



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

Staff Report  
**July 29, 2008**

**Honorable Mayor and  
Members of the City Council**

**Title: Progress Report on Natomas Joint Vision**

**Location/Council District:** Unincorporated portion of the Natomas Basin within Sacramento County adjacent to District 1

**Recommendation:** Direct staff to initiate a collaborative work plan for the Natomas Joint Vision Broad Visioning Process to prepare a joint conceptual land use plan and fundamental principles for the Natomas Joint Vision area.

**Contact:** Scot Mende, New Growth Manager, 808-4756, Helen Selph, Associate Planner, 808-7852

**Presenters:** Scot Mende, New Growth Manager

**Department:** Planning

**Division:** New Growth

**Organization No:** 22001211

**Description/Analysis** The purpose of this item is to report to the City Council on the progress made in implementing the Natomas Joint Vision Memorandum of Understanding (MOU) and in creating a vision that builds upon the MOU framework. On April 10, 2008, the City Council received a status report on the Natomas Joint Vision that included an introduction to the Broad Visioning approach.

Since April 10, 2008, a working group met twice monthly to establish a work plan for the Broad Vision, including the group structure and an inclusive process, funding package, scope of work, timeline and expected deliverables. This status report describes the major components of the work plan.

The work products proposed for the Broad Visioning are as follows:

- A set of fundamental principles to address the myriad issues and guide subsequent planning efforts
- Conceptual land use diagrams
- A project description with sufficient detail to
  - initiate a General Plan Amendment, prepare a programmatic EIR, initiate a specific plan process,
  - prepare a preliminary effects analysis and an agriculture / open space / habitat strategy.

The Broad Vision Process would actually be the second phase of five phases that have been identified for the overall Natomas Joint Vision process, as shown in Attachment 2.

The other phases include:

- Phase I – The City-County MOU and Open Space Program (completed).
- Phase II - The Broad Visioning (current activity)
- Phase III – This phase includes Amendments to the City's and County's respective General Plans, and an amendment to the City's sphere of influence (or the County's Urban Services Boundary), and related work.
- Phase IV – Annexation (or amendment to County's Urban Policy Area) and preparation of a new Habitat Conservation Plan.
- Phase V – Development projects implementation

Attachments 3 and 4 illustrate and describe the group structure for the Broad Vision. The "working group" which to date has been meeting twice monthly, is shown on the structure diagram as the "Staff and Facilitator Team".

Attachments 5 and 6 illustrate and describe the Broad Visioning Process. Attachment 7 includes the funding package, which will be paid for by the landowners. Attachment 8 provides a tentative schedule for milestone targets. Attachment 9 briefly lists issues to be resolved in the Broad Visioning Process.

Attachment 10 includes the MuniFinancial Report that was prepared for the County to determine the potential fiscal outcome for the County of development in the Natomas Joint Vision area. This report summarizes the fiscal impacts of two scenarios based on service delivery responsibility: (1) development in unincorporated Sacramento County, and (2) development following annexation to the City of Sacramento. The results estimate a neutral fiscal impact to the County in either service delivery scenario, except that a retail-rich land use mix would generate a positive fiscal impact in either service delivery scenario. As this was a report that was paid for by the County, no analysis was conducted on fiscal impacts on the City.

**Issues:** The Natomas Joint Vision MOU establishes principles for collaborative planning between the City and County for Natomas. Key principles include:

- Protecting and maximizing existing and future airport operations
- Permanent preservation of open space for habitat, agriculture, or other purposes
- Fair distribution of revenue / revenue sharing principles
- Proactively influencing the emerging urban form according to the Smart Growth Principles

The Natomas Joint Vision MOU identifies the City as the agent of development and the County as the agent of open space preservation; however, in the past year the respective roles have broadened. The City and County are embarking on jointly planning for both open space and development. The County's MuniFinancial Report explores the financial implications of potentially developing the Natomas Joint Vision area under the County's jurisdiction.

Regardless of jurisdictional roles, it is critical that the City and County collaborate to conceive a plan which achieves livability, prosperity, and sustainability goals while resulting in a positive fiscal outcome for the City and County. Any new development needs to generate revenues sufficient to provide for open space and habitat, infrastructure, services, and amenities for the new community. At the same time, development would need to preserve and/or proactively provide habitat for the 22 listed species in the Natomas Basin, while achieving fair compensation to landowners who aren't granted the right to develop their land.

A more extensive list of issues to be discussed during the Broad Visioning Process is provided in Attachment 9.

**Policy Considerations:** The Natomas Joint Vision MOU establishes a collaborative planning process between the City and County to implement land use and open space planning and revenue sharing principles. The Natomas Joint Vision area has been identified in the draft 2030 General Plan as a "study area"; land use policies pertaining to potential development in the Natomas Joint Vision study area have been drafted, including Growth and Change, Section 1.1. If new territory from the Joint Vision area is annexed into the City, a General Plan Amendment would be required.

**Environmental Considerations:** Potential environmental issues related to the Natomas Joint Vision will be evaluated in the City's Sphere of Influence (SOI) Amendment Environmental Impact Report (EIR). RBF Consultants, Inc. has been selected as the consultant to complete both the Municipal Services Review (MSR) and the EIR. Future development in the Natomas Joint Vision area is not covered under the Incidental Take Permit (ITP) for the Natomas Basin Habitat Conservation Plan (NBHCP). Prior to the approval of any new development in the Joint Vision area, a new or amended HCP and ITP would need to be approved by regulatory wildlife agencies. A comprehensive effects analysis to determine the impacts of such activities on the existing NBHCP would be required as a part of this overall process.

**Sustainability Considerations:** The sustainability of any new development in the Natomas Joint Vision area ultimately depends on the plan as a whole and how it is implemented. As far as urban development is concerned, infill development is generally considered more sustainable than greenfield development. However, infill development often has many constraints, such as small parcels, poor street connections, surrounding low-density, single-use development around a transportation system that was built primarily to serve the automobile, etc. which usually can be more effectively dealt with in greenfield development.

At this stage, the focus for the Natomas Joint Vision should be to develop a shared vision with the County regarding goals for sustainable development, and the development of a land use plan and policies which support these goals.

**Rationale for Recommendation:** Initiation of a work program for the Broad Visioning process is necessary to move forward with the Natomas Joint Vision effort.

**Financial Considerations:** The Broad Visioning process will be supported by landowner/developer funding for City and County staff and consultants. City Staff will bring forward at a future Council date a funding agreement for a \$100,000 landowner contribution for City staff time plus \$20,000 for legal consultants. The County will contract for specialized consultant services (e.g., land use and biological expertise). The City will prepare a contract for \$20,000 for legal assistance with Habitat Conservation Plan issues. There is no need for an increase in funding from the General Fund to complete the Broad Visioning process at this time. Attachment 7 provides the additional details about the funding package.

**Emerging Small Business Development (ESBD):** Not applicable.

Respectfully Submitted by: Scot Mende  
Scot Mende  
New Growth Manager

Approved by: Carol Shearly  
Carol Shearly  
Director of Planning

Recommendation Approved:

Ray Kerridge  
Ray Kerridge  
City Manager

**Table of Contents:**

Report	pg. 1
<b>Attachments</b>	
1 Background – Project History	pg. 7
2 Natomas Joint Vision Implementation Phasing	pg. 12
3 Broad Visioning Group Structure (description)	pg. 13
4 Broad Visioning Group Structure (diagram)	pg. 14
5 Process for NJV Broad Visioning (description)	pg. 15
6 Process for NJV Broad Visioning (diagram)	pg. 16
7 Work Program & Funding	pg. 17
8 Tentative Schedule for NJV Broad Visioning	pg. 18
9 Issues for NJV Broad Visioning	pg. 19
10 MuniFinancial Report (Sacramento County)	pg. 22

## BACKGROUND – NATOMAS JOINT VISION

### Natomas Joint Vision Project History

#### Adoption of the 2002 Natomas Joint Vision MOU

On December 10, 2002, the City Council and Board of Supervisors adopted a Memorandum of Understanding (MOU) regarding principles of land use and open space planning, and revenue sharing between the City and County of Sacramento for the Natomas area, setting the stage for what has come to be known as the “Natomas Joint Vision” (Resolution 2002-830 on file with City Clerk). Since that time, City and County staff have been working to implement the MOU.

#### Key Council/Board Actions in Support of MOU Implementation

The following describes the recent history and the current project status.

On *April 25, 2006*, the *City Council* directed staff to initiate the open space program contract for the Natomas Joint Vision area. The project scope of work addressed issues that are needed to implement the Natomas Joint Vision City-County Memorandum of Understanding (MOU) (Resolution 2002-830 on file with City Clerk) and how to implement open space goals.

On *January 23, 2007*, the *City Council* authorized a Memorandum of Understanding with the County regarding cost sharing with the County. The County authorized these MOU on January 24, 2007.

On *October 9, 2007*, the *City Council* received a progress report on the Natomas Joint Vision process, progress on the Open Space Program and reviewed the principles of the 2002 Natomas Joint Vision MOU. The staff report included a process map (Attachment A to the report) representing a combination of the information gathered from the public workshops. The map preliminarily identified areas determined to be most suitable for open space using the Open Space Program Consultant’s Open Space Suitability Model. The map showed development occurring mainly to the north of the City and no development within the ‘Boot’. Please note that was is a process map and did not reflect any recommendations regarding land use.

On *January 30, 2008*, the *Board of Supervisors* met to hear a status report on the Natomas Joint Vision. The Dangermond Group presented an overview of the Open Space Program, and County staff presented an overview of the Broad Visioning approach. County staff made three recommendations to the Board: 1) Reaffirm support of the principles identified in the 2002 Natomas Joint Vision MOU, 2) Endorse the Broad Visioning approach and direct staff to collaborate with the City, major landowners and other stakeholders to develop a comprehensive plan for the Joint Vision Area and obtain a financial contribution from major landowners to expand the scope of County staff efforts and involvement, and 3) Receive and file the draft Open Space Program

Report. The Board did not take action on the recommendation to reaffirm the principles of the MOU. It approved the second action to proceed with the Broad Visioning approach, and determined that it would receive and file the draft Final Open Space Program. Report at a later meeting after some revisions are made to reflect public comments received.

On *February 12, 2008*, City Council received a progress report and presentation on the Open Space Program. Council also received a verbal report on the Broad Visioning approach which had been embraced by the Board of Supervisors on January 30, 2008. In addition, the staff report included a list of issues that would need to be addressed during the Broad Visioning process.

On *April 10, 2008*, City Council received a summary of the comments received on the Final Draft Open Space Program Report during and after Workshop #4 held on February 19, 2008. Council also received a status report on the Broad Visioning. The Open Space Program Report was received and filed to inform subsequent planning efforts.

### Open Space Program

The Open Space Program (OSP) was designed to identify open space preservation and funding mechanisms to help guide the implementation of open space goals and policies adopted by the City and County in the December 2002 Natomas Joint Vision MOU. The open space program evaluated the habitat, open space, and agricultural values of the Natomas Joint Vision area from the open space perspective, while the City's Municipal Services Review will evaluate the potential urban values of the Natomas Joint Vision area.

Four public workshops for the Open Space Program (OSP) were completed between June 2006 and February 2008. Workshop #1 was actually a workshop series tailored for three different participant groups that focused on data, process, and initial input.

Workshop #2 consisted of a presentation on the Natomas Levee Improvement Project (NLIP) by Tim Washburn of SAFCA. This presentation focused on relationship of NLIP to the Natomas Joint Vision, the Open Space Program, and habitat preservation. He outlined specific practices to minimize habitat damage and avoid negatively impacting the NBHCP, thereby reducing the amount of land required for mitigation.

Workshop #3 was held on July 12, 2007 at the Hagginwood Community Center and was well attended. The purpose of the workshop was to emphasize the planning constraints and allow for the mingling of differing opinions in regards to open space and development within Natomas. The Open Space Program consultant, The Dangermond Group, provided a review of the amount of acreage within the Basin determined to be "uncommitted" and potentially available for either development or open space preservation. Prior commitments include permitted development in Sutter County,

airport owned lands, existing habitat preserves, and an allowance for future preserves to correspond with development permitted but not yet constructed.

The participants at the July workshop were given a map of the NJV Study Area and tasked with identifying areas they would like to see developed and areas they would like to see preserved, while respecting a list of assumptions. These assumptions included:

1. A 12,000 acre calculation for "uncommitted land";
2. A minimum one-to-one mitigation ratio required by the MOU which must occur within Sacramento County, thus allowing for 6,000 acres for open space and 6,000 acres for development;
3. The key tenets of the 2003 Natomas Basin Habitat Conservation Plan.
4. The constraints associated with proximity to the airport; and

Overall, the feedback was positive. One participant, identifying himself as a Boot landowner, stated that this was the first time he was ever asked what he wanted to see done with his land and appreciated staffs' outreach efforts.

The *Final Draft Open Space Program Report* was released to the public on January 24, 2008, prior its presentation to the Board of Supervisors on January 30, 2008. It was presented to City Council on February 12, 2008 and the Final Workshop was held on February 19, 2008. The Report includes information about open space funding mechanisms, acquisition strategies and a preliminary map of areas best suited for open space preservation. The *Final Draft Open Space Program Report* is available on the Planning Department webpage at:

<http://www.cityofsacramento.org/planning/projects/natomas-joint-vision/>.

The Natomas Joint Vision Open Space Program will not be formally adopted, but instead will be used as "background information" to consider in the Broad Visioning and future decision making processes.

#### Broad Visioning Approach

The *Broad Visioning* approach emerged as an outcome of the November 26, 2007 City and County staff meeting with Natomas landowners. The proposed Broad Visioning approach would supplement the technical process and make it more collaborative and could help define the land use & open space alternatives.

The intent of the Broad Visioning process is to collaboratively engage landowners in the creation of a draft vision land use concept that can be vetted with the public by the summer of 2008. The "Staff & Facilitator Team" - which includes key City and County staff and facilitators retained by the major landowners - has prepared a process, work program, and funding agreement for an inclusive process. The visioning effort will incorporate the principles of the 2002 Memorandum of Understanding (MOU), the Open

Space Program report, and preliminary results from the Municipal Services Review effort.

### Municipal Services Review

The draft Municipal Services Review project framework report was originally scheduled for public release along with the Open Space Program Report, but its release and presentation to the public has been delayed pending the development of a more precise project description. Once released, the MSR report, in conjunction with the Open Space Program Report, and work product from the Broad Visioning effort, will provide sufficient information to support a discussion of alternatives for the City's Sphere of Influence Amendment Environmental Impact Report.

### Sphere of Influence Amendment

A Sphere of Influence is defined as a plan for the probable physical boundary and service area of a local agency, as determined by the Local Agency Formation Commission (LAFCo). In determining the Sphere of Influence, LAFCo considers the following:

1. The present and planned land uses in the area, including agricultural and open space lands;
2. The present and probable need for public facilities in the area;
3. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide; and,
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

### Sphere of Influence Amendment Environmental Impact Report

Subsequent to a broad visioning process, an Environmental Impact Report (EIR) will be prepared for use by the City, County, and LAFCo in their evaluation of the effects of the City's Sphere of Influence Amendment, necessary text and map amendments to both the City and County General Plans. The EIR will be prepared jointly by LAFCo and the City as co-lead agencies, and the County as a responsible agency. The EIR will also assess the impacts of actions on biological resources related to the existing Natomas Basin Habitat Conservation Plan (NBHCP) and the effects of additional development on the continued viability of the NBHCP.

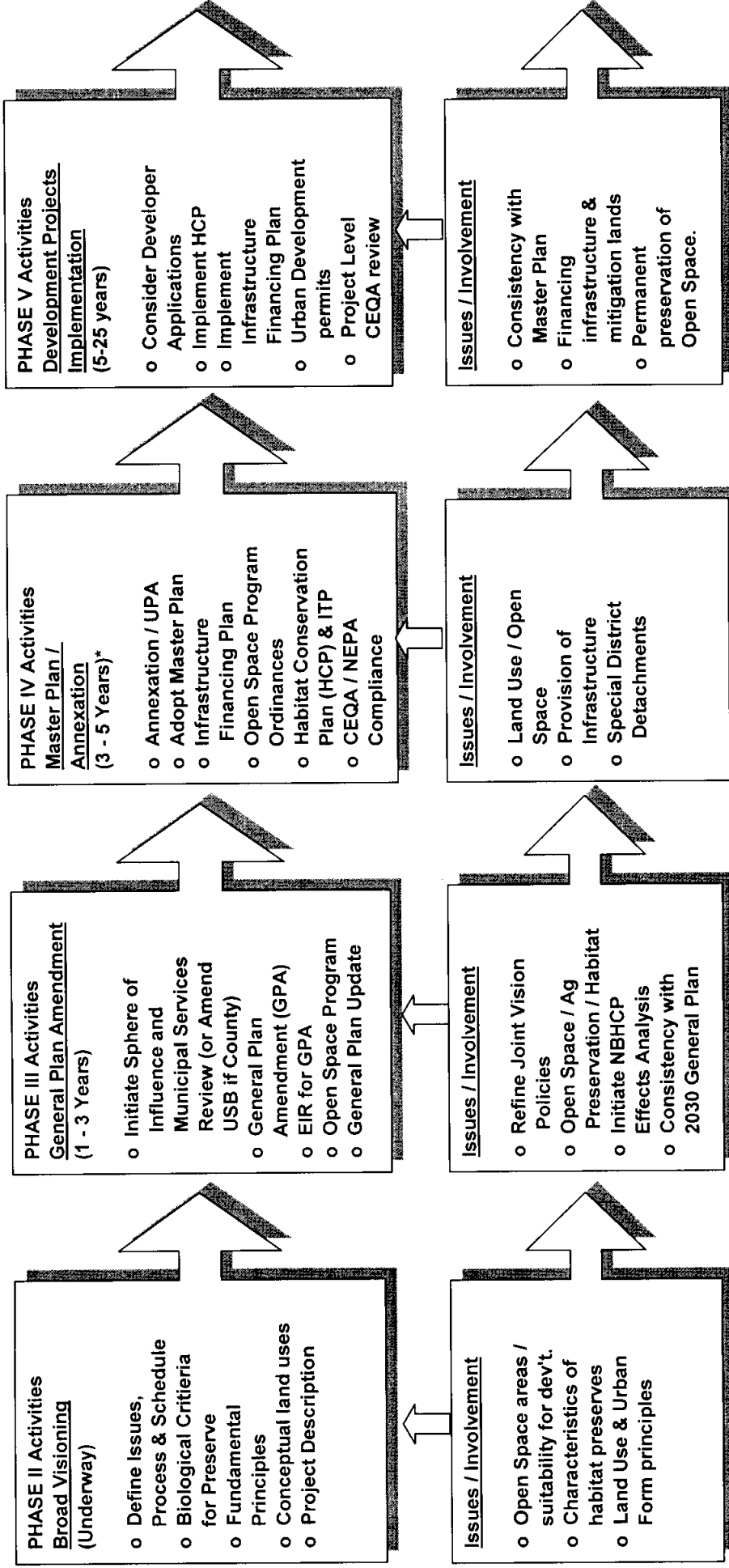
### Natomas Basin Habitat Conservation Plan

The Natomas Basin Habitat Conservation Plan (NBHCP) was approved in 1997 and revised in 2003. It is a multi-jurisdictional habitat plan involving the City of Sacramento, Sutter County, and the Natomas Basin Conservancy as permittees. The primary goal of the NBHCP is to create a system of reserves that would support populations of the giant garter snake, Swainson's hawk, and other covered species at

least through the life of the 50-year Incidental Take Permits (ITPs) which are required in order for development to continue in Natomas.

According to both the California Department of Fish and Game and the U.S. Fish and Wildlife Service, the Natomas Basin represents the “core” of Swainson’s hawk breeding and nesting habitat. It is necessary for foraging habitat to be close to nesting sites to prevent nest abandonment and predation. This reasoning resulted in the NBHCP designation of a one mile buffer area along the Sacramento River as part of the conservation strategy. Future projects within the Basin such as the airport expansion, levee reconstruction, and pump station for the West Roseville specific plan leave only three remaining areas with unconstrained habitat available for the Swainson’s hawk, one of which is the area known as the “Boot”. The DFG asserts that any development occurring outside of the 17,500 acres of urban development designated by the NBHCP would affect the baseline used in the approval of the City and Sutter County’s ITP and any action on the part of the City or County would require the City or County to conduct a full effects analysis as well as mitigation.

## NATOMAS JOINT VISION IMPLEMENTATION PHASING



Five Phases are required to implement the Natomas Joint Vision City-County MOU, and to obtain the necessary permits and approvals. PHASE I (Completed/Not shown) included the Natomas Joint Vision City-County MOU and the Natomas Joint Vision Open Space Program.

**Explanation of Group Structure for  
Natomas Joint Vision Broad Visioning Process Diagram**

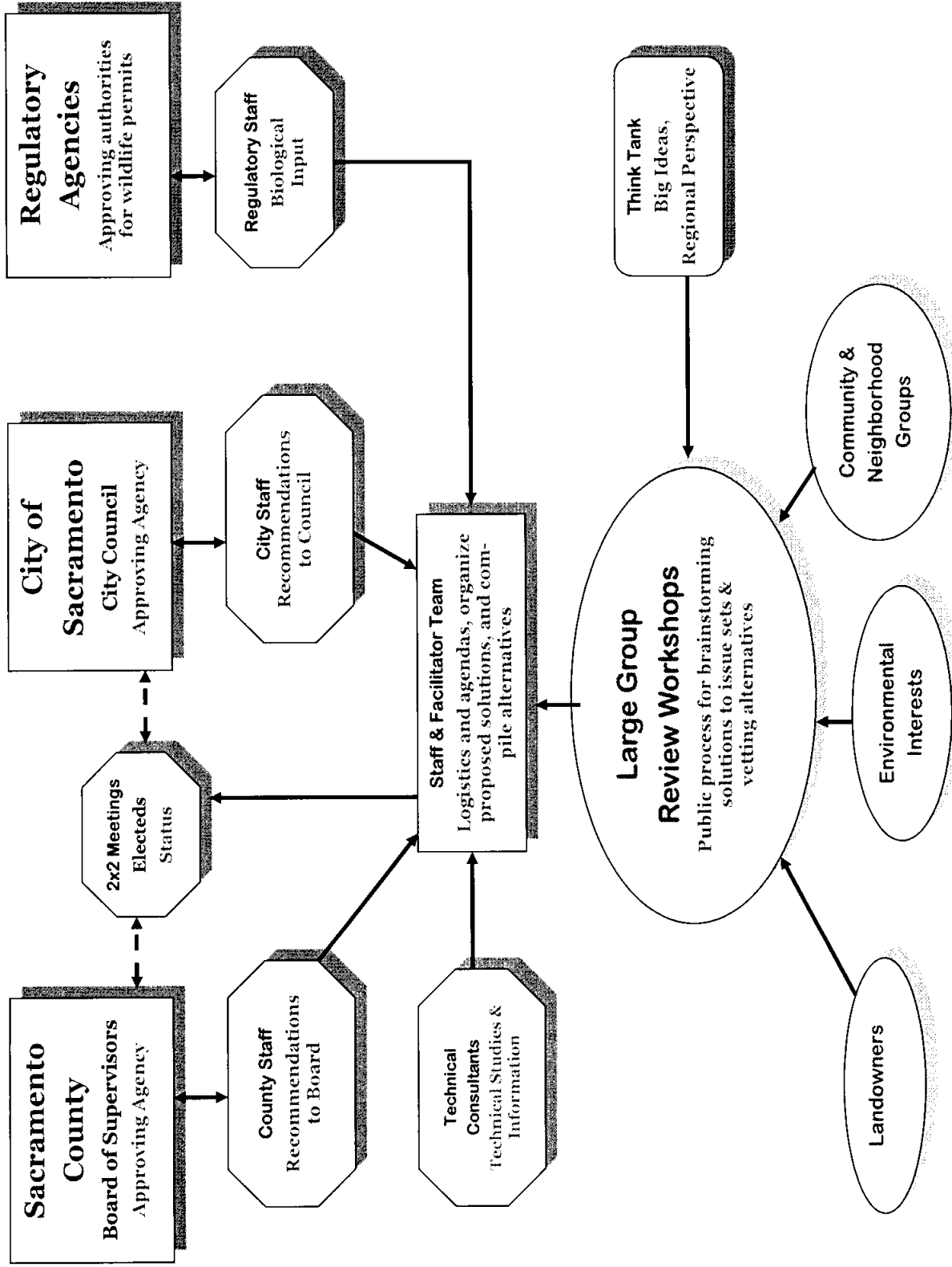
Staff and Facilitator Team (SFT): Provides the central coordination and leadership for the process. The SFT is charged with keeping the process on track toward creation of a vision, resolution of the issues, outreach, and achievement of milestone objectives. In addition, the SFT is responsible for preparing basic agendas, schedules, and objectives; logistical needs; organizing proposed solutions for issue sets, and compiling alternatives. The core of the SFT consists of approximately 10 members including City and County staff and landowner representatives/facilitators. The SFT will obtain input from representatives of other groups and organizations as needed including, but not limited to The Natomas Basin Conservancy, Sacramento Area Flood Control Agency, the environmental community, agricultural community, Natomas civic community, Sacramento County Airport System, Cal Trans, Natomas Central Mutual Water Company, Local Agency Formation Commission, California Department of Fish and Game, U.S. Fish and Wildlife Service, and Sacramento Area Council of Governments.

Large Group Review Workshops (LGRW): Provides a forum for brainstorming solutions and vetting alternatives. The LGRW will be open to the public, but will be focused on issues of concern for the major stakeholder groups which includes representatives from landowner, environmental, agricultural, community and neighborhood groups. Through a series of LGRW, input and feedback received will aid in the development of a multi-issue working solution(s). Due to the complexity and interrelatedness of the issues, it is important that stakeholders participate in the entire series of LGRW. The LGRW will add substance to the vision elements, clarification on the issue sets, and confirmation of planning objectives.

Think Tank: Provides the broad perspective and high level leadership for the planning effort. Its role is to provide big ideas, other points of view, and/or a regional perspective to guide public discussion and insure that the initiatives proposed are not compromises that allow important opportunities to slip away. Due to the regional make up of the members, Think Tank sessions will be very limited in number.

Technical Consultants: Provides specialized technical studies, services, and information needed to complete the process.

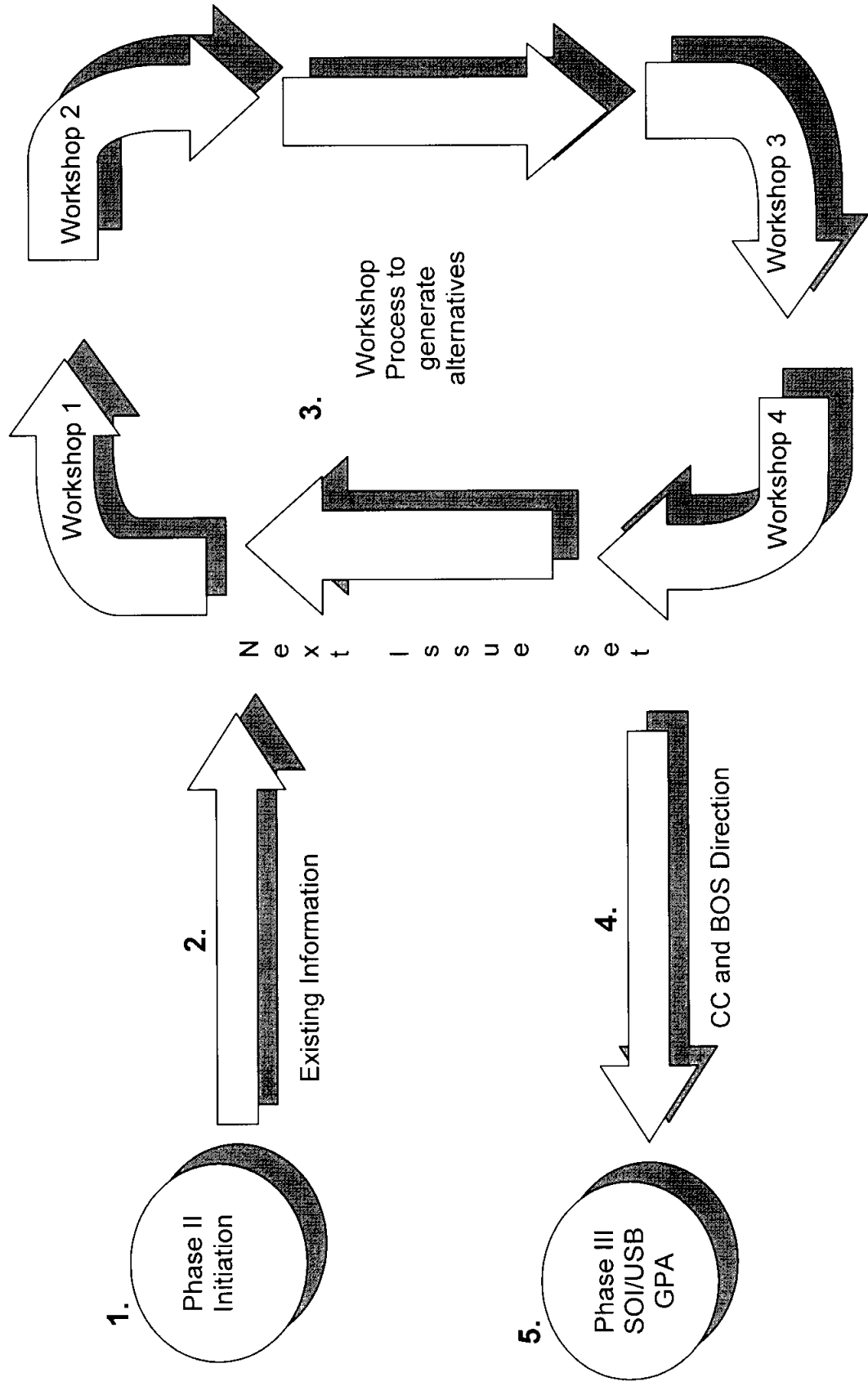
**Group Structure for the Natomas Joint Vision Broad Visioning Process** Attachment 4



**Explanation for Broad Visioning Process Diagram**

1. **Project Initiation:** Phase II of the Broad Visioning Process begins after the work program has been approved by the County Board of Supervisors and City Council, landowners have provided funding, and all necessary consultants have been retained.
2. **Develop Issue Sets:** Using information from previous efforts such as the Open Space Program Report, the House Study on Agricultural Viability, and Administrative Draft Project Framework Report, and input from wildlife regulatory agencies, the Staff and Facilitator Team (SFT) and Technical Consultant(s) will produce issue sets (groups of similar or inter-related issues) and vet them with stakeholders through the Large Group Review Workshops (LGRW).
3. **Refine Issue Sets:** After the SFT has developed draft issue sets, the Think Tank will be engaged to help re-frame the sets to be more coherent for public discussion. The resulting issue sets will be presented to the County Board of Supervisors and City Council.
4. **Workshop #1 – Issue Sets:** The draft issue sets will be vetted with the LGRW to insure all issues have been appropriately identified and begin to gather input regarding solutions that address multiple issues. To the extent that the LGRW result in new concerns or issues, the SFT will refine the issue sets.
5. **Develop Solution Sets:** The SFT will develop a number of potential solution sets with input from Workshop #1, wildlife regulatory agencies, SAFCA, and others as needed. The SFT and Technical Consultant(s) will help compile various solution sets for public discussion. The resulting solution sets will be presented to the County Board of Supervisors and City Council.
6. **Workshop #2 – Solution Sets:** The draft solution sets will be vetted via the LGRW and input gathered.
7. **Compile Alternatives:** The SFT and consultants will synthesize all input received from Workshop #2 and other stakeholder groups into potential alternatives.
8. **Workshop #3 – 4, as needed – Alternatives:** The draft alternatives will be vetted via the LGRW. The workshop(s) will result in the development of one or more preferred alternatives.
9. **Staff Recommendation:** The SFT will refine the alternatives to create a staff recommended alternative to be presented to the County Board of Supervisors and City Council. In the event that the LGRW results in more than one preferred alternative, all alternatives will be presented to the Board and Council along with the staff recommended alternative.
10. **Phase III** will begin with the creation of a project description for the required Environmental Impact Report from the final preferred alternative.

Process Diagram for Natomas Joint Vision Broad Visioning /Completion of Phase II



## **Broad Visioning Work Program and Funding Package**

### Proposed Work Program

- City contract with consultant
  - \$20,000 for HCP legal assistance
  
- County contract with consultants
  - \$75,000 for land use planning – contract work with a design principal of a planning firm
    - Tasks include:
      - Guide working group through issues
      - Participate in workshops and outreach meetings
  - \$75,000 for biological assessment – preliminary habitat plan (retain specialists)
  - \$30,000 contingency to be used for engineering or coordination with SAFCA design (EDAW), as necessary
  
- Landowners contract with consultants
  - \$50,000 for engineering/feasibility of costs
  - Landowners may retain additional consultants to supplement effort as needed

### Overall Product

1. Fundamental principles for development and open space
  
2. Prepare to initiate general plan amendment and specific plan process
  - a. Conceptual land use diagrams
    - i. Some aspects at bubble/arrow schematic level
    - ii. Some aspects with greater detail to illustrate principles
  - b. Project description
  
3. Preliminary “effects analysis”
  - a. Create agriculture/open space/habitat strategy with input from regulatory agencies

**Tentative Schedule for Broad Visioning**

<b>Project Milestones</b>	<b>Expected Completion Date</b>
Project Phase II Initiation	July / August 2008
Large Group Review Workshop #1	September 2008
Large Group Review Workshop #2	November 2008
Large Group Review Workshop #3	February 2009
Large Group Review Workshop #4, as necessary	April 2009
City Council & Board of Supervisors direction & approval	May 2009

**NATOMAS JOINT VISION  
WHAT NEXT?  
ISSUES RAISED FOR DISCUSSION**

**Definition of Open Space**

- What is open space? What are the purposes of open space?
- Does the open space have to be in the unincorporated Sacramento portion of the Natomas Basin?

**Financing Open Space Maintenance**

- How will open space (habitat mitigation and other open space) be permanently preserved?
- What financing mechanism is available for operations & maintenance of open space lands?

**Location of Open Space**

- Dangermond Open Space Program did not demonstrate an unequivocal solution in which some areas are vastly superior to other locations
- To what extent can publicly accessible open space also meet habitat purposes (and to what extent can habitat lands be accessible)?
- How can open space and urban development be integrated to improve the functionality of each other?

**Acreage Available for Development**

- The Dangermond report asserts that there are approximately 12,000 acres in the unincorporated county area beyond those already planned for City development, airport and Metro Air Park, and other existing commitments. Using a 1:1 ratio, roughly 6,000 acres could ultimately be developed in urban uses and 6,000 acres would be left in permanent open space.
- Some comments on the Dangermond report indicate that some people believe that the existing open space areas (including the airport) should count toward the open space requirements – thus freeing up more land for development.

### **Development in the Boot?**

- HCPs Assume Boot as Habitat/Open Space
  - City's / Sutter County's 1997 & 2003 HCP
  - Metro Air Park HCP
- Natomas Joint Vision MOU – City Map – reflects the existing HCP which precludes development in the Boot
- Board of Supervisors urges a less simplistic view of the Boot

### **Agricultural Viability**

- Uncertainties regarding the viability of agriculture within the Basin: Agricultural practices in the Natomas Basin are faced with physical and economic challenges such as urban encroachment, development pressures, high water prices, and crop restrictions imposed by wildlife objectives and proximity to the Sacramento International Airport.
- Agriculture as the foundational land use: Agriculture is a key component of the open space strategy and much of the other open space value is dependent on continued agricultural uses. Thus the continuation of agriculture is imperative for the success of the other open space purposes.
- The House Agricultural Viability Study (2007) argues that agricultural is no longer viable in the Natomas Basin.
- It is generally accepted that continued agriculture will require some type of subsidy (crop price supports, reduced lease rates, reduced costs of water supply)
- What do the “slow food”, local produce, and biodiesel trends affect the agricultural viability?

### **Water Supply & Affordability**

- NCMWC water rates are higher than most other agricultural regions
- Conversion from agriculture to urban uses results in fixed costs being spread to shrinking rate payer base
- Water delivery infrastructure (pumps) are aging
- Additional discussion needed to determine whether adequate capacity exists to fully serve the water demands of agricultural uses

### **Tree Protection - nesting and perching sites for Swainson's Hawk**

- SAFCA project removes trees adjacent to the levee
- Garden Highway Special Planning Area adjacent to the River does not regulate or protect trees on private property

### **Windfalls & Wipeouts**

- Highly speculative market: The land values in the Joint Vision Area have been driven up well above agricultural land values.

- Difficulty in achieving fair compensation for landowners: Owners of land that may be designated for open space purposes expect fair market-based compensation.
- Lands adjacent to existing urban development and outside of the most sensitive habitat areas have intrinsically higher land values.

### **Fiscal Outcomes**

- Both the City and County desire a land use mix that brings high quality development that will generate revenues sufficient to:
  - fund ongoing municipal and countywide services
  - finance on-site infrastructure needs
  - finance fair share of regional infrastructure needs
  - finance community amenities
  - fund habitat protection
- Fiscalization of land use - New retail *cannibalizing* existing retail sales
- Lack of shared definition of “regional retail” subject to tax sharing

### **Municipal Service Delivery**

- The Natomas Joint Vision MOU envisions the City as the agent of municipal development.
- The Board of Supervisors has shown an interest in being the agent of municipal development
- The City is preparing a Municipal Services Review that would analyze public service delivery in detail sufficient to meet LAFCo requirements for a Sphere of Influence Amendment.
  - A key question is whether services can be adequately extended to the Joint Vision without negatively affecting current service levels.

## Memorandum

---

To: Linda Foster-Hall, County Budget Officer, County of Sacramento  
From: Sarah Graham, Eric Nickell, and Robert Spencer  
Date: March 24, 2008  
Re: Natomas Joint Vision Fiscal Impact Analysis

Sacramento County asked MuniFinancial to analyze the fiscal impacts to the County associated with development of unincorporated areas of Natomas. This memorandum summarizes the fiscal impacts of two scenarios based on service delivery responsibility: (1) development in unincorporated Sacramento County, and (2) development following annexation to the City of Sacramento under the principles of the Natomas Joint Vision (NJV) Memorandum of Understanding.

The memorandum has three sections and an appendix:

- ♦ **Study Approach and Assumptions** describes the development scenarios analyzed and the assumptions used in this analysis.
- ♦ **Results** summarizes the costs and revenues under the two development scenarios.
- ♦ **Conclusions** discusses the implications of the findings for the County.

The appendix contains supporting tables showing the assumptions and analysis used in this study.

### STUDY APPROACH AND ASSUMPTIONS

Fiscal impact analysis is a commonly used method to estimate a local government's ability to afford the services associated with new development. The analysis uses current fiscal data to estimate future revenues generated by, and costs associated with, development. For most revenues and costs, the analysis uses current average per capita factors applied to population and employment generated by development. For certain revenues and costs that could vary substantially from current averages, the analysis uses a case study approach.

#### *Building Block Approach*

This study differs from a typical fiscal impact analysis because there is no proposed development plan to consider. Instead of measuring the impacts of a development plan, the approach taken here steps back to present the impacts of a single home, or dwelling unit. The study then layers the impacts of commercial uses on top of the impacts of the dwelling unit under a "building block" approach as shown in **Table 1**.

**Table 1: Building Blocks for the Analysis**

<b>Land Use / Service Population</b>	
Building Block 1	Dwelling Unit Plus Neighborhood Commercial Development
Building Block 2	Building Block 1 Plus Community Commercial Development
Building Block 3	Building Block 2 Plus Regional Commercial Development

Source: MuniFinancial.

This approach enables the County to consider the fiscal impacts of the most likely development to occur in the near term under market conditions (residential development with local-serving retail and service commercial uses). Then the impacts of more intensive commercial development are evaluated (community and regional retail). These building blocks reflect a residential community that has grown large enough to attract this additional development. The timing and fiscal impacts of building blocks 2 and 3 are more speculative because the amount of commercial development relies on assumptions about the capture of retail spending from outside the NJV area, not just spending by NJV households. This study does not consider development related to base employment (office park, industrial, institutional, etc.) because this type of development is driven more by regional economic factors and trends than by local residential development.

### ***Natomas Joint Vision***

The allocation of property and sales tax revenues between the City of Sacramento and Sacramento County is based on the principles outlined in a 2002 memorandum of understanding (MOU) for the Natomas area known as the NJV MOU. The MOU adopted by the County and the City of Sacramento applies different tax sharing formulas depending on the land use of the area to be annexed.

Because future land uses are not known at this time, this study shows potential sales tax revenue sharing under annexed development in Building Block 3 for two scenarios: (1) 50/50 sharing of the gross sales tax revenue, and (2) no sharing of sales tax revenue (based upon the potential for the City to earn no "net" revenue from a mixed land-use scenario that included a regional retail component). The result is a wide range in potential revenue sharing earned by the County under the annexed development scenario involving a regional retail component.

#### **PROPERTY TAX**

The MOU dictates that upon annexation to the City of Sacramento the County's share of the one percent ad valorem property tax be split equally between the County and the City.<sup>1</sup> Although not clearly stated in the MOU, this analysis assumes that the 50/50 split is calculated based on the County general fund share only. The split does not reflect the other shares of the one percent ad valorem property tax that would be transferred to the City along with related public service responsibilities such as the Natomas Fire District share and

<sup>1</sup> Joint Vision Memorandum of Understanding. City of Sacramento Resolution 2002-830, Section C(2).

the Road Fund share. The MOU does state that the split will be calculated prior to accounting for contributions to the Education Revenue Augmentation Fund (ERAF). This analysis shows property tax revenues to the County from development on unincorporated lands and the County's share of property tax revenue under the NJV MOU after annexation.

In the event that the City realizes a surplus in net revenue from mixed use development the NJV MOU dictates that the surplus revenue is split evenly between the City and the County. This analysis does not model that alternative because no analysis was conducted of fiscal impacts on the City.

#### SALES TAX

Under the NJV MOU, the City would receive all sales tax revenue realized from development on annexed lands except for undeveloped lands annexed for the single-purpose of regional retail. Under an annexation for regional retail, the City and the County would split sales tax revenue equally. This analysis shows sales tax revenues for the County under a range of scenarios:

- Neighborhood retail development on unincorporated lands;
- Community retail development on unincorporated lands;
- Regional retail development on unincorporated lands;
- Regional retail development on annexed lands (split 50/50 with the City); and
- No sales tax sharing for development on annexed lands (zero sales tax revenue to the County).

#### RESULTS

This section summarizes the estimated costs and revenues to the Sacramento County General Fund and Roads Fund generated by new development in the Natomas area. Other County government funds including enterprise and special district funds are supported with fees and other dedicated revenues sources that the County can adjust to balance with service costs without raising general taxes. Therefore, this analysis assumes that new development will not have a significant impact on those funds.

Consistent with the building block approach used in this analysis, costs and revenues are estimated for one dwelling unit, and separately for the neighborhood, community, and regional commercial space in the area covered by the NJV MOU that will be supported by one dwelling unit.

**Table 2** shows the estimated cost to the Sacramento County General Fund and Roads Fund of serving new development in the Natomas area. Most General Fund costs were estimated based on the current per capita costs of County services. Costs for law enforcement, on the other hand, were based on the most recent sheriff contract costs available. Roads fund costs were estimated based on the costs associated with current trip demand in unincorporated Sacramento County, combined with the estimated trip demand per unit of new development. (See the Appendix for detailed cost analysis.) If the development area is not annexed into the City, Sacramento County must provide municipal services. If the City

annexes a development area, it would provide municipal services in that area, and costs to the County would be lower.

**Table 2: Sacramento County Cost per Dwelling Unit**

	Dwelling Unit	Neighborhood Commercial	Community Commercial	Regional Commercial
<i>Unincorporated Development</i>				
General Fund	\$ 4,325	\$ 19	\$ 25	\$ 183
Roads Fund	81	4	6	44
<i>Annexed Development</i>				
General Fund	\$ 3,314	\$ 17	\$ 24	\$ 170
Roads Fund	-	-	-	-

Sources: Appendix Tables A.26 and A.31; MuniFinancial.

**Table 3** shows the estimated County General Fund and Roads Fund revenue generated by a single dwelling unit and the commercial development associated with one dwelling unit. The fiscal impact analysis used case studies to estimate revenues from the different revenue sources shown below. If a development area is annexed into the City of Sacramento, the City will receive a portion of the revenue generated by the development. This analysis models County revenue under an annexation based on the revenue sharing provisions of the NJV MOU described above. The figures shown in Table 3 are based on the detailed revenue analysis documented in the Appendix to this memorandum.

**Table 3: Sacramento County Revenue per Dwelling Unit**

	Dwelling Unit	Neighborhood Commercial	Community Commercial	Regional Commercial
<b>Unincorporated Development</b>				
<i>General Fund</i>				
Property Tax	\$ 722	\$ 8	\$ 11	\$ 82
Property Tax In Lieu of VLF	355	4	6	40
Sheriff CFD Special Tax	300	-	-	-
General Sales Tax	-	40	65	398
Public Safety Sales Tax	-	20	33	33
Property Transfer Tax	50	<1	<1	3
Other Revenue	2,758	15	20	142
<b>Total - General Fund</b>	<b>\$ 4,186</b>	<b>\$ 87</b>	<b>\$ 135</b>	<b>\$ 699</b>
<i>Roads Fund</i>	\$ 81	\$ 4	\$ 6	\$ 44
<b>Annexed Development</b>				
<i>General Fund</i>				
Property Tax	\$ 361	\$ 4	\$ 6	\$ 41
Property Tax In Lieu of VLF	355	4	6	40
Sheriff CFD Special Tax	-	-	-	-
General Sales Tax	-	-	-	199
Public Safety Sales Tax	-	20	33	33
Property Transfer Tax	50	<1	<1	3
Other Revenue	2,573	14	18	133
<b>Total</b>	<b>\$ 3,340</b>	<b>\$ 42</b>	<b>\$ 62</b>	<b>\$ 449</b>
<i>Roads Fund</i>	\$ 81	\$ 4	\$ 6	\$ 44

Sources: Tables A.19-A.22; MuniFinancial.

Tables 4 and 5 show the results of the fiscal impact analysis of new development in the Natomas area. Table 4 shows the net revenue to the County from development on unincorporated lands. Table 5 shows the results for development in areas annexed to the City of Sacramento based on the NJV MOU's tax sharing provisions. Table 5 shows the results for two alternative scenarios for regional retail development, which is included in Building Block 3. Results are shown with the assumption that land planned for regional commercial development will be annexed separately from other uses, resulting in sales tax revenue being split evenly between the City and Sacramento County. Alternatively, Table 5 also shows the results based on a scenario in which regional commercial land is included in an annexation planned for multiple uses. Under scenario, the County would receive no sales tax revenue from regional commercial development.

**Table 4: Net Revenue, Unincorporated Development**

	Building Block 1	Building Block 2	Building Block 3
<u>General Fund</u>			
Total Revenue	\$ 4,273	\$ 4,407	\$ 5,106
Total Costs	4,344	4,369	4,552
Net Revenue	\$ (71)	\$ 38	\$ 554
Net Revenue % of Total Cost	(2%)	1%	12%
<u>Roads Fund</u>			
Total Revenue	\$ 85	\$ 91	\$ 135
Total Costs	85	91	135
Net Revenue	\$ -	\$ -	\$ -
Net Revenue % of Total Cost	0%	0%	0%

Sources: A.23, A.27, and A.32.

**Table 5: Net Revenue, Annexed Development**

	Building Block 1	Building Block 2	Building Block 3	
			Regional Retail Sales Tax Sharing	No Regional Retail Sales Tax Sharing
<u>General Fund</u>				
Total Revenue	\$ 3,382	\$ 3,444	\$ 3,893	\$ 3,694
Total Costs	3,332	3,355	3,525	3,525
Net Revenue	\$ 50	\$ 89	\$ 368	\$ 169
Net Revenue % of Total Cost	2%	3%	10%	5%
<u>Roads Fund</u>				
Total Revenue	\$ 53	\$ 57	\$ 84	\$ 84
Total Costs	-	-	-	-
Net Revenue	\$ 53	\$ 57	\$ 84	\$ 84
Net Revenue % of Total Cost	N/A	N/A	N/A	N/A

Sources: Tables A.23, A.27, and A.33.

### **General Fund**

A fiscal impact within the plus or minus ten percent range is generally considered to indicate a neutral fiscal impact when the uncertainties inherent in estimating the average costs and revenues generated by a new dwelling unit and its associated commercial development are considered. Under that principle, this analysis estimates that Building Blocks 1 and 2 will have a neutral impact on the County General Fund under all of the development scenarios. Building Block 3 will have a slightly positive impact on the General Fund under the unincorporated development scenario.

If the development occurs in an area annexed to the City of Sacramento, this analysis estimates that impacts on the General Fund will be within the range considered fiscally neutral for Building Blocks 1, 2, and 3. However, assuming sales tax revenue from regional retail is split evenly between the City and the County (Table 5), net impacts on the General Fund are on the cusp of generating a positive impact on the County General Fund. Under a 50/50 regional retail sales tax split, the net General Fund revenue generated by Building Block 3 is approximately the same whether the development occurs in an unincorporated area or in an annexed area (net fiscal impact of 10 percent versus 12 percent).

### **Roads Fund**

In the unincorporated area, County road maintenance costs associated with new development are estimated to equal revenue generated by new development. Thus, new development will have a neutral impact on the Roads Fund. In an annexation, however, new development would continue to generate revenue to the County Roads Fund, but the City of Sacramento would be responsible for providing road maintenance. Annexed new development would have a positive impact on the County Roads Fund, ranging from \$53 per dwelling unit with Building Block 1 development to \$84 per dwelling unit under Building Block 3.

## **CONCLUSIONS**

This analysis projects that development in the Natomas area is fiscally neutral, within the plus or minus ten percent range, for the County's General Fund under any of the scenarios without a regional retail component. The net fiscal impacts under the two scenarios of unincorporated and annexed development are similar under the assumption that sales tax revenues from regional retail are shared 50/50 between the County and the City. Without such sharing, annexed development is fiscally neutral for the County for all three Building Blocks.

## APPENDIX: METHODOLOGY AND DATA

---

This appendix contains tables that outline the fiscal impact analysis model's assumptions and methodology. The tables are organized as follows:

- ◆ Population and Land Use Assumptions
- ◆ NJV Area Commercial Development and Sales Tax Analysis
- ◆ General Fund Revenue per Dwelling Unit
  - Property Tax Revenue
  - Property Tax In-Lieu of Vehicle License Fees
  - Per Capita Revenue Factors
  - Total County General Fund Revenue per Dwelling Unit
- ◆ General Fund Cost per Dwelling Unit
  - Per Capita Cost Factors
  - Law Enforcement Cost per Capita
  - Total General Fund Cost per Dwelling Unit
- ◆ County Roads Fund Cost and Revenue

### POPULATION AND LAND USE ASSUMPTIONS

Table A.1 shows the current resident and employee population in unincorporated Sacramento County and in the entire County. These figures are used to estimate the current per capita costs of County services funded through the General Fund and the revenue per capita for many of the General Fund revenue sources.

**Table A.1: Sacramento County Current Service Population (2007)**

	Residents	Employees	Service Population
Unincorporated	554,318	300,021	647,325
Total County	1,381,171	635,271	1,578,105
Weighting Factor	1.00	0.31	
Unincorporated Percent of Total County	40%	47%	41%

Note: Workers are weighted at 0.31 of residents based on the ratio of a 40-hour work week to 128 non-work hours in a week.

Sources: California Department of Finance (DOF); California Employment Development Department (EDD); MuniFinancial.

**Table A.2** shows the estimated assessed value, residential or employee density, and holding period for new Natomas area development.

**Table A.2: Land Use Assumptions - New Development**

<b>Building Block</b>	<b>Assessed Value<sup>1</sup></b>	<b>Density<sup>2</sup></b>	<b>Holding Period (years)</b>
Residential	\$ 320,000	2.74	7
Neighborhood Commercial	200	2.50	15
Community Commercial	200	2.50	15
Regional Commercial	200	2.50	15

<sup>1</sup> Per dwelling unit or 1,000 square feet.

<sup>2</sup> Persons per dwelling unit or employees per 1,000 square feet.

Source: 2000 Census Tables H-31, H-32, H-33; California Department of Finance; 2007 new home sales in Natomas area, Sacramento County Assessor; MuniFinancial.

## NJV COMMERCIAL DEVELOPMENT AND SALES TAX ANALYSIS

This section details the analysis of the amount of neighborhood, community, and regional commercial development anticipated per household in the NJV area. The results of this analysis are used to estimate the sales and property tax generation of commercial development in the NJV area.

**Table A.3** shows the number of households within a 14-mile radius of the center of the NJV area. This is considered the NJV market area. The table shows both existing households in the market area and the total number of households in currently proposed development projects in the area.

**Table A.3: Natomas Joint Vision: 14-Mile Radius Market Area**

	Households	Percent of Market Area	
		New Growth	Build out
<b>Existing (2007)</b>	397,695		79%
<b>Proposed Projects</b>			
NJV	40,000	38%	8%
Delta Shores	5,800	6%	1%
Elverta	4,950	5%	1%
Greenbriar	3,500	3%	1%
North Natomas	8,200	8%	2%
Placer Vineyards	14,000	13%	3%
Sacramento Railyard	10,000	10%	2%
Sutter Pointe	<u>17,500</u>	<u>17%</u>	<u>3%</u>
<b>Proposed Projects Subtotal</b>	<u>103,950</u>	<u>100%</u>	<u>21%</u>
<b>Total at Build out of Proposed Projects</b>	501,645		100%

Sources: Claritas, Natomas Joint Vision 14-Miles Radius Pop-Facts; Elverta Specific Plan, elvertaspecificplan.com; Sacramento Bee, January 23, 2008 and February 9, 2008; Sacramento Business Journal, July 17, 2006 and December 1, 2006; Sacramento County; Sutter County, Sutter Pointe Specific Plan; MuniFinancial.

**Table A.4** shows the annual retail expenditures per household, as reported by the Bureau of Labor Statistics, as well as assumptions regarding the percentage of sales occurring in each type of commercial center and the portion that is subject to sales tax.

**Table A.4: Annual Household Expenditures for Urban Areas 1M to 2.5M Population**

Item	Amount	Percent of Income	Neighborhood		Community		Regional	
			Retail Spending Share	Proportion Taxable	Retail Spending Share	Proportion Taxable	Retail Spending Share	Proportion Taxable
Income Before Taxes	\$61,283							
Income After Taxes (Fed and State)	58,760							
Average Annual Expenditures	\$49,367	80.6%						
<b>RETAIL EXPENDITURES</b>								
Food (at home)	\$ 3,350	5.5%	70%	15%	10%	20%	20%	10%
<b>Other Misc. Expenses</b>								
Food away from Home	\$ 2,690	4.4%	60%	95%	20%	95%	20%	95%
Alcoholic Beverages	585	1.0%	20%	100%	20%	100%	60%	100%
Housekeeping Supplies	630	1.0%	20%	100%	10%	100%	70%	100%
Household expenses	529	0.9%	10%	100%	10%	100%	80%	100%
<b>Subtotal Other Misc. Expenses</b>	<b>\$ 4,434</b>	<b>7.2%</b>						
<b>Miscellaneous Personal Items</b>								
Tobacco products and smoking supplies	\$ 291	0.5%	70%	100%	10%	100%	20%	100%
Personal Care Products and services	578	0.9%	20%	100%	10%	100%	70%	100%
<b>Subtotal Misc. Personal Items</b>	<b>\$ 869</b>	<b>1.4%</b>						
Household Equipment (Furnishings and Equip.)	\$ 1,912	3.1%	0%	100%	20%	100%	80%	100%
Apparel and services	\$ 1,945	3.2%	5%	100%	15%	100%	80%	100%
<b>Health</b>								
Medical Supplies	\$ 113	0.2%	15%	80%	35%	80%	50%	80%
Drugs	502	0.8%	15%	60%	35%	60%	50%	60%
<b>Subtotal Health</b>	<b>\$ 615</b>	<b>1.0%</b>						
<b>Entertainment</b>								
Entertainment	\$ 2,529	4.1%	5%	10%	5%	10%	15%	10%
Reading	126	0.2%	10%	100%	20%	100%	70%	100%
Education	1,015	1.7%	5%	35%	5%	35%	5%	35%
<b>Subtotal Entertainment</b>	<b>\$ 3,670</b>	<b>6.0%</b>						
Miscellaneous	\$ 775	1.3%	20%	100%	20%	100%	60%	100%
<b>Transportation</b>								
Vehicle	\$ 3,645	5.9%	20%	100%	30%	100%	50%	100%
Gasoline and Motor Oil	1,951	3.2%	15%	100%	60%	100%	25%	100%
Other vehicle expenses	2,363	3.9%	20%	20%	40%	20%	40%	20%
<b>Subtotal Transportation</b>	<b>\$ 7,959</b>	<b>13.0%</b>						
<b>Total Retail Expenditures</b>	<b>\$ 25,529</b>	<b>41.7%</b>						

Source: Bureau of Labor Statistics, Consumer Expenditures Survey, 2005-2006; MuniFinancial

**Table A.5** converts the percentages shown in Table A.4 into estimated dollar values of taxable and non-taxable spending in each type of commercial center.

**Table A.5: Annual Household Expenditures for Urban Areas 1M to 2.5M Population**

Item	Amount	Percent of Income	Neighborhood		Community		Regional	
			Retail Spending	Taxable	Retail Spending	Taxable	Retail Spending	Taxable
Income Before Taxes	\$ 61,283							
Income After Taxes (Fed and State)	58,760							
<b>RETAIL EXPENDITURES</b>								
Food (at home)	\$ 3,350	5.5%	\$ 2,345	\$ 352	\$ 335	\$ 67	\$ 670	\$ 67
<b>Other Misc. Expenses</b>								
Food away from Home	\$ 2,690	4.4%	\$ 1,614	\$ 1,533	\$ 538	\$ 511	\$ 538	\$ 511
Alcoholic Beverages	585	1.0%	117	117	117	117	351	351
Housekeeping Supplies	630	1.0%	126	126	63	63	441	441
Household expenses	529	0.9%	53	53	53	53	423	423
<b>Subtotal Other Misc. Expenses</b>	<b>4,434</b>	<b>7.2%</b>	<b>\$ 1,910</b>	<b>\$ 1,829</b>	<b>\$ 771</b>	<b>\$ 744</b>	<b>\$ 1,753</b>	<b>\$ 1,726</b>
<b>Miscellaneous Personal Items</b>								
Tobacco products and smoking supplies	\$ 291	0.5%	\$ 204	\$ 204	\$ 29	\$ 29	\$ 58	\$ 58
Personal Care Products and services	578	0.9%	116	116	58	58	405	405
<b>Subtotal Misc. Personal Items</b>	<b>869</b>	<b>1.4%</b>	<b>\$ 319</b>	<b>\$ 319</b>	<b>\$ 87</b>	<b>\$ 87</b>	<b>\$ 463</b>	<b>\$ 463</b>
Household Equipment (Furnishings and Equip.)	\$ 1,912	3.1%	\$ -	\$ -	\$ 382	\$ 382	\$ 1,530	\$ 1,530
Apparel and services	\$ 1,945	3.2%	\$ 97	\$ 97	\$ 292	\$ 292	\$ 1,556	\$ 1,556
<b>Health</b>								
Medical Supplies	\$ 113	0.2%	\$ 17	\$ 14	\$ 40	\$ 32	\$ 57	\$ 45
Drugs	502	0.8%	75	45	176	105	251	161
<b>Subtotal Health</b>	<b>\$ 615</b>	<b>1.0%</b>	<b>\$ 92</b>	<b>\$ 59</b>	<b>\$ 215</b>	<b>\$ 137</b>	<b>\$ 308</b>	<b>\$ 196</b>
<b>Entertainment</b>								
Entertainment	\$ 2,529	4.1%	\$ 126	\$ 13	\$ 126	\$ 13	\$ 379	\$ 38
Reading	126	0.2%	13	13	25	25	88	88
Education	1,015	1.7%	51	18	51	18	51	18
<b>Subtotal Entertainment</b>	<b>\$ 3,670</b>	<b>6.0%</b>	<b>\$ 190</b>	<b>\$ 43</b>	<b>\$ 202</b>	<b>\$ 56</b>	<b>\$ 518</b>	<b>\$ 144</b>
Miscellaneous	\$ 775	1.3%	\$ 155	\$ 155	\$ 155	\$ 155	\$ 465	\$ 465
<b>Transportation</b>								
Vehicle	\$ 3,645	5.9%	\$ 729	\$ 729	\$ 1,094	\$ 1,094	\$ 1,823	\$ 1,823
Gasoline and Motor Oil	1,951	3.2%	293	293	1,171	1,171	488	488
Other vehicle expenses	2,363	3.9%	473	95	945	189	945	189
<b>Subtotal Transportation</b>	<b>\$ 7,959</b>	<b>13.0%</b>	<b>\$ 1,494</b>	<b>\$ 1,116</b>	<b>\$ 3,209</b>	<b>\$ 2,453</b>	<b>\$ 3,255</b>	<b>\$ 2,499</b>
<b>Total Retail Expenditures</b>	<b>\$25,529</b>	<b>41.7%</b>	<b>\$ 6,600</b>	<b>\$ 4,000</b>	<b>\$ 5,600</b>	<b>\$ 4,400</b>	<b>\$ 10,500</b>	<b>\$ 8,600</b>
			Neighborhood Taxable % 60%		Community Taxable % 80%		Regional Taxable % 80%	

Source: Bureau of Labor Statistics, Consumer Expenditures Survey, 2005-2006; MuniFinancial

**Table A.6** shows the estimated square footage and assessed valuation of neighborhood commercial development per household in the NJV area.

**Table A.6: Market Area Retail Sales and Assessed Value:  
 Neighborhood Level**

Neighborhood Retail Spending per Household	\$	6,600
NJV Households		40,000
NJV Neighborhood Retail	\$	264,000,000
Neighborhood Retail Sales per Sq. Ft.		353
NJV Neighborhood Retail (Sq. Ft.)		747,875
Price per Sq. Ft.	\$	200
NJV Neighborhood Retail AV	\$	149,575,071
Retail AV per Household	\$	3,739
Sq. Ft. of Neighborhood Retail per Household		19

Sources: Tables A.2, A.3, and A.5; Urban Land Institute, Dollars and Sense 2006; MuniFinancial.

Tables A.7 through A.12 are used to estimate the community and regional retail development in the NJV area after buildout of all currently proposed projects in the 14-mile market area.

Tables A.7 and A.8 estimate the total community and regional commercial spending by households in the 14-mile market area.

**Table A.7: Market Area Retail Sales: Community Level**

	Existing Development	Growth Areas	
		NJV	Other
Households	397,695	40,000	63,950
Household Retail Spending	\$ 5,600	\$ 5,600	\$ 5,600
Est. Market Area Sales	\$ 2,227,092,000	\$ 224,000,000	\$ 358,120,000

Sources: Tables A.3 and A.5; MuniFinancial.

**Table A.8: Market Area Retail Sales: Regional Level**

	Existing		Growth Areas	
	Development		NJV	Other
Household Units		397,695	40,000	63,950
Household Retail Spending	\$	10,500	\$ 10,500	\$ 10,500
Est. Market Area Sales	\$	4,175,797,500	\$ 420,000,000	\$ 671,475,000

Sources: Tables A.3 and A.5; MuniFinancial.

**Table A.9** shows the estimated current community and regional retail sales in the 14-mile market area.

**Table A.9: Current Market Area Retail: Community and Regional Level**

	Existing	
	Community	Regional
Retail Space (Sq. Ft.)	6,329,255	7,834,051
Spending Per Sq. Ft.	\$ 322	\$ 273
Est. Current Market Retail Sales	\$ 2,038,020,110	\$ 2,138,539,242

Sources: Claritas, 14 Mile Radius Shopping Center List; Urban Land Institute, Dollars and Sense 2006; MuniFinancial.

**Table A.10** shows the estimated value of community and regional retail sales leaking out of the market area.

**Table A.10: Leakage Analysis**

	Community	Regional
Estimated Current Spending by Households in Market Area	\$ 2,227,092,000	\$ 4,175,797,500
Estimated Sales by Current Retail Development in Market Area	2,038,020,110	2,138,539,242
Current Retail Leakage	\$ 189,071,890	\$ 2,037,258,258
Current Capture Rate	92%	51%

Sources: Tables A.7-A.9; MuniFinancial.

**Table A.11** shows the estimated total community commercial sales in the NJV area. It is assumed that the NJV area will capture 15 percent of the current community commercial leakage from the 14-mile market area, 85 percent of community commercial sales to new households in the NJV area, and 30 percent of community commercial sales to new households in the wider 14-mile market area. It is estimated that community commercial development in the NJV will generate a total of approximately \$6,500 in taxable community commercial sales per NJV household.

**Table A.11: Taxable Market Area Retail Sales: Community Level**

	Existing	Growth Areas		Total at
	Development	NJV	Other	Buildout
Total Unmet Need	\$ 189,071,890	\$ 224,000,000	\$ 358,120,000	\$ 771,191,890
NJV Market Capture Rate	15%	85%	30%	
NJV Potential Retail Sales Capture	\$ 28,360,784	\$ 190,400,000	\$ 107,436,000	\$ 326,196,784
Proposed NJV Households	40,000	40,000	40,000	40,000
Potential Sales Per Household	\$ 709	\$ 4,760	\$ 2,686	\$ 8,155
Taxable Retail Spending Ratio	80%	80%	80%	80%
Taxable Retail Sales per NJV Household	\$ 567	\$ 3,808	\$ 2,149	\$ 6,524

Sources: Tables A.3, A.5, A.7, A.10; MuniFinancial.

**Table A.12** shows the estimated total regional commercial sales in the NJV area. It is assumed that the NJV area will capture 30 percent of the total regional retail sales from existing households in the 14-mile market area, 80 percent of regional commercial sales to new households in the NJV area, and 60 percent of regional commercial sales to new households in the wider 14-mile market area. It is estimated that regional commercial development in the NJV will generate a total of approximately \$39,800 in taxable regional commercial sales per NJV household.

**Table A.12: Taxable Market Area Retail Sales: Regional Level**

	Existing	Growth Areas		Total at Buildout
	Development	NJV	Other	
Total Retail Demand	\$ 4,175,797,500	\$ 420,000,000	\$ 671,475,000	\$ 5,267,272,500
NJV Market Capture Rate	30%	80%	60%	
NJV Potential Retail Sales Capture	\$ 1,252,739,250	\$ 336,000,000	\$ 402,885,000	\$ 1,991,624,250
Proposed NJV Households	40,000	40,000	40,000	40,000
Potential Sales Per Household	\$ 31,318	\$ 8,400	\$ 10,072	\$ 49,791
Taxable Retail Spending Ratio	80%	80%	80%	80%
Taxable Retail Sales per NJV Household	\$ 25,055	\$ 6,720	\$ 8,058	\$ 39,832

Sources: Tables A.3, A.5, and A.8; MuniFinancial.

Table A.13 shows the estimated general local sales tax revenue and public safety sales tax revenue generated per household by commercial development in the NJV area, based on the calculations shown in Tables A.5, A.11, and A.12.

**Table A.13: Estimated Sales Tax Revenue Per Household**

Per Household	Neighborhood	Community	Regional	Total
Retail Spending	\$ 6,600	\$ 8,155	\$ 49,791	\$ 64,546
Percent Taxable	60%	80%	80%	78%
Taxable Retail Sales	\$ 3,960	\$ 6,524	\$ 39,832	\$ 50,316
Local Sales Tax Revenue (1.0%)	\$ 40	\$ 65	\$ 398	\$ 503
Local Public Safety Tax Revenue (0.50%)	20	33	199	252

Sources: Tables A.5, A.11, and A.12; MuniFinancial.

Table A.14 shows the estimated square footage of retail development, both in the NJV area and in the wider 14-mile market area.

**Table A.14: Projected Total Retail Space**

	Neighborhood	Community	Regional	Total
Projected NJV Retail Sales	\$ 264,000,000	\$ 326,196,784	\$ 1,991,624,250	\$ 2,581,821,034
Retail Sales Per Sq. Ft.	353	322	273	
<b>NJV Retail at Buildout of Growth Area (sq. ft.)</b>	747,875	1,013,033	7,295,861	9,056,770
Current Supply (sq. ft.) <sup>1</sup>	4,336,297	6,329,255	7,834,051	18,499,603
<b>Total Supply at Buildout of Growth Area</b>	5,084,172	7,342,288	15,129,912	27,556,373

<sup>1</sup> Existing retail inventory and projects that are planned or under construction.

Sources: Tables A.6, A.11, and A.12; Claritas, 14-Mile Radius Shopping Center List; Urban Land Institute, Dollars and Sense 2006; MuniFinancial.

## GENERAL FUND REVENUE PER DWELLING UNIT

### *Property Tax Revenue*

This section presents the assumptions used to estimate County General Fund property tax revenue generated by new development in the NJV area.

**Table A.15** shows the estimated square footage and assessed value of the neighborhood, community, and regional commercial development per dwelling unit anticipated in the NJV area. The estimated square footage of commercial development in the NJV area is estimated in Table A.14, above.

**Table A.15: Estimated Commercial Development Square Feet and Assessed Value per New Household**

	Neighborhood Commercial Development	Community Commercial Development	Regional Commercial Development
NJV Commercial (Sq. Ft.)	747,875	1,013,033	7,295,861
Price per Sq. Ft.	\$ 200	\$ 200	\$ 200
Assessed Value Increase	\$ 149,575,071	\$ 202,606,698	\$ 1,459,172,284
Proposed NJV Households	40,000	40,000	40,000
Commercial AV per New Household	\$ 3,739	\$ 5,065	\$ 36,479
Square Feet per New Household	19	25	182

Sources: Appendix B; MuniFinancial.

**Table A.16** shows the share of the one percent ad valorem property tax that would be allocated to the County General Fund for unincorporated development and for development that is annexed into the City of Sacramento. As stipulated in the NJV MOU, property tax revenue in an annexed area would be split evenly between the City and County, assuming the

annexation does not generate a funding surplus to the City. It is assumed in this analysis that the only portion of property tax revenue available to be split is the share that is currently allocated to the County General Fund.

**Table A.16: Property Tax Allocation**

	Pre-ERAF County Share		ERAF Shift	Post-ERAF County Share	
	Unincorporated	Annexation <sup>1</sup>		Unincorporated	Annexation
County General Fund	47.48%	23.74%	52.46%	22.58%	11.29%

<sup>1</sup> Annexation scenario tax allocation factor set such that County tax allocation is 50 percent of the current County General Fund property tax allocation.

Sources: Sacramento County Auditor-Controller; MuniFinancial.

***Property Tax In-Lieu of Vehicle License Fees***

Table A.17 shows the estimated property tax in lieu of vehicle license fee revenue generated by new development in the NJV area.

**Table A.17: Motor Vehicle In-lieu Assumptions**

Total County Gross Assessed Value (2007)	\$ 124,126,471,000
Total County VLF Property Tax In-lieu Revenue (FY 2007-08)	<u>138,205,581</u>
VLF Property Tax In-lieu Per \$1000 Assessed Value	\$ 1.11

Sources: Sacramento County Auditor Controller; Sacramento County Comprehensive Annual Fiscal Report FY 2007; County of Sacramento FY 2007-08 Annual Budget; MuniFinancial.

***Per Capita Revenue Factors***

Table A.18 shows the per capita revenue factors used in this analysis. These factors are based on the adopted FY 2007-2008 County budget. For some sources of revenue to the General Fund, current average per capita revenue is not likely to be a good estimate of the revenue generated by new development in the Natomas area. For these funding sources, revenue from new development is estimated in case studies shown in the preceding sections.

**Table A.18. Sacramento County - General Fund Per Capita Revenue**

	Adopted Revenue FY 2007-08	Allocation By Service Area		Allocation By Service Population		Total County Allocation		Unincorporated Allocation			
		Total County	Unincor- porated	Resident	Employee	Total County Revenues	Per Resident	Per Emp- loyee	Unincorporated Revenues	Per Resident	Per Emp- loyee
<b>Taxes</b>											
Secured Property Tax	\$ 216,181,000	0%	100%	1.00	0.31	---	---	---	\$ 14,500,000	\$ 22.40	\$ 6.94
Unsecured Property Tax <sup>1</sup>	7,423,000					---	---	---			
Current Supplemental Prop. Tax <sup>1</sup>	7,000,000					---	---	---			
Property Tax Unitary <sup>1</sup>	4,900,000					---	---	---			
Prop. Tax Secured Delinquent <sup>1</sup>	1,850,000					---	---	---			
Prop. Tax Suppl. Delinquent <sup>1</sup>	500,000					---	---	---			
Prop. Tax In-Lieu of Vehicle License Fee <sup>1</sup>	138,205,581					---	---	---			
Penalty/Costs-Property Tax <sup>1</sup>	1,622,000					---	---	---			
Sales/Use Tax <sup>1</sup>	61,450,000					---	---	---			
In Lieu-Local Sales and Use Tax <sup>1</sup>	21,650,000					---	---	---			
Utility User Tax	14,500,000					---	---	---			
Property Transfer Tax <sup>1</sup>	8,000,000					---	---	---			
Subtotal	\$ 483,281,561					\$	\$	\$	\$ 14,500,000	\$ 22.40	\$ 6.94
<b>Licenses and Permits</b>											
Animal Licenses	\$ 550,000	0%	100%	1.00	0.31	---	---	---	\$ 550,000	\$ 0.85	\$ 0.26
Business Licenses	1,344,721	0%	100%	1.00	0.31	---	---	---	1,344,721	2.08	0.64
Special Business Licenses	629,085	0%	100%	1.00	0.31	---	---	---	629,085	0.97	0.30
Special Business Empl. Permits	11,250	0%	100%	1.00	0.31	---	---	---	11,250	0.02	0.01
Fictitious Business Licenses	315,477	0%	100%	1.00	0.31	---	---	---	315,477	0.49	0.15
Encroachment Permits	70,000	0%	100%	1.00	0.31	---	---	---	70,000	0.11	0.03
Zoning Permits	3,135,826	0%	100%	1.00	0.31	---	---	---	3,135,826	4.84	1.50
Cable TV Franchise Fee	2,371,730	0%	100%	1.00	0.31	---	---	---	2,371,730	3.66	1.14
Franchises	900,000	0%	100%	1.00	0.31	---	---	---	900,000	1.39	0.43
Licenses/Permits-Other	3,262,758	0%	100%	1.00	0.31	---	---	---	3,262,758	5.04	1.56
Bingo License Fee	352,506	0%	100%	1.00	0.31	---	---	---	352,506	0.54	0.17
Subtotal	\$ 12,943,353					\$	\$	\$	\$ 12,943,353	\$ 20.00	\$ 6.20
<b>Fines, Forfeitures, and Penalties</b>											
Vehicle Code Fines	7,813,023	80%	20%	1.00	0.31	\$ 6,250,418	\$ 3.96	\$ 1.23	\$ 1,562,605	\$ 2.41	\$ 0.75
Other Court Fines	11,070,000	100%	0%	1.00	0.31	11,070,000	7.01	2.17	-	-	-
Forfeitures/Penalties	561,252	0%	100%	1.00	0.31	-	-	-	561,252	0.87	0.27
Civil Penalties	9,100	100%	0%	1.00	0.31	9,100	0.01	0.00	-	-	-
State Asset Forfeitures	921,737	100%	0%	1.00	0.31	921,737	0.58	0.18	-	-	-
Subtotal	\$ 20,375,112					\$ 18,251,255	\$ 11.57	\$ 3.59	\$ 2,123,857	\$ 3.28	\$ 1.02

**Table A.18: Sacramento County - General Fund Per Capita Revenue (continued)**

	Adopted Revenue FY 2007-08	Allocation By Service Area		Allocation By Service Population		Total County Allocation			Unincorporated Allocation			
		Total County	Unincorporated	Resident	Employee	Total County Revenues	Per Resident	Per Employee	Unincorporated Revenues	Per Resident	Per Employee	
<i>Use of Money and Property</i>												
Interest Income	\$ 26,042,200	100%	0%	1.00	0.31	\$ 26,042,200	\$ 16.50	\$ 5.12	\$ -	\$ -	\$ -	
Building Rental-Other	85,000	100%	0%	1.00	0.31	85,000	0.05	0.02	-	-	-	
Agricultural Leases-Other	24,000	100%	0%	1.00	0.31	24,000	0.02	0.00	-	-	-	
Ground Leases-Other	148,466	100%	0%	1.00	0.31	148,466	0.09	0.03	-	-	-	
Recreational Concessions	14,000	100%	0%	1.00	0.31	14,000	0.01	0.01	-	-	-	
Telephones	764,714	100%	0%	1.00	0.31	764,714	0.48	0.15	-	-	-	
Subtotal	\$ 27,078,380					\$ 27,078,380	\$ 17.16	\$ 5.32	\$ -	\$ -	\$ -	
<i>Aid-State</i>												
Cigarette Tax-Uninc. Area	\$ 1,598,626	0%	100%	1.00	0.31	\$ -	\$ -	\$ -	\$ 1,598,626	\$ 2.47	\$ 0.77	
Homeowner's Prop. Tax Relief <sup>1</sup>	3,045,000											
Williamson Act Tax Relief	500,000	100%	0%	1.00	0.31	4,547,956	2.88	0.89	500,000	0.77	0.24	
Vehicle In-Lieu-Realignment	4,547,956	100%	0%	1.00	0.31	4,992,449	3.16	0.98	-	-	-	
State Aid-Other	4,992,449	100%	0%	1.00	0.31	200,000	0.13	0.04	-	-	-	
Redevel. Pass Through	200,000	100%	0%	1.00	0.31	17,278,000	10.95	3.39	-	-	-	
Rev. Neut. Payments	17,278,000	100%	0%	1.00	0.31	90,891,216	57.60	17.85	-	-	-	
State Aid-Welfare Admin.	90,891,216	100%	0%	1.00	0.31	61,371,546	38.89	12.06	-	-	-	
State Aid-Services Program	61,371,546	100%	0%	1.00	0.31	126,553,983	80.19	24.86	-	-	-	
State Aid-Children Assistance	126,553,983	100%	0%	1.00	0.31	130,715	0.08	0.03	-	-	-	
State Aid-Welf St	130,715	100%	0%	1.00	0.31	65,358	0.04	0.01	-	-	-	
State Aid-Other Welfare Program	65,358	100%	0%	1.00	0.31	1,906,886	1.21	0.37	-	-	-	
State Aid-COPS	1,906,886	100%	0%	1.00	0.31	7,387,257	4.68	1.45	-	-	-	
State Aid-Crippled Child. Admin.	7,387,257	100%	0%	1.00	0.31	1,447,478	0.92	0.28	-	-	-	
State Aid-Crippled Child. Trtmt.	1,447,478	100%	0%	1.00	0.31	51,850,970	32.86	10.19	-	-	-	
State Aid-Health Admin.	51,850,970	100%	0%	1.00	0.31	20,381,686	12.92	4.00	-	-	-	
State Aid-VHL Men. Health	20,381,686	100%	0%	1.00	0.31	43,031,834	27.27	8.45	-	-	-	
State Aid-Other Health Program	43,031,834	100%	0%	1.00	0.31	1,949,168	1.24	0.38	-	-	-	
State Aid-Agriculture	1,949,168	100%	0%	1.00	0.31							
State Aid-Public Safety <sup>1</sup>	108,977,847											
State Aid-Veterans Affairs	58,000	100%	0%	1.00	0.31	58,000	0.04	0.01	-	-	-	
State Aid-Realignment	200,021,992	100%	0%	1.00	0.31	200,021,992	126.75	39.29	-	-	-	
State Aid-Other Misc. Programs	63,335,532	100%	0%	1.00	0.31	63,335,532	40.13	12.44	-	-	-	
Subtotal	\$ 811,523,499					\$ 687,402,026	\$ 441.92	\$ 137.00	\$ 2,098,626	\$ 3.24	\$ 1.01	

**Table A.18: Sacramento County - General Fund Per Capita Revenue (continued)**

	Adopted Revenue FY 2007-08	Allocation By Service Area		Allocation By Service Population		Total County Allocation			Unincorporated Allocation			
		Total County	Unincor- porated	Resident	Employee	Total County Revenues	Per Resident	Per Emp- loyee	Unincorporated Revenues	Per Resident	Per Emp- loyee	
<b>Aid-Federal</b>												
Federal Aid-Welfare Admin.	\$ 111,367,245	100%	0%	1.00	0.31	\$ 111,367,245	\$ 70.57	\$ 21.88	\$ -	\$ -	\$ -	
Federal Aid-Child Svc./Admin.	106,106,486	100%	0%	1.00	0.31	106,106,486	67.24	20.84	-	-	-	
Federal Aid-Children Assist.	186,923,041	100%	0%	1.00	0.31	186,923,041	118.45	36.72	-	-	-	
Federal Aid-Other Welfare Prog.	4,057,485	100%	0%	1.00	0.31	4,057,485	2.57	0.80	-	-	-	
Federal Aid-Other Health Prog.	100,114,774	100%	0%	1.00	0.31	100,114,774	63.44	19.67	-	-	-	
Federal Aid-Other Misc. Prog.	28,612,521	100%	0%	1.00	0.31	28,612,521	18.13	5.62	-	-	-	
Subtotal	\$ 537,181,552					\$ 537,181,552	340.40	105.52	-	-	-	
<b>Aid-Other</b>												
In-Lieu Taxes-Other	\$ 15,000	100%	0%	1.00	0.31	15,000	0.01	0.00	\$ -	\$ -	\$ -	
Misc. Intergovernmental	484,102	100%	0%	1.00	0.31	484,102	0.31	0.10	-	-	-	
Aid - Other Local Gov't Agencies	24,893,028	100%	0%	1.00	0.31	24,893,028	15.77	4.89	-	-	-	
Subtotal	\$ 25,392,130					\$ 25,392,130	16.09	4.99	\$ -	\$ -	\$ -	
<b>Charges for Current Services</b>												
Special Assessments	\$ 171,426	0%	100%	1.00	0.31	-	\$ -	-	\$ 171,426	\$ 0.26	\$ 0.08	
Vital Statistic Fees	1,792,009	100%	0%	1.00	0.31	1,792,009	1.14	0.35	-	-	-	
Adoption Fees	36,021	100%	0%	1.00	0.31	36,021	0.02	0.01	-	-	-	
Candidate Filing Fees	40,000	100%	0%	1.00	0.31	40,000	0.03	0.01	-	-	-	
Civil Process Service Fees	1,180,609	100%	0%	1.00	0.31	1,180,609	0.75	0.23	-	-	-	
Estate/Public Admin. Fees	600,000	100%	0%	1.00	0.31	600,000	0.38	0.12	-	-	-	
Recording Fees	9,030,787	100%	0%	1.00	0.31	9,030,787	5.72	1.77	-	-	-	
Assessing/Collecting Fees	7,429,485	100%	0%	1.00	0.31	7,429,485	4.71	1.46	-	-	-	
Auditing/Accounting Fees	822,871	100%	0%	1.00	0.31	822,871	0.52	0.16	-	-	-	
Court/Legal Fees	3,040,397	100%	0%	1.00	0.31	3,040,397	1.93	0.60	-	-	-	
Election Service Charges	384,800	100%	0%	1.00	0.31	384,800	0.24	0.08	-	-	-	
Personnel Service Charges	14,196,840	100%	0%	1.00	0.31	14,196,840	9.00	2.79	-	-	-	
Planning Service Charges	368,900	0%	100%	1.00	0.31	-	-	-	368,900	0.57	0.18	
Plan/Eng-Plan Check & Insp Fees	904,671	0%	100%	1.00	0.31	-	-	-	904,671	1.40	0.43	
Jail Booking Fees	2,836,461	100%	0%	1.00	0.31	2,836,461	1.80	0.56	-	-	-	
Recreation Service Charges	1,857,961	0%	100%	1.00	0.31	-	-	-	1,857,961	2.87	0.89	

**Table A.18: Sacramento County - General Fund Per Capita Revenue (continued)**

	Adopted Revenue FY 2007-08	Allocation By Service Area		Allocation By Service Population		Total County Allocation		Unincorporated Allocation			
		Total County	Unincor- porated	Resident	Employee	Total County Revenues	Per Resident	Per Capita Revenue Per Employee	Unincorporated Revenues	Per Resident	Per Emp- LOYEE
Copying Charges	100,750	100%	0%	1.00	0.31	100,750	0.06	0.02	1,507,750	2.33	0.72
Park/Grounds Main. Svcs Chg.	1,507,750	0%	100%	1.00	0.31	-	-	-	240,000	0.37	0.11
Development Fees	240,000	0%	100%	1.00	0.31	-	-	-	-	-	-
Crippled Child. Treat. Charges	10,000	100%	0%	1.00	0.31	10,000	0.01	0.00	-	-	-
Medical Care-Indigent Patients	440,937	100%	0%	1.00	0.31	440,937	0.28	0.09	-	-	-
Medical Care-Private Patients	20,000	100%	0%	1.00	0.31	20,000	0.01	0.00	-	-	-
Mental Health-Private Patients	730,225	100%	0%	1.00	0.31	730,225	0.46	0.14	-	-	-
Alcoholism Services-Client Fees	38,000	100%	0%	1.00	0.31	38,000	0.02	0.01	-	-	-
Medical Care-Other	150,000	100%	0%	1.00	0.31	150,000	0.10	0.03	-	-	-
Institutional Care-Adult Prisoners	14,017,189	100%	0%	1.00	0.31	14,017,189	8.88	2.75	-	-	-
Institutional Care-Juveniles	391,522	100%	0%	1.00	0.31	391,522	0.25	0.08	-	-	-
Institutional Care-State Inst.	12,523	100%	0%	1.00	0.31	12,523	0.01	0.00	-	-	-
Work Furlough Charges	6,088,574	100%	0%	1.00	0.31	6,088,574	3.86	1.20	-	-	-
Auditor-Controller Services	529,800	100%	0%	1.00	0.31	529,800	0.34	0.10	-	-	-
Public Works Services	105,186	100%	0%	1.00	0.31	105,186	0.07	0.02	-	-	-
Cemetery Services	30,000	100%	0%	1.00	0.31	30,000	0.02	0.01	-	-	-
Humane Services	347,600	0%	100%	1.00	0.31	-	-	-	347,600	0.54	0.17
Law Enforcement Services	4,054,721	0%	100%	1.00	0.31	-	-	-	4,054,721	6.26	1.94
Service Fees/Charges-Other	26,504,886	100%	0%	1.00	0.31	26,504,886	16.80	5.21	-	-	-
Subtotal	\$ 100,012,901					\$ 90,559,872	\$ 57.39	\$ 17.79	\$ 9,453,029	\$ 14.60	\$ 4.53
<b>Miscellaneous Revenues</b>											
Cash Overages	500	100%	0%	1.00	0.31	500	0.00	0.00	-	-	-
Aid Payment Recoveries	4,811,495	100%	0%	1.00	0.31	4,811,495	3.05	0.95	-	-	-
Donations & Contributions	1,188,683	100%	0%	1.00	0.31	1,188,683	0.75	0.23	-	-	-
Insurance Proceeds	1,018,000	100%	0%	1.00	0.31	1,018,000	0.65	0.20	-	-	-
Assessment Fees	3,478,266	100%	0%	1.00	0.31	3,478,266	2.20	0.68	-	-	-
Child Support Recoveries	1,615,500	100%	0%	1.00	0.31	1,615,500	1.02	0.32	-	-	-
Countywide Cost Plan	6,309,292	60%	40%	1.00	0.31	3,777,126	2.39	0.74	2,532,166	3.91	1.21
Revenue-Other	63,967,491	100%	0%	1.00	0.31	63,967,491	40.53	12.57	-	-	-
Prior-Year Revenues	455,000	100%	0%	1.00	0.31	455,000	0.29	0.09	-	-	-
Subtotal	\$ 82,844,227					\$ 80,312,061	\$ 50.89	\$ 15.78	\$ 2,532,166	\$ 3.91	\$ 1.21
<b>Other Financing Sources</b>											
Proceeds from Asset Sale-Other	4,000,000	100%	0%	1.00	0.31	4,000,000	2.53	0.79	-	-	-
Vending Card Revenue	15,000	100%	0%	1.00	0.31	15,000	0.01	0.00	-	-	-
Subtotal	\$ 4,015,000					\$ 4,015,000	\$ 2.54	\$ 0.79	\$ -	\$ -	\$ -
<b>Total Recurring Revenue</b>	<b>\$ 2,104,647,735</b>					<b>\$ 1,480,192,276</b>	<b>\$ 938</b>	<b>\$ 291</b>	<b>\$ 43,651,031</b>	<b>\$ 67</b>	<b>\$ 21</b>

<sup>1</sup> These revenue sources are projected elsewhere in MuniFinancial Fiscal Impact Model.

Sources: County of Sacramento FY 2007-08 Annual Budget; MuniFinancial.

### ***Total County General Fund Revenue per Dwelling Unit***

**Tables A.19** through **A.22** show the County General Fund revenue per dwelling unit from property tax, property tax in lieu of vehicle license fees (VLF), the Sheriff Community Facilities District (CFD) special tax, sales tax, property transfer tax, and other revenues calculated on a per capita basis. The revenue associated with the dwelling unit itself is calculated in the first table. In the following tables, the revenue generated by the commercial development associated with one dwelling unit is calculated.

The assumptions upon which the property tax, property tax in lieu of VLF, and sales tax are based are outlined in the sections above. Other General Fund revenue sources included in the model are the Sheriff CFD special tax and property transfer tax. The Sheriff CFD special tax is a \$300 per household tax charge to fund police services for new development in unincorporated Sacramento County. County policy requires new development to be annexed into the CFD as a condition for approval of all residential rezoning applications. The County will not receive this tax revenue if the development is annexed into the City of Sacramento.

The County collects a property transfer tax equal to 0.11 percent of the sale price on property transfers in unincorporated areas and in the City of Sacramento. Average annual property transfer tax revenue is based on the property value and holding period assumptions outlined in Table A.2 above.

**Table A.19: County General Fund Revenue per Dwelling Unit**

	Unincorporated Development	Annexed Development
<u>Property Tax</u>		
Assessed Value per Dwelling Unit	\$ 320,000	\$ 320,000
Base Property Tax (% of AV)	<u>1%</u>	<u>1%</u>
Base Property Tax Revenue per Dwelling Unit	\$ 3,200	\$ 3,200
County General Fund Share of Property Tax <sup>1</sup>	<u>22.58%</u>	<u>11.29%</u>
County General Fund Property Tax per Dwelling Unit	\$ 722	\$ 361
<u>Property Tax In Lieu of Vehicle License Fees</u>		
Assessed Value per Dwelling Unit	\$ 320,000	\$ 320,000
Property Tax in Lieu of VLF per \$1,000 AV	<u>1.11</u>	<u>1.11</u>
Property Tax in Lieu of VLF per Dwelling Unit	\$ 355	\$ 355
<u>Sheriff CFD Special Tax</u>		
Special Tax per Dwelling Unit	\$ 300	\$ -
<u>Property Transfer Tax</u>		
Assessed Value per Dwelling Unit	\$ 320,000	\$ 320,000
Average Property Holding Period (years)	<u>7</u>	<u>7</u>
Annual Assessed Value of Transferred Property	\$ 45,714	\$ 45,714
Property Transfer Tax Rate (% of AV)	<u>0.11%</u>	<u>0.11%</u>
Average Property Transfer Tax per Dwelling Unit	\$ 50	\$ 50
<u>Other Revenue</u>		
Other General Fund Revenue per Capita	\$ 1,005	\$ 938
Persons per Dwelling Unit	<u>2.74</u>	<u>2.74</u>
Other General Fund Revenue per Dwelling Unit	\$ 2,758	\$ 2,573
<b>Total County General Fund Revenue per Dwelling Unit</b>	<b><u>\$ 4,186</u></b>	<b><u>\$ 3,340</u></b>

<sup>1</sup> For "Unincorporated Development" scenario, County General Fund property tax share is based on average share of property tax revenue in unincorporated Sacramento County, after deducting the Educational Revenue Augmentation Funds (ERAF) contribution. For "Annexed Development" scenario, County General Fund property tax share is 50 percent of available tax increment. It is assumed that the percentage of property tax contributed to ERAF would remain constant.

Sources: Tables A.2, A.16-A.18; Natomas Joint Vision Memorandum of Understanding; Sacramento County Auditor-Controller; MuniFinancial.

**Table A.20: County General Fund Revenue per Dwelling Unit from Neighborhood Commercial Development**

	Unincorporated Development	Annexed Development
<u>Property Tax</u>		
Assessed Value of Neighborhood Commercial per Dwelling Unit	\$ 3,739	\$ 3,739
Base Property Tax (% of AV)	<u>1%</u>	<u>1%</u>
Base Property Tax Revenue per Dwelling Unit	\$ 37	\$ 37
County General Fund Share of Property Tax	<u>22.58%</u>	<u>11.29%</u>
County General Fund Property Tax per Dwelling Unit	\$ 8	\$ 4
<u>Property Tax In Lieu of Vehicle License Fees</u>		
Assessed Value of Neighborhood Commercial per Dwelling Unit	\$ 3,739	\$ 3,739
Property Tax in Lieu of VLF per \$1,000 AV	<u>1.11</u>	<u>1.11</u>
Property Tax in Lieu of VLF per Dwelling Unit	\$ 4	\$ 4
<u>Sales Tax</u>		
Local Sales Tax Revenue <sup>1</sup>	\$ 40	\$ -
Local Public Safety Tax Revenue	20	20
<u>Property Transfer Tax</u>		
Assessed Value of Neighborhood Commercial per Dwelling Unit	\$ 3,739	\$ 3,739
Average Property Holding Period (years)	<u>15</u>	<u>15</u>
Annual Assessed Value of Transferred Property	\$ 249	\$ 249
Property Transfer Tax Rate (% of AV)	<u>0.11%</u>	<u>0.11%</u>
Average Property Transfer Tax per Dwelling Unit	\$ <1	\$ <1
<u>Other Revenue</u>		
Square Feet of Neighborhood Commercial per Dwelling Unit	19	19
Employees per 1,000 Square Feet	<u>2.50</u>	<u>2.50</u>
Neighborhood Commercial Employment per Dwelling Unit	0.05	0.05
Other General Fund Revenue per Employee	<u>\$ 312</u>	<u>\$ 291</u>
Neighborhood Commercial Other General Fund Revenue	\$ 15	\$ 14
Total County General Fund Revenue per Dwelling Unit	<u>\$ 87</u>	<u>\$ 42</u>

<sup>1</sup> Under Natomas Joint Vision MOU, County retains 50 percent of sales tax generated by regional retail development only.

Sources: Tables A.2, A.13, A.15-A.18, A.20; Sacramento County Auditor-Controller; MuniFinancial.

**Table A.21: County General Fund Revenue per Dwelling Unit from Community Commercial Development**

	Unincorporated Development	Annexed Development
<u>Property Tax</u>		
Assessed Value of Community Commercial per Dwelling Unit	\$ 5,065	\$ 5,065
Base Property Tax (% of AV)	<u>1%</u>	<u>1%</u>
Base Property Tax Revenue per Dwelling Unit	\$ 51	\$ 51
County General Fund Share of Property Tax <sup>1</sup>	<u>22.58%</u>	<u>11.29%</u>
County General Fund Property Tax per Dwelling Unit	\$ 11	\$ 6
<u>Property Tax In Lieu of Vehicle License Fees</u>		
Assessed Value of Community Commercial per Dwelling Unit	\$ 5,065	\$ 5,065
Property Tax in Lieu of VLF per \$1,000 AV	<u>1.11</u>	<u>1.11</u>
Property Tax in Lieu of VLF per Dwelling Unit	\$ 6	\$ 6
<u>Sales Tax</u>		
Local Sales Tax Revenue <sup>1</sup>	\$ 65	\$ -
Local Public Safety Tax Revenue <sup>2</sup>	33	33
<u>Property Transfer Tax</u>		
Assessed Value of Community Commercial per Dwelling Unit	\$ 5,065	\$ 5,065
Average Property Holding Period (years)	<u>15</u>	<u>15</u>
Annual Assessed Value of Transferred Property	\$ 338	\$ 338
Property Transfer Tax Rate (% of AV)	<u>0.11%</u>	<u>0.11%</u>
Average Property Transfer Tax per Dwelling Unit	\$ <1	\$ <1
<u>Other Revenue</u>		
Square Feet of Community Commercial per Dwelling Unit	25	25
Employees per 1,000 Square Feet	<u>2.50</u>	<u>2.50</u>
Community Commercial Employment per Dwelling Unit	0.06	0.06
Other General Fund Revenue per Employee	<u>\$ 312</u>	<u>\$ 291</u>
Community Commercial Other General Fund Revenue	\$ 20	\$ 18
<b>Total County General Fund Revenue per Dwelling Unit</b>	<b><u>\$ 135</u></b>	<b><u>\$ 62</u></b>

<sup>1</sup> Under Natomas Joint Vision MOU, County retains 50 percent of sales tax generated by regional retail development only.

Sources: Tables A.2, A.13, A.15-A.18; Sacramento County Auditor-Controller; MuniFinancial.

**Table A.22: County General Fund Revenue from Regional Commercial Development**

	Unincorporated Development	Annexed Development
<i>Property Tax</i>		
Assessed Value of Regional Commercial per Dwelling Unit	\$ 36,479	\$ 36,479
Base Property Tax (% of AV)	<u>1%</u>	<u>1%</u>
Base Property Tax Revenue per Dwelling Unit	\$ 365	\$ 365
County General Fund Share of Property Tax <sup>1</sup>	<u>22.58%</u>	<u>11.29%</u>
County General Fund Property Tax per Dwelling Unit	\$ 82	\$ 41
<i>Property Tax In Lieu of Vehicle License Fees</i>		
Assessed Value of Regional Commercial per Dwelling Unit	\$ 36,479	\$ 36,479
Property Tax in Lieu of VLF per \$1,000 AV	<u>1.11</u>	<u>1.11</u>
Property Tax in Lieu of VLF per Dwelling Unit	\$ 40	\$ 40
<i>Sales Tax</i>		
Local Sales Tax Revenue <sup>1</sup>	\$ 398	\$ 199
Local Public Safety Tax Revenue	33	33
<i>Property Transfer Tax</i>		
Assessed Value of Regional Commercial per Dwelling Unit	\$ 36,479	\$ 36,479
Average Property Holding Period (years)	<u>15</u>	<u>15</u>
Annual Assessed Value of Transferred Property	\$ 2,432	\$ 2,432
Property Transfer Tax Rate (% of AV)	<u>0.11%</u>	<u>0.11%</u>
Average Property Transfer Tax per Dwelling Unit	\$ 3	\$ 3
<i>Other Revenue</i>		
Square Feet of Regional Commercial per Dwelling Unit	182	182
Employees per 1,000 Square Feet	<u>2.50</u>	<u>2.50</u>
Regional Commercial Employment per Dwelling Unit	0.46	0.46
Other General Fund Revenue per Employee	<u>\$ 312</u>	<u>\$ 291</u>
Regional Commercial Other General Fund Revenue	\$ 142	\$ 133
<b>Total County General Fund Revenue per Dwelling Unit</b>	<b>\$ 699</b>	<b>\$ 449</b>

<sup>1</sup> Under Natomas Joint Vision MOU, County retains 50 percent of sales tax generated by regional retail development only

Sources: Tables A.2, A.13, A.15-A.18, Sacramento County Auditor-Controller; MuniFinancial.

**Table A.23** shows the total County General Fund revenue for each of the three building blocks included in this analysis, for unincorporated development and for development in areas annexed into the City of Sacramento, assuming that regional retail sales tax revenue is shared under annexed development.

**Table A.23: Total General Fund Revenue per Dwelling Unit**

Land Use	Building Block 1	Building Block 2	Building Block 3
<i>Unincorporated Development</i>			
Dwelling Unit	\$ 4,186	\$ 4,186	\$ 4,186
Neighborhood Commercial	87	87	87
Community Commercial		135	135
Regional Commercial			699
Total General Fund Revenue	<u>\$ 4,273</u>	<u>\$ 4,407</u>	<u>\$ 5,106</u>
<i>Annexed Development</i>			
Dwelling Unit	\$ 3,340	\$ 3,340	\$ 3,340
Neighborhood Commercial	42	42	42
Community Commercial		62	62
Regional Commercial			449
Total General Fund Revenue	<u>\$ 3,382</u>	<u>\$ 3,444</u>	<u>\$ 3,893</u>

Sources: Tables A.19-A.22; MuniFinancial.

## GENERAL FUND COST PER DWELLING UNIT

### *Per Capita Cost Factors*

**Table A.24** shows the per capita cost factors used in this analysis. These factors are based on the adopted FY 2007-2008 County budget. In this analysis, law enforcement costs are estimated using a case study analysis, rather than per capita factors. All other General Fund costs estimates are based on per capita factors.

Table A.24: Sacramento County - General Fund Per Capita Costs

	Adopted Expenditures FY 2007-08	Allocation By Service Area		Allocation By Service Population		Total County Allocation Per Capita Cost			Unincorporated Allocation Per Capita Cost		
		Total County	Unincorporated	Resident	Employee	Total County Costs	Per Resident	Per Employee	Unincorporated Costs	Per Resident	Per Employee
General Government	\$ 4,782,678	60%	40%	1.00	0.31	\$ 2,863,202	\$ 1.81	\$ 0.56	\$ 1,919,476	\$ 2.97	\$ 0.92
Board of Supervisors	3,939,714	60%	40%	1.00	0.31	2,358,553	1.49	0.46	1,581,161	2.44	0.76
Executive Office											
Finance	17,180,683	100%	0%	1.00	0.31	17,180,683	10.89	3.37	-	-	-
Assessor	17,046,289	60%	40%	1.00	0.31	10,204,946	6.47	2.00	6,841,343	10.57	3.28
Department of Finance	11,720,858	60%	40%	1.00	0.31	7,016,819	4.45	1.38	4,704,039	7.27	2.25
Non-departmental	6,155,236	60%	40%	1.00	0.31	3,684,899	2.34	0.72	2,470,337	3.82	1.18
County Counsel											
Personnel	364,792	60%	40%	1.00	0.31	218,387	0.14	0.04	146,405	0.23	0.07
Civil Service Commission	1,108,390	60%	40%	1.00	0.31	663,550	0.42	0.13	444,840	0.69	0.21
Office of Labor Relations	16,440,110	60%	40%	1.00	0.31	9,842,050	6.24	1.93	6,598,060	10.19	3.16
Personnel Svcs											
Elections	16,881,193	100%	0%	1.00	0.31	16,881,193	10.70	3.32	-	-	-
Elections											
Property Management	20,000	100%	0%	1.00	0.31	20,000	0.01	0.00	-	-	-
Veterans Facility											
Promotion	4,598,792	60%	40%	1.00	0.31	2,753,117	1.74	0.54	1,845,675	2.85	0.88
Financing Transfers	1,939,944	100%	0%	1.00	0.31	1,939,944	1.23	0.38	-	-	-
Neighborhood Services											
Other General	6,252,741	60%	40%	1.00	0.31	3,743,271	2.37	0.74	2,509,470	3.88	1.20
Revenue Recovery	17,751,183	60%	40%	1.00	0.31	10,629,938	7.89	-	7,124,245	12.85	-
Data Processing-Shared Systems											
Total	\$ 126,182,603					\$ 89,997,551	\$ 57.99	\$ 15.59	\$ 36,185,052	\$ 57.75	\$ 13.92
Public Protection	\$ 788,855	100%	0%	1.00	0.31	788,855	0.50	0.15	-	-	-
Contribution to Law Library	17,222,702	100%	0%	1.00	0.31	17,222,702	10.91	3.38	-	-	-
Court/Non-Trial Court Funding	25,685,588	100%	0%	1.00	0.31	25,685,588	16.28	5.05	-	-	-
Court/County Contribution	10,584,488	100%	0%	1.00	0.31	10,584,488	6.71	2.08	-	-	-
Conflict Criminal Defenders	227,180	100%	0%	1.00	0.31	227,180	0.14	0.04	-	-	-
Sacramento Grand Jury	26,397,072	100%	0%	1.00	0.31	26,397,072	16.73	5.19	-	-	-
Ct Paid County Services	298,488	100%	0%	1.00	0.31	298,488	0.19	0.06	-	-	-
Criminal Justice Cabinet	69,056,293	100%	0%	1.00	0.31	69,056,293	43.76	13.57	-	-	-
District Attorney	26,615,447	100%	0%	1.00	0.31	26,615,447	16.87	5.23	-	-	-
Public Defender	220,772,827	100%	0%	1.00	0.31	220,772,827	141.15	43.85	-	-	-
Sheriff's Department	6,662,616	100%	0%	1.00	0.31	6,662,616	4.22	1.31	-	-	-
Coroner	123,267,651	100%	0%	1.00	0.31	123,267,651	78.11	24.21	-	-	-
Probation	3,129,246	100%	0%	1.00	0.31	3,129,246	1.98	0.61	-	-	-
Care Homes/Juvenile	119,447,795	100%	0%	1.00	0.31	119,447,795	75.69	23.46	-	-	-
Sheriff-Detention and Correction	5,907,688	0%	100%	1.00	0.31	-	-	-	5,907,688	9.13	2.83
Animal Care and Regulation											

**Table A.24: Sacramento County - General Fund Per Capita Costs (continued)**

	Adopted Expenditures FY 2007-08	Allocation By Service Area		Allocation By Service Population		Total County Allocation Per Capita Cost			Unincorporated Allocation Per Capita Cost		
		Total County	Unincorporated	Resident	Employee	Total County Costs	Per Resident	Per Employee	Unincorporated Costs	Per Resident	Per Employee
		0%	100%	1.00	0.31						
County Clerk/Recorder	11,181,935	100%	0%	1.00	0.31	11,181,935	7.09	2.20	-	-	-
Agricultural Commissioner	4,509,158	100%	0%	1.00	0.31	4,509,158	2.86	0.89	-	-	-
Wildlife Services	99,908	100%	0%	1.00	0.31	99,908	0.06	0.02	-	-	-
Contribution To Human Rights/Fair Housing	161,100	100%	0%	1.00	0.31	161,100	0.10	0.03	-	-	-
Dispute Resolution Program	390,500	100%	0%	1.00	0.31	390,500	0.25	0.08	-	-	-
Contribution to LAFCO	228,833	0%	100%	1.00	0.31	-	-	-	228,833	0.35	0.11
Environmental Review and Assessment	4,315,936	60%	40%	1.00	0.31	2,583,782	1.64	0.51	1,732,154	2.68	0.83
Planning Department and Commission	16,917,893	0%	100%	1.00	0.31	-	-	-	16,917,893	26.14	8.10
Emergency Services	6,287,445	0%	100%	1.00	0.31	-	-	-	6,287,445	9.71	3.01
<b>Total</b>	<b>\$ 700,156,644</b>					<b>\$ 448,309,804</b>	<b>\$ 284.08</b>	<b>\$ 88.07</b>	<b>\$ 31,074,013</b>	<b>\$ 48.00</b>	<b>\$ 14.88</b>
Public Ways and Facilities											
Contribution To Paratransit	\$ 66,600	0%	100%	1.00	0.31	-	-	-	66,600	\$ 0.10	\$ 0.03
<b>Total</b>	<b>\$ 66,600</b>					<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 66,600</b>	<b>\$ 0.10</b>	<b>\$ 0.03</b>
Health											
Office of Compliance	\$ 291,474	100%	0%	1.00	0.31	291,474	0.18	0.06	-	-	-
Health and Human Services	498,314,309	100%	0%	1.00	0.31	498,314,309	315.77	97.89	-	-	-
Juvenile Medical Services	11,594,527	100%	0%	1.00	0.31	11,594,527	7.35	2.28	-	-	-
IHSS Provider Payments	62,776,122	100%	0%	1.00	0.31	62,776,122	39.78	12.33	-	-	-
Health-Medical Treatment Payments	43,476,891	100%	0%	1.00	0.31	43,476,891	27.55	8.54	-	-	-
Correctional Health Services	41,544,786	100%	0%	1.00	0.31	41,544,786	26.33	8.16	-	-	-
<b>Total</b>	<b>\$ 657,998,109</b>					<b>\$ 657,998,109</b>	<b>\$ 416.95</b>	<b>\$ 129.26</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Public Assistance											
Human Assistance-Administration	\$ 271,891,539	100%	0%	1.00	0.31	271,891,539	172.29	53.41	-	-	-
Human Assistance-Aid Programs	390,234,420	100%	0%	1.00	0.31	390,234,420	247.28	76.66	-	-	-
Children Support Services	34,187,194	100%	0%	1.00	0.31	34,187,194	21.66	6.72	-	-	-
<b>Total</b>	<b>\$ 696,313,153</b>					<b>\$ 696,313,153</b>	<b>\$ 441.23</b>	<b>\$ 136.78</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Education											
Cooperative Extension	\$ 407,612	100%	0%	1.00	0.31	407,612	0.26	0.08	-	-	-
<b>Total</b>	<b>\$ 407,612</b>					<b>\$ 407,612</b>	<b>\$ 0.26</b>	<b>\$ 0.08</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Recreation & Cultural Services											
Regional Parks	\$ 11,910,716	100%	0%	1.00	0.31	11,910,716	7.55	2.34	-	-	-
<b>Total</b>	<b>\$ 11,910,716</b>					<b>\$ 11,910,716</b>	<b>\$ 7.55</b>	<b>\$ 2.34</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Operating Expenditures</b>	<b>\$ 2,193,035,437</b>					<b>\$ 1,904,936,945</b>	<b>\$ 1,208</b>	<b>\$ 372</b>	<b>\$ 67,325,665</b>	<b>\$ 106</b>	<b>\$ 29</b>

Sources: County of Sacramento FY 2007-08 Annual Budget; MuniFinancial.



### ***Law Enforcement Cost per Capita***

The cost of law enforcement services for new development in the Natomas area is estimated per resident. The estimated cost per resident is based on the current contract for the Sacramento County Sheriff's Department to provide law enforcement services in the City of Rancho Cordova, as shown in **Table A.25**.

**Table A.25: Law Enforcement Costs per Capita**

---

Law Enforcement Services Contract Cost, City of Rancho Cordova (FY 2007-08)	\$ 15,414,175
Population, Rancho Cordova	<u>58,706</u>
Cost per Capita	\$ 263

---

Note: Based on contract for the Sacramento County Sheriff's Department to provide law enforcement services in the City of Rancho Cordova.

Sources: California Department of Finance (DOF); Sacramento County Sheriff's Department; Sacramento County Executive's Office.

---

### ***Total General Fund Cost per Dwelling Unit***

For County services funded through the General Fund other than law enforcement, the per capita factors calculated in Table A.24 above are used. **Table A.26** shows the County General Fund costs of serving a new dwelling unit in the Natomas area, as well as the costs of serving the commercial development associated with one dwelling unit.

**Table A.26: County General Fund Cost per Dwelling Unit**

	Unincorporated Development	Annexed Development
<i><u>Residential Development</u></i>		
Law Enforcement Costs per Capita	\$ 263	\$ -
Persons per Dwelling Unit	2.74	2.74
Law Enforcement Costs per Dwelling Unit	\$ 720	\$ -
Other General Fund Costs per Capita	\$ 1,314	\$ 1,208
Persons per Dwelling Unit	2.74	2.74
Other General Fund Costs per Dwelling Unit	\$ 3,605	\$ 3,314
Total General Fund Costs per Dwelling Unit	\$ 4,325	\$ 3,314
<i><u>Neighborhood Commercial Development</u></i>		
Square Feet of Neighborhood Commercial per Dwelling Unit	19	19
Employees per 1,000 Square Feet	2.50	2.50
Neighborhood Commercial Employment per Dwelling Unit	0.05	0.05
General Fund Costs per Employee	\$ 401	\$ 372
General Fund Costs per Dwelling Unit	\$ 19	\$ 17
<i><u>Community Commercial Development</u></i>		
Square Feet of Community Commercial per Dwelling Unit	25	25
Employees per 1,000 Square Feet	2.50	2.50
Community Commercial Employment per Dwelling Unit	0.06	0.06
General Fund Costs per Employee	\$ 401	\$ 372
General Fund Costs per Dwelling Unit	\$ 25	\$ 24
<i><u>Regional Commercial Development</u></i>		
Square Feet of Regional Commercial per Dwelling Unit	182	182
Employees per 1,000 Square Feet	2.50	2.50
Regional Commercial Employment per Dwelling Unit	0.46	0.46
General Fund Costs per Employee	\$ 401	\$ 372
General Fund Costs per Dwelling Unit	\$ 183	\$ 170

Sources: Tables A.2, A.15, A.24 and A.25; MuniFinancial.

**Table A.27** shows the total County General Fund cost for each of the three building blocks included in this analysis, for unincorporated development and for development in areas annexed into the City of Sacramento.

**Table A.27: Total General Fund Cost per Dwelling Unit**

Land Use	Building Block 1	Building Block 2	Building Block 3
<i>Unincorporated Development</i>			
Dwelling Unit	\$ 4,325	\$ 4,325	\$ 4,325
Neighborhood Commercial	19	19	19
Community Commercial		25	25
Regional Commercial			183
Total General Fund Cost	<u>\$ 4,344</u>	<u>\$ 4,369</u>	<u>\$ 4,552</u>
<i>Annexed Development</i>			
Dwelling Unit	\$ 3,314	\$ 3,314	\$ 3,314
Neighborhood Commercial	17	17	17
Community Commercial		24	24
Regional Commercial			170
Total General Fund Cost	<u>\$ 3,332</u>	<u>\$ 3,355</u>	<u>\$ 3,525</u>

Source: Table A.26; MuniFinancial.

## COUNTY ROADS FUND COST AND REVENUE

Impacts of new development on the County Roads Fund are based on the current average road maintenance cost and revenue per equivalent dwelling unit (EDU) in unincorporated Sacramento County. EDUs are used to compare the relative traffic impacts of different types of development. One EDU is equal to the traffic impacts of one single family dwelling unit. **Table A.28** shows the traffic impacts, or EDU factors, associated with one single or multi-family dwelling unit, or 1,000 square feet of commercial development. The EDU factors are based on the average daily trips generated by each type of development, adjusted for trip length and the proportion of trips that are simply stops in the middle of another trip.

**Table A.28: Trip Rate Adjustment Factor**

	<b>Trip Rate Adjustment Factor</b>					<b>Average Daily Trips<sup>4</sup></b>	<b>Trip Demand Factor<sup>5</sup></b>	<b>Equivalent Dwelling Units</b>
	<b>Primary Trips<sup>1</sup></b>	<b>Diverted Trips<sup>1</sup></b>	<b>Total Excluding Pass-by<sup>1</sup></b>	<b>Average Trip Length<sup>2</sup></b>	<b>Adjustment Factor<sup>3</sup></b>			
<b>Residential<sup>6</sup></b>								
Single Family	86%	11%	97%	7.9	1.11	10	11.10	1.00
Multi-family	86%	11%	97%	7.9	1.11	8	8.88	0.80
<b>Nonresidential<sup>7</sup></b>								
Commercial	47%	31%	78%	3.6	0.41	80	32.80	2.95
Office	77%	19%	96%	8.8	1.22	20	24.40	2.20
Industrial	79%	19%	98%	9.0	1.28	8	10.24	0.92

<sup>1</sup> Percent of total trips. Primary trips are trips with no midway stops, or "links". Diverted trips are linked trips whose distance adds at least one mile to the primary trip. Pass-by trips are links that do not add more than one mile to the total trip

<sup>2</sup> In miles.

<sup>3</sup> The trip adjustment factor equals the percent of non-pass-by trips multiplied by the average trip length and divided by the systemwide average trip length of 6.9 miles.

<sup>4</sup> Trips per dwelling unit or per 1,000 building square feet.

<sup>5</sup> The trip demand factor is the product of the trip adjustment factor and the average daily trips.

<sup>6</sup> Trip percentages, average trip lengths, and average daily trips based on "residential" category. See SANDAG for source, below.

<sup>7</sup> Trip percentages, average trip lengths, and average daily trips for commercial based on "community shopping center" category, for office based on "standard commercial office" category, and for industrial based on "industrial park (no commercial)" category.

Sources: San Diego Association of Governments, *Brief Guide of Vehicular Traffic Generation Rates for the San Diego Region*, April 2001; City of Soledad Public Facilities Financing Plan, June 18, 1993, MuniFinancial.

Table A.29 shows the estimated EDUs of existing unincorporated development in Sacramento County.

**Table A.29: Existing Sacramento County Unincorporated Area Trip Generation**

<b>Land Use</b>	<b>Development<sup>1</sup></b>	<b>EDU Factor</b>	<b>Total EDUs</b>
Single Family	153,461	1.00	153,461
Multi-family	63,306	0.80	50,645
Commercial/Office/Industrial <sup>2,3</sup>	120,008	2.12	254,202
<b>Total EDUs</b>			<b>458,307</b>

<sup>1</sup> Dwelling units for single and multi-family development. 1,000 building square feet for commercial, office, and industrial development.

<sup>2</sup> Based on current employment in the unincorporated area. Assumes an average of 400 square feet per employee.

<sup>3</sup> Nonresidential EDU factor is a weighted average of the three nonresidential land use categories, assuming 40 percent of building square footage is commercial, 30 percent is office, and 30 percent is industrial.

Sources: Tables A.1 and A.28; California Department of Finance; MuniFinancial.

**Table A.30** shows the current County Road Fund revenue per EDU. The County would retain the Highway Users Tax revenue from annexed development, but would lose the Cigarette Tax revenue and the other discretionary revenue sources.

**Table A.30: Discretionary Road Fund Revenue per Dwelling Unit, FY 2007-08**

Funding Source	Total Revenue	Unincorporated	
		EDUs	Revenue per EDU
<i>Road Fund</i>			
Highway Users Tax <sup>1</sup>	\$ 23,081,293	458,307	\$ 50.36
Cigarette Tax	13,097,011	458,307	28.58
Other Discretionary Revenue	816,000	458,307	1.78
Total	\$ 36,994,304		\$ 80.72

<sup>1</sup> County retains revenue source after annexation.

Sources: Table A.29; County of Sacramento FY 2007-08 Annual Budget; MuniFinancial.

**Table A.31** shows the current road maintenance costs per EDU. Because the estimated road maintenance budget costs and revenues are equal, the estimated cost and revenue per EDU for unincorporated NJV development are equal.

**Table A.31: Estimated Road Fund Costs per Estimated Dwelling Unit, FY 2007-08**

<i>Road Fund</i>	
Estimated Road Maintenance Costs	\$ 36,994,304
Existing EDUs	458,307
Cost per EDU	\$ 81

Sources: Tables A.29 and A.30; County of Sacramento FY 2007-08 Annual Budget; MuniFinancial.

**Table A.32** shows the estimated road maintenance cost and revenue associated with a new dwelling unit in the NJV area. Figures are shown for the dwelling unit itself, as well as the commercial development in the NJV area associated with one dwelling unit.

**Table A.32: Sacramento County Roads Fund Cost per Dwelling Unit - Unincorporated Development**

	Building Block 1	Building Block 2	Building Block 3
<i>Dwelling Unit</i>			
EDUs	1.00	1.00	1.00
Transportation Cost per EDU	\$ 81	\$ 81	\$ 81
Dwelling Unit Transportation Cost	\$ 81	\$ 81	\$ 81
<i>Neighborhood Commercial</i>			
Development (sq. ft. per DU)	19	19	19
EDU Factor (EDUs per 1,000 sq. ft.)	2.95	2.95	2.95
EDUs	0.06	0.06	0.06
Transportation Cost per EDU	\$ 81	\$ 81	\$ 81
Neighborhood Commercial Transp. Cost	\$ 4	\$ 4	\$ 4
<i>Community Commercial</i>			
Development (sq. ft. per DU)		25	25
EDU Factor (EDUs per 1,000 sq. ft.)		2.95	2.95
EDUs		0.07	0.07
Transportation Cost per EDU		\$ 81	\$ 81
Community Commercial Transp. Cost		\$ 6	\$ 6
<i>Regional Commercial</i>			
Development (sq. ft. per DU)			182
EDU Factor (EDUs per 1,000 sq. ft.)			2.95
EDUs			0.54
Transportation Cost per EDU			\$ 81
Regional Commercial Transp. Cost			\$ 44
Total Transportation Costs	\$ 85	\$ 91	\$ 135

Sources: Tables A.15, A.28, and A.31; MuniFinancial.

**Table A.33** shows estimated County Roads Fund revenue under annexed development. In an annexation, the County would continue to receive Highway User Tax funding, but not other sources currently contributing toward the Roads Fund.

**Table A.33: Sacramento County Roads Fund Revenue per Dwelling Unit - Annexed Development**

	Building Block 1	Building Block 2	Building Block 3
<i>Dwelling Unit</i>			
EDUs	1.00	1.00	1.00
Transportation Cost per EDU	\$ 50	\$ 50	\$ 50
Dwelling Unit Transportation Cost	\$ 50	\$ 50	\$ 50
<i>Neighborhood Commercial</i>			
Development (sq. ft. per DU)	19	19	19
EDU Factor (EDUs per 1,000 sq. ft.)	2.95	2.95	2.95
EDUs	0.06	0.06	0.06
Transportation Cost per EDU	\$ 50	\$ 50	\$ 50
Neighborhood Commercial Transp. Cost	\$ 3	\$ 3	\$ 3
<i>Community Commercial</i>			
Development (sq. ft. per DU)		25	25
EDU Factor (EDUs per 1,000 sq. ft.)		2.95	2.95
EDUs		0.07	0.07
Transportation Cost per EDU		\$ 50	\$ 50
Community Commercial Transp. Cost		\$ 4	\$ 4
<i>Regional Commercial</i>			
Development (sq. ft. per DU)			182
EDU Factor (EDUs per 1,000 sq. ft.)			2.95
EDUs			0.54
Transportation Cost per EDU			\$ 50
Regional Commercial Transp. Cost			\$ 27
Total Transportation Costs	\$ 53	\$ 57	\$ 84

Sources: Tables A.15, A.28 and A.30; MuniFinancial.