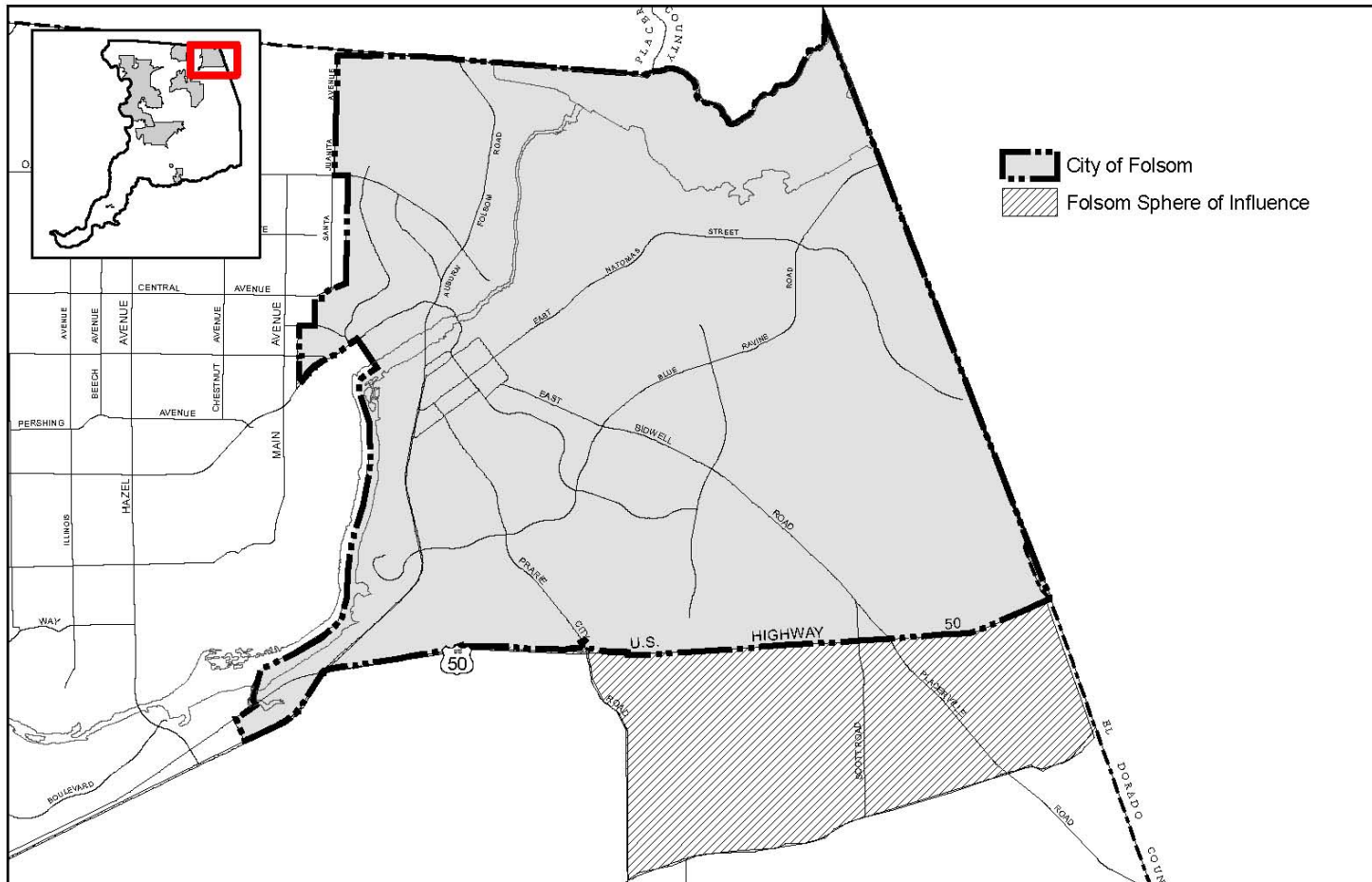


City of Folsom
Folsom Plan Area
Resolutions Pertaining to
Tax Exchange & Services

Folsom City Council

November 8, 2011

Folsom Plan Area



CITY OF FOLSOM

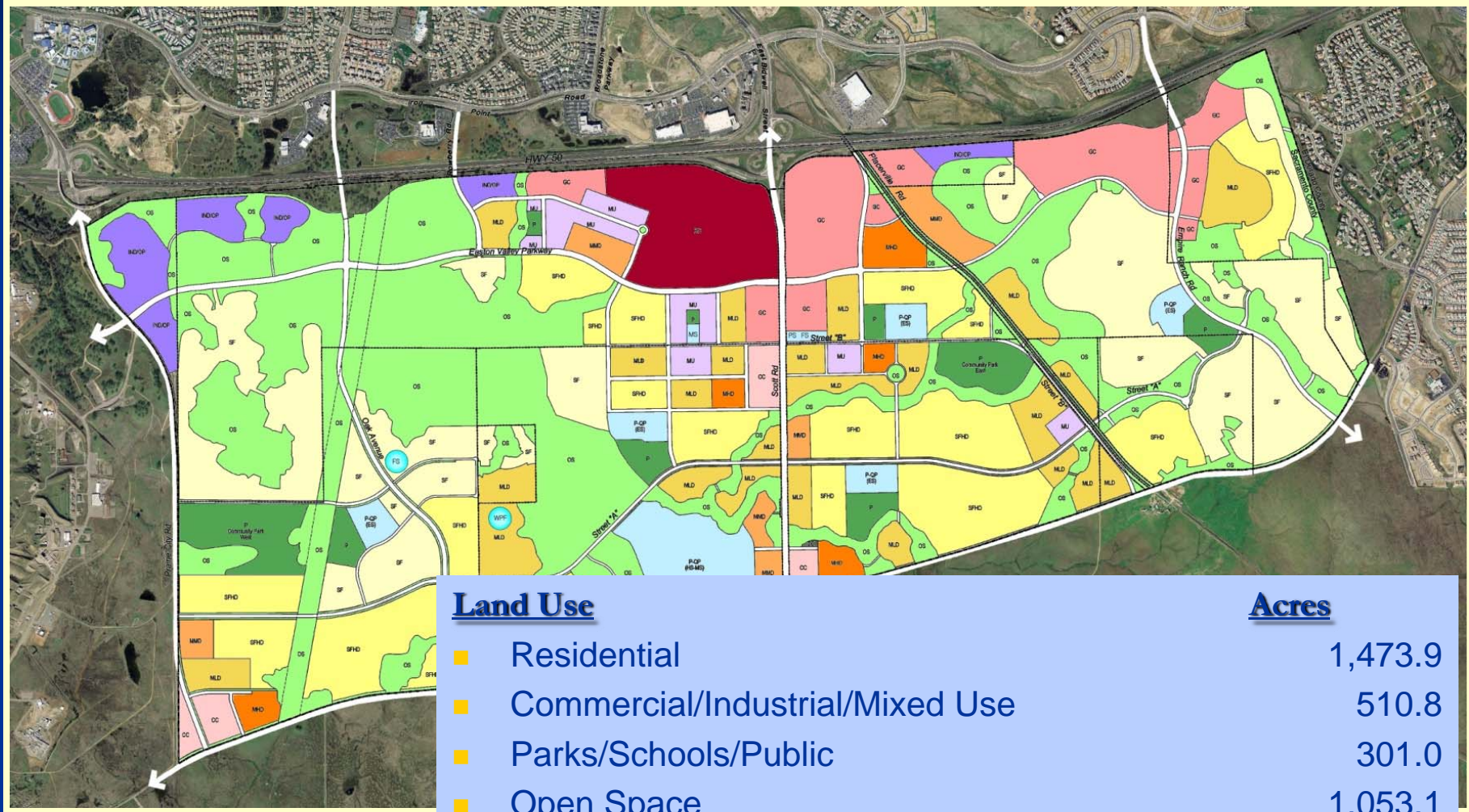
May 1, 2009



Folsom Plan Area Timeline

2001	South of Highway 50 Sphere of Influence Area approved by LAFCo
2004	Measure W approved by 68% of City of Folsom voters
2005	SACOG Blueprint: Smart Growth w/ compact urban development and jobs/housing balance to reduce vehicle miles traveled
2004-05	City's SOI Visioning Process: Conceptual Land Use Plan
2005-2007	Preparation of Land Use Plan and several sub-elements & technical studies
2007-2010	Regional Outreach & Preparation of the Specific Plan and EIR/EIS
June 2007	Joint Planning Commission City Council Workshop
June 2007	Public Workshop at Folsom Community center
June 2008	Notice of Intent to Prepare the SOI EIR/EIS
July 2010	Release for circulation SOI EIR/EIS
Sept 2010	DEIR/DEIS public review closed
March 2011	Planning Commission Study Session Specific Plan
April 2011	Planning Commission Study Session SOI EIR/EIS
April 2011	City Council Study Session for SOI EIR/EIS
June 14, 2011	City Council Public Hearing SOI Specific Plan, EIR/EIS
August 2011	Record of Decision for US Army Corps of Engineers
January 4, 2012	LAFCo Annexation Public Hearing

Land Use Plan



Land Use

- Residential
- Commercial/Industrial/Mixed Use
- Parks/Schools/Public
- Open Space
- Major Circulation
- Total

Acres

Residential	1,473.9
Commercial/Industrial/Mixed Use	510.8
Parks/Schools/Public	301.0
Open Space	1,053.1
Major Circulation	171.6
Total	3,510.4

Folsom: Measure W

(Section 7.08 of Folsom City Charter)

- ✓ A. Ensure adequate & independent Water Supply
- ✓ B. Transportation Infrastructure Funding and Phasing Plan
- ✓ C. Open Space, 30% as Natural Open Space to Preserve Oak Woodlands/Habitat Areas
- ✓ D. School Plan for Funding/Construction So that existing Residents are not Required to Pay
- ✓ E. Adopt a General Plan Amendment with Public Noticing with a Collaboration with the Public Stakeholders
- ✓ F. Implementation, Adopt plans, policies, ordinances and other legislative acts for consistency with Charter

LAFCo Resolutions (2001)

LAFCo adopted resolutions for SOI & provisions for Annexation:

- Resolution No. 1192, Final EIR for Folsom SOI Amendment Application
- Resolution No. 1193, Mitigation Measures and a Mitigation Monitoring Program
- Resolution No. 1194, Adopting LAFCo Determinations regarding the SOI Application
- Resolution No. 1195, Facts of Overriding Considerations
- Resolution No. 1196, Outlining Implementation Provisions Required Prior to Annexation

LAFCo Resolution No. 1196

1. Land Use

- a) General Plan Update
- b) Zoning

2. Municipal Service Reviews

- a) Financing
- b) Water Supply
- c) Special Districts

3. Timely, Orderly Development through Master Plans

- a) Transit
- b) Bikeway
- c) Wastewater
- d) Drainage
- e) Regional Roadway Improvements

4. School Mitigation

5. Mitigation Monitoring

- a) Resolution #1193

6. Comply with City-County MOU

- a) Comprehensive, regional planning
- b) Preserve Oak woodland area
- c) Revenue Sharing

No.	Requirement	Status
1.	City General Plan Revisions	Completed, 6/14/11
2.	City General Plan Housing Element	Completed
3.	Land Use: Adopt land use designations	Completed, 6/28/11
4.	Pre-zoning: Consistent with G.C.Section 56375 and the Folsom General Plan.	Completed, 6/28/11
5.	Comprehensive Planning: Develop comprehensive planning of the SPA	Completed, 6/14/11
6.	Master Service Agreement: Identifies implementation & financing & a water supply source and the process for securing the water	w/in LAFCo Application
7.	Local Roadway Improvements: Prepare a plan	Completed, 7/12/11
8.	Regional Roadway Improvements. In cooperation with Caltrans, Sacramento County, El Dorado County, the El Dorado County Transportation Commission, and SACOG, identify traffic and transportation measures to mitigate potential impacts on regional transportation facilities & a funding mechanism	Pending
9.	Transit Master Plan: Prepare a Transit Master Plan	Completed, 7/12/11
10.	Bikeway Master Plan. Prepare a Bikeway Master Plan	Completed, 7/12/11
11.	Drainage Master Plan. Conduct hydraulic and hydrologic modeling of portions of Alder Creek	Completed, 7/12/11
12.	Habitat Mitigation Strategy: Document the multi-species habitat mitigation strategy (Habitat Conservation Plan [HCP]) for the SPA.	Completed
13.	Surface and Groundwater Contamination: Document on-site surface contamination & remediation of the groundwater contamination or is being remediated effectively prior to annexation of any property owned by Aerojet	Pending, work under completion
14.	Water Supply: Demonstrate a sufficient water supply to serve customers in compliance with the terms and conditions of the Water Forum Agreement.	WSA (SB610) adopted on 6/14/11
15.	Wastewater Facilities: Demonstrate timely availability of wastewater transmission and treatment capacity	FEIR/EIS, 6/14/11
16.	Special Districts: Meet and confer with the El Dorado Irrigation District (EID), the Sacramento Metropolitan Fire District, and any other special districts regarding impacts, including fiscal and operational impacts and loss of property tax revenue. With respect to EID, the City must not request any detachment from the EID service area.	In-process during LAFCo review period
17.	School Mitigation: Incorporate feasible school mitigation requirements into any DA	Completed, 7/12/11
18.	Mitigation Monitoring: Comply with the mitigation measures pursuant to CEQA by LAFCo Resolution No. LAFC 1193, including:	
	a) Establish roadway improvements & financing	Pending
	b) Reduce air quality emissions by 35%;	Completed, 7/12/11
	c) Prepare an Air Quality Plan;	Completed, 7/12/11
	d) Complete tree surveys & implement tree protection measures;	Completed, 7/12/11
	e) Complete biological surveys and adopt avoidance and mitigation policies;	Completed, 7/12/11
	f) Minimize incompatibility impacts on historic landscapes;	Completed, 7/12/11
	g) Implement hazardous materials plans;	Completed, 7/12/11
	h) Investigate and remediate railroad right-of-way, mining, and radio/transfer sites;	Completed, 7/12/11
	i) Define the Alder Creek 100-year floodplain;	Completed, 7/12/11
	j) Identify secure sufficient water supplies.	Completed, 7/12/11
19.	Compliance with MOU. Demonstrate compliance with the MOU conditions established between the City and County, effective November 14, 2000:	Expired in November 2010
	a) Comprehensive development plan	Completed, 7/12/11
	b) Collaborative participation by the public and stakeholders	Completed, 7/12/11
	c) Identify water supplies to serve the SPA.	Completed, 7/12/11
	d) Preserve oak woodland, biological resources, and other habitat	Completed, 7/12/11
	e) Infrastructure financing and phasing plan.	Completed, 7/12/11
	f) Establish revenue sharing agreements	w/in LAFCo Approval

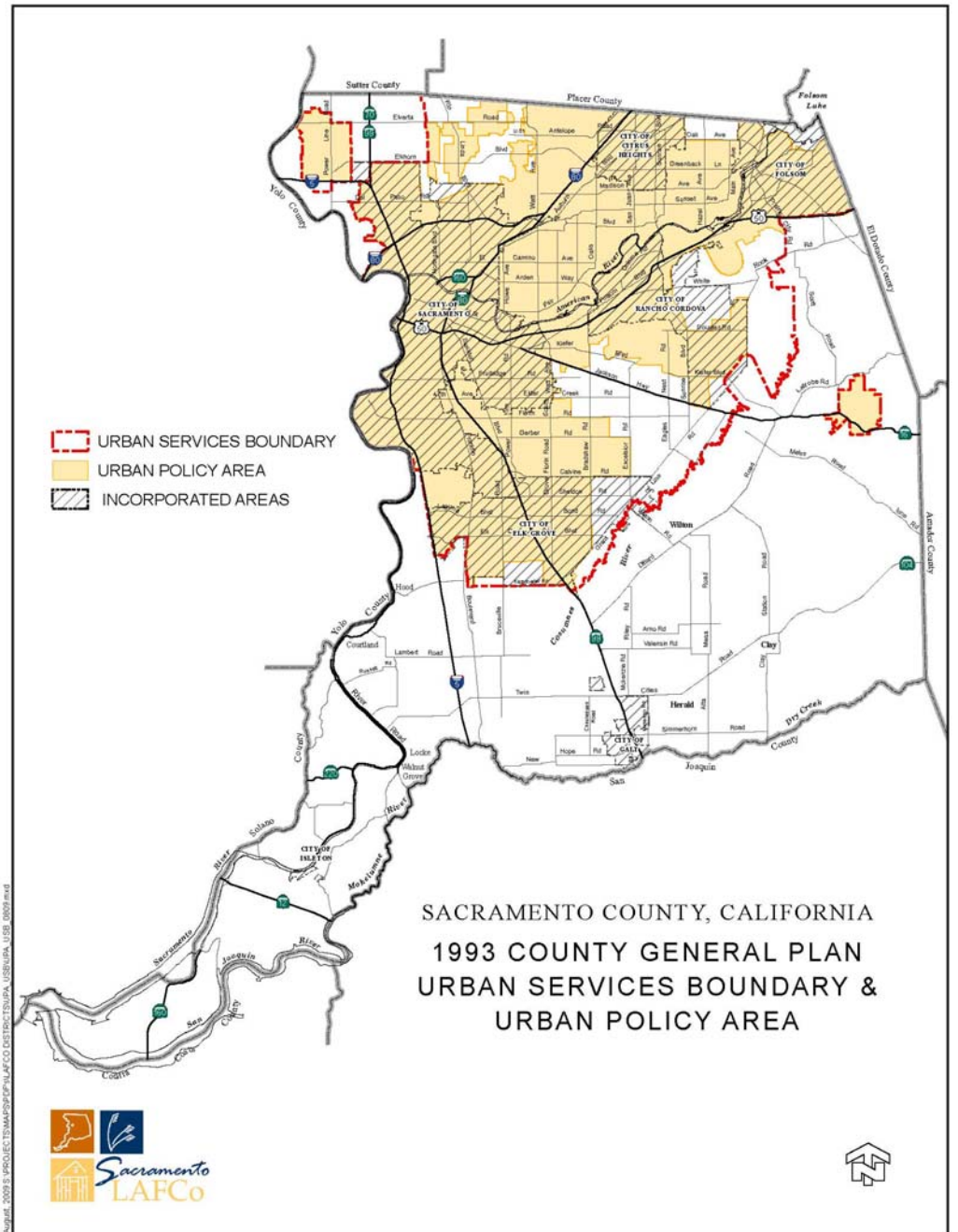
LAFCo requires the City to Review Municipal Services within the FPA Prior to Annexation

Resolution 8921:

Detaches the Folsom Plan Area Project Area from the Sacramento County Service Areas

Annex the FPA into the City of Folsom Service Area

Authorizes a Tax Sharing Agreement with the County.



Sacramento County: Tax Sharing Agreement

Two significant fiscal impact analyses:

1. Financial feasibility to build the infrastructure
2. Cost Analysis to provide the desired service levels as it develops towards build-out

Infrastructure Financing - Financial Feasibility

- Infrastructure costs are presented in the Public Facilities Financing Plan (PFFP)
 - Initially prepared by Economic & Planning Systems (EPS) June, 2010
 - Addendum prepared by Kosmont Companies May, 2011
 - These reports indicate a total capital facilities cost = \$1,237,335,249Identify various revenue and funding sources that may potentially be utilized

- Assess the financial burden

- Percentage of the anticipated market value of the land uses at final build-out (residential, commercial and retail structures and land improvements) to development fee burden was used as a test of financial feasibility
- Historical experience
 - Total development fees in a range of 15% - 20% of anticipated value are financially feasible.
- Average infrastructure cost burden is 19.1%.

Based on the overall financial feasibility analysis, the infrastructure costs are feasible

Infrastructure Financing – Financing Feasibility

- **Defining the improvements and facilities required for the FPA**
 - Quality and standards of the City of Folsom are maintained or enhanced
 - Environmental Utilities (water, sewer, solid waste and storm drainage)
 - Police and Fire facilities
 - Branch library
 - Relocation of the corporation yard
 - Park and trail development
 - Roadways
- **Analysis included various funding sources**
 - Existing city fee structures
 - Special financing districts & assessments
 - Aggressive use of outside funding
 - Strategic timing in the development
- **The Financing of the FPA infrastructure will be feasible**

Sacramento Tax Sharing Agreement Summary

	Property Tax	Sales Tax	TOT	Total
Amt Available	\$20,847,308	\$6,784,268	\$ 529,480	\$ 28,161,056
County Share	\$ 3,451,313	\$1,123,149	\$ 87,656	\$ 4,662,118
City Share	\$17,395,996	\$5,661,119	\$ 441,824	\$ 23,498,939
Total City Share	\$23,498,939			
City Expenses	\$18,836,821			
Ratio	125%			

Property Taxes

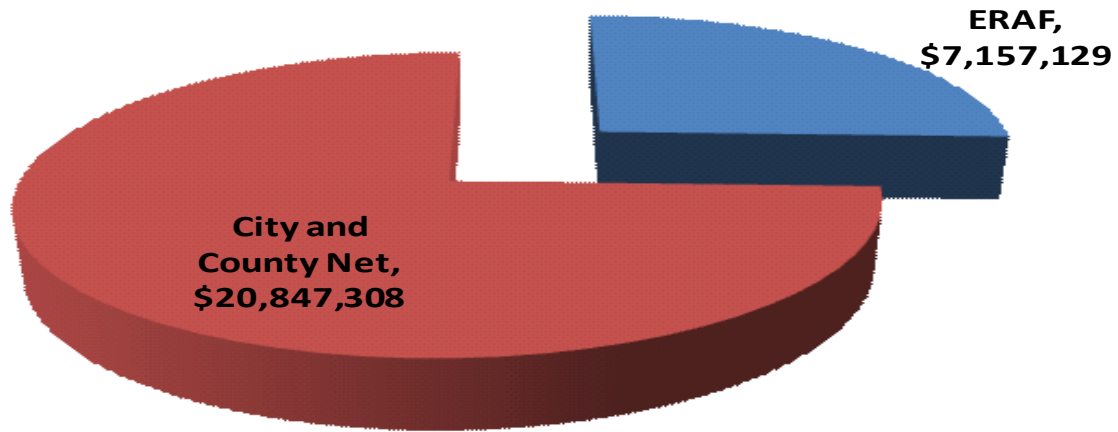
		Value/Unit	Assessed Value
Single Family Residential	4,620 units	\$ 458,341	\$ 2,117,535,000
Multi-Family Residential	5,590 units	\$ 302,868	\$ 1,693,033,125
Commercial	5,199,409 sq ft.	\$ 207	\$ 1,077,951,442
			\$ 4,888,519,567
		Unsecured	
		Residential 0.50%	\$ 19,052,841
		Commercial 7.46%	\$ 80,382,392
			\$ 4,987,954,800
Total Property Taxes			\$ 49,879,548

Total Property Taxes at Build-Out \$49,879,548

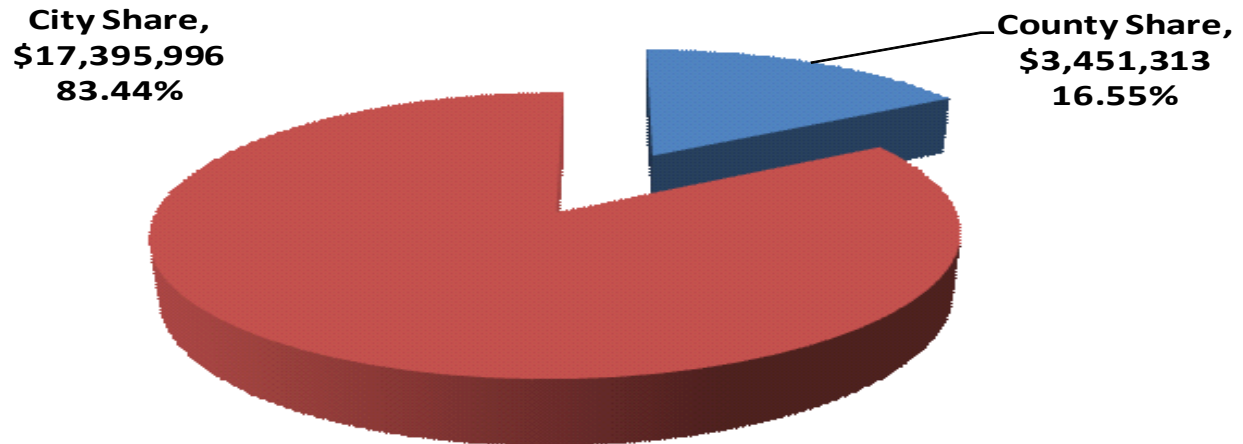


City and County	56.14%	\$ 28,004,437	F-C Unified SD	32.97%	\$ 16,443,920
			Los Rios CC	4.72%	\$ 2,356,654
			Sac Metro Fire	4.22%	\$ 2,000,000
			Sac-Yolo Mosquit	0.61%	\$ 306,703
			Children's Inst.	0.58%	\$ 289,646
			Co. Supt - Admin	0.34%	\$ 167,392
			Dev Center - Hanc	0.19%	\$ 94,040
			Co. Wide Equaliza	0.17%	\$ 84,636
			Reg. Occup Ctr.	0.12%	\$ 62,068
			Juvenile Hall	0.07%	\$ 35,734
			El Dorado Fire	0.03%	\$ 15,357
			Infant Developme	0.01%	\$ 7,522
			Sloughouse	0.01%	\$ 6,117
			Co Library	0.01%	\$ 5,322
					<hr/>
					\$ 21,875,111

City and County ERAF Payments



Property Tax Sharing



Sales Taxes

Sales tax generating uses	Tax/sq ft	
MU-C	250	\$ 386,160
GC-C	200	\$ 2,309,768
CC	250	\$ 794,290
RC	325	\$ 3,294,050
		<hr/>
		\$ 6,784,268
City Share	83.44%	\$ 5,661,119
County Share	16.55%	\$ 1,123,149

Sacramento County: Tax Sharing Agreement – Service Level Feasibility

■ Four major criteria used to determine feasibility:

1. Revenue generating capacity to fund desired level of City services

- | | |
|---|----------------|
| a) Program Revenues | = \$6,876,685 |
| b) Other General Fund Revenues | = \$4,222,084 |
| c) <u>Financed by property taxes, sales taxes and transient occupancy taxes</u> | = \$18,836,821 |
| d) Total annual general fund operating costs needed | = \$29,935,590 |

Model produces 124.75% revenue coverage ratio (\$23,498,938 in revenue to the City from these three sources)

2. Revenue generating capacity sustaining through all stages of development

- 5 phases based on population & assessed value of the FPA developments
- First phase is the most tenuous, due to start up costs and higher operating costs associated with the first service options
- Model still provides a revenue coverage ratio of 135.8%.
- The lowest ratio is in the third phase when the ratio is at 122.3% due to many of the City services being provided during this phase (e.g. the branch library)

3. Equal risk to both parties (the City and County) from the revenue sources

- Post Education Revenue Augmentation Fund (ERAF) contribution (84.44% to the City and 16.55% to the County)
- City & County each receive the same proportion of its revenue from each source
- Eliminates any advantage gained by having a more secure source of revenue
- Each party receives 74.0% property taxes revenues, 24.1% from sales taxes, and 1.9% from transient occupancy taxes.

4. FPA costs equivalent to the costs associated with existing City services

- Per capita basis with the FPA at build-out will have net per capita operating expenses of \$863.42.
 - 5-Year City Historical net per capita cost range = \$808.11 to \$1,015.79
- This indicated that the City's proposed costs for the FPA were in line with existing costs of providing similar services.

Based on the overall financial analysis of the operational costs the recommended tax sharing agreement is feasible.

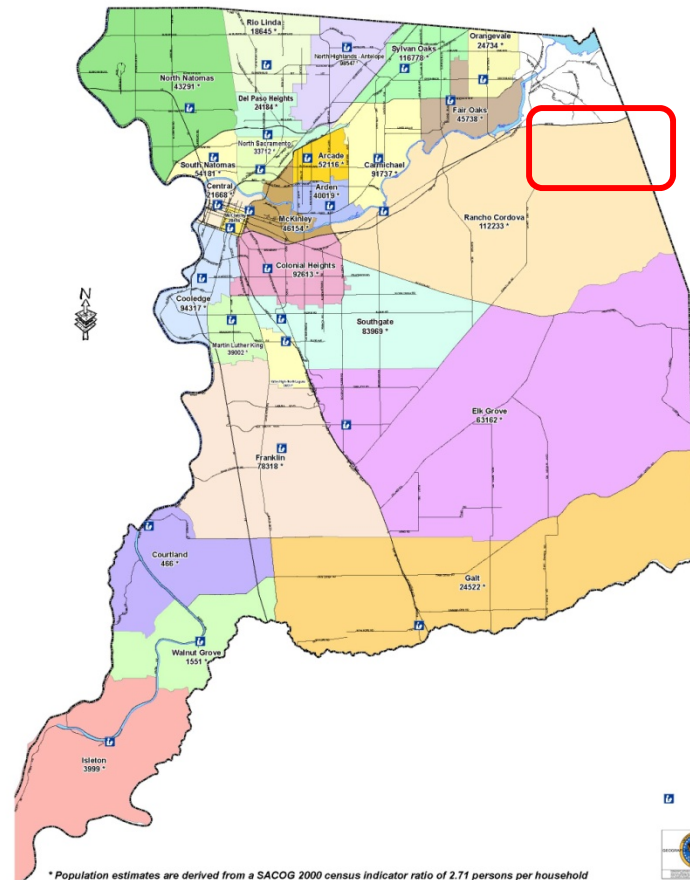
LAFCo Requires Meeting with Special Districts and Developing Tax Sharing Agreements

No.	Agency/District	Intent for Service Area		
		Neutral	Annexation	Detachment
A	Sacramento County			
1	County-wide Equalization	✓		
2.	Wilton-Consumnes (4b)			✓
3.	County Roads	✓		
4.	County General			
5.	Juvenile Hall			
6.	Regional Occup. Center			
7.	Infant Dev-Mentally HA			
8.	Children's Institute			
9.	Couty Supt-Admin			
10.	Dev Center Handicapped			
11.	Zone 13			✓
12.	Tax Zone 52-045 into 52-035		✓	✓
13.	Waste Management and Recycling			✓
B	El Dorado Hills Fire	✓		
C	El Dorado Irrigation District	✓		
D	Fair Oaks Cemetery	✓		
E	FCUSD	✓		
F	Los Rios Community College	✓		
G	Sacramento Metro Fire			✓
H	Sacto-Yolo Mosquito	✓		
I	Sloughouse Resource	✓		
J	SRCSD		✓	
K	Sacramento Public Library			✓

Sacramento Public Library: Resolution No. 8918

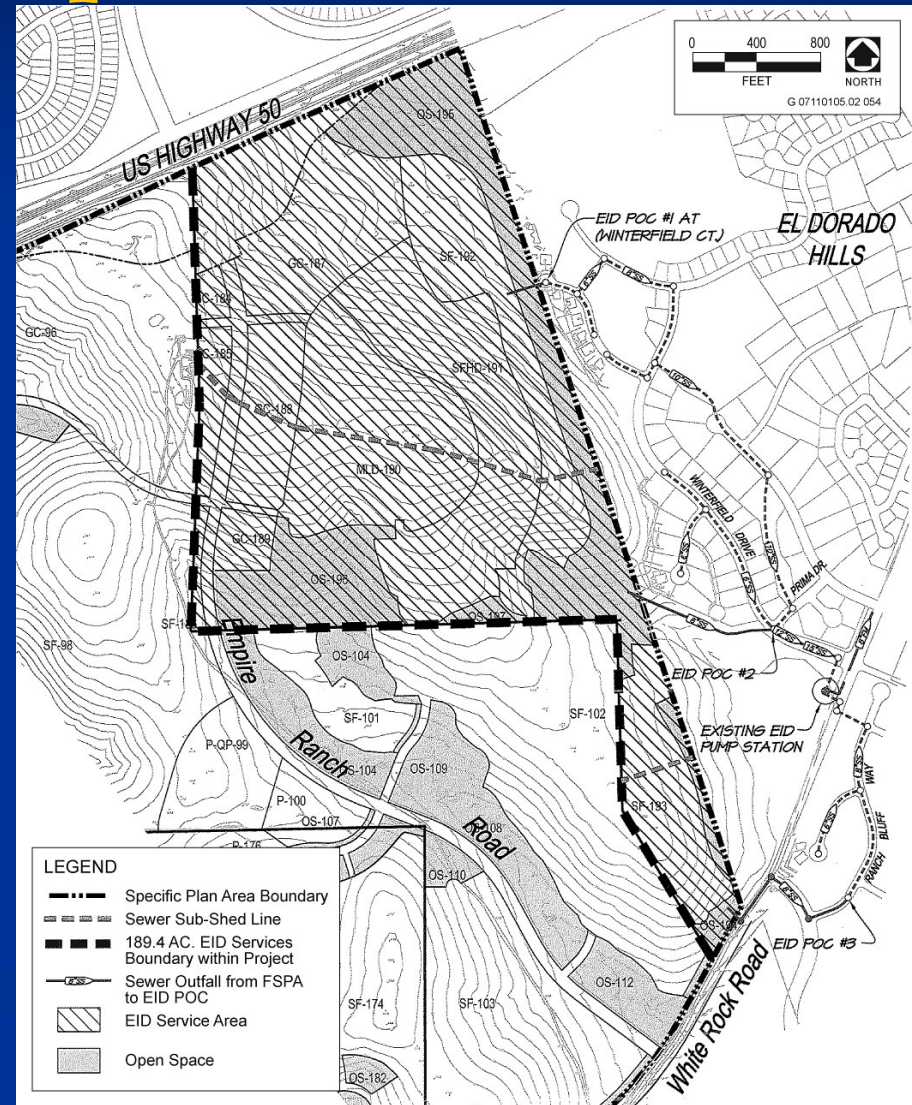
- Property Tax Exchange
 - Provides \$5,322 to Sacramento Public Library
- Detachment of the FPA from the Sacramento County Library Service Area

SACRAMENTO PUBLIC LIBRARY AUTHORITY SERVICE AREA MAP

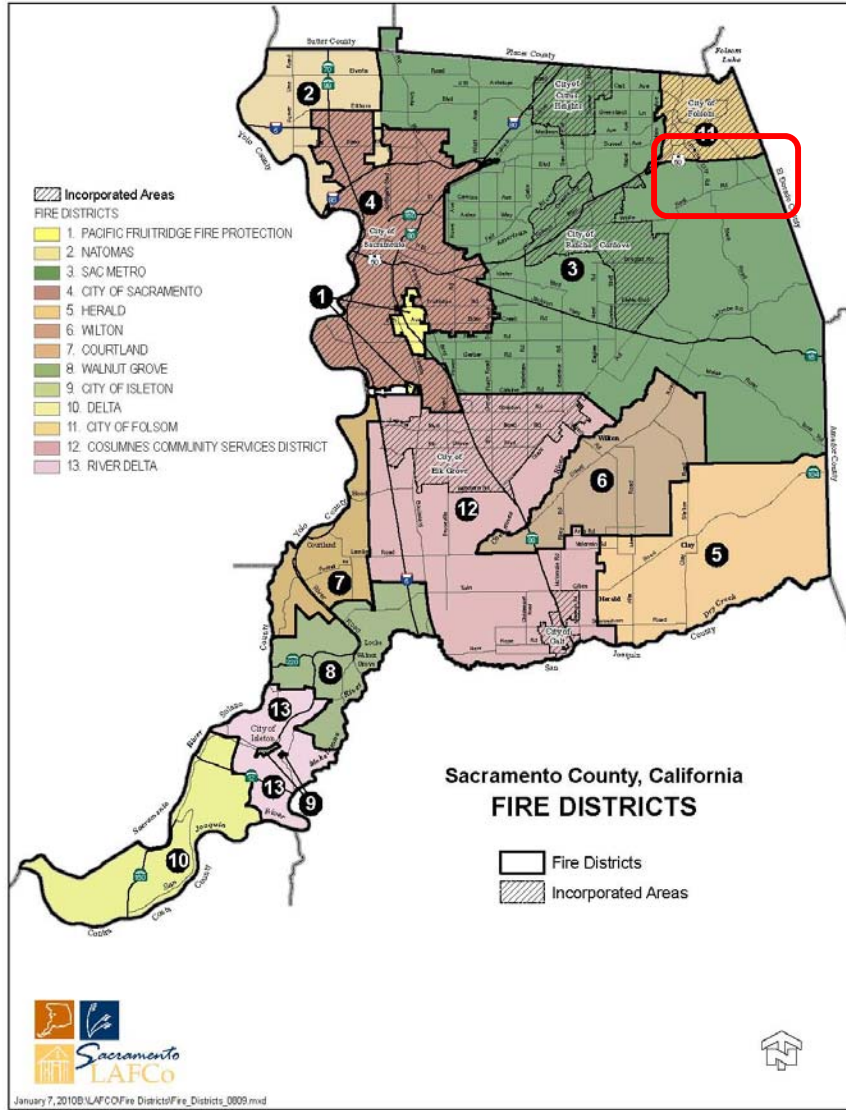


El Dorado Irrigation District/El Dorado Hill Fire Department

- No Changes to Service Boundary
 - LAFCo MOU Provision
 - El Dorado Irrigation District (EID), and
 - El Dorado Hills Fire Department (EDHFD)
- EID Adopted Water Supply Assessment (SB610)
 - EID Remains Water Service Provider
 - No Revenue/Service Level Impacts to EID
- Resolution No. 8920
 - El Dorado Hills Fire Department
 - Defines Service Levels
 - Property Tax Exchange
 - Provides \$15,357 of property tax revenues to EDHFD at build out
 - No Revenue or Service Level Impacts to EDHFD



Fire Protection Services: Resolution No. 8919



- Property Tax Exchange
 - Provides for 4.22% of Property Tax Revenues to SacMetro
 - Estimated value of \$2M at Buildout
 - Equivalent to 1 Fire Company
- Detachment of the FPA from the SacMetro Service Area
- Annexation into the City of Folsom Service Area

Sacramento County:

Zone 13

Comprehensive long-range planning and engineering studies

- Flood Control & Drainage,
- Water resource development,
- Water supply management/conservation
- Unincorporated area of Sacramento County
 - Citrus Heights, Elk Grove and Rancho Cordova

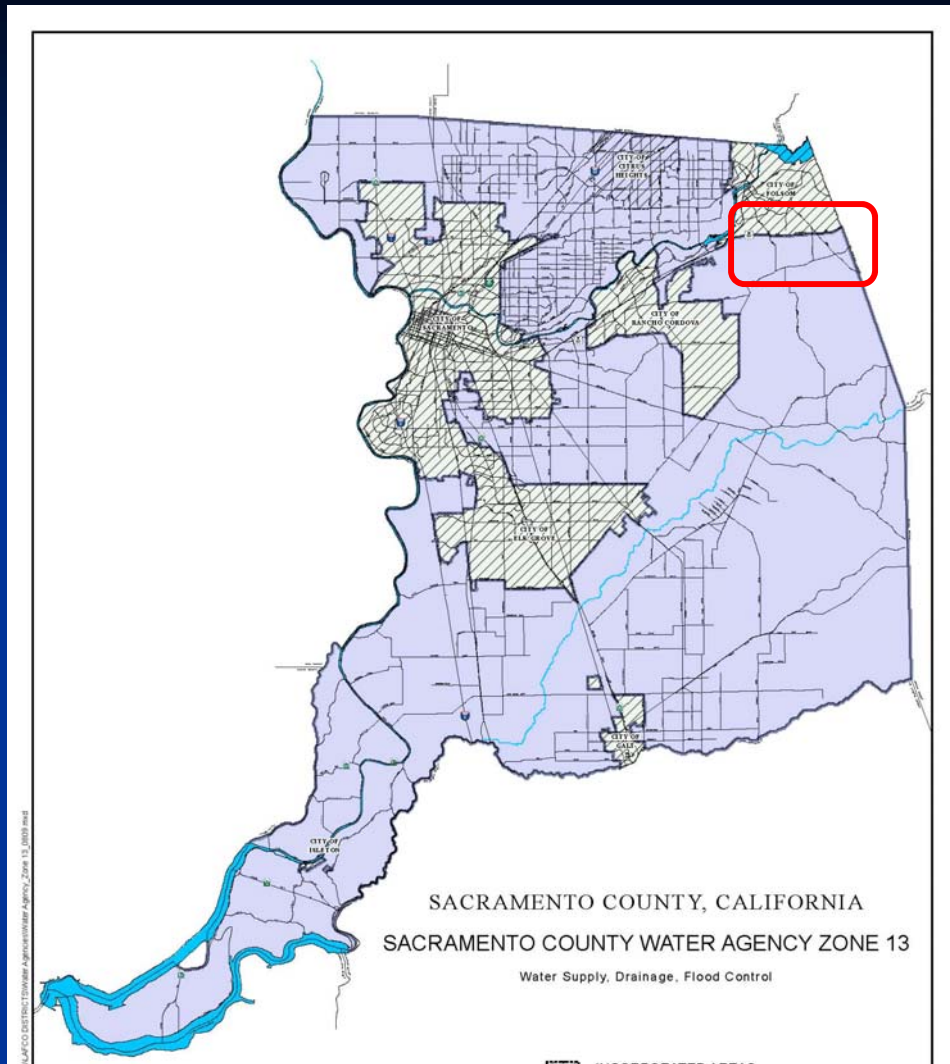
Zone 13 has two functions:

1. Regional water resources planning
2. Partial funding for the Water Forum Successor Effort

Zone 13 has three activities :

1. Sacramento Central Groundwater Authority
2. Participation in the five-member Delta County Coalition
3. South Sacramento Habitat Conservation Plan

Duplicates Services with the City of Folsom

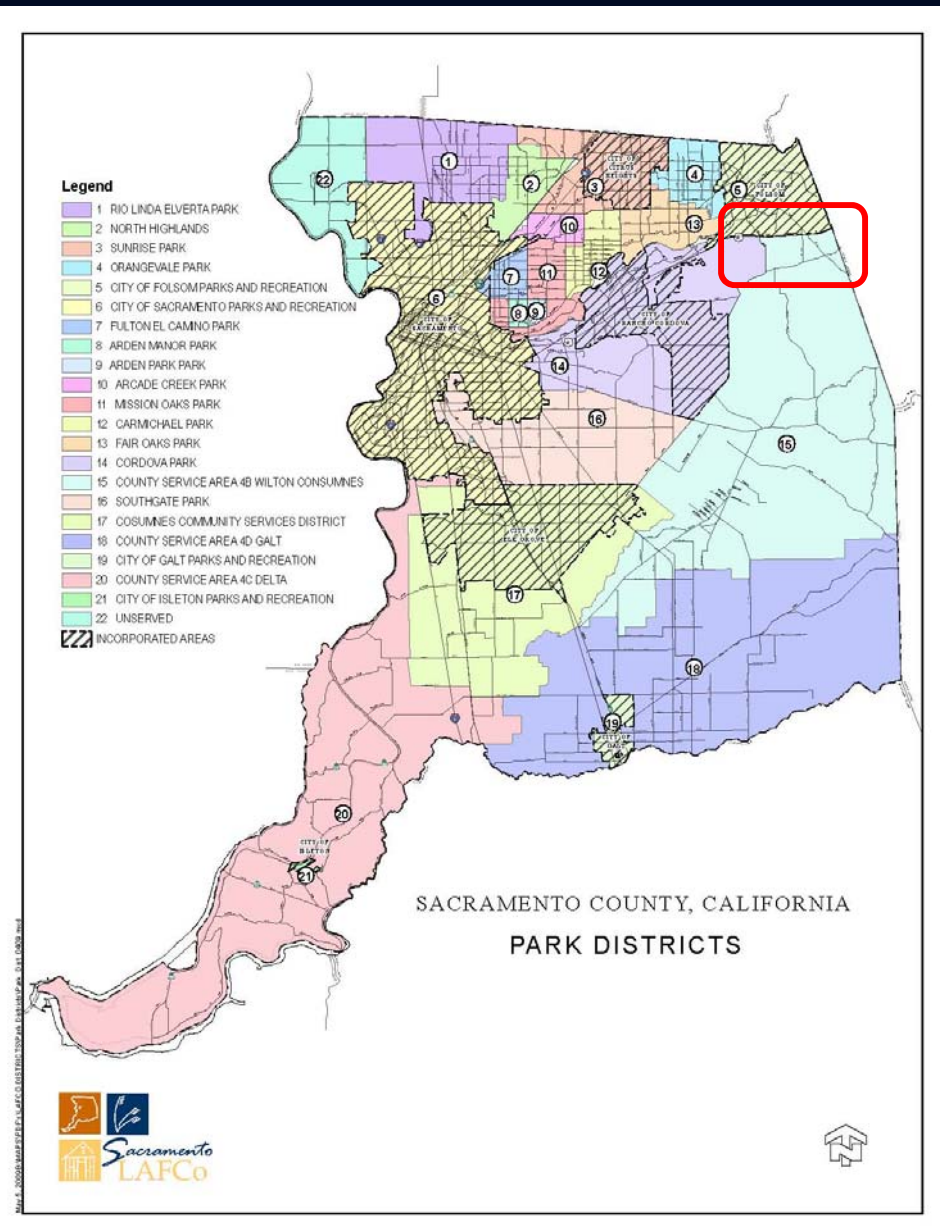


DESCRIPTION	SCWA	Folsom
a) Regional water resources planning – water supply and flood control	✓	✓
b) The Water Forum Successor Effort	✓	✓
c) Sacramento Central Groundwater Authority	✓	✓
d) Delta legislative representation	✓	✓
e) Habitat Conservation Plans	✓	✓

Sacramento County: Park District, Wilton- Cosumnes (Area 4b)

The Wilton-Cosumnes (County
Service Area 4b)

- Parks and recreation service provider for the FPA
- Detach the boundary area from the County Service Area 4b
- Include the service area with the City's annexation



Sacramento County: Sacramento Waste Management and Recycling

Sacramento Waste Management
and Recycling

Current designated service provider

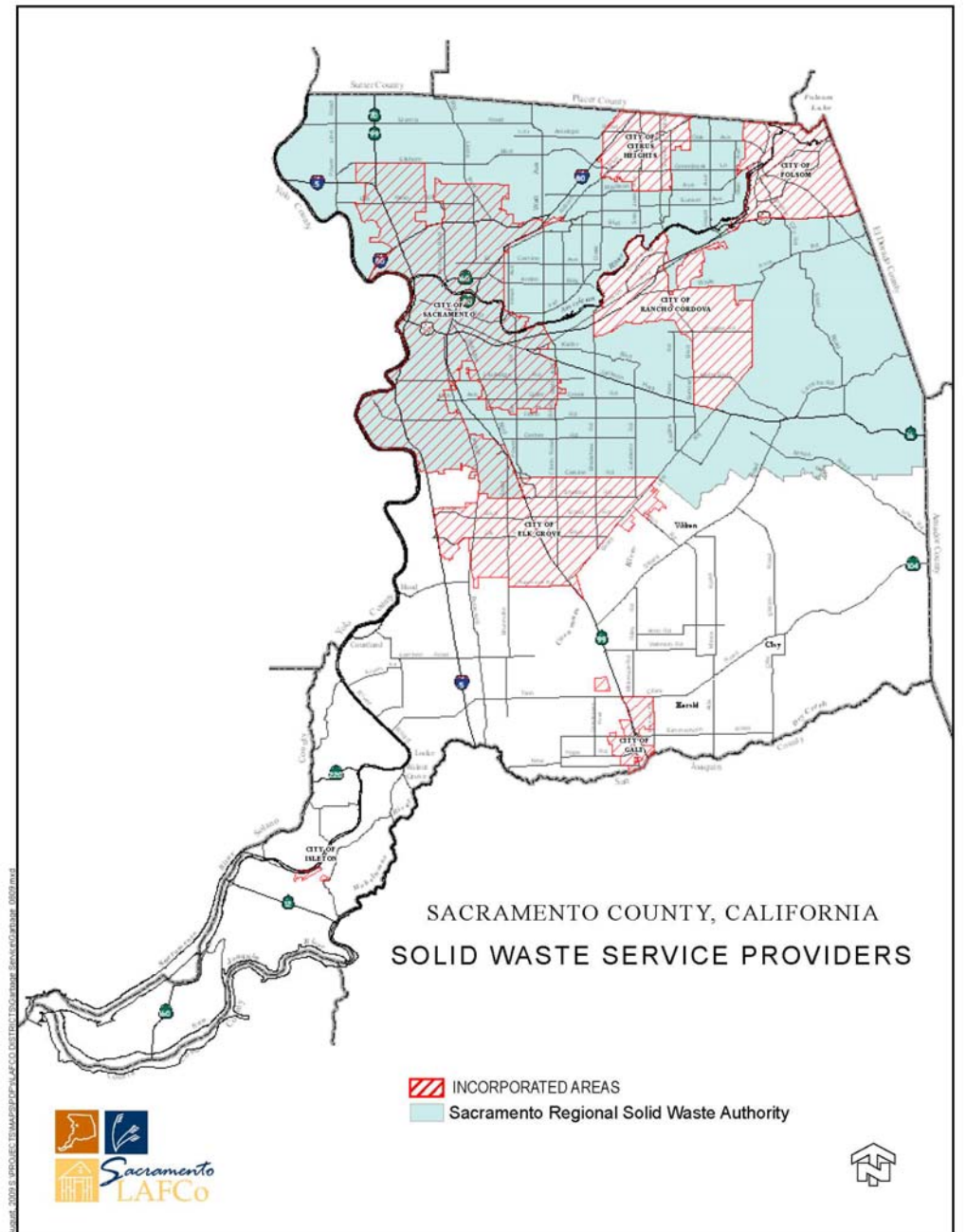
No services with FPA

City maintains its position as a full
service provider

Detach the boundary area

Add the service area with the City's
annexation.

No services are provided to the
FPA, there are no revenue impacts



Resolution No. 8922 - Amend the Mitigation Measure and the Monitoring Plan EIR/EIS

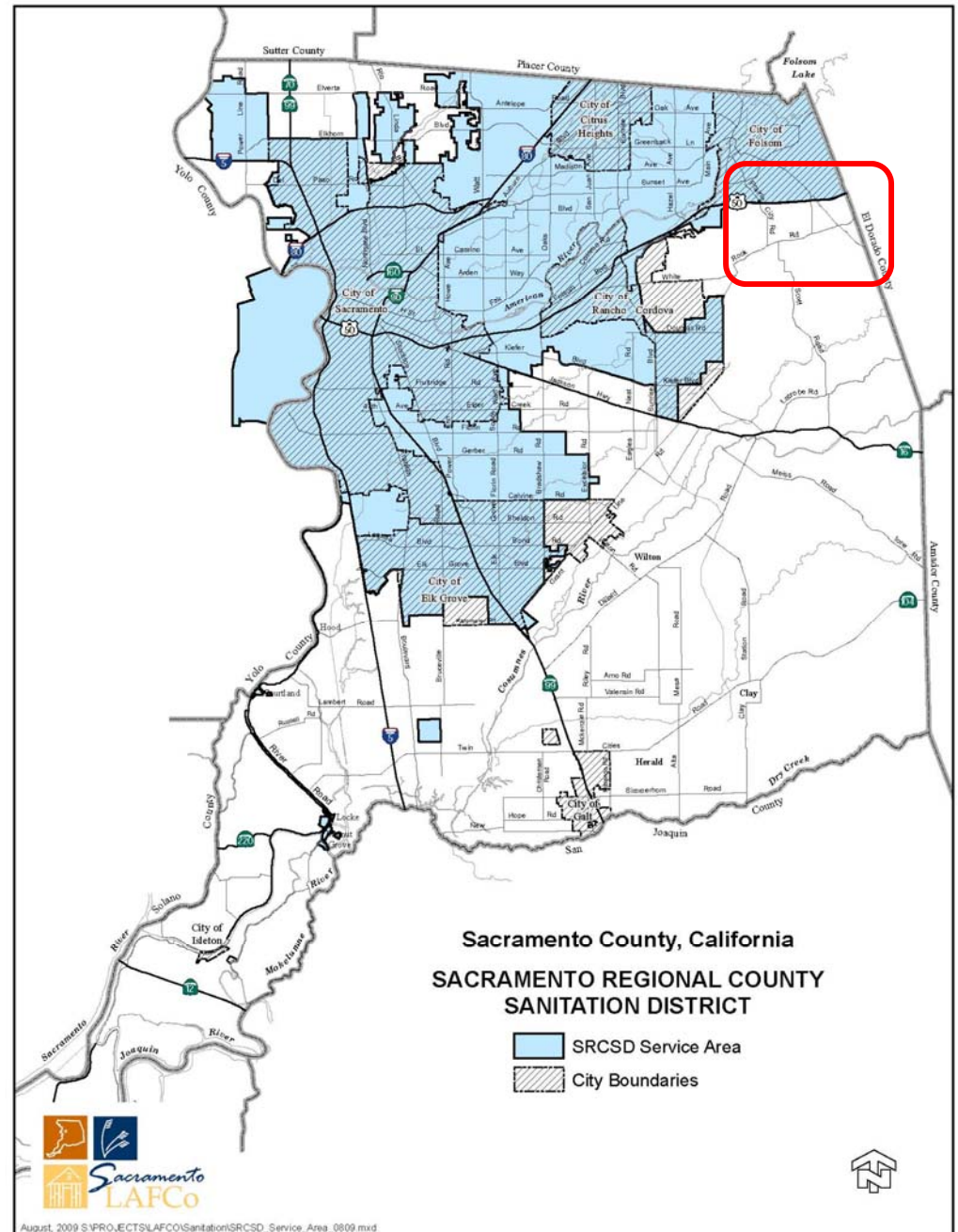
LAFCo can make minor, non-substantial changes:

- Reflects the City of Folsom as the enforcement and monitoring agency
- Replaces the County of Sacramento

- LAFCo Resolution No. 1196
 - City must comply with the mitigation measures under LAFCo Resolution No. 1193
- June 14, 2001 City Council meeting
 - Resolution No. 8860, A Resolution Certifying the Folsom Plan Area Specific Plan Final Joint Environmental Impact Report/ Environmental Impact Statement,
 - Included a mitigation and monitoring plan for the FPA.
- Sacramento County requested to modify the mitigation measures regarding the proper enforcement authority
 - The City agreed with the suggested changes.
- The City must request LAFCo to modify the enforcement authority for the mitigation measures of the CEQA document.
 - CEQA allows LAFCo to consider the alternatives and mitigation measures for the project
 - CEQA allows LAFCo to make the same findings as the lead agency
 - The change in identity of the local agency responsible for enforcing the mitigation measures does not result in new or more severe significant effects.

Resolution No. 8923 - A Resolution to the Sacramento Regional County Sanitation District

- ❑ FPA Currently not within a Wastewater Treatment Service Area
- ❑ City of Folsom does not provide Wastewater treatment services
- ❑ City is a signatory to the SRCSD
- ❑ No adverse service impacts or revenue impacts from annexation
- ❑ Recommend Supporting the Sacramento Regional County Sanitation District Annexation of the Folsom Plan Area Project Area into the Sacramento Regional County Sanitation District Service Area



Resolution No. 8926 – A Resolution Requesting the Sacramento Local Area Formation Commission (LAFCo) to Include a Requirement for an Avigation Easement with its Approval of the Annexation of the Folsom Plan Area Project Area

- Traffic in/out of Mather Airport will fly across portions of the FPA.
- City and County staff previously addressed the desire for an Avigation Easement that covers the FPA
 - The property owner's representative spoke in favor of the Avigation Easement
- Requirement that an Avigation Easement be placed on the property
 - Included in the Tier 1 Development Agreement
 - Included in the Specific Plan
- The County has requested the Avigation Easement be part of LAFCo approvals.
- Request LAFCo include, in its annexation approval, that an Avigation Easement substantially in the form attached to the Avigation Easement Resolution or as later modified by the City be recorded by the property owners prior to development of the FPA

Folsom Plan Area Service Agreements: Next Steps

Nov 8th

City of Folsom City Council Meeting

Nov 10th

Sacramento Metropolitan Fire Protection District Board Meeting

Nov. 14th

El Dorado Hill Fire Department Board Special Meeting

Nov 30th

Sacramento Public Library Commission Meeting

Dec. 6th

Sacramento County Board of Supervisors Board Meeting

Dec 14th

21-Day Public Notification for LAFCo Hearing

January 4, 2012

LAFCo Annexation Public Hearing

Staff Recommends the City Council Adopt Resolutions 8918-8923 & 8926

- i. **Resolution No. 8918** - A Resolution Authorizing the City Manager to Execute Tax Exchange Agreement with the Sacramento Public Library Regarding Property Tax Exchange, and the Detachment of the Folsom Plan Area Project Area from the Sacramento County Library Service Area for Annexation into the City of Folsom Service Area
- ii. **Resolution No. 8919** - A Resolution Authorizing the City Manager to Execute an Agreement with the Sacramento Metropolitan Fire District Regarding the Property Tax Exchange and the Detachment of the Folsom Plan Area Project Area from the Sacramento Metropolitan Fire District Service Area for the Annexation into the City of Folsom Service Area;
- iii. **Resolution No. 8920** - A Resolution Authorizing the City Manager to Execute an Agreement with the El Dorado Hill Fire Department Regarding Service Levels and Property Tax Exchange for the Folsom Plan Area Project Area
- iv. **Resolution No. 8921** - A Resolution Authorizing the City Manager to Execute a Tax Exchange Agreement Between the County of Sacramento and the City of Folsom, Relating to the South of Highway 50 Folsom Plan Area Annexation and Property Adjacent to the Folsom Auto Mall
- v. **Resolution No. 8922** - A Resolution Requesting the Local Agency Formation Commission (LAFCo) to Amend the Mitigation Measure and the Monitoring Plan EIR/EIS to be adopted by LAFCo to make minor, non-substantial changes to reflect the City of Folsom as the enforcement and monitoring agency in place of the County of Sacramento as to certain measures and plans.
- vi. **Resolution No. 8923** - A Resolution to the Sacramento Regional County Sanitation District Supporting the Annexation of the Folsom Plan Area Project Area into the Sacramento Regional County Sanitation District Service Area
- vii. **Resolution No. 8926** – A Resolution Requesting the Sacramento Local Area Formation Commission (LAFCo) to Include a Requirement for an Avigation Easement with its Approval of the Annexation of the Folsom Plan Area Project Area