facility, and therefore, a new police station will be needed. The additional personnel will also require vehicles to patrol the City. A portion of the CFF collected from new development and contributions from the City will be used to fund this facility and vehicles.

ASSUMPTIONS

Table A-3 in Appendix A shows the assumptions used in the calculation of the police fee component of the CFF. The upper section of this table shows the estimated population and employment as of January 1, 2004 and at the 175,000 population level. The allocation of police facility costs utilizes residents and employees as the allocation factor since both residential and non-residential properties

require police protection services and, therefore, both will benefit from the construction of these facilities. Similar to the city hall, a persons served factor is used to estimate future police impacts to the City. Assuming one employee equals approximately 0.24 residents, there will be 190,252 persons served at buildout.

FUTURE FACILITY REQUIREMENTS AND COSTS

Through a comparison of police departments at various cities, the Needs Assessment Study utilized a police staffing level of 1.3 sworn and 0.6 non-sworn staff per thousand residents to determine facilities needs and sizing. Multiplying this figure by the 175,000 residents, the Needs Assessment Study suggests that a total of 228 sworn and 105 non-sworn staff will be required for police staff.

The Study suggests an average police facility allows for 275 square feet per police staff member. Using this space planning figure in conjunction with the projected number of officers required at the 175,000 population level (228 sworn and 105 non-sworn) indicates the new police facility will need to be approximately 92,000 square feet in size.

The Study recommends a police facilities cost estimate of \$289 per square foot. This includes the cost of construction, site development, parking, indirect costs, as well as all furnishings, fixtures, and equipment ("FFE"). Multiplying \$289 per square foot by 92,000 square feet produces a total facility cost of \$26.6 million. Adding land costs of \$1.4 million brings the total cost of a new police station to approximately \$28.0 million.

Police station financing assumed that construction of the new station will not occur for several years, by which time fee revenue will have accumulated and be available to fund a portion of the total facility cost. As a result, the financing cost for the police station was calculated assuming that 75% of the station costs will be debt finance. Interest costs for debt financing assume a 15-year term with an average interest rate of 6.0%. The total present value of the financing cost for the police station is approximately \$5.1 million.

The total cost for the facility, debt financing, and land acquisition is \$33.1 million. The City will also require an additional \$7.7 million for police vehicles to serve future development in Rancho Cordova. This brings the total cost of police facilities and vehicles to \$40.8 million. Approximately \$12.2 million of the police facility, financing and land acquisition costs are allocated to existing development, which leaves future development responsible for the remaining \$20.9 million plus the \$7.7 million for police vehicles. Dividing the \$28.6 million total by the 120,052 persons served from future development provides a cost allocation of \$238 per person served.

POLICE FEE COMPONENT

The bottom section of Table A-3 shows the calculation of the police fee component of the CFF. Applying the \$238 cost per person served to the average number of persons per household for each residential land use category yields impact fees of \$686 per single family unit and \$536 per multi-family unit.

For non-residential development, multiplying the person served cost of \$238 by 0.24 to account for the reduced impact from employees, produces a cost of \$57 per employee. Dividing \$57 per employee by the number of square feet per employee for each nonresidential land use category produces fee rates of \$0.11 per square foot of commercial space, \$0.19 per square foot of office space, and \$0.05 per square foot of industrial space.

VI. Community Center Fee Component of the CFF

This section of the report identifies the facilities, costs, and the fee rates required to fund a new community center. The community center fee component meets the AB 1600 nexus requirements, as shown in the table below.

AB 1600 Nexus Test for the Community Center Fee Component of the CFF	
Identify Purpose of Fee	Funding for a new community center building, furnishings, equipment, financing, and the purchase of land
Identify Use of Fee	Fee revenue from future development will fund a fair share portion of the financing and construction of a community center building, equipment, and land acquisition costs. The City will contribute funding for a portion of this facility to pay for the existing development's fair share of the cost.
Determine how there is a reasonable relationship between the need for the public facility, the use and amount of the fee, and the type of development project on which the fee is imposed.	New residential and commercial development will generate additional residents and employees in the City. New residents and employees will increase the demand for community center facilities. Impact fees collected through the CFF from new development and contributions from the City will fund a new City community center.

ASSUMPTIONS

Table A-4 in Appendix A shows the assumptions used in the calculation of the community center fee component of the CFF. The upper section of this table shows the estimated population and employment as of January 1, 2004 and at the 175,000 population level. The allocation of community center costs utilizes residents and employees as the allocation factor since both residential and non-residential properties require community center facilities and, therefore, both will benefit from the construction of these facilities. A persons served figure is used to estimate

future community center impacts to the City. Assuming one employee equals approximately 0.24 residents, there will be 190,252 persons served.

FUTURE FACILITY REQUIREMENTS AND COSTS

The community center will provide common meeting spaces for citizens to engage in civic activities such as neighborhood meetings, lectures, community workshops, and social gatherings. The City's community center will not provide recreation-type activities; these activities will be provided through the parks department community centers.

The Needs Assessment Study estimates approximately 450 square feet for every thousand residents will be required for the community center. Applying this ratio would yield a 78,000-square foot facility. The services and facilities provided by the community center will benefit the residents and employees of the entire City, and therefore, both existing and future development will share in the funding of the facility.

Table A-4 in Appendix A shows the estimated cost of the community center to be approximately \$36.0 million. This includes land acquisition costs of more than \$3.5 million. Financing costs are estimated to be \$5.7 million after adjusting for inflation, based on funding 65% of the facility cost, an average 6.0% interest rate, a 15-year bond term and 3.5% annual inflation. The total cost for the community center, including the financing cost, is \$41.7 million.

Existing development's share of the new facility cost is approximately \$15.4 million; the remaining \$26.3 million is allocated to future development. Dividing \$26.3 million by the number of future residents and employees expected in the City produces a cost of \$219 per person served. Funding sources from the City will be necessary to pay for the \$15.4 million community center costs attributed to existing development.

COMMUNITY CENTER FEE COMPONENT

The bottom section of Table A-4 shows the calculation of the community center fee component of the CFF. Applying the \$219 per person served cost to the average number of persons per household for each residential land use category yields fee rates of \$631 per single family unit, and \$493 per multi-family unit.

For non-residential development, multiplying the person served cost of \$219 by 0.24 to account for the reduced impact from employees, produces a cost of \$53 per employee. Dividing \$53 per employee by the number of square feet per employee for each nonresidential land use category produces fee rates of \$0.11 per square foot of commercial space, \$0.18 per square foot of office space, and \$0.04 per square foot of industrial space.

VII. Corporation Yard Fee Component of the CFF

The City has determined that constructing its own corporation yard will be in its best interest as the City continues to grow. The corporation yard component of the CFF calculated in this section of the report meets the AB 1600 nexus requirements, as outlined in the table below.

AB 1600 Nexus Test for the Corporation Yard Fee Component of the CFF	
Identify Purpose of Fee	Funding for corporation yard building, furnishings, equipment, financing, and the purchase of land
Identify Use of Fee	Fee revenue from new development will fund a portion of the construction, land acquisition, and debt financing of the new corporation yard. The City will contribute funding for a portion of this facility to pay for the City existing development's fair share of the cost.
Determine how there is a reasonable relationship between the need for the public facility, the use and amount of the fee, and the type of development project on which the fee is imposed.	New residential and commercial development will generate additional residents and employees that will create demand for services provided by the City. This in turn, requires the procurement of a corporation yard for maintenance and storage of City vehicles and equipment. The services provided from this facility will benefit future and existing residents and employees in Rancho Cordova. Impact fees collected through the CFF from new development, as well as funding from the City for existing development's fair share will be used to fund this facility.

FUTURE FACILITY REQUIREMENTS AND COSTS

The City's corporation yard will be a stand-alone facility and will include maintenance facilities to support services provided by the City. Potential services to be provided by the City include street and road maintenance, tree and landscaping services, vehicle and building maintenance, and central supplies. The corporation yard will not provide sewer, water or public transportation services as these are provided by regional or district agencies. The City anticipates waste management services

will be contracted out, therefore, waste management services will not be provided by the corporation yard. The vehicle maintenance function would be linked to the City providing in-house police department operations. The Needs Assessment Study estimates approximately 300 square feet per thousand residents will be needed for the city corporation yard. Applying this ratio yields a 52,000 square foot facility on approximately 4 acres. The services and facilities housed in the corporation yard will benefit the residents and employees of the entire City, and therefore, both existing and future development will share in the funding of the facility.

Table A-5 in Appendix A shows the estimated cost for the corporation yard is approximately \$10.6 million. This includes land acquisition costs of more than \$1.8 million. Financing costs are estimated to be \$1.7 million after adjusting for inflation, based on funding 65% of the facility cost, an average 6.0% interest rate, a 15-year bond term and 3.5% annual inflation. The total cost for the corporation yard, including the financing cost, is \$12.3 million.

The City's fair share of the facility cost is approximately \$4.5 million; the remaining \$7.8 million is allocated to future development. Dividing \$7.8 million by the number of future residents and employees expected in the City produces a cost of \$65 per person served. The City will need to identify funding sources for the \$4.5 million corporation yard costs attributed to existing development in the City.

CORPORATION YARD FEE COMPONENT

The bottom section of Table A-5 shows the calculation of the corporation yard fee component of the CFF. Multiplying the \$65 cost per future person served by the average number of persons living in each type of residential unit produces a fee rate of \$188 per single family unit and \$147 per multi-family unit.

For non-residential development, multiplying the person served cost of \$65 by 0.24 to account for the reduced impact from employees, produces a cost of \$16 per employee. Dividing \$16 per employee by the number of square feet per employee for each land use category produces fee rates of \$0.03 per square foot of commercial space, \$0.05 per square foot of office space, and \$0.01 per square foot of industrial space.

VIII. Library Fee Component of the CFF

This section of the report identifies the facilities, costs, and fee component of the CFF for library facilities. The library facilities fee component meets the AB 1600 nexus requirements, as discussed in the table below.

AB 1600 Nexus Test for the Library Fee Component of the CFF	
Identify Purpose of Fee	Funding for a library building, furnishings, equipment, books, financing, and the purchase of land
Identify Use of Fee	Fee revenue from new development will fund a fair share portion of the financing and construction of the Rancho Cordova library. The City will contribute funding for a portion of this facility to pay for the existing development's fair share of the cost.
Determine how there is a reasonable relationship between the need for the public facility, the use and amount of the fee, and the type of development project on which the fee is imposed.	New residential development will generate additional residents in the City. These residents will increase the demand for additional library facilities. Impact fees collected through the CFF, as well as funding from the City for existing development's fair share will be used to fund this facility.

ASSUMPTIONS

Currently, there are no libraries within the City of Rancho Cordova. The Sunrise Douglas Community Plan (the SDCP") area, a new development within the City, includes plans to build a 20,000 square foot library to serve its residents. Additional library facilities outside of the Sunrise Douglas Community Plan area will be required to serve existing as well as future residents in the City.

FUTURE LIBRARY FACILITY REQUIREMENTS AND COSTS

The Needs Assessment Study estimates 110,400 square feet of library space will be needed to serve the City's future population. The facility has been identified a regional library that will serve a population much greater than the 175,000 level for which the other facilities in the Study have been sized. The regional facility will contain an estimated 500,000 book collection. Based on this number and the Study's library volumes ratio of 1,800 books per 1,000 residents, this regional facility and the SDCP library will serve a total population of approximately 275,000. This 275,000 population level was used to allocate the cost of the regional library to existing and future development.

The library facility cost estimate provided in the Needs Assessment Study is approximately \$359 per square foot of library space. This includes the cost of construction, site development, parking, indirect costs, land acquisition, as well as all furnishings, fixtures, and book costs. Table A-6 in Appendix A shows the estimated cost for the library is approximately \$39.6 million. This includes land acquisition costs of approximately \$2.7 million. The financing cost is estimated to be \$7.3 million after adjusting for inflation. The total cost for the library, including the financing cost, is \$46.9 million.

Existing development's share of the new facility cost is approximately \$9.7 million; the remaining \$37.2 million is allocated to future development. Dividing \$37.2 million by the number of future residents expected to be served by this facility produces a cost of \$170 per person served. Funding sources from the City will be identified to pay for the \$9.7 million library costs attributed to existing development.

LIBRARY FEE COMPONENT

Table A-6 shows the calculation of the library fee component of the CFF. Multiplying \$170 per future resident by the average number of persons per household for each residential land use category produces library fee rates of \$490 per single family unit and \$383 per multi-family unit. Non-residential land uses will not be levied a library fee since they typically generate an insignificant impact on library services.

It should be noted that because development in the Sunrise Douglas Community Plan area will fund a 20,000 square foot library, it will not be subject to the library fee component of the CFF; the area will be subject to all the other fees in the CFF. Also, because the Needs Assessment Study recommended a total of 110,400 square feet of library space to serve the City, and because the SDCP area will construct a 20,000 square foot library facility, the regional library facility need only contain approximately 90,400 square feet.

IX. Museum Fee Component of the CFF

This section of the report identifies the facilities, costs, and the fee rates required to fund a City museum. The museum fee component meets the AB 1600 nexus requirements, as shown in the table below.

AB 1600 Nexus Test for the Museum Fee Component of the CFF	
Identify Purpose of Fee	Funding for a museum building, furnishings, equipment, financing, and the purchase of land
Identify Use of Fee	Fee revenue from new development will fund a fair share portion of the financing and construction of a city museum and land acquisition costs. The City will contribute funding for a portion of this facility to pay for the existing development's fair share of the cost.
Determine how there is a reasonable relationship between the need for the public facility, the use and amount of the fee, and the type of development project on which the fee is imposed.	New residential development will generate additional residents in the City. These residents will increase the demand for cultural facilities such as a city museum. Impact fees collected through the CFF from new development and funding from the City for existing development's fair share will fund the new museum.

ASSUMPTIONS

Table A-7 in Appendix A shows the assumptions used in the calculation of the museum fee component of the CFF. The upper section of this table shows the estimated population as of January 1, 2004 and at the 175,000 population level. The allocation of museum costs utilizes residents as the allocation factor since residents primarily will benefit from cultural facilities; therefore, nonresidential development will not be levied a museum fee.

FUTURE FACILITY REQUIREMENTS AND COSTS

The Needs Assessment Study estimates that a 32,375-square foot museum will be needed to serve the city at the 175,000 population level. The recommended museum facility cost, based on data in the Needs Assessment Study, is approximately \$295 per square foot. This includes the cost of construction, land acquisition, site development, parking, indirect costs, as well as all furnishings, fixtures and equipment costs. Table A-7 in Appendix A shows the estimated cost of the museum is approximately \$10.9 million. This includes land acquisition costs of approximately \$1.4 million. Financing costs are estimated to be \$2.0 million after adjusting for inflation. The total cost of the museum, including the financing cost, is \$12.9 million.

Existing development's share of the new facility cost is approximately \$4.2 million; the remaining \$8.7 million is allocated to future development. Dividing \$8.7 million by the number of future residents expected in the City produces a cost of \$74 per future resident. The City will need to identify a revenue source to fund the remaining \$4.2 million allocated to existing development for its share of the museum cost.

MUSEUM FEE COMPONENT

Table A-7 shows the calculation of the museum fee component of the CFF. Multiplying \$74 per future resident by the average number of persons per household for each residential land use category produces CFF museum fee rates of \$214 per single family unit and \$167 per multi-family unit.

Non-residential land uses will not be levied a museum fee since they typically generate an insignificant impact for museum facilities.

VI. Parking Structure Fee Component of the CFF

This section of the report identifies the facilities, costs, and the fee rates required to fund a new City parking structure. The parking structure fee component meets the AB 1600 nexus requirements, as shown in the table below.

AB 1600 Nexus Test for the Parking Structure Fee Component of the CFF	
Identify Purpose of Fee	Funding for a parking structure, financing, and the purchase of land
Identify Use of Fee	Fee revenue will fund a fair share portion of the financing and construction of a parking structure and land acquisition costs. The City will contribute funding for a portion of this facility to pay for the City existing development's fair share of the cost.
Determine how there is a reasonable relationship between the need for the public facility, the use and amount of the fee, and the type of development project on which the fee is imposed.	New residential and commercial development will generate additional residents and employees that will create demand for municipal facilities in the City. This in turn will generate additional parking needs for employees and residents. The parking facility will benefit future and existing residents and employees in Rancho Cordova. Impact fees collected through the CFF from new development, as well as contributions from other City sources will be used to fund this facility.

FUTURE FACILITY REQUIREMENTS AND COSTS

The Needs Assessment Study estimates that 368 parking stalls will be needed to serve the City's population. Table A-8 in Appendix A shows the estimated cost for the parking structure is approximately \$12.1 million. This includes land acquisition costs of approximately \$0.9 million. Financing costs are estimated to be \$2.4 million after adjusting for inflation. The total cost of the parking structure, including the financing cost, is \$14.4 million.

Existing development's share of the new facility cost is approximately \$5.3 million; the remaining \$9.1 million is allocated to future development. Dividing \$9.1 million by the number of future residents and employees expected in the City produces a cost of \$76 per person served. The City will need to identify funding sources to pay for the \$5.3 million parking structure costs attributed to existing development.

PARKING STRUCTURE FEE COMPONENT

Table A-8 shows the calculation of the parking structure fee component of the CFF. Multiplying \$76 per future resident by the average number of persons per household for each residential land use category produces CFF component rates of \$219 per single family unit and \$171 per multi-family unit.

For non-residential development, multiplying the person served cost of \$77 by 0.24 to account for the reduced impact from employees produces a cost of \$18 per employee. Dividing \$18 per employee by the number of square feet per employee for each land use category produces fee rates of \$0.04 per square foot of commercial space, \$0.06 per square foot of office space, and \$0.02 per square foot of industrial space.

IX. Fee Component Summary

The table below summarizes the fee components of the CFF calculated in this report. A 3.75% City administration fee for the CFF is included to pay for the administrative duties associated with the CFF. Note that the library fee component of the CFF will not be levied on development in the Sunrise Douglas Specific Plan area since this area will fund a 20,000 square foot library facility.

	City Hall	Police	Community Center	Corp. Yard	Library (1)	Museum	Parking Structure	Admin (3.75%)	Total CFF
<i><u>Residential</u></i>									
	<i><u>Per Unit</u></i>								
Single Family	\$522	\$686	\$631	\$188	\$490	\$214	\$219	\$111	\$3,061
Multi-Family	\$408	\$536	\$493	\$147	\$383	\$167	\$171	\$86	\$2,391
<i><u>Non-Residential</u></i>									
	<i><u>Per Building SF</u></i>								
Commercial	\$0.09	\$0.11	\$0.11	\$0.03	N/A	N/A	\$0.04	\$0.01	\$0.39
Office	\$0.14	\$0.19	\$0.18	\$0.05	N/A	N/A	\$0.06	\$0.02	\$0.64
Industrial	\$0.04	\$0.05	\$0.04	\$0.01	N/A	N/A	\$0.02	\$0.01	\$0.17

(1) The Sunrise Douglas Community Plan Area will not be subject to the library fee since development in this area will fund separate library facilities.

X. Ongoing Administration of the CFF Program

FEE ADJUSTMENTS

The CFF will be adjusted in future years to reflect revised facility standards, receipt of funding from alternative sources (i.e., state or federal grants), revised costs, or changes in demographics or land use projections. In addition to such adjustments, in January of each calendar year, the CFF for each type of development will automatically be adjusted by the change in the 20-city CCI as reported in the Engineering News Record for the twelve-month period ending October of the prior year. For example, the adjustment for January 2005 will be determined by calculating the change from October 2003 to October 2004 in the 20-city CCI.

The fee categories summarized in the prior section may not be applicable to specialized development projects in the City. For example, development of a golf course or stadium would not fall under one of the fee categories in this Nexus Study. For specialized or unique development projects, the City staff, in conjunction with the City engineer, will review the impacts of the specialized development and decide on applicable fee rates for the various CFF components.

Certain redevelopment projects may also be eligible for a fee adjustment. If, for example, a project applicant demolishes an existing 10,000 square foot building and rebuilds a 20,000 square foot building of the same land use, the applicant may be eligible for a waiver of 50% of the CFF. If a redevelopment project results in a change of land use on a particular parcel, City staff will determine the appropriate CFF adjustment to reflect the different impact characteristics of the original and new land uses. City staff, in conjunction with the City Engineer, will review redevelopment requests for fee adjustments on a case-by-case basis.

FEE CREDITS AND REIMBURSEMENTS

Fee credits and reimbursements will be available as part of the CFF Program, although it is not anticipated that CFF facilities will be constructed by developers. Credits and reimbursements, if any, will be determined on a case-by-case basis through a development agreement.

ANNUAL ADMINISTRATIVE DUTIES

The Government Code requires the City to report every year and every fifth year certain financial information regarding the fees. The City must make available within 180 days after the last day of each fiscal year the following information for the prior fiscal year:

- (a) A brief description of the type of fee in the account or fund
- (b) The amount of the fee
- (c) The beginning and ending balance in the account or fund
- (d) The amount of the fee collected and the interest earned
- (e) An identification of each public improvement for which fees were expended and the amount of expenditures
- (f) An identification of an approximate date by which time construction on the improvement will commence if it is determined that sufficient funds exist to complete the project
- (g) A description of each interfund transfer or loan made from the account and when it will be repaid
- (h) Identification of any refunds made once it is determined that sufficient monies have been collected to fund all fee-related projects

The City must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

For the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, the City must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted:

- (1) Identify the purpose to which the fee is to be put
- (2) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
- (3) Identify all sources and amounts of funding anticipated to complete financing any incomplete improvements

- (4) Designate the approximate dates on which funding in item (3) above is expected to be deposited into the fee account

As with the annual disclosure, the five-year report must be made public within 180 days after the end of the City's fiscal year and must be reviewed at the next regularly scheduled public meeting. These findings must be made by the City otherwise the law requires that the City refund the money to the then current record owners of the development projects on a prorated basis.

INTERFUND TRANSFERS

It is recommended that the City adopt a policy that will allow for the transfer of CFF fee revenues between CFF component fee funds. This will provide greater funding flexibility and facilitate the timely phasing of improvements by allowing fees to be combined and used as necessary.

APPENDIX A

Community Facilities Fee Calculations

Table A-1
Rancho Cordova Land Uses

<u>Existing Development as of January 1, 2004</u>				
Residents			57,000	
Total Employees			55,000	
<u>Future Development in Rancho Cordova</u>				
<u>Residential</u>		<u>Units</u>	<u>Pop</u>	<u>PPH</u>
Single Family		35,000	100,800	2.88
Multifamily		7,600	17,100	2.25
Subtotal		42,600	117,900	--
<u>Nonresidential</u>	<u>Floor Area Ratio</u>	<u>Building SF</u>	<u>Employees</u>	<u>SF/Emp.</u>
Commercial	0.25	1,400,000	2,800	500
Office	0.30	1,600,000	5,333	300
Industrial	0.40	1,000,000	833	1,200
Total Employees			8,967	--
<u>Total Existing & Future Residents and Employees</u>				
Total Residents			174,900	
Total Employees			63,967	

Source: City of Rancho Cordova; Goodwin Consulting Group, Inc.

Table A-2
City Hall Fee

	Year:	2004	Future Total
1. <u>Assumptions</u>			
Estimated Rancho Cordova Population		57,000	174,900
Estimated Rancho Cordova Employment		55,000	63,967
Equivalent Employees (1)		0.24	0.24
Employee Persons Served		13,200	15,352
Total Persons Served		70,200	190,252
2. <u>Cost Assumptions</u>			
Cost of City Hall (including land acquisition)			\$28,865,000
Financing Costs (3)			\$5,661,000
Total Facilities Cost			\$34,526,000
Total Cost Allocated to Existing Rancho Cordova Development			\$12,740,000
Total Cost Allocated to Future Rancho Cordova Development			\$21,786,000
Cost Per Person Served (Resident & Employee Population) at Build Out			\$181
3. <u>Impact Fee Calculation</u>			
<u>Residential</u>	<u>Persons per Household</u>	<u>Cost per Person Served</u>	<u>Impact Fee per Unit</u>
Single Family	2.88	\$181	\$522
Multifamily	2.25	\$181	\$408
<u>Nonresidential</u>	<u>Sq Ft per Employee</u>	<u>Cost per Person Served</u>	<u>Impact Fee per SF</u>
Commercial	500	\$43	\$0.09
Office	300	\$43	\$0.14
Industrial	1,200	\$43	\$0.04

(1) 1.0 employee equals 0.24 residents.

(2) Figure is based on the City of Rancho Cordova Needs Assessment Report.

(3) A financing cost was estimated assuming an average interest rate of 6.0%, a 15 year bond term, and an annual inflation factor of 3.5%;
80% of the total facility cost was assumed to be debt financed.

Source: Chong/Partners Architecture; Daniel C. Smith and Associates; Goodwin Consulting Group, Inc.

Table A-3
Police Fee

1. Assumptions		Year:	2004	Future
Estimated Rancho Cordova Population			57,000	Total 174,900
Estimated Rancho Cordova Employment			55,000	63,967
Equivalent Employees (1)			0.24	0.24
Employee Persons Served			13,200	15,352
Total Persons Served			70,200	190,252
2. Police Facility & Equipment Cost Calculation				
Size of Building (square feet) (2)				92,000 sf
Estimated Cost of Police Station (Including land acquisition)				\$27,971,000
Financing Costs (3)				\$5,143,000
Total Facilities Cost				\$33,114,000
Estimated Cost of Police Vehicles				
Estimated Sworn Officers Required (2)				333
		Vehicles per	Estimated Cost	
		Sworn Officer	per Vehicle	
Marked & Unmarked Patrol Cars		0.62	\$50,000	
Motorcycles		0.10	\$18,000	
Support Vehicles		0.06	\$25,000	
Total Police Station Cost Allocated to Existing Rancho Cordova				\$12,219,000
Total Police Station Cost Allocated to Future Development				\$20,895,000
Total Estimated Cost of Police Vehicles Allocated to Future Development				<u>\$7,700,000</u>
Total Cost Allocated to Future Development in Rancho Cordova				\$28,595,000
Cost Per Future Person Served (Resident & Employee Population) at Build Out				\$238
3. Police Impact Fee Component				
Residential	Persons per Household	Cost per Future Person	Impact Fee per Unit	
Single Family	2.88	\$238	\$686	
Multifamily	2.25	\$238	\$536	
Nonresidential	Sq Ft per Employee	Cost per Person Served	Impact Fee per SF	
Commercial	500	\$57	\$0.11	
Office	300	\$57	\$0.19	
Industrial	1,200	\$57	\$0.05	

(1) 1.0 employee equals 0.24 residents.

(2) Figure is based on the City of Rancho Cordova Needs Assessment report.

(3) A financing cost was estimated assuming an average interest rate of 6.0%, a 15 year bond term, and an annual inflation factor of 3.5%; 75% of the total facility cost was assumed to be debt financed.

Source: Chong/Partners Architecture; Daniel C. Smith and Associates; Goodwin Consulting Group, Inc.

Table A-4
Community Center Fee

1. <u>Assumptions</u>		Year:	2004	Future Total
Estimated Rancho Cordova Population			57,000	174,900
Estimated Rancho Cordova Employment			55,000	63,967
Equivalent Employees (1)			0.24	0.24
Employee Persons Served			13,200	15,352
Total Persons Served			70,200	190,252
2. <u>Community Center Facility Cost Calculation</u>				
Size of Building (square feet) (2)				78,000 sf
Estimated Cost of Community Center (including land acquisition)				\$35,985,000
Financing Costs (2)				\$5,734,000
Total Facilities Cost				\$41,719,000
Total Community Center Cost Allocated to Existing Rancho Cordova				\$15,394,000
Total Cost Allocated to Future Development in Rancho Cordova				\$26,325,000
Cost Per Future Person Served (Resident & Employee Population) at Build Out				\$219
3. <u>Community Center Impact Fee Component</u>				
<u>Residential</u>	Persons per Household	Cost per Future Person	Impact Fee per Unit	
Single Family	2.88	\$219	\$631	
Multifamily	2.25	\$219	\$493	
<u>Nonresidential</u>	Sq Ft per Employee	Cost per Person Served	Impact Fee per SF	
Commercial	500	\$53	\$0.11	
Office	300	\$53	\$0.18	
Industrial	1,200	\$53	\$0.04	

(1) 1.0 employee equals 0.24 residents.

(2) Figure is based on the City of Rancho Cordova Needs Assessment report.

(3) A financing cost was estimated assuming an average interest rate of 6.0%, a 15 year bond term, and an annual inflation factor of 3.5%; 65% of the total facility cost was assumed to be debt financed.

Source: Chong/Partners Architecture; Daniel C. Smith and Associates; Goodwin Consulting Group, Inc.

Table A-5
Corporation Yard Fee

1. <u>Assumptions</u>		Year:	2004	Future Total
Estimated Rancho Cordova Population			57,000	174,900
Estimated Rancho Cordova Employment			55,000	63,967
Equivalent Employees (1)			0.24	0.24
Employee Persons Served			13,200	15,352
Total Persons Served			70,200	190,252
2. <u>Cost Assumptions</u>				
Size of Building (square feet) (2)				52,000 sf
Cost of Corporation Yard (including land acquisition)				\$10,629,000
Financing Costs (3)				\$1,694,000
Total Facilities Cost				\$12,323,000
Total Cost Allocated to Existing Rancho Cordova Development				\$4,547,000
Total Cost Allocated to Future Rancho Cordova Development				\$7,776,000
Cost Per Person Served (Resident & Employee Population) at Build Out				\$65
3. <u>Impact Fee Calculation</u>				
<u>Residential</u>	Persons per Household	Cost per Person Served	Impact Fee per Unit	
Single Family	2.88	\$65	\$188	
Multifamily	2.25	\$65	\$147	
<u>Nonresidential</u>	Sq Ft per Employee	Cost per Person Served	Impact Fee per SF	
Commercial	500	\$16	\$0.03	
Office	300	\$16	\$0.05	
Industrial	1,200	\$16	\$0.01	

(1) 1.0 employee equals 0.24 residents.

(2) Figure is based on the City of Rancho Cordova Needs Assessment report.

(3) A financing cost was estimated assuming an average interest rate of 6.0%, a 15 year bond term, and an annual inflation factor of 3.5%;
65% of the total facility cost was assumed to be debt financed.

Source: Chong/Partners Architecture; Daniel C. Smith and Associates; Goodwin Consulting Group, Inc.

Table A-6
Library Fee

1. <u>Assumptions</u>		Year:	2004	Future Total
Estimated Rancho Cordova Population			57,000	275,000 (1)
Estimated Rancho Cordova Employment			55,000	63,967
Equivalent Employees (2)			0.00	0.00
Employee Persons Served			0	0
Total Persons Served			57,000	275,000
2. <u>Library Facility Cost Calculation</u>				
Size of Building (square feet) (3)				110,400 sf
Estimated Cost of Library (including land acquisition)				\$39,585,050
Financing Costs (4)				\$7,278,000
Total Facilities Cost				\$46,863,050
Total Library Cost Allocated to Existing Rancho Cordova				\$9,713,000
Total Cost Allocated to Future Development in Rancho Cordova				\$37,150,050
Cost Per Future Resident at Build Out				\$170
3. <u>Library Impact Fee Component (5)</u>				
<u>Residential</u>	Persons per Household	Cost per Future Person	Impact Fee per Unit	
Single Family	2.88	\$170	\$490	
Multifamily	2.25	\$170	\$383	
<u>Nonresidential</u>	Sq Ft per Employee	Cost per Person Served	Impact Fee per SF	
Commercial	500	na	na	
Office	300	na	na	
Industrial	1,200	na	na	

- (1) The future population served by the regional library was determined based on the size of the library.
- (2) It is assumed that residents are the primary beneficiaries of library facilities.
- (3) Figure is based on the City of Rancho Cordova Needs Assessment report.
- (4) A financing cost was estimated assuming an average interest rate of 6.0%, a 15 year bond term, and an annual inflation factor of 3.5%; 75% of the total facility cost was assumed to be debt financed.
- (5) Development in the Sunrise Douglas Community Plan area will not be levied the Library fee component of the CFF since they will fund a separate library for the SDCP area.

Source: Chong/Partners Architecture; Daniel C. Smith and Associates; Goodwin Consulting Group, Inc.

Table A-7
Museum Fee

		Year:	2004	Future Total
1. Assumptions				
Estimated Rancho Cordova Population			57,000	174,900
Estimated Rancho Cordova Employment			55,000	63,967
Equivalent Employees (1)			0.00	0.00
Employee Persons Served			0	0
Total Persons Served			57,000	174,900
2. Cost Assumptions				
Size of Building (square feet) (2)				32,375 sf
Cost of Museum (including land acquisition)				\$10,929,000
Financing Costs (3)				\$2,009,000
Total Facilities Cost				\$12,938,000
Total Cost Allocated to Existing Rancho Cordova Development				\$4,217,000
Total Cost Allocated to Future Rancho Cordova Development				\$8,721,000
Cost Per Future Resident at Build Out				\$74
3. Impact Fee Calculation				
<u>Residential</u>	<u>Persons per Household</u>	<u>Cost per Person Served</u>	<u>Impact Fee per Unit</u>	
Single Family	2.88	\$74	\$214	
Multifamily	2.25	\$74	\$167	
<u>Nonresidential</u>	<u>Sq Ft per Employee</u>	<u>Cost per Person Served</u>	<u>Impact Fee per SF</u>	
Commercial	500	na	na	
Office	300	na	na	
Industrial	1,200	na	na	

(1) 1.0 employee equals 0.24 residents.

(2) Figure is based on the City of Rancho Cordova Needs Assessment report.

(3) A financing cost was estimated assuming an average interest rate of 6.0%, a 15 year bond term, and an annual inflation factor of 3.5%;
75% of the total facility cost was assumed to be debt financed.

Source: Chong/Partners Architecture; Daniel C. Smith and Associates; Goodwin Consulting Group, Inc.

Table A-8
Parking Structure Fee

		Year:	2004	Future Total
1. <u>Assumptions</u>				
Estimated Rancho Cordova Population			57,000	174,900
Estimated Rancho Cordova Employment			55,000	63,967
Equivalent Employees (1)			0.24	0.24
Employee Persons Served			13,200	15,352
Total Persons Served			70,200	190,252
2. <u>Cost Assumptions</u>				
Total Site Square Footage (2)				89,725 sf
Cost of Parking Structure (including land acquisition)				\$12,052,000
Financing Costs (3)				\$2,364,000
Total Facilities Cost				\$14,416,000
Total Cost Allocated to Existing Rancho Cordova Development				\$5,319,000
Total Cost Allocated to Future Rancho Cordova Development				\$9,097,000
Cost Per Person Served (Resident & Employee Population) at Build Out				\$76
3. <u>Impact Fee Calculation</u>				
<u>Residential</u>	Persons per Household	Cost per Person Served	Impact Fee per Unit	
Single Family	2.88	\$76	\$219	
Multifamily	2.25	\$76	\$171	
<u>Nonresidential</u>	Sq Ft per Employee	Cost per Person Served	Impact Fee per SF	
Commercial	500	\$18	\$0.04	
Office	300	\$18	\$0.06	
Industrial	1,200	\$18	\$0.02	

(1) 1.0 employee equals 0.24 residents.

(2) Figure is based on the City of Rancho Cordova Needs Assessment report.

(3) A financing cost was estimated assuming an average interest rate of 6.0%, a 15 year bond term, and an annual inflation factor of 3.5%;
80% of the total facility cost was assumed to be debt financed.

Source: Chong/Partners Architecture; Daniel C. Smith and Associates; Goodwin Consulting Group, Inc.

APPENDIX B

Community Facilities and Costs

Table B-1
City Hall Facility Costs

	<u>Units</u>	<u>Cost per SF</u>	<u>Total Cost</u>
Direct Costs			
Site Development	163,000 sf	\$2.00	\$326,000
Facility Construction	70,000 sf	\$250.00	\$17,500,000
Parking	66,450 sf	\$10.00	\$664,500
Design Contingency @ 10%	-	-	\$1,849,050
Subtotal		\$262.00	\$20,339,550
Indirect Costs			
Arch/Engineering Fees	-	7.5%	\$1,525,466
Other Consultant Fees	-	2.0%	\$406,791
Project Administration	-	5.0%	\$1,016,978
Testing & Inspection	-	2.0%	\$406,791
Permits & Plan Review	-	2.0%	\$406,791
Soils Testing	-	0.4%	\$81,358
Data Communication	-	5.0%	\$1,016,978
Furniture, Fixtures & Equipment	-	10.0%	\$2,033,955
Subtotal			\$6,895,107
Total Building Cost			\$27,234,663
Land Cost	163,000 sf	\$10.00	\$1,630,000
Total Cost			<u>\$28,865,000</u>

Source: Chong/Partners Architecture; Daniel C. Smith and Associates

Table B-2
Police Facility Costs

	<u>Units</u>	<u>Cost per SF</u>	<u>Total Cost</u>
Direct Costs			
Site Development	141,500 sf	\$2.00	\$283,000
Facility Construction	92,000 sf	\$185.00	\$17,020,000
Parking	72,650 sf	\$10.00	\$726,500
Design Contingency @ 10%	-	-	\$1,802,950
Subtotal		\$197.00	\$19,832,450
Indirect Costs			
Arch/Engineering Fees	-	7.5%	\$1,487,434
Other Consultant Fees	-	2.0%	\$396,649
Project Administration	-	5.0%	\$991,623
Testing & Inspection	-	2.0%	\$396,649
Permits & Plan Review	-	2.0%	\$396,649
Soils Testing	-	0.4%	\$79,330
Data Communication	-	5.0%	\$991,623
Furniture, Fixtures & Equipment	-	10.0%	\$1,983,245
Subtotal			\$6,723,201
Total Building Cost			\$26,555,657
Land Cost	141,500 sf	\$10.00	\$1,415,000
Total Cost			<u>\$27,971,000</u>

Source: Chong/Partners Architecture; Daniel C. Smith and Associates

Table B-3
Community Center Facility Costs

	<u>Units</u>	<u>Cost per SF</u>	<u>Total Cost</u>
Direct Costs			
Site Development	352,000 sf	\$2.00	\$704,000
Facility Construction	78,000 sf	\$250.00	\$19,500,000
Parking	183,750 sf	\$10.00	\$1,837,500
Design Contingency @ 10%	-	-	\$2,204,150
Subtotal		\$262.00	\$24,245,650
Indirect Costs			
Arch/Engineering Fees	-	7.5%	\$1,818,424
Other Consultant Fees	-	2.0%	\$484,913
Project Administration	-	5.0%	\$1,212,283
Testing & Inspection	-	2.0%	\$484,913
Permits & Plan Review	-	2.0%	\$484,913
Soils Testing	-	0.4%	\$96,983
Data Communication	-	5.0%	\$1,212,283
Furniture, Fixtures & Equipment	-	10.0%	\$2,424,565
Subtotal			\$8,219,275
Total Building Cost			\$32,464,931
Land Cost	352,000 sf	\$10.00	\$3,520,000
Total Cost			<u>\$35,985,000</u>

Source: Chong/Partners Architecture; Daniel C. Smith and Associates

Table B-4
Corporation Yard Facility Costs

	<u>Units</u>	<u>Cost per SF</u>	<u>Total Cost</u>
Direct Costs			
Site Development	183,000 sf	\$2.00	\$366,000
Facility Construction	52,000 sf	\$100.00	\$5,200,000
Parking	105,000 sf	\$10.00	\$1,050,000
Design Contingency @ 10%	-	-	\$661,600
Subtotal		\$112.00	\$7,277,600
Indirect Costs			
Arch/Engineering Fees	-	7.5%	\$545,820
Project Administration	-	5.0%	\$363,880
Testing & Inspection	-	2.0%	\$145,552
Permits & Plan Review	-	2.0%	\$145,552
Soils Testing	-	0.4%	\$29,110
Data Communication	-	2.0%	\$145,552
Furniture, Fixtures & Equipment	-	2.0%	\$145,552
Subtotal			\$1,521,018
Total Building Cost			\$8,798,624
Land Cost	183,000 sf	\$10.00	\$1,830,000
Total Cost			<u>\$10,629,000</u>

Source: Chong/Partners Architecture; Daniel C. Smith and Associates

Table B-5
Library Facility Costs

	<u>Units</u>	<u>Cost per SF</u>	<u>Total Cost</u>
Direct Costs			
Site Development	267,720 sf	\$2.00	\$535,440
Facility Construction	110,400 sf	\$180.00	\$19,872,000
Parking	115,920 sf	\$10.00	\$1,159,200
Design Contingency @ 10%	-	-	\$2,156,664
Subtotal		\$192.00	\$23,723,304
Indirect Costs			
Arch/Engineering Fees	-	8.0%	\$1,897,864
Other Consultant Fees	-	2.0%	\$474,466
Project Administration	-	5.0%	\$1,186,165
Testing & Inspection	-	2.0%	\$474,466
Permits & Plan Review	-	2.0%	\$474,466
Soils Testing	-	0.5%	\$118,617
Data Communication	-	5.0%	\$1,186,165
Furniture, Fixtures & Equipment	-	10.0%	\$2,372,330
Subtotal			\$8,184,540
Total Building Cost			\$31,907,850
Books	500,000	\$10.00	\$5,000,000
Land Cost	267,720 sf	\$10.00	\$2,677,200
Total Cost			<u>\$39,585,050</u>

Source: Chong/Partners Architecture; Daniel C. Smith and Associates; Goodwin Consulting Group, Inc.

Table B-6
Museum Facility Costs

	<u>Units</u>	<u>Cost per SF</u>	<u>Total Cost</u>
Direct Costs			
Site Development	139,213 sf	\$2.00	\$278,425
Facility Construction	32,375 sf	\$180.00	\$5,827,500
Parking	33,994 sf	\$10.00	\$339,938
Design Contingency @ 10%	-	-	\$644,586
Subtotal		\$192.00	\$7,090,449
Indirect Costs			
Arch/Engineering Fees	-	8.0%	\$567,236
Other Consultant Fees	-	2.0%	\$141,809
Project Administration	-	5.0%	\$354,522
Testing & Inspection	-	2.0%	\$141,809
Permits & Plan Review	-	2.0%	\$141,809
Soils Testing	-	0.5%	\$35,452
Data Communications	-	5.0%	\$354,522
Furniture, Fixtures & Equipment	-	10.0%	\$709,045
Subtotal			\$2,446,205
Total Building Cost			\$9,536,660
Land Cost	139,213 sf	\$10.00	\$1,392,125
Total Cost			<u>\$10,929,000</u>

Source: Chong/Partners Architecture; Daniel C. Smith and Associates

Table B-7
Parking Structure Facility Costs

	<u>Units</u>	<u>Cost per SF</u>	<u>Total Cost</u>
Direct Costs			
Site Development	89,725 sf	\$2.00	\$179,450
Parking Structure per stall	368 sf	\$20,000.00	\$7,360,000
Design Contingency @ 10%	-	-	\$753,945
Subtotal		\$20,002.00	\$8,293,395
Indirect Costs			
Arch/Engineering Fees	-	8.0%	\$663,472
Other Consultant Fees	-	2.0%	\$165,868
Project Administration	-	5.0%	\$414,670
Testing & Inspection	-	2.0%	\$165,868
Permits & Plan Review	-	2.0%	\$165,868
Soils Testing	-	0.5%	\$41,467
Data Communication	-	5.0%	\$414,670
Furniture, Fixtures & Equipment	-	10.0%	\$829,340
Subtotal			\$2,861,221
Total Building Cost			\$11,154,622
Land Cost	89,725 sf	\$10.00	\$897,250
Total Cost			<u>\$12,052,000</u>

Source: Chong/Partners Architecture; Daniel C. Smith and Associates

MEMORANDUM

DATE: March 6, 2006
TO: Mayor and Council Members
FROM: Cyrus Abhar, Public Works Director
SUBJECT: 1) Contract Year 1 Update to Council on the Residential Solid Waste Collection and Recycling Services Contract with Allied Waste Services, Inc.
2) Summary Update on Status of AB 939 Planning Process and Commercial Solid Waste Issues



RECOMMENDATION

Receive the staff report and presentation regarding the status of various residential and commercial solid waste programs and issues. Direct staff regarding issues pertaining to improvements to waste services.

BACKGROUND AND SUMMARY

As a new City, Rancho Cordova has assumed responsibility for management and oversight of residential and commercial solid waste collection and recycling programs. The primary objective of this staff report and presentation is to provide an update to Council on the activities of the Public Works Department ("Department") with respect to the development, management and administration of local solid waste programs and issues.

The following list includes solid waste programs and issues for which the Department is currently managing:

- **Contractual Issues:** including development and administration of several contracts and service agreements, including the residential Collection Services Contract with Allied Waste Services, Inc. ("Allied"), the "non-exclusive commercial franchise agreements" and ordinance with private haulers, and the MOU with Sacramento County for use of the Permanent Household Hazardous Waste Collection Facility.
- **Regulatory Compliance:** including compliance with the planning, reporting and diversion requirements of AB 939, the new Universal Waste regulations, the "refuse rules" promulgated by the California Air Resources Board, etc.

- Financial Issues: including collection and auditing of residential and commercial franchise fees, regulation of residential rates, and administration of liquidated damages and late fees, etc.
- Inter-Agency Coordination: including discussions with the City and County of Sacramento, and the California Integrated Waste Management Board ("CIWMB"), on numerous local and regional solid waste issues.
- Public Education: including coordination with Allied on residential public education and outreach programs, and potential outreach efforts to the business community, etc.
- AB 939 Planning and Reporting: including preparation and submittal of the required AB 939 planning documents, including the Source Reduction and Recycling Element ("SRRE"), Household Hazardous Waste Element ("HHWE"), and the Non-Disposal Facility Element ("NDFE"), and the preparation of annual reports to the CIWMB to demonstrate compliance with AB 939.
- Grant Administration: including the used-oil block grant, as well as research and preparation of grant applications for other grant funding that may be available.

FISCAL IMPACT

There is no direct fiscal impact related to this staff report or presentation.

In summary, the City received \$280,142 in 2005 franchise fee revenues from Allied in accordance with the residential Collection Services Contract. In addition, the City receives commercial franchise fee revenues in the amount of approximately \$250,000 per year.

ISSUES AND DISCUSSION

The following provides a summary update of solid waste issues and programs.

I. Background of Residential Collection Services Contract

On October 6, 2003, the Council approved the staff recommendation to proceed with the administration of a competitive procurement process for residential solid waste services. The Council also approved a Professional Services Contract with R3 Consulting Group ("R3") to provide technical assistance on the procurement process. The procurement process was administered concurrently with the City of Citrus Heights.

On March 18, 2004, the Concurrent Request for Proposals for Solid Waste Services was released, and proposals were due on May 6, 2004. The City received two proposals, including one from Allied and one from the County of

Sacramento Department of Waste Management and Recycling ("County"). The City of Citrus Heights received one proposal from Allied.

After carefully reviewing both proposals, the evaluation committee concluded that the proposal from Allied offered the best combination of service, price and benefits for the cities of Rancho Cordova and Citrus Heights.

II. Summary of the Residential Collection Services Contract with Allied

- **Term:** The Contract provides an initial term of seven (7) years and eleven (11) months, commencing on February 1, 2005 and terminating on December 31, 2012. If the City Manager determines that Allied has met certain performance and diversion goals, the City may offer a three (3) year extension.
- **Minimum Diversion Rate:** Allied is required to divert from landfill disposal a minimum of forty percent (40%) of all residential solid waste collected under the scope of the Collection Services Contract.
- **Franchise Fee:** Allied is required to remit ten percent (10%) of gross revenues to the City as a franchise fee. The monthly street sweeping fee is not included in the calculation of the monthly franchise fee.
- **Annual Adjustments to Allied Compensation:** The compensation paid to Allied for the provision of residential solid waste collection services will be adjusted annually using a multi-indexed methodology that uses annual changes (increases or decreases) in five nationally published commodity and price indices. This adjustment methodology is referred to as the Refuse Rate Index ("RRI").
- **Annual Adjustments to Residential Customer Rates:** The residential customer rates will be adjusted annually, consistent with annual adjustments to the compensation paid to Allied ("Allied Service Fee"), to maintain a constant level of franchise fees.
- **Performance Incentives:** Starting in 2007, the Allied Service Fee will be further adjusted annually based upon performance in diverting solid waste collected in Rancho Cordova from landfill disposal through recycling or composting programs. For example, if Allied meets the minimum diversion requirement of 40 percent in the year prior to the rate adjustment, it would receive 100 percent of the calculated annual RRI adjustment. However, if Allied diverts significantly more or less than 40 percent from landfill disposal, the annual Allied compensation will be adjusted accordingly.
- **Administrative Charges:** In an effort to ensure a high level of service, the Collection Services Contract provides liquidated damages ranging from \$100 to \$25,000 for non-compliance with specific contractual requirements.

III. Service Comparison

Table 1 below provides a comparison of the services provided by County of Sacramento through January 2005, and the new services provided by Allied which began in February 2005:

Table 1
Residential Service Comparison

Service	Through 01/31/2005	Starting 02/01/2005
Garbage	Weekly	Weekly
Recycling	Bi-Weekly	Bi-Weekly
Green Waste	Bi-Weekly	Bi-Weekly
Extra Greenwaste or Recycling Cart	Yes - at no charge	Yes - at no charge
Bulky Waste	1 scheduled @ 5 cubic yards	3 on-call @ 10 cubic yards
Curbside E-Waste Collection	No (NARS drop-off - \$20)	Yes
Curbside Christmas Tree Collection	No (drop-off program)	Yes
City Services (Facilities)	No	Yes
Shopping Cart Removal	No	\$4,000 annual payment
Special Clean Up Service (<i>illegal dumping</i>)	No	Yes - 480 yards/year
City Sponsored Events	No	Yes
Franchise Fee	No	10%
Diversion ("Recycling") Requirement	None	40%
Clean Air Vehicles	No	Comply w/new CARB rules
New Carts	N/A (County Owned)	Yes (City Owned)
New Trucks	N/A	Yes
Billing and Customer Service	County	Allied

IV. 2005 Franchise Fee Summary

Table 2 below provides a summary of the 2005 franchise fee revenues received by the City in 2005 from the residential Collection Services Contract:

Table 2
2005 Residential Franchise Fee Summary

Note	Revenue Source	Amount
a	2005 Total Residential Revenues	\$ 3,030,176
b	Street Sweeping (\$.90/household/month)	\$ (128,617)
c = a - b	Net Revenues	\$ 2,901,559
d = c * 10%	(Gross) 10% Franchise Fee	\$ 290,156
e	San Joaquin County Government Fees	\$ (10,014)
f = d - e	Net 2005 Franchise Fees	\$ 280,142

Please note that in addition to the residential franchise fees, the City receives an annual shopping cart program reimbursement from Allied in the amount of \$4,000 and commercial franchise fees in the range of \$250,000 per year.

as is for local - same as 05/07

V. Garbage Cart Distribution Summary

Allied provides residential garbage collection services in 32, 64 and 96-gallon garbage carts. Table 3 below provides a 2005 garbage cart distribution summary for the City of Rancho Cordova.

Table 3
2005 Garbage Cart Summary

Garbage Cart Size	Customer Count	%
32-gallon	1,600	11%
64-gallon	11,950	83%
96-gallon	864	6%
Total	14,414	100%

VI. Rate Summary

Table 4 below provides a 2005 residential rate summary for the City of Rancho Cordova.

Table 4
2005 Residential Rate Summary*

	32-gallon	64-gallon	96-gallon
Allied Service Fee	\$13.76	\$16.44	\$21.83
Franchise Fee and Street Sweeping Fee	\$2.43	\$2.73	\$3.33
Customer Rate	\$16.19	\$19.17	\$25.16

**Please note that the customer rate is dependent on the size of the garbage cart, and includes all residential services and programs.*

Article 4 of the Collection Services Contract allows Allied to submit financial information to the City annually by March 1 to calculate the annual adjustment to the Allied Service Fee. The annual rate adjustment is calculated using the "Refuse Rate Index" methodology as specified in Exhibit 2 of the Collection Services Contract, and will take effect annually by April 1.

As of the date of this staff report, the 2006 rate increase data is not available. However, the information will be presented at the City Council presentation on February 21, 2006.

mandate?

VII. 2005 Residential Solid Waste Tonnage Summary

According to preliminary information received from Allied, in 2005 it collected a total of 23,693 tons of residential solid waste and recyclables. Of that amount, 12,775 tons (53.9%) were disposed and 10,918 tons (46.1%) were recycled.

Table 5 below provides a 2005 residential solid waste tonnage summary:

Table 5
2005 Residential Solid Waste Tonnage Summary

Source	Tons	% of Total
Gargage (carts)	10,996	46.4%
Garbage (NCU)*	1,779	7.5%
<i>Total Disposal</i>	<i>12,775</i>	<i>53.9%</i>
Curbside Recycling	4,187	17.7%
Green Waste	6,632	28.0%
NCU Recycling*	99	0.4%
<i>Total Diversion</i>	<i>10,918</i>	<i>46.1%</i>
Total Tons	23,693	100.0%

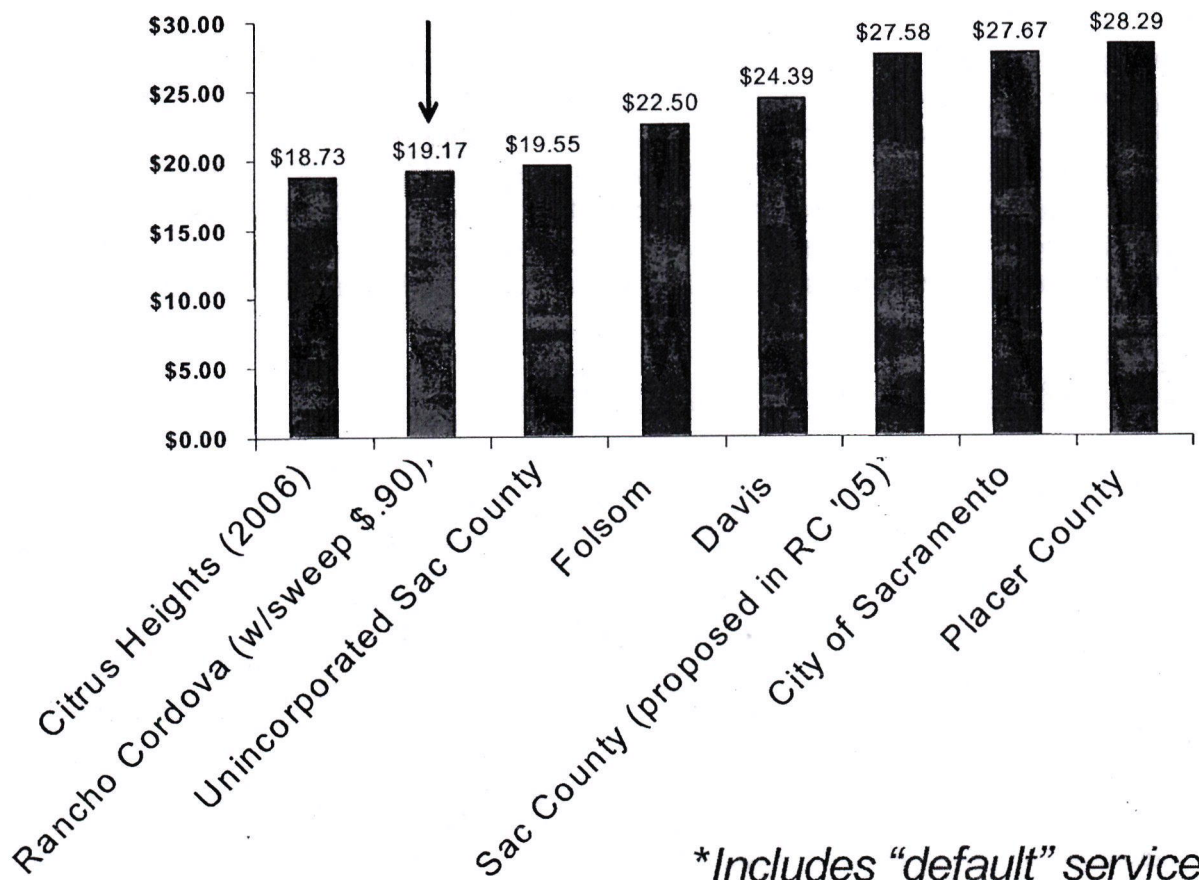
* NCU = On-Call Neighborhood Cleanup Program

VII. Residential Rate Survey

Exhibit 1 below provides a regional survey for residential solid waste rates. It should be noted that different municipalities have varying programs and service levels, which prevents a direct comparison of rates. However, a regional rate survey does provide a broad indicator of how a jurisdiction generally compares in the region.

Based upon the data provided in Exhibit 1, the residential solid waste rates in Rancho Cordova are very competitive, especially given the range of programs and services provided under the Collection Services Contract.

Exhibit 1
Regional Residential Rate Survey



**Includes "default" service*

VIII. On-Call NCU Program Summary

A major programmatic change with the new residential Collection Services Contract is the implementation of the "on-call" Neighborhood Clean-Up ("NCU") program. In the previous program operated by the County, residents received postcards several weeks prior to collection. The disadvantages of the old program were that the residents were subject to the schedule of the County, the program resulted in significant scavenging in County neighborhoods, each resident received a maximum of five cubic yards of service per year, and there were significant visual impacts resulting from piles of debris placed on the streets for days or weeks prior to collection.

In the new Rancho Cordova program, residents may call up to three times per year, and Allied will provide service within 48 hours. In addition, residents may place up to 10 cubic yards of material out for collection, meaning the service level has increased from 5 to 30 cubic yards per household per year in the new program. The primary advantages of the new program include increased customer service (48-hour response time), reduced scavenging because entire neighborhoods don't have debris in the street simultaneously, reduced safety

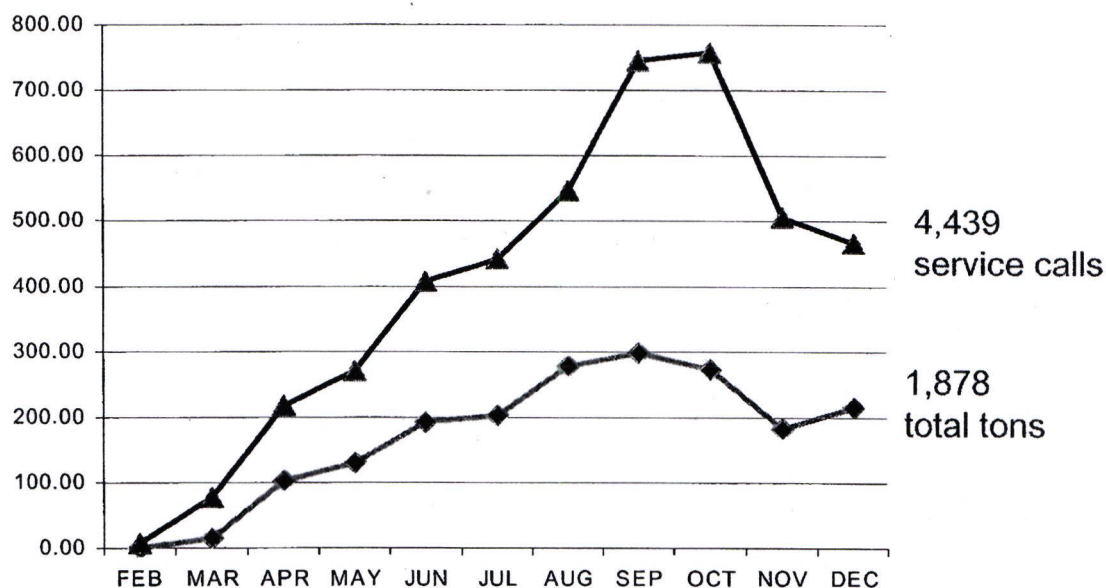
still?

issues and visual impacts, etc. In addition, residents may include tires and electronic waste in the new NCU program, which is a major service enhancement from the old program. E-waste includes computers, printers, and devices with screens containing cathode ray tubes ("CRT").

One of the primary challenges during 2005 has been to educate residents about the logistics of the "on-call" program. Allied and City staff will continue to work together to educate residents about the new program. Exhibit 2 below provides a 2005 program summary, which shows that the number of monthly service calls received increased steadily from February through October, 2005. There was a drop-off during the holidays, which is consistent with industry standards for this type of program. The primary objective of City staff and Allied are to have upward annual trends in the number of service calls and total tons collected.

Exhibit 2

2005 Neighborhood Clean-up Program Summary



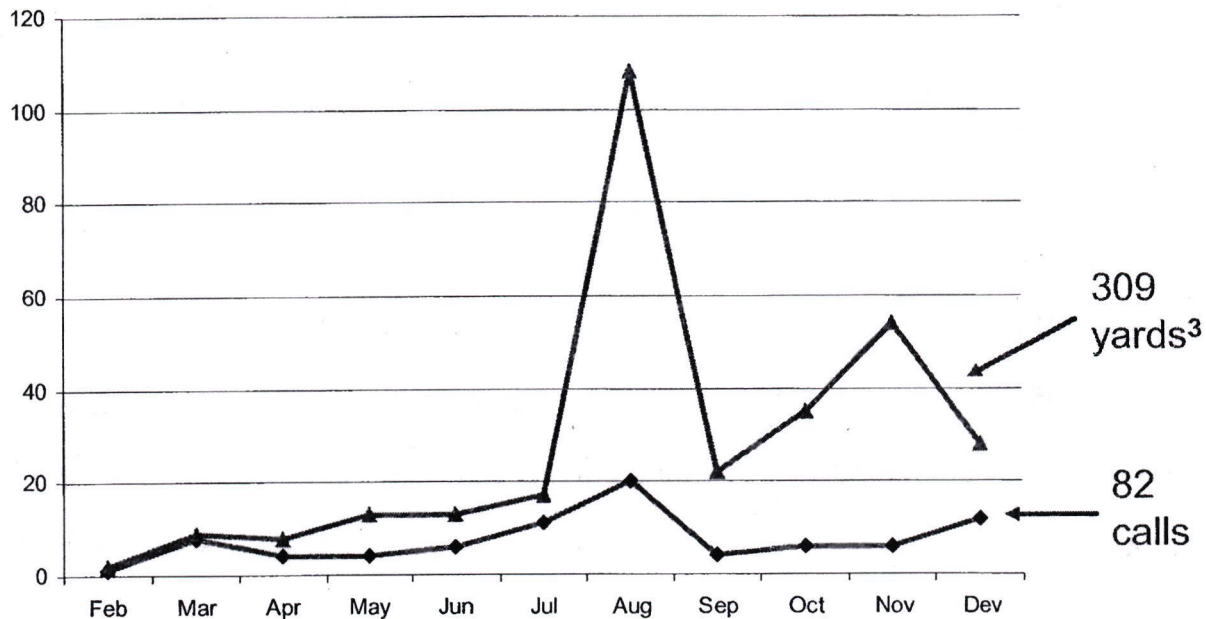
IX. Status of Illegal Dumping Issues

Illegal dumping has historically been a problem in Rancho Cordova. The factors that have contributed to illegal dumping are primarily the close proximity to Kiefer Landfill and the (previously) remote areas adjacent to south Sunrise Blvd.

The Allied contract includes up to 480 cubic yards per year of illegal dumping clean-up service at no additional charge to the City. In 2005, Allied responded to 82 service calls and collected 309 cubic yards of illegally dumped material. Allied therefore serviced the City's illegal dumping needs in 2005 at no additional charge in accordance with the Collection Services Contract.

The primary strategies to mitigate illegal dumping issues include effective public education and outreach of the NCU program, and effective code enforcement activities. Exhibit 3 below provides a 2005 illegal dumping summary.

Exhibit 3
2005 Illegal Dumping Summary



X. Universal Waste Update

As of February 9, 2006, new regulations from the California Department of Toxic Substances Control made it illegal to dispose of materials referred to as "Universal Waste" or "U-Waste". U-Waste materials include electronic devices (televisions, computers, cell phones, radios), household batteries, fluorescent tubes, thermostats, empty aerosol cans, electrical switches and relays, mercury gauges, etc.

Allied and City staff are working together to develop strategies to comply with the new U-waste regulations. The strategies under consideration include collecting U-waste materials in the NCU program, expanding the MOU with Sacramento County for Household Hazardous Wastes to include U-waste, establishing drop-off locations throughout the City, and implementing a "mail-in" program for certain materials, including cell phones and batteries. The Council will be updated shortly on the status of the U-Waste program.

XI. Christmas Tree, Oil and Oil Filters

The Collection Services Contract includes several other collection programs, including Christmas trees, motor oil and used-oil filters, and CRT screens. The following provides a 2005 summary for these materials.

- **Christmas Trees:** Allied is required to collect Christmas trees on the curb during the three week period after Christmas, and in the green waste cart any time. Allied reported that it collected approximately 2,600 Christmas trees during the 2005 holiday season.

*not very mobile
 senior w/
 hearing aid
 batteries*

- Used Motor Oil: Allied is required to collect used motor oil placed in containers on the curb next to the garbage cart. Allied provides containers to residents for the collection of used oil, or will collect oil placed in containers provided by the resident. Allied reported that it collected 5,953 gallons of used-oil in 2005.
- Used Oil Filters: Allied reported the collection of 1,099 oil filters in Rancho Cordova in 2005.
- CRT Screens: Allied reported that it collected 91 devices with CRT screens in the NCU program in 2005.

XI. Used-Oil Block Grant

In June 2005, the City submitted an application to the California Integrated Waste Management Board for a used-oil block grant. The City received a grant award in the amount of \$14,000 and is currently working with Allied to develop a plan for the funds. Alternatives include public education materials, support for certified used-oil collection centers, truck signs, etc. Staff will update Council on the status of the grant funds.

XII. Update on AB 939 Compliance

As a new City, Rancho Cordova must comply with AB 939, which places the following three primary requirements on cities and counties in California.

- Diversion Requirement: By the year 2000, California cities and counties were required to divert a minimum of fifty percent of solid waste generated within the boundaries of the jurisdiction from landfill disposal. Diversion may be accomplished through the implementation of source reduction, recycling, composting and transformation (incineration) programs.
- Planning Requirement: AB 939 requires California cities and counties to prepare, adopt and submit to the CIWMB a series of planning documents, including a Source Reduction and Recycling Element, a Household Hazardous Waste Element, and a Non-disposal Facility Element. The primary objectives of the documents are to provide a plan for compliance with the 50 percent diversion requirement of AB 939.

On November 7, 2005, the City Council held a "consent public hearing" and adopted the final draft AB 939 planning documents. The documents were formally submitted to the CIWMB on December 15, 2005, and are currently under review by CIWMB staff.

- Reporting Requirement: California cities and counties must submit annual reports to the CIWMB to demonstrate compliance with the diversion requirements of AB 939.

SRRE

Initial Results of the Solid Waste Generation Study: As a new City, Rancho Cordova is also required to prepare a Solid Waste Generation Study ("SWGS"). The SWGS is included in the SRRE document and is intended to establish a "baseline" waste generation and diversion rate for the City. Calendar year 2004 was established as reference base year and resulted in the following initial findings:

- 145,950 tons of municipal solid waste were generated in Rancho Cordova in 2004;
- Of this amount, 70,489 tons were disposed and 75,461 tons were diverted from landfill disposal through source reduction, recycling, composting and transformation activities; *(subject to approval by the CIWMB)*
- *The preliminary 2004 diversion rate for 2004 is 51.7 percent (subject to approval by the CIWMB);*
- Based upon the 2004 Rancho Cordova population estimate of 54,676, a total of 2.6 tons per person of municipal solid waste were generated in Rancho Cordova in 2004; and
- A total of 14.5 pounds per person per day of solid waste were generated in Rancho Cordova in 2004.

City staff have attended several meetings with CIWMB staff in order to assist in the review of the Rancho Cordova AB 939 planning documents. Staff anticipate that the planning documents will be approved by the CIWMB in early Spring 2006.

XIII. Update on Commercial Solid Waste Issues

Background: Prior to incorporation, the corporate limits of the City of Rancho Cordova were included in the SWA region (Sacramento Regional Solid Waste Authority). The SWA is a joint powers authority comprised of the County of Sacramento and the cities of Sacramento and Citrus Heights. The primary responsibilities of the SWA are to regulate private solid waste haulers that provide solid waste collection and recycling services to commercial businesses and multi-family complexes in the SWA region. Upon incorporation, the City of Rancho Cordova made a policy decision not to join the SWA.

SWA "Franchisee" Requirements: There are currently 16 permitted commercial solid waste haulers ("franchisees") operating in the SWA region. The SWA non-exclusive franchise agreement places the following requirements on the haulers:

- 1) **30 Percent Diversion (Recycling) Requirement:** the SWA franchisees are required to divert a minimum of 30 percent of the solid waste they collect from commercial accounts, either in bins or debris-boxes, in the SWA region.
- 2) **8 Percent Franchise Fee:** the SWA franchisees are required to pay an 8 percent franchise fee on revenues collected for solid waste services provided. As stated above, the 8 percent franchise fee generates revenues in Rancho Cordova in the range of \$250,000 per year.

3) Quarterly Reporting: the SWA franchisees are required to submit quarterly reports to the SWA on various operational issues, including tons of solid waste collected, recycled and disposed, facilities used, etc.

The SWA franchisees have long claimed that the 30 percent diversion requirement is unattainable for a variety of reasons. The SWA staff (*County staff*) have therefore been working with the franchisees on a proposal to revise the current system from a "hauler" diversion requirement to a "generator" diversion requirement.

Status of Rancho Cordova Commercial Franchise Agreements: In

September 2003 the City Council adopted Ordinance 15-2003, which allowed permitted SWA franchisees to operate in the City of Rancho Cordova through the end of 2005.

In early 2005, City staff began working on a Rancho Cordova commercial solid waste franchise agreement and ordinance, and it was the initial intention of staff to execute a franchise agreement and ordinance that were functionally similar to the SWA Ordinance. However, the commercial franchisees opposed the intent of the City to use the SWA documents as the foundation for the Rancho Cordova franchise agreement and ordinance, primarily because they opposed the thirty percent diversion requirement.

On November 7, 2005, the City Council therefore adopted Resolution 140-2005, which allowed the City Manager to execute commercial franchise agreements with a one-year term through the end of 2006. Staff are currently working with the haulers on the development of a new regulatory mechanism to be included in the new commercial franchise agreement and ordinance. The primary objectives of staff are to comply with the diversion mandates of AB 939, minimize disruption to local businesses, and minimize staff and time and resources to administer the program. The new franchise agreements and ordinance must be executed before the end of calendar year 2006, and staff will report back to the City Council shortly on the project status.

CONCLUSION

The City has made significant progress with regards to the development, implementation and management of the Rancho Cordova solid waste programs. The Public Works Department will continue to manage local solid waste issues, and will provide regular updates to Council on the status of solid waste issues.

city trash flow
construction debris
low contractors
residential
commercial

- 50% diversion requirement
- we require only 40%
- reality is 46%

MEMORANDUM

DATE: March 6, 2006
TO: Mayor and Council Members
FROM: Tom Trimberger, Building Official
Todd Humphrey, Facilities Services Manager
Alexandra Miller, Management Assistant
SUBJECT: COMMUNITY ROOM RENTAL POLICY



RECOMMENDATION

Direct staff towards a preferred operating model for community room rentals at City Hall.

RESULT OF RECOMMENDED ACTION

Once Council has approved a policy model, City staff will begin the process of implementing the policy and will begin renting City Hall facilities.

BACKGROUND

The Council has identified several goals and objectives for the City of Rancho Cordova to pursue. As a part of this vision, the new City Hall facilities offer community rooms for use by public and private parties. Community room rentals can help meet our goals and objectives by

- Fostering a positive image for the City
- Assuring the availability of the best public services in the region
- Sustaining a livable community
- Driving diverse economic opportunities for City businesses
- Fostering responsible citizenship for all Rancho Cordovans
- Adhering to a practice of sound fiscal management

The Rancho Cordova City Hall offers 7,000 square feet of rentable community space. The rentable space consists of the 3,900 square foot American River Room that can be divided, 1,550 square feet of meeting room space in the Coloma and Community Board Rooms, a 1,550 square foot portion of the Council Chambers, and a catering kitchen. The facilities are ideal for various types of meetings, private events, and governmental functions. Its location next to main thoroughfares, corporate centers, and hotels are also attributes of the City Hall facilities. Attachment A shows the floor plan and possible layouts of the rentable space.

Offering community rooms for rent is an exciting new business venture for the City. There are costs to run this business. It will require considerable staff time and energy to take reservations from clients and to manage events. It will require advertising to the public, to the non-profit community, and to the business community. It will require investments from the City to maintain our capital. Based on the costs of operation, depreciation, and debt service, this business will cost approximately \$300,000-\$400,000 per year to operate.

As we make our services available to our potential clients, we must consider our approach to how we market and operate the facilities. There are three possibilities, or models, of how we should proceed. Should we seek to maximize our return on our investment, should we seek to maximize the benefit to the community, or should we use features of both models? The model that the Council directs staff to use will affect how City staff creates a Rental Policy, and will drive the way that the City markets its rental facilities, to whom the facilities will be rented, and how long a group may rent the facilities on a continual basis.

At this time, we do not know the exact demand that exists for rental facilities in Rancho Cordova. We have attempted to find a best estimate by researching the market data from surrounding cities. These assumptions will be evaluated one year after implementation to make sure that the rooms are offered at an appropriate rental rate.

 The Council needs to decide how they would like City staff to run the business of community room rentals. All models assume that the City will charge market rates for facility rentals, and will offer a discount to defined community groups. Each model is described as follows:

MAXIMIZE RETURN ON INVESTMENT MODEL

This model seeks to run community room rentals like a business, maximizing the return on investment in our community rooms. This means that the City will primarily seek dedicated and frequent use of community rooms, and priority will be given to those groups that maximize revenue. Pursuing such a model will result in higher marketing activities for the City, which will include partnering with local hotels, tourism organizations, and advertising to the public. This will require the City to hire additional staff to market the facilities and manage rentals, as more frequent rentals will require more staff time to set-up, clean up, and administer rental contracts.

why is revenue the primary consideration?

This "business" model will also direct the City to allow facility rental by diverse organizations, from businesses, community groups, and religious groups, on both short-term and long-term bases. A revenue-enhancement focus will encourage the City to seek long-term rentals regardless of the type of group that uses the facility because they provide a guaranteed revenue stream. The City will need to consider market influence on rental rates and match surrounding public and private facilities to compete effectively for market share of facility rental.

One disadvantage of this model is that members of the community may feel locked out of rental opportunities that have been taken by long-term users. This model may also limit the City's ability to use its facilities for events such as the annual Mather Field Airshow, the Fourth of July Celebration, and other community events.

covers 82% of costs

If the City uses this model to run community room rentals, we can expect to recoup 82% of its costs, at a net annual loss of \$73,018.

MAXIMIZE COMMUNITY BENEFIT MODEL

This less-intensive model maximizes the benefit that our community rooms provide to the community. A policy maximizes benefit by allowing as many community groups as possible to use the facilities, making sure that no groups are locked out by long-term rentals, nor businesses or non-City based groups are renting space for a disproportionate amount of time. Under this model, priorities for use and reservations are set in order to ensure that no group locks other groups out of rental opportunities. Unlike the revenue maximization model, the community service model gives the City more flexibility in using the facilities for its own events.

If the City uses this model to run community room rentals, we can expect to recoup 26% of its costs, at a net annual loss of \$230,890.

covers only 26% of costs

COMBINATION MODEL

This model will combine efforts to maximize return on investment during certain times of the week and maximize benefits to the community during evenings, weekends, and holidays. The City can run the business of community room rentals in such a way as to maximize return on investment during those times that are most likely to be desired by commercial groups.

This will result in more intense, profit-driven use during weekday business hours, capturing the hours that commercial groups desire to use the facilities. During weeknights, weekends, and holidays, the City may choose to switch to operating facility rentals to the maximizing community benefit model, as these times are more desirable for community group and private resident use. It is expected that the recouped costs will fall somewhere between those of the revenue maximization and community benefit maximization models.

Attachment B lists the strengths and weaknesses of each model.

RENTAL RATES

In addition to considering a rental policy, the Staff recommends offering discounted rental rates to certain groups. Most cities that offer facility rentals, offer discounted rental fees in the range of 25 – 50% for non-profit groups and residents. Based on data from other cities, we suggest a 30% discount rate for community, as defined in Attachment C. This discounted rate would apply in all models.

Attachment D shows a revenue comparison for each model, assuming market rates and discounts to community group users.

STAFFING

The Facilities Manager will oversee facility rental operations, including maintenance and reservations. A City administrative support person will take phone calls for reservations. City staff will manage reservations by using a specialized event management software program. The City should hire more staff to market community room space, and eventually take over scheduling of community rooms.

An hourly room attendant charge will be required for some rentals. This charge will pay for a contract-based facility attendant who will set-up for events, be present during events to address any needs or concerns that arise, and oversee clean-up after events. This person will also be required to conduct final inspections with clients in order to ensure that the facilities are left clean after an event. Additional security for an event may be required under specific circumstances.

OTHER POLICY ISSUES

*Liability Insurance?
Cleaning Deposit?*

It is in the City's best interest that community room users are respectful towards the functions of a City government. To this end, the City may prohibit groups from renting community rooms if it appears that an individual or group will be using the facilities to perform illegal acts or practice illegal discrimination. In addition, groups that rent a community room and damage City property, participate in hazardous activities, or practice unreasonable conduct in City facilities may be prevented from future community room usage.

The City will maintain appropriate policies to ensure the responsible use of alcohol, and will require that security is present at events where alcohol is being served. All renters will be required to provide proof of liability insurance no later than 24 hours in advance of an event. All renting parties will be required to show proof of insurance that holds the City and its representatives not liable. Those organizations and individuals unable to provide such insurance may purchase a limited-time policy from the City's insurance provider.

CONCLUSION

The Council needs to provide direction to staff about a model for this business venture. Should the City maximize its return on investment or seek to maximize the benefit to the community? Because it is difficult to determine the usage, demand and actual costs for facility rentals, rates may change after a year or so of experience.

ATTACHMENTS

- Attachment A: Community room rental floor plan
- Attachment B: Strengths and weaknesses of each model
- Attachment C: Definition of community groups
- Attachment D: Revenue comparisons by model

Comparison of Community Room Rental Policies

<i>Return on Investment Model</i>	
STRENGTHS ○ Increased revenue for the City ○ Partnering opportunities with local hotels and visitors' bureaus ○ Allows for long-term rentals of facilities	WEAKNESSES ○ Additional marketing effort required ○ Additional staff required ○ Encroaches on availability for City-related activities ○ Long-term rentals may "lock out" rental opportunities for other groups ○ Market-rate prices may be too high for community groups
<i>Maximize Community Benefit Model</i>	
STRENGTHS ○ Increases availability of facilities for all groups ○ Gives City more flexibility for City-related activities ○ Fulfills the promise of City Hall as a community gathering place	WEAKNESSES ○ Additional staff required ○ Cost-recovery only as the community will pressure rates downward ○ Prohibits long-term rentals of facilities
<i>Combination Model</i>	
STRENGTHS ○ Ensures equitable use of facilities on evenings and weekends when community groups are more likely to rent ○ Fulfills the promise of City Hall as a community gathering place ○ Generates revenue for the City ○ Partnering opportunities with local hotels and visitors' bureaus ○ Allows for revenue-generating long-term rentals on weekdays	WEAKNESSES ○ Additional staff required ○ Additional marketing effort required ○ Cost-recovery only as the community will pressure rates downward ○ Prohibits long-term rentals of facilities on evenings and weekends ○ Encroaches on availability for City-related activities ○ Daytime market rates may be too high for community groups

Definition of Community Groups

A suitable definition of community groups may be adopted from City Ordinance No. 04-2005, pertaining to Fireworks sales in the City. According to this ordinance, community groups are defined as:

1. A non-profit organization or group organized primarily for civic betterment and/or charitable purposes having status as a Section 501(c) organization under the Internal Revenue Code and as a Section 23701(d) organization under the Revenue and Taxation Code of the State of California, provided that the organization or group satisfies the following criteria:
 - i. It has its principle and permanent meeting place in the City of Rancho Cordova or its adopted Planning Area;
 - ii. It has been organized and established in the City of Rancho Cordova or its adopted planning area for a continuous period of at least one year
2. An organization affiliated with and officially recognized by an elementary, junior high and/or high school and/or school district and/or school district that services in whole or in part the residents of Rancho Cordova or a religious non-profit elementary, junior high and/or high school located within the planning area of Rancho Cordova.

Any community user that falls into one of these categories may receive a 30% discounted rental rate for community rooms.

*priority in case
of conflicts?*

Community Benefit Model

\$312,892 Annual Cost

Assume 1380 rental hours

Room	Sq. Feet	Est. hours	SF x Hours	Break Even Rate \$/hr	Competitive mkt rate \$/hr	Projected Annual Revenue
Board Room	1,259	156	196,404	\$290	\$50	\$7,800
Council	1,755	24	42,120	\$404	\$100	\$2,400
AR North	2,348	192	450,816	\$540	\$150	\$28,800
AR South	2,055	192	394,560	\$473	\$150	\$28,800
Coloma	446	624	278,304	\$103	\$30	\$18,720
West Lobby	814	96	78,144	\$187	\$30	\$2,880
East Lobby	2,296	96	220,416	\$528	\$100	\$9,600
Kitchen	587			\$135	\$200	\$4,800
TOTAL	11,560	1380	1,660,764			\$103,800

0.23 per sq ft/hr (Break Even Rate)

Assuming that 70% of the uses are discounted by 30% for community users

Adjusted Estimated Income \$82,002
Revenue Recovery Rate 26%
Estimated Total Loss -\$230,890

Return On Investment Model

\$409,700 Annual Cost

Assume 3450 rental hours

Room	Sq. Feet	Est. hours	SF x Hours	Break Even Rate	Allowable mkt rate	Projected Annual Revenue
Board Room	1,259	368	463,312	\$88	\$50	\$18,400
Council	1,755	90	157,950	\$123	\$100	\$9,000
AR North	2,348	992	2,329,216	\$164	\$150	\$148,800
AR South	2,055	992	2,038,560	\$144	\$150	\$148,800
Coloma	446	724	322,904	\$31	\$30	\$21,720
West Lobby	814	142	115,588	\$187	\$30	\$4,260
East Lobby	2,296	142	326,032	\$528	\$100	\$14,200
Kitchen	587			\$135	\$200	\$4,800
TOTAL	11,560	3450	5,753,562			\$369,980

.07 per sq ft/hr (Break Even Rate)

Assuming that 30% of the uses are discounted by 30% for community users:

Adjusted Estimated Income \$336,682
 Revenue Recovery Rate 82%
 Estimated Total Loss -\$73,018

- charge for commercial
- no routine business operations
- adjacent hotels want to offer space here for seminars as part of their package.

• free for local sale

- what charges @ other civic facilities?
 • commercial

St. Johns
 Mills Station
 CRPD

Marriott
 other hotels

City Hall Community Room Rental Policies

Presentation By:
Alexandra Miller
Tom Trimberger
Todd Humphrey

City Hall Rentable Community Rooms

- American River Room North & South
 - 3,900 Square Feet
- Community Board Room
 - 1,100 Square Feet
- Coloma Room
 - 450 Square Feet
- Council Chambers
 - 1,150 Square Feet

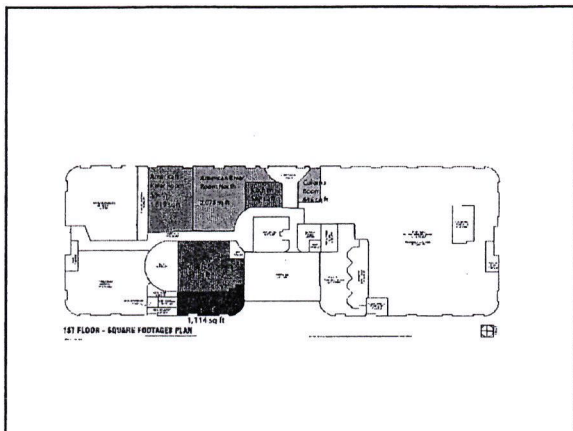
*downstairs
only*

City Hall Rentable Community Rooms

- Catering Kitchen
 - Approx. 600 Square Feet
- East and West Lobbies
 - Approx. 3,100 Square Feet

*downstairs
only*

Total Rentable Space: 10,100 Square Feet



A New Business Venture . . .

• Costs:

- Capital investment
- Staff time
- Marketing

Total Estimated Cost: \$300,000 - 400,000 per year
Projected Revenues: \$100,000 - 370,000 per year

How Should We Run This Business?

• Maximize return on investment?

Strengths

- City will seek dedicated and frequent use of community rooms
- Partner with local hotels, tourism organizations
- Recoups 82% of loss

Weaknesses

- Requires more staff, marketing, set-up/clean-up time
- Less flexibility for City use
- Less flexibility for the community - some groups may be "locked-out" of rental opportunities

How Should We Run This Business?

- Maximize benefit to the community?

Strengths

- Increased availability for all groups
- More flexibility for City use

Weaknesses

- Greater monetary loss
- Recoups only 26% of costs

How Should We Run This Business?

- Combination?

Strengths

- Increased availability for all groups during certain times of the week

Weaknesses

- Recoup percentage of costs somewhere between two models
- Locks-out groups during certain times of the week
- Less flexibility for City use

Legal Issues

- Prohibit groups that perform illegal acts, illegal discrimination prohibited
- All others treated equally

Discounts

- Based on market rates, discounted for community groups, as defined by City Ordinance No. 04-2005

Conclusion

- Staff will create, implement policy based on chosen model (maximize return on investment, maximize community benefit, or combination)
- Recommend 30% discount on market rental rate for community groups
- Evaluate policy, demand for rentals, rates in one year

Memorandum

Date: March 6, 2006

To: Mayor and City Council

From: Paul Junker, Planning Director
Pam Johns, AICP, Special Projects Manager



*1750A x 12 =
\$21K/45*

Subject: Review of Draft Housing Program/Housing Element

RECOMMENDATION

Staff recommends that the City Council conduct a formal review of the Draft Housing Program/Housing Program. Specific Actions to include:

1. Consider the Draft Housing Program/Housing Element
2. Accept public comment
3. Provide direction to staff as appropriate
4. Direct staff to submit the Housing Element to HCD for initial review

BACKGROUND

Over the last year, the City of Rancho Cordova has been discussing housing issues as they relate to the City's Housing Element. City meetings regarding housing in Rancho Cordova are listed below.

- September 2004. Rex Albright and Russ Davis of the Rancho Cordova Chamber of Commerce presented the report of the Chamber's Affordable Housing Task Force opposing inclusionary zoning and recommending various measures to provide affordable housing in Rancho Cordova.
- January 20, 2005. Staff presented to the General Plan Advisory Committee an introduction to housing terms and policy options/considerations related to the Housing Element of the General Plan.
- February 17, 2005. The General Plan Advisory Committee hosted a workshop to identify key issues that the Housing Element should solve.

*HCD Certification
is the low bar--
city programs
will be to a
higher standard.*

- March 16, 2005. City Council held a Joint Special Meeting with the General Plan Advisory Committee to discuss housing issues and policy considerations. This meeting served as an introduction to housing terms and policy options. At this meeting, Libby Seifel of Seifel Consulting made a presentation illustrating the advantages of a mandatory inclusionary housing program for producing mixed income housing in the City of Rancho Cordova.
- March 17, 2005. The General Plan Advisory Committee discussed housing objectives prepared in response to comments and direction from the March 16th Joint Special Meeting.
- January 24, 2006. City Council Housing Workshop to present the input received to date on housing, specific local and regional housing needs, and housing programs being implemented throughout California.
- February 14, 2006. Staff and Councilmember Cooley attended a regular meeting of the BIA to discuss the Housing Element process and hear suggestions on potential housing program solutions.
- February 15, 2006. Housing Element Meeting for interest groups (BIA, community groups and housing advocates) to discuss potential and preferred housing program solutions with a focus on mixed-income housing solutions.
- February 21, 2006. City Council Meeting to consider the Draft Housing Element. After hearing public comment and discussing issues and programs for mixed income housing, City Council directed staff to make modifications as directed and return to the Council on March 6 for recommendation to proceed.

ANALYSIS

City Council members provided substantial input and direction regarding proposed housing programs for the City at their January 24 and February 21, 2006 meetings. At the February 21, 2006 hearing, the City Council agreed to establish the general framework for the City's mixed income housing solution in the Housing Element and to defer the details of the solutions to a subsequent program discussion as an implementation measure of the General Plan. Staff has now completed modifications to Housing Element Goals, Policies, and Actions as directed by City Council (see Attachment 1). The general framework for the mixed income housing solutions is listed in Policies H.1.3 and H.1.4.

Subsequent to the February 21, 2006 meeting, staff received recommendations from individual Council members to further modify a few of the policies and actions. Non-substantive and minor recommendations have been incorporated into the document using track changes (e.g., reordering Actions, clarifying language). Other

recommendations have been summarized below for City Council consideration and direction.

1. Mixed Income Program (Action H.1.1.4) – Text in attachment 1 reflects the addendum prepared for the February 21, 2006 City Council Meeting. At that meeting, Councilmember Budge suggested that the Council adopt the 4-4-2 policy developed by SACOG as follows:

Taking into account the salary ranges of jobs existing and planned in the community, the adoption of a mixed-income housing program that requires projects with 20 or more dwelling units will require the submittal of a Mixed Income Housing Plan. The Mixed Income Housing Plan will include the requirement to provide the following percentage of affordable units:

- o 4 percent very low-income

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- o 4 percent low-income

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- o 2 percent moderate-income

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2. Consider a new action regarding the establishment of a local housing foundation as follows:

Action H.1.1.4 – Create a local housing foundation to work with the Redevelopment Agency and private for-profit and non-profit developers/home builders to receive land dedications and broker deals for the development of new housing for all income levels.

Funding Source: General Fund

Responsible Party: Economic Development and Planning Departments, Redevelopment Agency

Timeframe: 2006/2007

3. Higher Density Land Designation (Action H.1.2.1). At the February 21, 2006 meeting, City Council expressed concern with the threshold of applicability (20 gross acres) to require a percentage of higher density land designations. Staff researched the adequate sites inventory and determined that increasing the threshold would yield the necessary acreage. Council members recommended a threshold of 100 gross acres as shown in track changes below:

Residential development projects of 100 gross acres or more shall include a minimum of 5 percent of the total project acreage for residential uses of 20 units per acre or higher and 5 percent for residential uses of 10 units per acre or higher. Development projects with a requirement of less than five acres in either or both categories may opt to designate land off-site, if deemed

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add net
acreage
in case there
are wetlands
or other.

appropriate for the project. If projects propose densities higher than the identified density, the required acreage shall be decreased accordingly.

For example, if a project is required to provide 15 acres at 20 units per acre, that project could alternatively provide 10 acres at 30 units per acre. Similarly, if the project's requirement for land with density of 10 units per acre was 6 acres, the project could alternatively provide 4 acres at 15 units per acre.

4. Neighborhood Preservation and Rehabilitation (Goal H.2). Individual Council members have recommended adding more action items and a policy targeting the desire for a balanced community in existing Rancho Cordova. In response, staff has prepared the following new policy and actions for Council consideration:

Policy H.2.1 Encourage private investment to increase property values and resale prices. (existing policy)

Action H.2.1.1: Develop design tools and/or provide design services to assist homeowners with a variety of façade improvements and additions that are well integrated and timeless.

Funding Source: General Fund
Responsible Party: Planning Department
Timeframe: 2006/2007

Action H.2.1.2: Host community workshops and/or provide written materials regarding home improvement and maintenance tips.

Funding Source: General Fund
Responsible Party: Planning Department
Timeframe: Ongoing

Action H.2.1.3: Consider a tool loan program for home and landscape improvement, repair, and maintenance.

Funding Source: General Fund/Grants/CDBG
Responsible Party: Planning Department
Timeframe: 2006/2007

Policy H.2.2: Provide neighborhood revitalization in existing areas through housing rehabilitation (owner- and renter-occupied units), and infill reuse/conversion.

Action H.2.2.2: Identify the most troubled multifamily projects (in terms of law enforcement, code enforcement and blight conditions) and aggressively pursue the transformation or conversion of such properties.

Funding Source: General Fund

Responsible Party: Planning Department, Redevelopment Agency

Timeframe: 2006, ongoing

*into uses that move the
code RCPD pref. into a
SR project
or something
else.*

Policy H.2.3: Strive for balance in existing Rancho Cordova.

Action H.2.3.1: In planning land uses and approving projects, attempt to balance the single-family and multi-family development to a healthy mix of 70 percent single-family units, 30 percent multi-family units.

Funding Source: General Fund

Responsible Party: Planning Department, Redevelopment Agency

Timeframe: 2006, ongoing

Action H.2.3.2: Actively pursue programs to increase homeownership in existing Rancho Cordova to a healthy balance more consistent with the State average.

Funding Source: General Fund

Responsible Party: Planning Department, Redevelopment Agency

Timeframe: 2006, ongoing

5. Incorporate a new action item regarding mobilehome park maintenance as follows:

Policy H.2.7: Encourage mobile home park maintenance and improvement, including conversion to resident ownership when appropriate.

not new

Action H.2.7.2: - Update the Zoning Code to include "state of the art" mobilehome park maintenance provisions.

*might
remodeling
etc.*

Funding Source: General Fund

Responsible Party: Planning and Building Departments

Time Frame: 2006/2007

6. Consider amendments to the action regarding facilities and services for homeless persons as follows:

Action H.4.4.4 - Participate in regional coordination for homeless services and facilities. As part of this coordination, the City will continue to partner in a cooperative effort to provide homeless services/facilities as needed in Rancho Cordova to address homeless needs. The City will continue to

Deleted: seek a

Deleted: develop additional

Deleted: capacity on a dispersed basis throughout the County

support existing facilities and programs (including financial support when appropriate and necessary), permit homeless facilities and service providers under the City's Zoning Code, and financially contribute, as funds are available, to regional solutions to homelessness.

NEXT STEPS

Legally, the City is required to submit the Draft Housing Element to the State Department of Housing and Community Development (HCD). For new cities, the Initial Review period established by HCD is 90 days. However, we will be requesting an expedited review period in order to maintain our project schedule. In accordance with the conditions of our General Plan Extension request granted by the State Office of Planning and Research (OPR), the City's Draft Housing Element will need to be submitted to HCD by March 31, 2006. Additionally, if the General Plan is to remain on schedule for adoption by June 30 of this year, the General Plan EIR will need to be released by March 15, 2006.

Attachments:

Revised Draft Housing Element Goals, Policies, and Actions (dated February 28, 2006)

Note: The Draft Housing Element and Housing Needs Assessment (dated February 10, 2006) were provided to the City Council under separate cover. These documents are available electronically for download from the City's website (<http://gp.cityofranchocordova.org>) and hard copies are available in the Planning Department.

THE CITY OF
RANCHO CORDOVA

2005-2007

DRAFT
HOUSING ELEMENT



"conditional
certification"

Jennifer
HCD mandate
is a 90 day
review for
new cities.
she is asking
for 30
days to

GOALS, POLICIES, AND ACTIONS

The purpose of this section is to provide a plan for meeting the housing needs of the existing and future residents of Rancho Cordova. The plan includes goals, policies, and actions directed toward the preservation, improvement, and development of a range of housing types and choices affordable to all income ranges in Rancho Cordova. Specifically, the goals, policies, and actions are designed to address the housing needs identified in the Housing Needs Assessment of this Housing Element. The housing program provides a foundation upon which detailed housing activities can be developed and implemented. The Housing Element includes the following goals:

- H-1 Balance Employment and Housing
- H-2 Neighborhood Preservation and Rehabilitation
- H-3 Revitalize Existing Multi-Family
- H-4 Encourage Housing Opportunities
- H-5 Promote Homeownership
- H-6 Pursue Sustainable Design
- H-7 Pursue Housing Resources

Goal H.1: Balance Employment and Housing – Seek a balance of housing opportunities appropriate for the range of jobs available and planned in the City.

Policy H.1.1: Improve the City's jobs-housing balance through ensuring that housing development in Rancho Cordova provides opportunities for all income levels in order to serve the full range of available and projected jobs in the City.

- **Action H.1.1.1** – Survey the larger employers in the community to determine actual salary information.

Funding Source: General Fund

Responsible Party: Economic Development Department

Time Frame: 2006

- **Action H.1.1.2** – Survey the larger employers in the community to determine employee preferences regarding housing type (e.g. if employees were to live in the community what type of home would they want and be able to afford).



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Deleted: and employee preferences regarding housing type (e.g. if employees were to live in the community what type of home would they want and be able to afford)

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Action H.1.1.3

Create a broad range of options including actual construction, land dedication, and/or in-lieu fees.

available for use in new neighborhoods throughout the city limits that will result in the production of affordable to all income levels. Those options will include, but are not limited to

Funding Source: General Fund

Responsible Party: Economic Development Department

Time Frame: 2006

~~(DUPLICATE ACTION – See H.7.1.1)~~

- **Action H.1.1.3** – Taking into account the salary ranges of jobs existing and planned in the community, the adoption of a mixed-income housing program that requires projects with 20 or more dwelling units will require the submittal of a Mixed Income Housing Plan. The Mixed-Income Housing Plan will include the requirement to provide the following percentage of affordable units:

- 5 percent very low-income
- 5 percent low-income
- 5 percent moderate-income

Several options to meet the above listed requirement are provided below. These options establish a framework for a subsequent document with details for each option. The City council will consider and approve the options for each Mixed Income Housing Plan on a project-by-project basis.

1. Create the units (on-site and/or off-site) – including off-site rehabilitation;
2. Dedicate the land (on-site and/or off-site); and/or
3. Pay an Affordable Housing Fee (in-lieu fee) – including a reduced fee for infill development.

Funding Source: General Fund

Responsible Party: Planning Department

Time Frame: 2006/07

Policy H.1.2: Maintain adequate sites that support a range of housing types appropriate for the city's housing needs, taking into account employment projections, household growth, and the City's share of regional housing needs.



Deleted: Action H.1.4.3 – Partner with major employers to develop programs and incentives for employees to reside in the community.

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Funding Source: General Fund¶
Responsible Party: Economic Development Department¶
Time Frame: 2006, Ongoing

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- 100
- **Action H.1.2.1** – Residential development projects of 20 gross acres or more shall include a minimum of 5 percent of the total project acreage for residential uses of 20 units per acre or higher and 5 percent for residential uses of 10 units per acre or higher. Development projects with a requirement of less than five acres in either or both categories may opt to designate land off-site, if deemed appropriate for the project. If projects propose densities higher than the identified density, the required acreage shall be decreased accordingly.

For example, if a project is required to provide 15 acres at 20 units per acre, that project could alternatively provide 10 acres at 30 units per acre. Similarly, if the project's requirement for land with density of 10 units per acre was 6 acres, the project could alternatively provide 4 acres at 15 units per acre.

Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: 2006/07

- **Action H.1.2.2** – Annually review the amount of land zoned for various residential uses in conjunction with the amount and type of housing produced in the previous year to determine if changes in zoning may be needed to meet City housing needs. Such zoning changes will be adopted annually, if needed.

Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: Annually

Policy H.1.3: Promote a broader range of housing options for executives.

- **Action H.1.3.1** – Identify housing needs (percent of households seeking executive units) and desires of local area executives (housing type, unit and lot size, amenities, price range, etc.).

Funding Source: General Fund
Responsible Party: Economic Development and Planning Departments
Time Frame: Ongoing

- **Action H.1.3.2** – Modify Zoning Ordinance to require Specific Plans and large subdivisions (500+ units) to include executive housing options to meet the needs and desires identified through Action H.1.1.1.



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Deleted: Below is the formula for projects with 20 acres or more.¶
Basic Requirements:¶
 A 300-acre project is required to provide 15 acres at 20 units per acre and 15 units at 10 units per acre. ¶
 ¶
 <#>Required acreage @ 20 units per acre¶
 Total project acres (x) 5% = required residential acreage¶
Example:¶
 Project site = 300 acres¶
 $300 \times 5\% = 15 \text{ acres}$ ¶
 $15 \text{ acres} \times 20 \text{ units per acre} = 300 \text{ units}$ ¶
 <#>Required acreage @ 10 units per acre¶
 Total project acres (x) 5% = required residential acreage¶
Example:¶
 Project site = 300 acres¶
 $300 \times 5\% = 15 \text{ acres}$ ¶
 $15 \text{ acres} \times 10 \text{ units per acre} = 150 \text{ units}$ ¶
Alternative Calculation: Achieve a reduction in number of required acres by proposing a density greater than the minimum required.¶
 1. Determine number of units under minimum required acreage ¶
 (i.e. Total project acres x % = required residential acreage x 20 units/acre and 10 units/acre = number of units)¶
 2. Divide number of units by higher density proposal¶
Example 1:¶
 A 300-acre project is proposing a 30-unit per acre density. The following formula was used to determine the number of acres the project will need to provide at the required densities. ¶
 Project site = 300 acres ¶
 Required minimum density = 5% at 20 units per acre¶
 Required minimum density = 5% at 10 units per acre¶
 Proposed density = 30 units per acre¶
 Step 1: $300 \text{ acres} \times 5\% \text{ at RD-20 units per acre (required)}/30 \text{ units per acre (proposed)} = 10 \text{ acres}$ ¶
 Step 2: $300 \text{ acres} \times 5\% \text{ at RD-10 units per acre (required)}/30 \text{ units per acre (proposed)} = 5 \text{ acres}$ ¶
 Step 3: This project will need to provide 15 acres at 30 units per acre. ¶
Example 2: ¶
 A 100-acre Transit Oriented Development (TOD) is proposing a 40-unit per acre density. The following formula was... [1]

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Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: 2006

Policy H.1.4: Ensure that an appropriate range of housing opportunities is available to accommodate both local and out-of-region executives.

- **Action H.1.2.1** – Identify an area appropriate for associated executive housing, possibly located on a golf course.

Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: 2006

Policy H.1.5: Promote higher density housing in close proximity to transit, employment, and appropriate services, such as transit-oriented development.

- **Action H.1.5.1** - Coordinate with Regional Transit to provide any future incentives for living and working in same community.

Funding Source: General Fund
Responsible Party: Planning Department/
Time Frame: Ongoing

Goal H.2: Neighborhood Preservation and Rehabilitation – Encourage the improvement, rehabilitation, and revitalization/reinvestment of the City's existing residential neighborhoods.

Policy H.2.1: Encourage private investment to increase property values and resale prices.

Policy H.2.2: Provide neighborhood revitalization in existing areas through housing rehabilitation (owner- and renter-occupied units), and infill reuse/conversion.

- **Action H.2.2.1** – Develop housing rehabilitation programs to assist in the improvement of owner- and renter-occupied housing units in the City. The housing rehabilitation program shall:



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Deleted: affordable

Deleted: California Department of Transportation

- 1) Include a grant/loan component, when funding is available, for very low- and low-income households residing in housing units in need of rehabilitation;
- 2) Include a grant component, when funding is available, for very low-income, senior, and disabled households, for emergency repairs;
- 3) Be developed in partnership with public and private organizations, such as Rebuilding Together, SMUD, and local community groups;
- 4) ~~Support a semi-annual community improvement day where residents of the community may volunteer to improve homes and neighborhoods throughout the community. These days may include painting homes and fences throughout a neighborhood, rehabilitating homes of households with severe rehabilitation or improvement needs, and/or retrofitting units to make them accessible to seniors or persons with disabilities;~~
- 5) ~~Support an adopt-a-property program where volunteers are matched with residents in need of minor property improvements or maintenance; and~~
- 6) Include incentives, such as waiver of annual park fees or reduction of permit fees necessary for rehabilitation, to encourage upkeep and rehabilitation of housing by property owners.

Deleted: Coordinate

Deleted: Coordinate

Funding Source: Community Development Block Grant (CDBG) or other funds (as funding becomes available to the City).

Responsible Party: Planning Department

Time Frame: Develop program 2006

Policy H.2.3: The City will identify local and regional groups that assist persons with disabilities to live and work ~~in~~ independently.

- **Action H.2.3.1** – Support the Resource for Independent Living (RIL) program to remove physical barriers in homes occupied by persons with a disability, many of whom are elderly.



Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: Ongoing

Policy H.2.4: Develop and implement standards applicable to all infill and additions/renovations to existing residential projects aimed at improving the personal security of residents and maintaining the units.

- **Action H.2.4.1** – Continue to implement the adopted Residential Security Standards through the Design Review process.

Funding Source: General Fund
Responsible Party: Planning and Policy Departments
Time Frame: Ongoing

- **Action H.2.4.2** - Require developers of affordable rental housing projects to submit a management and maintenance plan showing how such projects will be managed to ensure safety of residents, a decent living environment, and maintenance of units in sound condition.

Funding Source: General Fund
Responsible Party: Redevelopment Agency and Housing Department
Time Frame: Ongoing

- **Action H.2.4.3** - Establish a program by ordinance requiring owners of rental units that are vacated for violation of housing and building codes to pay the costs of relocating displaced residents. The relocation ordinance will specify the conditions under which private relocation payments are required, the tenant eligibility requirements, the amount of relocation benefits and when these benefits are payable, and the administrative procedures for assuring compliance with the ordinance. In adopting an implementing ordinance, the City will seek to provide for private relocation assistance that does not create significant disincentives to removing blighted properties or penalize property owners for blighted conditions created by the occupants of their rental properties.

Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: Ongoing



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Deleted: shall be adopted by the City Council. The City will implement this program through explicit and objective project review standards that do not significantly increase project costs or reduce development density otherwise allowed by the Zoning Ordinance. Such standards and guidelines may be adopted as part of the City's Zoning Ordinance and/or Design Guidelines as appropriate

Deleted: Update Zoning Code standards 2006

Deleted: Planning

Policy H.2.5: Pursue potential reuse and conversion opportunities for additional housing along Folsom Boulevard.

- **Action H.2.5.1** – Rehabilitate old, underutilized, blighted, and/or vacant shopping centers on Folsom Boulevard to increase mixed-use and reuse in that corridor.

Funding Source: Redevelopment Funds
Responsible Party: Redevelopment Agency
Time Frame: 2006/07

- **Action H.2.5.2** – ~~Identify opportunities in the Redevelopment Area~~ for use of redevelopment tools and tax-increment funding that will improve the Folsom Boulevard corridor, specially targeting residential reuse of old motels along Folsom Boulevard.

Funding Source: Redevelopment Funds, General Fund
Responsible Party: Redevelopment Agency
Time Frame: 2006/07

Deleted: Establish a redevelopment area and

Deleted: i

Policy H.2.6: Preserve housing units at risk of losing affordability status.

- **Action H.2.6.1** – Establish a biannual monitoring program to identify assisted housing units at risk of losing their affordability subsidies or requirements.

Funding Source: Administrative cost to the City for monitoring, HOME and CDBG to subsidize rental properties.

Responsible Party: Redevelopment Agency
Time Frame: Establish a monitoring program in 2006

- **Action H.2.6.2** – Develop an Affordable Housing Conversion Ordinance that requires, at a minimum:

At least one year prior to the conversion date, the owner shall provide written notification to residents of the expected date of loan prepayment or pay-off, at which time the owner will no longer be restricted in the level of rent that can be charged. The notice will also contain an estimate of rent increases at the time that rental restrictions



Required by the Fed's

no longer apply. Residents moving into a housing development during this one-year period must also be notified in writing of the pending conversion prior to signing a rental agreement.

- Property owners shall provide relocation assistance to those low-income households who are unable to afford rent increases.
- The Redevelopment Agency, when formed, will solicit interested non-profit housing corporations to acquire and maintain such projects as low-income housing. The Redevelopment Agency will assist an interested non-profit housing corporation in applying for state or federal assistance for acquisition and redevelopment of properties.

Funding Source: Administrative cost to the City for monitoring, HOME and CDBG to subsidize rental properties.

Responsible Party: Redevelopment Agency

Time Frame: Develop ordinance in 2006

Policy H.2.7: Encourage mobile home park maintenance and improvement, including conversion to resident ownership when appropriate.

- **Action H.2.7.1:** - Meet with mobile home park owners to determine their needs in providing a quality living environment in their mobile home parks.

Funding Source: Redevelopment Funds

Responsible Party: Redevelopment Agency

Time Frame: Ongoing

- **Action H.2.7.2:** - Provide financial assistance for infrastructure and other park improvements when available through local, state, and federal funds to property owners who wish to improve and maintain their parks.

Funding Source: Redevelopment Tax Increment Funds, HOME Program, CDBG Program

Responsible Party: Redevelopment Agency

Time Frame: Ongoing

- **Action H.2.7.3:** - If necessary to facilitate a sale to residents, the City will seek state and federal funding to assist residents in purchasing, improving, and managing their parks and/or seek the expertise of a non-profit



organization with experience in mobile home park sales and conversion to resident ownership and management.

Funding Source: Redevelopment Tax Increment Funds,
HOME Program, CDBG Program
Responsible Party: Redevelopment Agency
Time Frame: Ongoing

Policy H.2.8: The City will continue to implement the Zoning Code to provide for the development of manufactured homes with permanent foundations on individual lots and in manufactured home parks in all residential zoning districts.

- **Action H.2.8.1** – Provide information at the City permit counter and web site on policies and regulations for the placement of manufactured housing on permanent foundations.

Funding Source: General Fund
Responsible Party: Planning and Building Departments
Time Frame: Ongoing

Goal H.3: Revitalize Existing Multi-Family – Revitalize existing dilapidated multi-family properties and areas.

Policy H.3.1: Increase accountability of landlords and require regular building improvements to maintain property in desirable condition.

- **Action H.3.1.1** – Revise Municipal Code, where appropriate, to provide higher standards for building maintenance, parking requirements, landscaping, and number of persons residing in unit, and work with “In-Shape,” the Rancho Cordova Code Enforcement Department, to enforce the standards.

Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: 2006

- **Action H.3.1.2** – Implement a program providing incentives for conversion of troubled properties to condominiums, senior housing, or other similar use.



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Funding Source: General Fund
Responsible Party: Redevelopment Agency/Planning Department
Time Frame: 2006

- **Action H.3.1.3** – ~~Support~~ targeted inspections by a team of code enforcement, police, building inspectors, and other appropriate agencies/departments.

Funding Source: General Fund
Responsible Party: ~~Building and~~ "In-Shape" Code Enforcement, Departments
Time Frame: 2006

- **Action H.3.1.4** – Coordinate with Sacramento Tree Foundation to provide shade trees for properties needing landscape improvements. City can host and advertise program for residents and property owners.

Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: Ongoing

Policy H.3.2: Work with interested individuals, non-profit housing corporations, and for-profit developers to acquire rental housing projects in need of rehabilitation, and transfer ownership, when necessary, to maintain the affordability of the units to low-income households.

Goal H.4: Encourage Housing Opportunities - Promote housing diversity through providing a range of high-quality housing choices for the community, including single-family homes, duplexes, townhomes/condominiums, live-work units, mixed-use, multi-family, executive housing, and mobile homes, that serve all households, ranging from the workforce to executives to seniors and other special needs groups.

Policy H.4.1: Ensure that neighborhoods are developed in a balanced, sustainable manner, avoiding over-concentration of affordable housing or over-sized rental complexes and providing a range of housing prices and rents.

- **Action H.4.1.1** – Review other local jurisdictions' programs that spread a range of housing types throughout the jurisdiction.

Funding Source: General Fund

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Responsible Party: Planning Department
Time Frame: 2006

- 3 actions
- **Action H.4.1.2** – Promote development of affordable housing by ensuring adequate sites are available in the City (Policy H.1.2, Actions H.1.2.1 and H.1.2.2), providing resources for developers of affordable housing (Policies H.7.1 through H.7.5 and associated actions), and reviewing amendments and updates to the Zoning Ordinance, Design Guidelines, and other development standards that may increase the cost of providing affordable housing to ensure that development of affordable housing remains feasible.

Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: Ongoing

- **Action H.4.1.3** – Allow secondary dwelling units by right in single-family residential zones. The City will promote its second unit standards by including information annually in *The Grapevine Independent*, publishing information on the City's web site to promote this option, and submitting press releases annually to local newspapers.

Policy H.4.2: Provide a range of senior housing opportunities, including senior developments with single-story homes, independent living, assisted living, skilled nursing, and shared housing, and pursue opportunities and funding to convert existing apartment complexes to senior housing facilities.

- **Action H.4.2.1** – Research feasibility of converting existing multi-family rental housing to senior housing facilities, such as a congregate care or assisted living facility.

Funding Source: General Fund
Responsible Party: Planning, Building, and Fire Departments
Time Frame: 2006/07

- **Action H.4.2.2** – Require single-family developments serving seniors to provide the majority of the homes as one-story units and multi-family developments to provide elevators.

Funding Source: General Fund
Responsible Party: Planning, Building, and Fire Departments



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w/o decreasing standards

Adopt a secondary d.u. ordinance that is consistent w/ state law & allows local review of impacts to adjacent properties.

Time Frame: Ongoing

Policy H.4.3: Provide density bonuses consistent with the requirements of State law.

- **Action H.4.3.1** – Amend as necessary the Zoning Ordinance to include density bonus provisions consistent with the requirements of State law.

Funding Source: General Fund

Responsible Party: Planning Department

Time Frame: 2006

Policy H.4.4: Provide housing for the special needs populations, including housing accessible for persons with disabilities, large households, the homeless, and single-parent households.

- **Action H.4.4.1** – Provide accessibility in housing for persons with disabilities by implementing state requirements and undertaking the following actions:

- ~~Consider incorporation of universal design~~ standards into the Zoning Ordinance and/or citywide Design Guidelines.
- Require housing developers to include mobility-impaired accessibility in their project designs.
- Review regulations and procedures for City-funded or operated housing programs to ensure that they do not exclude participation by persons with disabilities.
- Include accessibility considerations in the preparation of the City's capital improvement plan and the allocation of funding for capital improvements in support of housing and residential neighborhoods.

Funding Source: General Fund

Responsible Party: Planning ~~and Building~~ Departments

Time Frame: Ongoing

- **Action H.4.4.2** ~~Provide~~ incentives for the development of units for identified special needs groups. Incentives may include fee reductions or



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deferrals, reduced parking requirements, density bonus, priority permit processing, technical assistance in project processing, and accessing funding for the special needs.

Funding Source: General Fund

Responsible Party: Planning Department and Redevelopment Agency

Time Frame: Ongoing

- **Action H.4.4.3** - In implementing affordable housing programs, such as Actions H.1.1.1, H.4.1.1, H.4.1.2, H.4.5.1, H.4.9.2, and H.7.2.1, the City will work with housing providers to ensure that special housing needs are addressed for seniors, large families, female-headed households, single-parent households with children, persons with disabilities, homeless individuals and families, and farmworker families. The City will seek to meet these special housing needs through a combination of regulatory incentives, zoning standards, new housing construction programs, housing rehabilitation, homebuyer assistance programs, and supportive services programs.

Funding Source: CDBG, HOME, and other funds (as funding becomes available to the City)

Responsible Party: Planning Department

Time Frame: Ongoing

- **Action H.4.4.4** - Participate in regional coordination for homeless services and facilities. As part of this coordination, the City will seek a cooperative effort to develop additional homeless services/facilities capacity on a dispersed basis throughout the County as needed to address homeless needs. The City will continue to support existing facilities and programs (including financial support when appropriate and necessary), permit homeless facilities and service providers under the City's Zoning Code, and financially contribute, as funds are available, to regional solutions to homelessness.

Funding Source: General Fund, State Emergency Shelter Program, HUD, other specialized funding

Responsible Party: Planning Department

Time Frame: Ongoing



Policy H.4.5: Ensure that adequate parking is available in multi-family rental properties, condominiums, townhomes, and senior facilities.

- **Action H.4.5.1** – Update parking requirements in the Zoning Code to reflect parking needs of multi-family rental properties, condominiums, townhomes, and senior facilities as exhibited by the amount of parking occurring at comparable developments existing within in the City.

Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: 2006

Policy H.4.6: Ensure that housing appropriate for empty-nesters and single persons, such as townhomes or small lot, single-family homes, rather than large single-family homes, is developed.

(Moved to Policy H.2)

Policy H.4.8: The City will continue to promote equal housing opportunity for all persons regardless of race, religion, sex, marital status, ancestry, nation origin, color, disability, familial status, source of income, or sexual orientation.

Policy H.4.9: Promote improved aesthetics and amenities in residential construction.

- **Action H.4.9.1** – Continue to require a richer diversity of front elevations and increased quality of housing plans through Design Review.

Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: 2006

- **Action H.4.9.2** - Require that affordable housing projects be designed so that there is no discernable exterior difference in style or design between such projects and market-rate housing projects, without requiring a specific design standard that would render an affordable housing project financially infeasible.

Funding Source: General Fund
Responsible Party: Planning Department



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 <#><sp>**Action H.4.7.1** – Provide information at the City permit counter and web site on policies and regulations for the placement of manufactured housing on permanent foundations. ¶
Funding Source: General Fund¶
Responsible Party: Planning Department¶
Time Frame: Ongoing

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Time Frame: 2006

Goal H.5: Promote Homeownership – Substantially increase the rate of homeownership.

Policy H.5.1: Pursue funding and resources to develop homeownership programs such as first-time homebuyer, downpayment assistance, lease-to-own, mortgage credit certificate, and police-fire-teacher programs.

- **Action H 5.1.1** – The City shall cooperate with the Sacramento County Board of Realtors, local financial institutions, non-profit organizations, and residential developers in implementing homebuyer assistance programs for low- and moderate-income households. Among the options the City will pursue are:

- A City-sponsored homebuyer assistance program funded from state and federal sources such as CDBG and HOME; and
- A City-sponsored homebuyer assistance program with participation by financial institutions, such as the Federal Home Loan Bank Board's Affordable Housing Program.

Funding Source: CDBG, HOME, and other funds (as funding becomes available to the City)

Responsible Party: Planning Department and Redevelopment Agency

Time Frame: 2006

Policy H.5.2: Encourage conversion of existing multi-family complexes to condominiums to provide new and additional homeownership opportunities.

- **Action H.5.2.1** - Develop and adopt requirements for proposals requesting conversion of rental units to for-sale ownership units. Requirements and evaluation factors shall include a minimum rental vacancy rate (to be determined through an annual market-rate rental survey), maximum number of units allowed to convert annually, relocation assistance to tenants, and affordability of units.

Funding Source: CDBG, HOME, Redevelopment Funds

Responsible Party: Redevelopment Agency

Time Frame: Ongoing



Goal H.6: Sustainable Design – Pursue sustainable development and energy efficiency for new residential development and existing housing stock.

Policy H.6.1: Require energy efficiency in the design and construction of housing developments through implementation of the State Energy Conservation Standards. The long-term economic and environmental benefits of energy efficiency shall be weighed against any increased initial costs of energy saving measures. Encourage sustainable development by reducing energy use.

- **Action H.6.1.1** - Incorporate LEED requirements into Zoning Ordinance.

Funding Source: General Fund

Responsible Party: Planning and Building Departments

Time Frame: 2006

- **Action H.6.1.2** - Partner with SMUD to develop model programs for energy efficiency in new development without increasing costs to the homebuyer.

Funding Source: General Fund

Responsible Party: Planning and Building Departments

Time Frame: 2006

- **Action H.6.1.3** - Post and distribute information on currently available weatherization and energy conservation programs to residents and property owners. The City will distribute information through the City's newsletter, annual mailings in City utility billings, distribution of program information to community organizations and at municipal offices, and postings on the City's web site.

Funding Source: General Fund

Responsible Party: Planning and Building Departments

Time Frame: 2006

- **Action H.6.1.4** - Continue to enforce State requirements, including Title 24 of the California Code of Regulations, for energy conservation in new residential projects and encourage residential developers to employ additional energy conservation measures for the siting of buildings, landscaping, and solar access through development standards contained in the Zoning Ordinance.



Funding Source: General Fund
Responsible Party: Planning and Building Departments
Time Frame: 2006

- **Action H.6.1.5** – Identify fee reduction or other incentives for providing increased energy efficiency.

Funding Source: General Fund
Responsible Party: Planning Department
Time Frame: 2006

Policy H.6.2: Encourage participation in SMUD's energy efficiency, photovoltaic, solar, and other comparable programs.

Policy H.6.3: Require all new development to provide bicycle and pedestrian access, thereby facilitating the reduction of automobile air quality impacts in the area.

Goal H.7: Housing Resources – Pursue public and private resources available to promote diverse housing opportunities, and particularly to assist in the creation of workforce housing and special needs housing.

Policy H.7.1: Partner with private organizations to encourage housing investment in the City.

- **Action H.7.1.1** – Partner with major employers in the community to develop resources. Identify incentives from major employers to encourage employees to reside in Rancho Cordova.

Funding Source: General Fund
Responsible Party: Economic Development Department
Time Frame: 2006, ongoing

- **Action H.7.2.2** – Work with financial institutions serving Rancho Cordova to solicit interest in providing financing for very low-, low- and moderate-income housing as part of their responsibilities under the Federal Community Reinvestment Act (CRA). The City will seek specific lending commitments to be used in conjunction with Redevelopment Agency funds and state and federal funds. The City will work with interested lending



institutions and developers to use existing CRA-funded programs through the Federal Home Loan Bank Board and the Federal Reserve Bank Board.

Funding Source: CDBG, HOME, Redevelopment Tax Increment Funds and other funds (as funding becomes available to the City)

Responsible Party: Redevelopment Agency

Time Frame: 2006/07

Policy H.7.2: Pursue state and federal funding sources needed to achieve the desired range of housing choice.

- **Action H.7.2.1** – Pursue available and appropriate state and federal funding sources to support efforts to meet new construction needs of very low-, low-, and moderate-income households. Appropriate sources of funding will be determined on a case-by-case basis. (See Program Timelines and Potential Funding below.) The City will collaborate with non-profit organizations and agencies such as Northern California Construction Training, Community Housing Opportunity Corporation, and the Sacramento Housing and Redevelopment Agency. Potential funding sources for this program will include the CDBG and HOME programs, the state Downtown Rebound Program (assuming funding becomes available), the state Multi-Family Housing Program, California Housing Finance Agency programs (such as HELP), tax exempt bond financing, low-income housing tax credits, the Federal Home Loan Bank Affordable Housing Program, and various other HUD programs for special needs groups.

Funding Source: CDBG, Downtown Rebound Program, HOME, Multi-Family Housing program, California Housing Finance Agency, HELP Program, HUD Program Section 221(d), Section 202 (elderly), Section 811 (persons with disabilities), Federal Home Loan Bank, Tax Exempt Bonds, Low-Income Housing Tax Credits (state and federal), and Housing Tax Increment Funds

Responsible Party: Planning Department and Redevelopment Agency

Time Frame: 2006/07

Policy H.7.3: Cooperate with affordable housing providers and provide regulatory and financial incentives to develop, acquire, rehabilitate, and/or manage housing affordable to very low-, low-, or moderate-income households.



Policy H.7.4: Require non-residential development to provide for the affordable housing needs generated or contributed to by their development.

- **Action H.7.4.1** – Update the existing Very Low Income Housing Trust Fund Fee (fee for non-residential development) to better address the needs and desires of City. The update to the fee program shall include the following:

- 1) An updated nexus study addressing both very low- and low-income housing needs generated by non-residential development, including the cost to provide a variety of lower-income housing types;
- 2) A fee structure based on defined types of non-residential development that are consistent with uses identified in the Zoning Code;
- 3) A fee component to cover administrative costs;
- 4) An annual inflationary adjustment;
- 5) Exempt uses; and
- 6) Allowed uses of the fee, including its use to provide pre-development, construction, and permanent financing for affordable multi-family projects, and provide a homebuyer assistance program.

Funding Source: General Fund

Responsible Party: Planning Department

Time Frame: 2006/07

Policy H.7.5: ~~Utilize Redevelopment Area for the generation of redevelopment~~ housing set-aside funds.



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QUANTIFIED OBJECTIVES SUMMARY

Based on the policies and actions outlined above the following objectives represent a reasonable expectation of the maximum number of new housing units that will be developed, rehabilitated, or conserved, and the number of households that will be assisted over the next two years. The City should be able to facilitate the construction of 701 new units, assist with the rehabilitation of 26 units, preserve 99 units, and convert 46 market-rate rental units to affordable homeownership units between 2005 and 2007.

TABLE 3

Action Item	Very Low-Income	Low-Income	Moderate-Income	Total
New Construction				
Policy H.1.4 (Mixed-Income Housing)	221	221	221	663
Policy H.4.1 (Sustainable Neighborhoods)	--	10	--	10
Policy H.4.5 (First-Time Homebuyer) ¹	--	4	2	6
Policy H.7.4 (VLHTF)	2	-	-	2
Policy H.7.5 (Housing Set-Aside Funds) ¹	10	5	5	20
Subtotal	233	240	228	701
Rehabilitation				
Policy H.2.2 (Rehabilitation)	11	11 ²	--	22
Policy H.2.3 (Barrier Removal)	2	2	--	4
Subtotal	13	13	--	26
Preservation				



H.2.6.1	99	--	99
Subtotal	99	--	99

Conversion of Existing Market-Rate Housing to Affordable and/or Homeownership

Policy H.5.1 (First-Time Homebuyer)	10	6	16
Policy H.5.2 (Multifamily Conversion)	10	10	30
Subtotal	10	20	46
Total	628	281	909

¹ The City will begin collecting for these two programs during this housing element cycle.

² Based on an estimate of the amount of CDBG funds the City could potentially receive starting July 1, 2006 through the end of the 3rd Housing Element cycle (June 30, 2007). This number includes Housing Rehabilitation Loans and Emergency Repair Loans.

EFFORTS TO ACHIEVE CITIZEN PARTICIPATION

Rancho Cordova, a new city that incorporated as a result of the long-term efforts of its citizens, prioritizes the involvement of its residents in the development of plans aimed at improving the quality of life in the community, such as the General Plan and Housing Element.

Therefore, Rancho Cordova welcomes that Section 65583[c][6] of California Government Code requires cities and counties to make a diligent effort to achieve participation by all segments of the community in preparing a Housing Element. Compliance with that regulation is in alignment with Rancho Cordova's approach to citizen participation.

The diligent effort required by State law means that local jurisdictions must do more than issue the customary public notices and conduct standard public hearings prior to adopting a Housing Element. State law requires cities and counties to take active steps to inform, involve, and solicit input from the public, particularly low-income and minority households that might otherwise not participate in the process. Active involvement of all segments of the community may include one or more of the following:



- Outreach to community organizations serving low-income, special needs, and underserved populations;
- Special workshops, meetings, or study sessions that include participation by these groups;
- Establishment of an advisory committee with representatives of various housing interests; and
- Public information materials translated into languages other than English if a significant percentage of the population is not English-proficient.

To meet the requirements of State law, the City of Rancho Cordova has completed the public outreach and community involvement activities described below.

PUBLIC MEETING AND HEARINGS

The public workshops were noticed in the *Sacramento Bee*. The City also notified Sacramento Housing and Redevelopment Agency, Legal Services of Northern California, Sacramento Mutual Housing, Sacramento Housing Alliance, and Mercy Housing. In preparation of the Housing Element, the public was provided with the opportunity to help shape Rancho Cordova's housing policies and implementation strategies. The City conducted two public workshops focused on receiving input on the policies and programs for assisting and encouraging affordable housing that would work in Rancho Cordova, and possible ways to conserve and improve existing affordable housing in the City. In addition, the workshops asked for input as to what type of affordable housing would be appropriate in Rancho Cordova. One public workshop was held jointly with the City Council, Planning Commission, and the General Plan Advisory Committee. Local housing providers, housing advocates, and representatives from SACOG made presentations regarding the needs of low-income housing groups, programs useful to housing providers, State law concerning housing, and the regional housing needs allocation process.

The workshops provided information on the State requirements for the City's Housing Element, background information on what is considered affordable housing, and facts on the different ways to implement and promote affordable housing in communities. In addition, information was provided that explained the special housing needs groups that could be addressed in the Housing Element.



MEMORANDUM

DATE: March 6, 2006
TO: Mayor and Council Members
FROM: Cyrus Abhar, Public Works Director
SUBJECT: HIGHWAY 50 BUS/CARPOOL LANE AND COMMUNITY
ENHANCEMENTS PROJECT



RECOMMENDATION

It is recommended that Council conceptually approve the scope of community enhancements proposed along Highway 50 within Rancho Cordova.

RESULT OF RECOMMENDED ACTION

Approval of the conceptual scope will allow Staff to negotiate with Caltrans for inclusion of community enhancements with their installation of new bus and carpool lanes on Highway 50 within Rancho Cordova. Community enhancements proposed by Staff consist of approximately 4.5 miles of new soundwalls, and new landscaping along the corridor.

BACKGROUND

The California Department of Transportation, District 3 (Caltrans) is the lead agency for planning, design and construction of the Highway 50 Bus/Carpool Lane and Community Enhancements Project that is aligned through the City of Rancho Cordova, City of Sacramento and County of Sacramento. It is anticipated that approximately \$5 million will be dedicated by Caltrans to community enhancements along the Rancho Cordova corridor.

Eligible enhancements include, but are not limited to monumentation, bike and pedestrian facilities, park and ride facilities, soundwalls and landscaping. With limited funds available, individual enhancements must be selected for inclusion into the final project. Staff recommends that installation of new soundwalls and landscaping will provide the greatest benefit to Rancho Cordova citizens.

Residents of Rancho Cordova have been vocal in their requests for improved soundwall coverage along Highway 50. Although portions of the Rancho Cordova frontage along Highway 50 have adequate soundwalls, approximately 4.5 miles do not have the preferred level of sound buffer. Therefore, Staff proposes to

negotiate with Caltrans for inclusion of new soundwalls where existing buffers are inadequate.

Much of the highway within city limits is not adequately landscaped. Therefore, Staff proposes to negotiate with Caltrans for inclusion of new landscaping within city limits. Council's conceptual approval of Staff's recommendation will allow negotiations to proceed with Caltrans for these enhancements.

MEMORANDUM

DATE: March 6, 2006
TO: Mayor and Council Members
FROM: Stephanie Snyder, City Manager's Office 
SUBJECT: CITYWIDE GOALS & OBJECTIVES



RECOMMENDATION

Approve the Citywide Goals, and direct staff to develop action plans for objectives and incorporate objectives into current and future work through the annual budget process.

RESULT OF RECOMMENDED ACTION

The recommended action will approve 12 Citywide goals developed over recent months of collaborative work between Council and staff for the purpose of guiding both existing and new projects with a sense of the City's priorities.

BACKGROUND

On November 15 and 16, 2005, the City Council met with senior staff, Planning Commissioners and various community stakeholders in a strategic planning discussion about the priorities that are desired to guide City services and activities. The two day planning session resulted in a preliminary set of Citywide Goals and Objectives that was brought back for Council discussion at a study session on December 5, 2005.

At the conclusion of the study session, staff agreed to:

- Complete the "test" for determining appropriate goals, by defining the "itch that is scratched" for each of the 12 recommended goals
- Incorporate Council feedback from the review of the goals and objectives, including substantive comments as well as assignment of department-level responsibility and a completion timeframe
- Work with the Vice Mayor to bring back recommended goals for Council approval in February 2006 (subsequently delayed with the Vice Mayor's concurrence) and any further Council direction for incorporating objectives and subsequently developing staff action plans.

The attachments to this report reflect the follow-up to the December 5th study session, and the Citywide Goals are presented for discussion and adoption. Once approved, these Goals will be cross-referenced in departmental goals for the upcoming Fiscal Year 2006-07 Budget, and staff will begin developing action plans consistent with the objectives.

Attachments:

Attachment A—The Tests for Developing Goals & Objectives
Attachement B—Goals & Objectives

Attachment A-- The Tests for Developing Goals & Objectives

Goal #1—Foster a Positive Image

1. *What itch does this goal scratch? What problems does it solve?*
 - a. Addresses lingering issues of Rancho Cordova's former image: a place to work but not live; the back door and back room of Sacramento County; and high crime and little involvement in civic matters.
 - b. Tactile confirmation that city hood was the right choice and is working to benefit residents.
2. *How will we know when we have achieved our goal?*
 - a. Complimentary language is used by residents and the public to describe Rancho Cordova.
 - b. Increase in housing prices in established neighborhoods.
 - c. School test scores are up.
 - d. Decrease in perception of crime within the city and the region.
 - e. We are looked at as the example of how to reshape a community.
 - f. More active involvement by the public in civic activities.
 - g. Decrease in number of code enforcement issues.

Goal #2—Improve Transportation & Connectivity

1. *What itch does this goal scratch? What problems does it solve?*
 - a. Rancho Cordova has inherited an overburdened transportation system that is not adequate to serve current of future circulation demands.
 - b. Increases in regional traffic congestion and environmental impacts related to automobile traffic are impacting the quality of life in Rancho Cordova.
2. *How will we know when we have achieved this goal?*
 - a. Construction begins on two major City transportation projects to address traffic congestion in our existing roadway system.
 - b. An increase in non-vehicular transportation (transit, bicycle and walking) can be measured within Rancho Cordova.
 - c. Construction begins on two projects of regional significance that involve multiple agencies of local jurisdictions.

Goal #3—Assure the Availability of the Best Public Services in the Region

1. *What itch does this goal scratch? What problems does it solve?*
 - a. We are in the people business. Everything we do needs to generate positive reactions about our customer service.
2. *How will we know when we have achieved this goal?*
 - a. The upcoming customer service survey will give us insights and directions for course corrections.

Attachment A-- The Tests for Developing Goals & Objectives

Goal #4—Establish a Vibrant Downtown

1. *What itch does this goal scratch? What problems does it solve?*
 - a. While Rancho Cordova has developed as a suburban community with a strong employment base, there is no identifiable center that unites the community.
 - b. Rancho Cordova is committed to growing as a city, not a suburb, and a strong city form requires a clear center to the community which is generally thought of as a downtown.
2. *How will we know when we have achieved this goal?*
 - a. Two development projects are under construction in the downtown that include downtown features such as vertically mixed uses, structured parking or mid-rise construction (four stories or taller).
 - b. Construction begins on significant redevelopment of the Olson/Zinfandel properties (projects involving structural changes, not façade improvements).
 - c. The community has a central green available in the downtown that will accommodate community events with more than 1,000 participants.

Goal #5—Ensure a Safe Community

1. *What itch does this goal scratch? What problems does it solve?*
 - a. Planning for emergency and disaster readiness is an important part of government's responsibility to the community.
 - b. Successful delivery of comprehensive public safety services requires the community to play a role such as providing venues for public safety education through schools, park districts, faith-based organizations, etc.
2. *How will we know when we have achieved this goal?*
 - a. The community will eagerly participate in the customer service survey and share valuable feedback about public safety issues to be used in future planning.
 - b. Citizens tell us that they feel safe living, working and playing in Rancho Cordova.

Goal # 6—Improve the Quality of Housing in Rancho Cordova

1. *What itch does this goal scratch? What problems does it solve?*
 - a. The need to upgrade run-down rental homes and apartment complexes that are a blight on the physical, social and economic vitality of the city.
 - b. The citizens' long felt need to improve the image by actually improving the quality and choices of housing, specifically home ownership for the people who currently live and work in the city.
2. *How will we know when we have achieved this goal?*
 - a. City representatives (Council, appointees, staff, etc.) receive feedback from citizens in the city and region that the full range of quality housing choices is available in the city.
 - b. The city conducts annual or semi-annual surveys of opinions and quality of life indicators and can test positive changes over time.
 - c. Residents have actual higher quality housing to buy and rent in the city.

Attachment A-- The Tests for Developing Goals & Objectives

- d. The residents stop complaining about the poor image of housing in Rancho Cordova.
- e. There are fewer transient families and students in our school system.

Goal #7—Sustain a Livable Community

1. *What itch does this goal scratch? What problems does it solve?*
 - a. Rancho Cordova has suffered from a perception of decline and a general sense both internally and externally that the community is not a desirable place to live.
 - b. Rancho Cordova has suffered from changing economic and employment conditions that have reduced the livability of some neighborhoods due to decline of housing and apartments.
 - c. Unless active efforts are made by the City, the existing community could stagnate or slip further into decline as the new portions of the community grow and flourish.
2. *How will we know when we have achieved our goal?*
 - a. Significant redevelopment begins to occur along Folsom Boulevard.
 - b. Construction commences on major park improvement/renovation projects within the existing portion of Rancho Cordova.
 - c. The City receives awards from state or national organizations recognizing the quality of development within the City.
 - d. Community surveys demonstrate a clear perception that conditions within Rancho Cordova are improving and that the community is “on the right track” to recovery and long-term success.

Goal #8—Drive Diverse Economic Opportunities

1. *What itch does this goal scratch? What problems does it solve?*
 - a. We want to be a financially healthy city that creates economic opportunity for everyone.
 - b. We need to invest in infrastructure that will attract new upscale commercial and entertainment venues.
 - c. We need good data that will help decision makers determine if a project is economically viable.
 - d. We want to be a destination for a regional sports and entertainment center.
2. *How will we know when we have achieved our goal?*
 - a. When we have economic parity and the majority of the community can “Live the American Dream.”
 - b. When citizens can buy what they need in Rancho Cordova and do not have to go elsewhere.
 - c. When the timeline to process a project is reduced so that businesses thrive and opportunities do not slip by because they are no longer desirable or economically feasible.
 - d. When the Kings move to Rancho Cordova!!

Attachment A-- The Tests for Developing Goals & Objectives

Goal #9—Foster Responsible Citizenship

1. *What itch does this goal scratch? What problems does it solve?*
 - a. Citizens (because of their diverse cultural backgrounds and economic status) engage in behaviors that degrade our community.
 - b. Businesses do business here but don't return anything to the community.
2. *How will we know when we have achieved our goal?*
 - a. Code enforcement complaints and issues are reduced because residents are maintaining their property and neighborhoods in good condition.
 - b. Complimentary language is used by the residents and the public to describe Rancho Cordova.
 - c. Interaction with neighborhood groups educates residents about their civic responsibilities.
 - d. There is a 10% increase in the residents registered to vote.
 - e. Businesses support our business license program and maintain property and buildings in good repair.
 - f. Businesses sponsor more community activities and events.
 - g. Businesses are eager to be involved in the community.
 - h. The majority of applicants have community involvement on their resumes/applications.

Goal #10—Practice Sound Fiscal Management

1. *What itch does this goal scratch? What problems does it solve?*
 - a. Ensures that the City will have the funds necessary for the programs and services the citizens of the community need.
 - b. Allows for continuity of government.
2. *How will we know when we have achieved our goal?*
 - a. The budget will be balanced.
 - b. There will be no adverse findings in the financial audits.
 - c. We will be able to maintain a reasonable general fund reserve.

Goal #11—Establish Logical (City) Boundaries

1. *What itch does this goal scratch? What problems does it solve?*
 - a. There are areas that are commonly viewed as being within the city boundaries, such as Sunrise, but they have shared jurisdictions and the City has no authority for improvement or services outside the current boundary.
 - b. Our citizens and businesses are often confused about whom to go to for help or answers.
2. *How will we know when we have achieved our goal?*
 - a. City boundaries are clear to the average citizen.
 - b. Consistent city services.

Attachment A-- The Tests for Developing Goals & Objectives

Goal #12—Continue to Provide Regional Leadership

1. *What itch does this goal scratch? What problems does it solve?*
 - a. We desire to be a regional player because we share transportation, air quality, housing, water and other issues with our neighboring cities.
2. *How will we know when we have achieved our goal?*
 - a. Regional services are of the highest quality, but delivery of services is transparent to our citizens.

CITY OF RANCHO CORDOVA GOALS & OBJECTIVES

Forged by

City Council, Planning Commission &
Staff on November 15 & 16, 2005 and
City Council Study Session on December 5, 2005

GOAL	Who	... will do what... (The Objectives)	... by when?
1. FOSTER A POSITIVE IMAGE OF RANCHO CORDOVA (Leads: Snyder, McMahon & Treadwell, Haven)	City Manager/PIO	Conduct public opinion survey to gauge residents feelings on services and identify community needs	5/31/06
	[Code Enforcement -- Department TBD]	Develop Code Enforcement Master Plan addressing office location, ordinance upgrades, staffing organization, staff training, and revenue requirements	9/30/06
	[Code Enforcement]	Staff Action: Code enforcement section to develop short and long-term objectives for commercial issues (curb appeal)	9/30/06
	[Code Enforcement]	Staff Action: Code enforcement section to develop short and long-term objectives for residential issues	9/30/06
	City Manager/PIO, Economic Development	Create a Communications Outreach Plan for the City which includes: an ongoing marketing program highlighting local assets and amenities for both residents and visitors	9/30/06
	City Manager/PIO	Staff Action: Establish a Speaker's Bureau using Council, Commissioners, senior staff	7/30/06
	City Manager/PIO	Staff Action: Be a sponsor, broker, catalyst and facilitator for	Ongoing

Attachment B

	City Manager/PIO	community-based events that enhance the City's image and promotes its goals (Fourth of July, Salmon Festival, Eppie's Great Race, Veteran's Day Parade, etc)	7/30/06
	City Manager/PIO, Economic Development	<i>Staff Action:</i> Launch a new, service oriented web site which will serve as an electronic gateway to our community <i>Staff Action:</i> Publish Annual State of Community Report (link to customer survey)	6/30/06
	City Manager/PIO, Department Heads	Develop and begin implementing a comprehensive branding campaign	6/30/06
	PIO	<i>Staff Action:</i> Campaign will include slogan, redesign of newsletter and web site, creation of art for advertising and displays, standards for visual elements associated with the City. It will be the emotional component to the communication plan	9/30/06
	PIO	<i>Staff Action:</i> Create signage and markers that identify historic locations, special events, location of civic activities that fit within the visual context of the brand	12/31/06
	PIO	Create City sponsored recognition programs which encourage image improvement activities.	5/31/06
	PIO, Planning	<i>Staff Action:</i> Implement the Planning Commission's "Orchids & Onions" awards program (also under Livable Community)	5/31/06
	PIO, [Code Enforcement]	Create a Code Enforcement Education Program <i>Staff Action:</i> Increase awareness about city standards related to proper care and upkeep of property through the mobile City Hall event information, newspaper articles and the City newsletter (Also under Responsible Citizenship)	Ongoing

GOAL	Who...	...will do what... (The Objectives)	...by when?
2. IMPROVE TRANSPORTATION & CONNECTIVITY <i>(Leads: Abhar, Junker)</i>		Adopt comprehensive plans for ensuring mobility within Rancho Cordova, so that our residents and visitors will be able to move within our city road network safely and conveniently. <i>Staff Action:</i> Complete and adopt the General Plan Circulation Element <i>Staff Action:</i> Complete and adopt a Pedestrian and Bicycle Master Plan <i>Staff Action:</i> Complete and adopt a Transit Master Plan	12/31/06 12/31/06 12/31/06
	Public Works, Planning Public Works, Planning Public Works, Planning Public Works, Planning Public Works, Planning Public Works, Planning Public Works, Planning	Retrofit the existing community to connect all homes to other homes and businesses by walking or biking and transit. The road network, the bike and pedestrian pathways and the transit system to provide safe at-grade crossings or grade separated crossings at major roads and intersections for pedestrians and bicyclists. <i>Staff Action:</i> Implement the ADA Transition Plan Phase I <i>Staff Action:</i> Begin construction of Phase I improvements for the Folsom Boulevard Beautification projects. <i>Staff Action:</i> Pedestrian and Bicycle Master Plan	Ongoing 6/30/06 9/30/06 12/31/06
	Public Works, Planning	Require all new development area homes to connect to all other homes and businesses by walking or biking and transit. The road network, the bike and pedestrian pathways and the transit system to provide safe at-grade crossings or grade separated crossings at major roads and intersections for pedestrians and bicyclists.	Ongoing, with each new project approval

Attachment B

	Public Works, Planning	Vigorous advocate for and be a (voting) player in all agencies and forums that might possibly solve our citizen transportation, mobility problems and needs within the region, e.g: RT SACOG EG/RC/EH Connector Road Lobbyist County Caltrans	Ongoing
	Public Works	Develop a comprehensive infrastructure improvement phasing and implementation strategy that addresses timing, responsible party and funding mechanisms for the City's transportation system.	12/31/06
	Public Works	<i>Staff Action:</i> Develop a transportation funding program that includes a fee and credit reimbursement program, includes state and federal funding, and resolves anticipated funding shortfalls.	6/30/06
	Public Works	<i>Staff Action:</i> Conduct a City/development community roundtable dialogue to resolve issues related to the timing, delivery and funding of road projects.	6/30/06
	Public Works	<i>Staff Action:</i> Establish criteria for acceptable traffic levels of service that address both short term and long term traffic congestion related to meeting the demands generated by new growth.	6/30/06
	Public Works	<i>Staff Action:</i> Develop a five year transportation improvement plan.	6/30/06

GOAL	Who...	... will do what... (The Objectives)	... by when?
3. ENSURE THE AVAILABILITY OF THE BEST PUBLIC SERVICES IN THE REGION <i>(Leads: Trimberger, Snyder & Abbar)</i>	City Clerk Public Works Building [Code Enforcement] Planning Finance City Manager, Department Heads City Manager, Department Heads	Establish a system for tracking and following through on servicing customer requests and complaints <i>Staff Action:</i> Implement a Customer Response Management (CRM) system for Council referrals & public requests for follow-up <i>Staff Action:</i> Implement a citywide automated system for: Public Works asset management & service requests Building, including web-based permits Code enforcement Planning Licensing <i>Staff Action:</i> Create a customer-friendly environment by providing timely, face-to-face city contact to connect citizens to appropriate city services, including multi-lingual services, whenever feasible and practical <i>Staff Action:</i> Continually evaluate potential technology solutions and other necessary tools for improving services	3/31/06 6/30/06 9/30/06 6/30/06 12/31/06 12/31/06 Ongoing Ongoing
	City Manager/PIO City Manager, Department Heads	Gather data on customer needs and continually monitor and measure progress <i>Staff Action:</i> Conduct public opinion and customer survey <i>Staff Action:</i> Establish measurements to develop improvement goals (using best practices research and benchmarking)	8/31/06 1/31/07

	Finance, Department Heads City Manager/PIO, Department Heads	Ensure accessibility to the latest technology to our residents and businesses (new) <i>Staff Action:</i> Develop a Information Technology Strategic Plan with input from community stakeholders and experts <i>Staff Action:</i> Explore ways to improve the City's website to provide service in new ways.	11/30/06 12/31/06
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GOAL	Who...	...will do what... (The Objectives)	...by when?
4. ESTABLISH A VIBRANT DOWNTOWN <i>(Leads: Haven, Junker)</i>	Planning, Economic Development	Determine the location and boundary of the Rancho Cordova Downtown	Completed
	Planning, Economic Development	<i>Staff Action:</i> Complete the Downtown visioning process.	Completed
	Planning, Economic Development	<i>Staff Action:</i> Adopt boundaries for the Downtown within the General Plan	Completed
	Planning, Economic Development	<i>Staff Action:</i> Clarify the general role of the Downtown that is unique from other areas of the City.	Completed
	Economic Development & all departments	Create an economically diverse and financially successful downtown	Ongoing
	Public Works, Planning	<i>Staff Action:</i> Ensure that City circulation improvement and transit programs are structured to promote a vibrant Downtown	3/31/06
	Economic Development	<i>Staff Action:</i> Adopt a Redevelopment Project Area	8/31/06
	Public Works, Economic Development	<i>Staff Action:</i> Use Redevelopment to upgrade streetscape and infrastructure	On Going
	Economic Development	<i>Staff Action:</i> Work with the Chamber of Commerce to create a Business Improvement District	On Going
	Economic Development, Planning	<i>Staff Action:</i> Promote mixed use and residential projects to bring people living within the Downtown	On Going
	Planning, support from all departments	Adopt a Rancho Cordova Downtown Implementation Plan or Downtown Specific Plan	12/31/07
	Planning, Economic Development	<i>Staff Action:</i> Identify appropriate uses, including specific uses that will only be allowed within the Downtown	9/30/06

	Economic Development, Public Works, Finance, Planning Planning, Public Works	<i>Staff Action:</i> Identify specific incentives that the City has available to attract desirable businesses to the Downtown area <i>Staff Action:</i> Complete development standards, design provisions, and streetscape plans for the Downtown that clearly illustrate the City's vision for the Downtown <i>Staff Action:</i> Complete an assessment of infrastructure deficiencies in the Downtown area and along Folsom Boulevard. <i>Staff Action:</i> Identify specific factors to measure the Downtown's economic diversity and financial <i>Staff Action:</i> Prepare a Downtown Marketing Plan that target potential new businesses, including restaurants, upscale retail and entertainment venues	12/31/06 5/31/07 5/31/07 7/31/06 9/30/07
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GOAL	Who	...will do what... (The Objectives)	...by when?
5. ENSURE A SAFE COMMUNITY <i>(Leads: McMahon, Abhar)</i>	Police	Complete the Rancho Cordova Emergency Response Plan in an effort to prepare the community for any natural or man-made disaster event	8/31/06
	Police, Fire	<i>Staff Action:</i> RCPD and Sacramento Metro Fire Department to coordinate emergency response training for key city personnel	2/28/06
	Police, Fire	<i>Staff Action:</i> RCPD and Sacramento Metro Fire to facilitate table top and field operational scenario exercises to insure readiness of city staff to manage disaster events.	3/31/06
	Department Heads	<i>Staff Action:</i> City staff to develop comprehensive action plans for their specific work groups associated with their anticipated assignments in a disaster response.	6/30/06
	Department Heads, Facility Manager	<i>Staff Action:</i> City Staff to develop an Emergency Operations Center and train for the eventual activation of the center	6/30/06
	Police, Fire	<i>Staff Action:</i> RCPD and Sacramento Metro Fire to facilitate public workshops and/or town hall meetings to present emergency operations plan for public review and input.	8/31/06
	Police	Collaborate with the City Council and members of the community to continue to develop community-policing principles to be implemented within the city	6/30/06
	PIO	<i>Staff Action:</i> Implement customer survey to measure citizen concern over public safety issues and to prioritize public safety operations	3/31/06
	Police, Fire	<i>Staff Action:</i> Conduct public forums/ town hall meetings with results of Customer Service Survey and to allow input	6/30/06

		Sustain outreach activities to continually educate the public related to public safety issues	
	Police, Fire	<i>Staff Action:</i> Conduct periodic Town Hall meetings to discuss public safety issues and to include the public in the decision making process.	Ongoing
	Police, Fire	<i>Staff Action:</i> Collaborate with schools, the park district, the faith based community and other public entities to continue to offer public safety education classes, including personal safety, fire safety, traffic/bicycle safety, etc. (Police School Resource Officer, POP, traffic, fire prevention)	Ongoing
	Police, Fire	<i>Staff Action:</i> Collaborate with the public to continue to offer crime prevention and fire safety programs to both residents and the business community (Police School Resource Officer, POP, traffic, fire prevention)	Ongoing
		Develop services delivery plan for the expansion of public safety services and activities to new development areas as well as existing areas	
	Police, Fire, City Manager, Finance, Planning	<i>Staff Action:</i> Work with city staff to develop staffing and facility plans to ensure adequate public safety services are provided to the newly developed areas of the city.	3/31/06
	Police, Fire, City Manager, Finance, Planning	<i>Staff Action:</i> Provide service to the community at service centers wherever possible, including the Rancho Cordova Neighborhood Center.	1/31/06

	Police	Provide effective traffic enforcement programs to address public safety issues related to the motoring public <i>Staff Action:</i> Continue to collaborate with the California Office of Traffic Safety to provide traffic safety programs, such as Avoid the Twelve, Click it or Ticket, On Street Racing programs, etc.	Ongoing
	Police, Public Works	<i>Staff Action:</i> Collaborate with schools and other public entities to address traffic related issues (Traffic, POP)	Ongoing
	Police, Public Works	<i>Staff Action:</i> Fully implement Commercial Traffic Enforcement Program	1/31/06
		Establish design standards to prevent public safety problems and issues related to criminal activity, access and traffic	
	Police, Planning	<i>Staff Action:</i> Utilize CPTED (crime prevention through environmental design) concepts in the building permit process	Ongoing
	Police, Fire, Planning	<i>Staff Action:</i> Develop procedures to routinely review building design plans for potential public safety hazards, including accessibility for public safety vehicles, fire hazards and crime prevention.	3/31/07
	Police, Public Works	<i>Staff Action:</i> Review development plans to ensure the safety of the motoring and pedestrian public.	Ongoing
	Police, Finance	Relocate police services to the Kilgore Building	6/30/07

GOAL	Who ...	... will do what... (The Objectives)	... by when?
6. IMPROVE THE QUALITY OF HOUSING IN RANCHO CORDOVA <i>(Leads: Haven, Carney & Trimberger)</i>	Economic Development/ Redevelopment, Planning	Understand the conditions and need for improvement of the current housing stock and the need for housing choices for all who (work and) want to live in the city <i>Staff Action:</i> Complete the housing needs assessment	4/30/06
	Economic Development/ Redevelopment, Planning	Ensure a full range of housing choices, types and opportunities for home ownership, rental housing, senior and special needs housing <i>Staff Action:</i> Coordinate and broker development of housing choices with housing developers, planners and community representatives	Ongoing
	Economic Development/ Redevelopment, Planning	<i>Staff Action:</i> Encourage reinvestment in development of quality housing opportunities in established neighborhoods of the City	Ongoing
	Economic Development/ Redevelopment, Planning	<i>Staff Action:</i> Support the provision of quality affordable housing opportunities for low and very low income working families, seniors and persons with disabilities	Ongoing
	Economic Development/ Redevelopment, Planning	<i>Staff Action:</i> Support the provision of affordable housing in mobile home parks	Ongoing
	Building, Economic Development, Planning Building, Economic Development, Planning	<i>Staff Action:</i> Support energy efficiency in new and existing homes to enhance home affordability <i>Staff Action:</i> Adopt a condo conversion ordinance to facilitate conversion of rentals to homeownership	Ongoing 6/30/06

		Develop a comprehensive program to provide financial incentives to the private and non-profit developers to build the housing needed in the city	5/31/06
Economic Development, [CDBG Team]		<i>Staff Action:</i> Implement the Community Development Block Grant (CDBG), including development of the federally required Comprehensive Plan.	
Economic Development/Redevelopment		<i>Staff Action:</i> Implement and enhance the Low Income Housing Trust Fund program	6/30/06
Economic Development/Redevelopment		<i>Staff Action:</i> Develop a Housing Trust Fund for reinvestment in the established neighborhoods	1/31/07
[CDBG Team]		<i>Staff Action:</i> Secure revenue for funding a robust housing rehabilitation loan and emergency repair program	5/31/06
Economic Development		<i>Staff Action:</i> Implement the Redevelopment Low and Moderate Income Housing funded programs, (20% Set-Aside funding as required by state law)	1/31/07
Economic Development		<i>Staff Action:</i> Secure and manage all available private and public sources of revenue to provide gap financing for housing development	Ongoing

	Economic Development, Planning, Building Building, Planning, [Code Enforcement] Building, [Code Enforcement] Finance	Improve the housing quality standards of rental housing in the City <i>Staff Action:</i> Develop partnerships with rental housing industry associations, tenant advocacy groups and neighborhood associations to assist with rental property owners and tenants' education and effective property management practices.	11/30/06
		<i>Staff Action:</i> Create a robust rental housing inspection program, including inspections to bring all rental housing up to an acceptable minimum standard.	6/30/06
		<i>Staff Action:</i> Coordinate Code Enforcement efforts with programs to upgrade housing and neighborhoods.	5/31/06
		<i>Staff Action:</i> Enforce the Business Licensing of rental housing property owners.	7/31/06
	Planning, Economic Development Planning, Economic Development Building, Planning All departments	Encourage reinvestment in homeownership <i>Staff Action:</i> Promote infill ownership housing development in the established communities	Ongoing
		<i>Staff Action:</i> Collaborate with non-profit affordable housing developers such as Habitat for Humanity and others to provide home ownership for low and very low income working families	Ongoing
		<i>Staff Action:</i> Develop partnerships with local building suppliers for energy efficiency upgrades	Now
		<i>Staff Action:</i> Facilitate partnerships with local community service groups, schools, faith and other organizations to develop and implement community improvement programs.	Now

	Building, Finance	i.e. Christmas in July, neighborhood cleanups, house painting programs, "best-block award program", etc. <i>Staff Action:</i> Consider a "Permit Fee Holiday" to provide free building permits for simple home improvements. Coordinate with local suppliers, designers, lenders, and contractors	5/31/06
		Adopt the City's first Housing Policy Plan	
	Planning	<i>Staff Action:</i> Adopt the state required Housing Element that contains plans, policies and programs directed at improving the quality of housing in the City	6/30/06
	Planning	<i>Staff Action:</i> Implement the pertinent Housing Element policies by updating the City zoning ordinances	7/31/06
	Economic Development, Planning	<i>Staff Action:</i> Develop and implement the housing programs, such as first-time homeowners, housing rehabilitation, housing trust fund, senior housing, and transitional and homeless project and programs	6/30/06

GOAL	Who...	...will do what... (The Objectives)	...by when?
7. SUSTAIN A LIVABLE COMMUNITY (Leads: Junker, Lindgren)	Planning, Public Works	Adopt City policies and standards that both allow and promote the enhancement of Rancho Cordova <i>Staff Action:</i> Complete review of General Plan, design guidelines, park standards, housing element and other policy documents for consistency with "Smart Growth" principles	3/31/06
	Planning	<i>Staff Action:</i> Reexamine which land uses should be conditional uses reviewed by City Council prior to approval	5/30/06
	Planning, CRPD	<i>Staff Action:</i> Adopt updated city standards for park facilities and open space amenities and associated financing mechanisms	6/30/06
	Planning	<i>Staff Action:</i> Adopt General Plan with policies and programs for a livable community	6/30/06
	Planning	<i>Staff Action:</i> Separate current Zoning Code into regulatory requirements and form-based performance standards	12/31/06
		Promote the enhancement of Rancho Cordova's existing neighborhoods and commercial districts	
	Planning & CRPD	<i>Staff Action:</i> Develop a strategy for acquiring a decision-making role in Mather Regional Park	5/30/06
	Planning & CRPD	<i>Staff Action:</i> Actively participate within the American River Parkway Update to enhance the value of the Parkway for Rancho Cordova residents	6/30/06
	City Manager/PIO, Economic Development	<i>Staff Action:</i> Develop and begin implementing a comprehensive branding campaign (also under Image)	9/30/06

Attachment B

	Planning, Building, Public Works, PIO	<i>Staff Action:</i> Compete for awards and recognition for innovative City Building	Ongoing
	Planning, Public Works	<i>Staff Action:</i> Implement all other city goals that contribute to sustaining a livable community	Ongoing
	Planning, Public Works	<i>Staff Action:</i> Pursue opportunities to put Rancho Cordova in a leadership role for sustainable planning and development solutions in the region and State (e.g., solar community, green buildings).	Ongoing
	Engage members of the community in the enhancement of Rancho Cordova		
	Planning, PIO	<i>Staff Action:</i> Implement the Planning Commission's "Orchids & Onions" awards program (also under Image)	5/31/06
	Planning, Economic Development, PIO	<i>Staff Action:</i> Implement outreach to all new residents of Rancho Cordova (Codes, voting, CC&R's remind them of city land uses, etc.)	12/31/06
	Economic Development, PIO	<i>Staff Action:</i> Host quarterly civic events for participation, education, celebration of City activities (e.g., Believe in the Boulevard Open House, Neighborhood Cleanup)	Ongoing
	Economic Development, PIO	<i>Staff Action:</i> Host networking events for organizations within the City to share ideas and conduct business.	Ongoing

GOAL	Initiative	...will do what... (The Objectives)	...by when?
8. DRIVE DIVERSE ECONOMIC OPPORTUNITIES <i>(Leads: Haven, Thomas)</i>	Planning, Economic Development	Upgrade the visual and economic quality of existing businesses on Folsom Blvd. <i>Staff Action:</i> Complete Folsom Blvd Specific Plan	7/31/06
	Planning, Economic Development	<i>Staff Action:</i> Complete Folsom Blvd Beautification Plan	7/31/06
	Planning, Economic Development	<i>Staff Action:</i> Create a Commercial Code Enforcement Plan	5/31/06
	Planning, Economic Development	<i>Staff Action:</i> Complete the Redevelopment Project Plan	8/31/06
	Public Works	<i>Staff Action:</i> Begin an underground utilities project	Ongoing
	Planning, Economic Development	<i>Staff Action:</i> Assess infill and redevelopment opportunities within one quarter mile of the light rail line	Ongoing
	Planning, Economic Development	<i>Staff Action:</i> Adopt an infill policy	5/31/06
	Planning, Economic Development	<i>Staff Action:</i> Implement a Business Improvement District	Now
	Economic Development, Chamber	Attract high quality retail and commercial to Rancho Cordova <i>Staff Action:</i> Identify a strategy to bring quality retail to the Riverside District	Ongoing
	Economic Development, Chamber	<i>Staff Action:</i> Market and promote the opportunities of the Riverside District	Ongoing

Attachment B

	Economic Development, Chamber	<i>Staff Action:</i> Implement the Buxton Community ID Retail study	6/30/06
	Economic Development, Chamber	<i>Staff Action:</i> Upgrade the business attraction program and team	Now
	Economic Development, Chamber	<i>Staff Action:</i> Create a Community Data Book to attract site selectors	Now
	Economic Development, Chamber	<i>Staff Action:</i> Develop an Economic Development link from City's Web Site	Now
	Economic Development, Chamber	<i>Staff Action:</i> Plug and measure retail leakage	Ongoing
		Determine what types of industry and businesses are located in the Rancho Cordova Planning Area and learn their needs.	
	Economic Development, Chamber	<i>Staff Action:</i> Complete survey of industry and businesses	Now
	Economic Development, Chamber	<i>Staff Action:</i> Support current business retention program	Now
	Economic Development, Chamber	<i>Staff Action:</i> Work with Chamber to develop programs of support	Now

		Provide the infrastructure and support to successfully attract new industry.	
Finance		<i>Staff Action:</i> Create a fiscal analysis to determine ROI on each project	Now
Finance		<i>Staff Action:</i> Measure the value of industrial uses	Now
Finance		<i>Staff Action:</i> Adopt infrastructure impact fees	Now
Finance		<i>Staff Action:</i> Continue to participate in the General Plan process	Now
		Become a Regional Sports Center	
Economic Development, Planning, CRPD		<i>Staff Action:</i> Collaborate with the CRPD to insure that there are sufficient numbers of fields that can attract amateur sports events.	Now
Economic Development, Chamber		<i>Staff Action:</i> Discover the opportunities that already exist with the local youth amateur sports groups (Sacramento Sports complex on Folsom Blvd.)	Now
Economic Development, Chamber		<i>Staff Action:</i> Develop a strategy with the Chamber's Visitor and Tourist Bureau to attract more sporting activities, i.e. softball, soccer and volleyball tournaments.	Now
Finance, Economic Development		<i>Staff Action:</i> Develop a strategy to investigate the economic return and investment by the City to create a sports arena	Now
Economic Development		<i>Staff Action:</i> Become the leader in developing Mather Regional Park	Now
Economic Development, City Manager		<i>Staff Action:</i> Become a player in the region by participating in the Sacramento Sports Commission	Now

Attachment B

	Economic Development, Chamber	<i>Staff Action:</i> Determine strengths and opportunities for river- oriented sports	Now
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GOAL	Who...	...will do what... (The Objectives)	...by when?
9. FOSTER RESPONSIBLE CITIZENSHIP (Leads: Hare, Treadwell)	City Clerk	Create an organization of community volunteers at City Hall.	12/31/06
	City Clerk	<i>Staff Action:</i> Identify potential volunteer groups -- high school students, senior citizens, local college students, local businesses	6/30/06
	City Clerk	<i>Staff Action:</i> Determine an entrepreneurial way to pay the salary of a full-time volunteer coordinator, i.e. the Police Dept's volunteer S.T.A.R. Program: Use passport services revenue for half-time volunteer in FY06/07 budget	6/30/06
	City Clerk, PIO, Economic Development	Foster the creation of neighborhood advisory committees.	12/31/06
	City Clerk, PIO, Economic Development	<i>Staff Action:</i> Determine at least 4 logical neighborhood advisory committee areas.	12/31/06
	City Clerk, PIO, Economic Development	<i>Staff Action:</i> Identify and empower leaders in these areas.	12/31/06
	City Clerk, PIO & Economic Development	Create a City services outreach program.	12/31/06
		<i>Staff Action:</i> Implement a mobile City Hall to visit at least 3 community events	
	PIO, [Code Enforcement]	Create a Code Enforcement Education Program	
		<i>Staff Action:</i> Increase awareness about city standards related to proper care and upkeep of property through the mobile City Hall event information, newspaper articles and the City newsletter (Also under Positive Image)	Ongoing

GOAL	Who	... will do what? (The Objectives)	... by when?
10. PRACTICE SOUND FISCAL MANAGEMENT (Leads: Thomas, Hare)	Department Heads	Be entrepreneurial.	
	City Clerk, Department Heads	<i>Staff Action:</i> Explore non-traditional profit-making services • Become a US Passport Acceptance site and take passport photos	3/31/06
	Department Heads	<i>Staff Action:</i> Select two current City procedures for process re-engineering • Complete process re-engineering	3/31/06 12/31/06
	Finance, Department Heads	Require ROI (for the City) on every private project	11/30/06
		<i>Staff Action:</i> Develop the tools/model to determine ROI	
	Economic Development, Department Heads	Adopt Economic Development Plan	12/31/06
	Economic Development	<i>Staff Action:</i> Determine the next steps for adoption	12/31/06
	Economic Development, Department Heads	<i>Staff Action:</i> Develop implementation strategies	12/31/06
	Finance, Planning, Economic Development	Develop Kilgore property with adjacent property owners	12/31/07
	City Manager, Finance, Department Heads	Approach revenue neutrality in an entrepreneurial way	9/30/06
		<i>Staff Action:</i> Determine new approaches and strategies that result in a re-opening of negotiations	

Attachment B

	City Manager, Department Heads	Adopt Council policy (General Plan) that insures “full cost recovery”	4/30/06
	Department Heads	Look at other opportunities for recovering costs.	Ongoing
	Finance, Planning	<i>Staff Action:</i> Adopt a Mello Roos Issuance Fee Develop/require Mello Roos on all development projects, including infill	12/31/06
	Finance, Planning	<i>Staff Action:</i> Adopt a General Plan policy requiring development agreements & CFD's	6/30/06
	Finance	<i>Staff Action:</i> Conduct annual review of contracts to determine cost effectiveness	Ongoing during annual budget process
	Finance	Finish cash flow model to provide means to actively invest idle funds	4/30/06

GOAL	Who ...	... will do what ... (The Objectives)	... by when?
II. ESTABLISH LOGICAL (CITY) BOUNDARIES <i>(Leads: Gaebler, Meyers/Lindgren, Carney & Snyder)</i>	Planning	Complete the annexation of the SOI (finger) through LAFCO	6/30/06
	Council, City Manager	Actively work to resolve the issue of school district boundaries in order to have Rancho Cordova students attend schools identified as city schools	6/30/07
	Department heads	Identify, develop and implement a strategy of phased development of new SOI's and ultimate annexation to the logical and feasible limits of the city boundary	12/31/07
	Department Heads	<i>Staff Action:</i> Complete a study of the pros and cons of establishing an ultimate city boundary	6/30/07
	Planning	<i>Staff Action:</i> Apply to increase the existing SOI to a boundary that includes Mayhew Road and drainage canal to the west, Jackson Highway on south, Prairie City Rd/USB to the east, and maintain the current Folsom city limit on north.	6/30/06
	City Manager, City Attorney, Finance	Complete agreement with Sacramento County to repair and restructure current revenue neutrality agreement	6/30/06

GOAL	Who ...	... will do what... (The Objectives)	... by when?
12. CONTINUE TO PROVIDE REGIONAL LEADERSHIP (Leads: Gaebler, Trimberger & Haven)	Council, Department Heads	Be known and admired for our Leadership in solving regional problems	Ongoing
	Council, Department Heads	<i>Staff Action:</i> Participate in all regional commissions and committees.	Ongoing
	Council, Department Heads	<i>Staff Action:</i> Develop strategic relationships with local governments and agencies.	Ongoing
	Council, Department Heads	<i>Staff Action:</i> Continue to strive for "win-win" relationships like we do now with Sacramento County	Ongoing
	Council, Department Heads	<i>Staff Action:</i> Think and act strategically on long-term regional issues.	Ongoing
	Everyone	<i>Staff Action:</i> Be an example of innovative government	Ongoing
	PIO, Department Heads	<i>Staff Action:</i> Publicize and share our accomplishments in innovative government	Ongoing

