



# **FEASIBILITY ANALYSIS REPORT**

**FOR THE**

**Proposed Placer Ranch Specific Plan**

**July 2014**

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City of Roseville**

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# FEASIBILITY ANALYSIS FOR PLACER RANCH SPECIFIC PLAN

## SUMMARY REPORT

### I Background and Purpose of Feasibility Analysis

**Background:** The City briefly processed an annexation and specific plan request for Placer Ranch between the fall of 2006 and early spring 2007. At the request of the applicant at that time, Placer Ranch was suspended.

The City previously considered a Feasibility Analysis for PRSP in 2007. At the Council meeting of November 14, 2007, the City Council directed staff to begin processing the specific plan and annexation project. Information in this Feasibility Analysis relies on previous information, since existing conditions have not substantially changed since that time, with the only exception being Fiscal. A new Fiscal report was prepared to update assumptions. Traffic data from the original Feasibility analysis, as well as information from the Amoruso Ranch Specific Plan Feasibility Analysis is contained within this report.

Westpark Communities has entered into an agreement on the property and has re-initiated the project. Although the City recently received a letter request to annex the project dated June 6, 2014, City staff has been actively involved in this project for some time. Recognizing the value the project would bring to both the City and Placer County, staff participated in a collaborative process to discuss land use and fiscal issues between December 2013 and March 2014. Discussions with key Roseville and Placer County staff included site constraints, interface issues with the Western Regional Sanitary Landfill, roadway connections and land use. The fiscal discussions centered on the anticipated costs to provide services to the plan area.

#### **Proposed Project**

The proposed project includes a mixed-use development proposal northwest of the City. As currently proposed, the development includes a 2,213-acre site located in unincorporated Placer County, immediately west and south of the County's Sunset Industrial area, south of the Western Regional Sanitary Landfill (WRSL), west of the Amoruso Ranch Specific Plan and north of the West Roseville Specific Plan, North Roseville Specific Plan, and the North Industrial Planning Area.

A major feature of the proposed project is a California State University Campus- Sacramento State- Placer Campus that would accommodate up to 25,000 college students.

The area is also being considered for future residential (5,000 residential units including student and faculty units), as well as commercial / office, light industrial, business park uses, and parks, open space, and two elementary

schools and one middle-school.

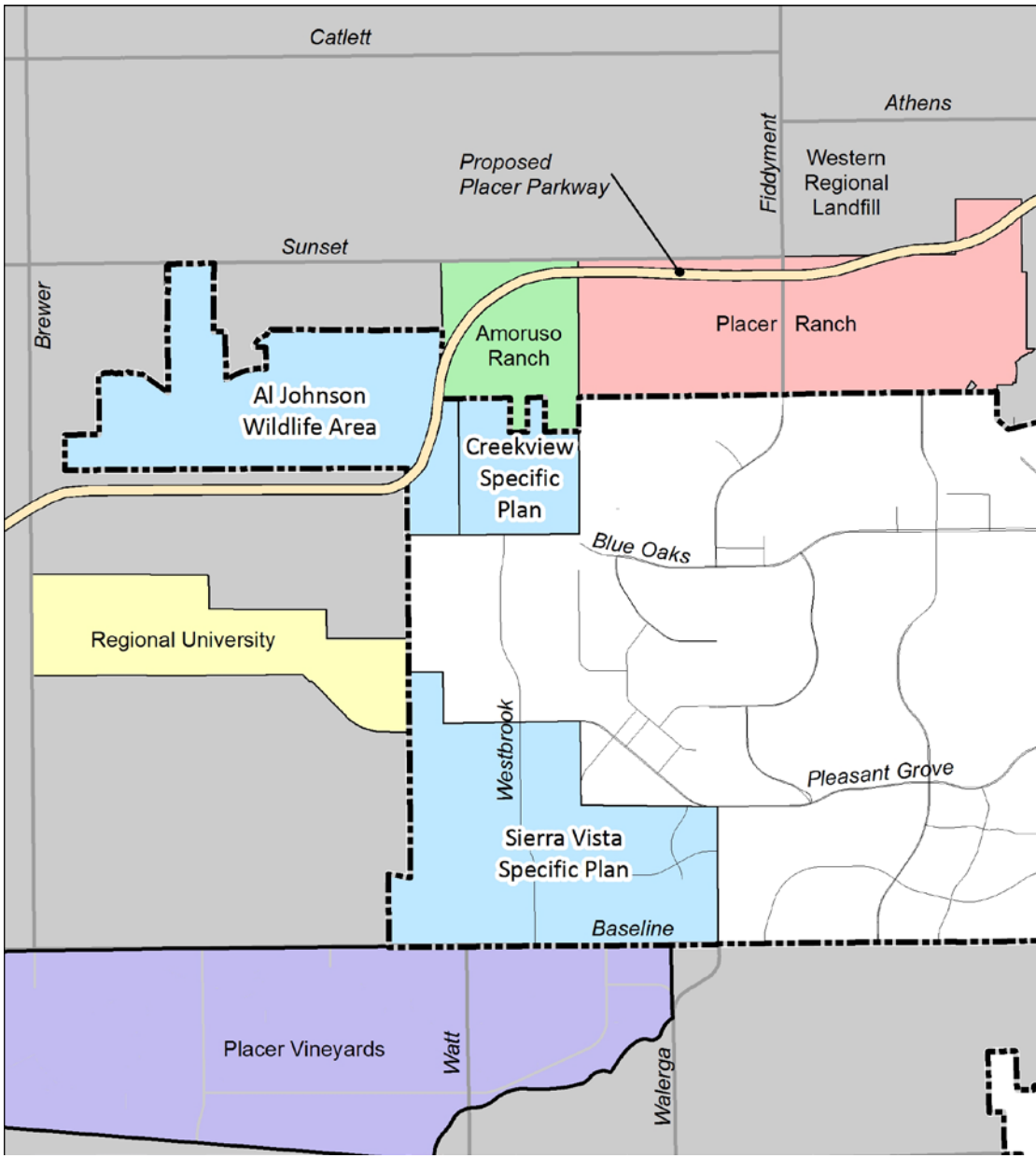
There are several proposed changes to the land use plan since the 2007 version that came out of the collaborative process. The vision is still conceptual, but a main feature includes moving the university campus from the west side of the project area to the east side to take advantage of the opportunity to support the County's Sunset Industrial Area, and the fact that it would be more centrally located to planned transportation facilities (main entrance via Sunset Boulevard, and adjacency to Placer Parkway and a planned interchange at Foothills Boulevard). Another potential change could include realignment of a portion of Fiddymont Road to avoid wetland resources, and provide a more viable future expansion area for the Western Regional Landfill.

Placer Ranch shares three miles of a common boundary with the existing northern city limit. If the Council decides to move forward with the project, staff will analyze the proposed land use plan for consistency with the City's plans, General Plan policies, Growth Management policies and level of service policies. Some changes to the land use plan may occur to respond to the City's standards and to reduce impacts.

**Purpose of Feasibility Analysis:** The City of Roseville requires Feasibility Analyses to as part of the decision to move forward with specific plans and annexation projects. It typically looks at traffic, water, and fiscal impacts from a fatal flaw perspective. Collectively, these technical studies are called the Feasibility Analysis Report. If the City Council decides to proceed with the application, there are a wide range of additional technical studies that will be performed as part of a full evaluation of the project, however the Feasibility Analysis Report focuses on key areas of concern prior to initiating the full scope and cost of studies normally prepared as part of a comprehensive specific plan effort. The information and conclusions drawn from the Feasibility Analysis will be used by the City Council to provide direction for evaluation and environmental review of the proposed Placer Ranch Specific Plan.

**Policy Direction:** Past approved policy direction by the City Council will be used to evaluate the proposed annexation. This direction includes: the General Plan's Policies, Standards, and Guiding Principles, Roseville's Blueprint Implementation Strategies, and the Council adopted Growth Management Visioning Committee recommendations. The focus of this policy guidance is to ensure that new development areas maintain the existing quality of life for Roseville residents and businesses. They emphasize that new development should be well-planned, so as not to affect the City's fiscal health, traffic, public service levels and conservation efforts. They apply to all new development proposals, and are not exclusive to the proposed Placer Ranch Specific Plan (PRSP) project.

**Summary Report:** The Feasibility Analysis Report is a summary of high-level technical issues intended for use as an overview of the information and conclusions, as well as those items requiring further consideration by the City Council. If the Council directs staff to process the project, more detailed technical studies will be performed to ensure that the project meets the City's policies and standards. The items requiring further consideration are identified as "**Action**" items for each of the studies.



**Figure 1, Vicinity Map**

## II Analysis and Conclusions:

### 1. Traffic

The traffic portion of the Feasibility Analysis (FA) summarizes the information from the PRSP FA completed in 2007 and the Amoruso Ranch Specific Plan FA completed in 2010. At the time the ARSP FA was prepared, the City included preliminary Placer Ranch buildout assumptions. Due to the down turn in the economy and the fact that the City is still processing ARSP, the baseline assumptions are still valid, therefore, a new traffic model was not prepared for this Feasibility Analysis.

The previous traffic models utilized the City's traffic model under various future development scenarios to determine potential traffic impacts resulting from the development of the Placer Ranch Specific Plan (PRSP), as well as other future growth areas in the City and Placer County. All of the analyses were based on the City's traffic model and Capital Improvement Program (CIP).

The analyses evaluated three future development and roadway scenarios:

- City Build-out without Placer Ranch
- 2025/City Build-out without Regional Roadway Improvements
- 2025/City Build-out with Regional Roadway Improvements

Under each of these scenarios, the traffic model allocated the growth in new trips and re-distributed the existing trips. Where these changes resulted in a lower intersection Level Of Service (LOS), engineering staff identified potential mitigation, where feasible. Each of the traffic scenarios noted above summarized the following key findings:

- Total number and percentage of intersections operating at less than LOS C.
- Intersections with lower LOS along with potential mitigation, where feasible.
- Intersections with improved LOS.

#### City Build-out

The General Plan Level of Service (LOS) policy requires that a minimum of 70 percent of the City's signalized intersections function at LOS C during the pm peak hour. Under the no project alternative, which includes build-out of both the Sierra Vista and Creekview Specific Plan areas, 47 intersections would function at less than LOS C, at year 2025. The addition of the PRSP would increase the number of intersection operating at less than LOS C from 47 to 55 and decrease the percentage of intersections operating at better than LOS C from 78 percent to 74 percent as shown in Table 1.

The total number of intersections operating at better than LOS C does not include the additional signalized intersections that would be constructed within the PRSP project area. If these intersections were included, it would increase the overall percentage of intersections operating at better than LOS C.

Table 2 identifies the 24 intersections that would be impacted with the addition of the PRSP. Feasible mitigation was identified at 4 locations. Table 3 identifies the

intersections that would improve with the addition of the PRSP.

**TABLE 1  
LOS Comparison  
2025 Cumulative Base Plus Project**

	No Project	With ARSP, regional improvements and Placer Ranch
Percentage LOS A-C	79.6%	84.5%
Total LOS D	21	20
Total LOS E	12	6
Total LOS F	8	6
Total less than LOS C	41	32

**TABLE 2  
Impacted Intersections  
2025 Cumulative Base Plus Project**

Intersection	Level of Service	
	No Project	With ARSP, regional improvements, and Placer Ranch
Fiddymt/Blue Oaks	C	D
Douglas/Sunrise	D	E
Taylor/Roseville Parkway	C	D
I-80 W/B Offramp/Douglas	C	D
I-80 E/B Offramp/Eureka/Taylor	E	F
Fiddymt/Fiddymt Ranch E/W Road	B	D
Westbrook/Baseline	C	D

**TABLE 3  
Improved Intersections  
2025 Cumulative Base Plus Project**

Intersection	Level of Service	
	No Project	With ARSP, regional improvements and Placer Ranch
Fiddymt/Baseline	F	E
Diamond Creek/Blue oaks	E	C
Foothills/Blue Oaks	F	D
Northridge/Cirby	E	D
Rocky Ridge/Douglas	D	C
Roseville Parkway/HP Central/Foothills	D	C
Junction/Foothills	D	C
McAnally/Foothills	D	C
Pleasant Grove/Foothills	E	D
Vineyard/Foothills	D	C
Berry/Galleria	D	C
Roseville Parkway/Galleria	F	E
Baseline/Junction	D	C
Washington/Junction	E	C
Fairway/Pleasant Grove	E	D
Fiddymt/Pleasant Grove	E	D

WalMart/Highland Pointe/Pleasant Grove	D	C
Washington/Pleasant Grove	E	C
Baseline/Woodcreek Oaks	E	D
SR 65 S/B Onramp/Stanford Ranch/Galleria	D	C
Fiddymment/Westhills	D	B
Industrial/Alantown	D	C
Vernon/Lincoln	E	D

2025/City Build-out plus PRSP

Roseville’s current General Plan LOS policy and CIP are based on 2025 development levels and City build-out. The Subsequent EIR For the City’s CIP Update analyzed a 2025 City build-out scenario that included new growth areas in Placer County (Placer Vineyards, Regional University and Placer Ranch Specific Plans).

Under this 2025 City build-out scenario, regional growth will increase the number of City intersections operating at less than LOS C from 43 to 67. This regional growth included 2025 market rate development within the Placer Ranch Specific Plan Area. Potential mitigation was identified that could reduce the number of intersections operating at less than LOS C from 67 to 54. However, because these improvements are required after year 2025, these improvements are currently unfunded.

The total number of intersections operating at better than LOS C does not include the additional signalized intersections that would be constructed within the PRSP. If these intersections were included, it would likely cause a positive increase in the overall percentage of intersections operating at better than LOS C. Table 4 identifies the 20 intersections that would be impacted with the addition of the PRSP. As shown in that Table, potential mitigation exists at 6 of these 20 intersections.

**TABLE 4  
Impacted Intersections  
2025 Plus PRSP**

Intersection	Level of Service		
	No Project	Plus PRSP	Plus PRSP Mitigated
Diamond Creek/Blue Oaks	C	D	C
Fiddymment/Blue Oaks	D	E	
Woodcreek Oaks/Blue Oaks	C	D	C
Melody/Cirby	D	E	
Oakridge/Cirby	C	D	
Eureka/Lead Hill	C	D	C
Foothills/Pleasant Grove	E	F	
Foothills/Roseville Parkway	C	D	
Fiddymment/Pleasant Grove	E	F	
Washington/Pleasant Grove	D	E	
Woodcreek Oaks/Pleasant Grove	D	E	
Pleasant Grove/Fairway	E	F	
Roseville Parkway/Eureka	C	D	C
Sierra College/Roseville Parkway	D	E	
Sunrise/Kensington	E	F	
Washington/Diamond Oaks	C	D	C
Washington/Industrial	C	D	C
Woodcreek Oaks/Baseline	E	F	
Crocker Ranch/Blue Oaks	C	D	



Roseville Parkway/Trestle	C	D	
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2025/City Build-out plus PRSP with Regional Improvements

As shown in Table 5, if improvements to Interstate 80, Highway 65, and Placer Parkway were included, the number of intersection operating at less than LOS C would decrease from 58 to 52. This equates to 75 percent of the City’s intersections operating at LOS C. The total number of intersections operating at better than LOS C does not include the additional signalized intersections that would be constructed within the PRSP. If these intersections were included, it would likely increase the overall percentage of intersections operating at better than LOS C.

Table 6 identifies the 5 intersections that would be impacted with the addition of the PRSP. Feasible mitigation was identified at 2 of these intersections. Table 7 identifies the 8 intersections that would improve under this scenario.

**TABLE 5  
LOS Comparison  
2025 Plus PRSP with Regional Improvements**

	No Project	Mitigated
Percentage LOS A-C	73%	75%
Total LOS D	29	22
Total LOS E	15	16
Total LOS F	14	14
Total less than LOS C	58	52

**TABLE 6  
Impacted Intersections  
2025 Plus PRSP with Regional Improvements**

Intersection	Level of Service		
	No Project	Plus PRSP	Mitigated
Eureka/Douglas	D	E	
Sunrise/Kensington	E	F	
Eureka/Lead Hill	C	D	C
Roseville Parkway/Eureka	C	D	C
Sierra College/Roseville Parkway	D	E	

**TABLE 7  
Improved Intersections  
2025 Plus PRSP with Regional Improvements**

Intersection	Level of Service	
	No Project	Plus PRSP
Yosemite/Atlantic	D	C
Junction/Baseline	D	C
San Simeon/Cirby	D	C
Fiddymnt/Baseline	E	D
Foothills/McAnally	D	C
Washington/Main	F	E
Pleasant Grove/Wal Mart	D	C
Chase/Roseville Parkway	D	C

### Status of Regional Improvements

As noted above, congestion within Roseville will continue to increase with or without development of the Placer Ranch Specific Plan. Key to managing additional development are improvements including the construction of Placer Parkway. Placer Ranch will benefit regional improvements by providing over three miles of the proposed Placer Parkway alignment within the plan area.

**Highway 65** – The widening of Highway 65 to 6-lanes between Interstate 80 and the Twelve Bridges interchange is needed. The South Placer Regional Transportation Authority (SPRTA) is currently moving forward with the project plans and environmental review and is anticipating a final report by the end of 2015<sup>1</sup>.

**Placer Parkway** – The funding and construction of Placer Parkway is essential to accommodate new growth areas in South Placer, including an expansion of Lincoln's General Plan. Staffs from Roseville, Rocklin, Lincoln and Placer County have continued to work with PCTPA and SPRTA to develop a strategy for these new growth areas to fully fund the construction of Placer Parkway as a 4-lane expressway from Highway 65 to Highway 99. This strategy, which is currently defined as the Tier 2 Fee, requires fees at the time of building permit for these improvements. Placer County is moving forward with the first segment of Placer Parkway from Highway 65 to Foothills Boulevard.

### Summary of Traffic Analysis

The preliminary traffic analyses were completed to evaluate what impacts, if any, the proposed land use plan will have on the City's existing circulation system. These analyses provide a quick snap shot to identify any fatal flaws prior to proceeding with the processing of the specific plan. Additionally, it provides the City with information that can be used to determine if feasible mitigation measures are available to reduce any LOS deterioration of existing and proposed intersections.

There are two General Plan Guiding Principles that were adopted by the City Council that pertain to traffic. The first Guiding Principle identified that development shall maintain the integrity of existing neighborhoods by maintaining the City's level of service policy. The second Guiding Principle references the participation in regional traffic solutions (e.g. relieving I-80 bottleneck, widening Hwy 65, Placer Parkway, etc.).

As shown in the analyses, the PRSP will impact a number of intersections under 2025 conditions. Modifications to the land use plan may reduce the number of impacts; however, it is unlikely that all of the impacts can be eliminated absent the construction of regional facilities. Even with these additional impacts, however, the City will be able to maintain its LOS policy through year 2025.

It is expected that PRSP would need to participate in funding improvements to Highway 65 and Placer Parkway in accordance with the Council's second Guiding Principle. With the construction of these regional facilities, congestion levels at year 2025 would be improved over currently forecast conditions.

Recognizing there are approximately three miles of existing residential areas along the southern boundary of PRSP, with roadways expected to be extended into the project including Woodcreek, Foothills and/or improvements to roadways such as Fiddyment

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<sup>1</sup> PCTPA Overall Work Program and Budget Amendment #3 Fiscal Year 2013/2014, March 2014.

Road, City staff will work with the applicant, the traffic consultant, and neighborhood groups, and Placer County to ensure that potential traffic impacts from the project are minimized to the extent possible.

- **Action:** Staff recommends the Council reaffirm the Guiding Principles to maintain the integrity of existing neighborhoods by meeting the City's adopted level of service policy; and require any new annexation proposal to aid in regional traffic solutions including funding for improvements to Highway 65 and Placer Parkway. Consistent with the City's specific plan process, as the proposed land use plan is refined a project specific traffic analysis will be required as part of the environmental analysis.

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## 2. Water

**Retail Water Service:** The City of Roseville is responsible for the acquisition, development, treatment, conveyance and delivery of drinking and irrigation water supplies within the City. If annexed, the Placer Ranch Specific Plan (PRSP) will become part of the City's retail service area and will require the City to deviate from being the sole provider of treatment and transmission to City customers.

This specific plan area is currently located in Placer County Water Agency's (PCWA) service area. The long-term water supply for the plan area was evaluated by PCWA in the Agency's Integrated Water Resource Plan (IWRP) adopted in August 2006.

**Purpose of Technical Analysis:** To determine what water supply options are available for the plan area and provide the City Council reasonable assurance that the PRSP can be served from an available water supply.

### Background

Placer County Water Agency conducted a comprehensive Integrated Water Resources Plan in 2006. The study objectives were:

1. Provide a framework for organized water resources planning in the context of planned growth and development by land use authorities within western Placer County.
2. Coordinate water resources planning for all of the communities in western Placer County.
3. Develop water resources planning information to help provide a long-term, reliable water supply.
4. Provide water demand planning guidance to help PCWA plan for:
  - a. Water treatment facilities
  - b. Conveyance facilities
  - c. Groundwater facilities
  - d. Groundwater supplies
  - e. Reclaimed water supplies.

The IRWP evaluated three growth scenarios and what water supplies would be needed to support each alternative. The scenarios ranged from currently approved general plans to the Sacramento Area Council of Governments Preferred Alternative which is based on the Blueprint Preferred project. Scenario 2 includes the Placer Ranch – CSUS campus proposal.

**PCWA Infrastructure:**

City backbone infrastructure, including its diversion facilities from Folsom Reservoir and its planned Barton Road treatment plant capacity are not capable of supporting the Placer Ranch development. Access to new diversion and treatment facilities will be required to serve this project. System interconnections with PCWA have been included in the City's long-term infrastructure planning that could utilize the Agency's system capacity on a short-term or emergency basis. PCWA anticipated providing service to the PRSP and has included backbone diversion, treatment plant and transmission capacity in their capital improvement program.

Partnering with PCWA in transmission and treatment plant capacity is a logical transition for serving the PRSP area with water.

**Technical Analysis Summary of Findings:**

Placer County Water Agency's IRWP made the following conclusions (Note – all conclusions are not included.):

1. *There is adequate water supply to meet all the demands for each of the growth scenarios.*
2. Groundwater supplies are not needed to meet normal climate year demands.
3. Dry Year water supplies must include groundwater to meet demands of Scenarios 2, 2b and 3.
4. Reclaimed water supply is an important supply source, and is required to meet Scenario 2 demands.

Since the last Feasibility Analysis, the region is currently going into the third year of a draught. Concern has been raised regarding why the City is considering additional growth areas if existing residents are being asked to conserve. Consistent with the City's Growth Management General Plan Guiding Principles, PRSP will be required to bring a new source and supply of water.

The advantage of a PCWA water supply for PRSP would be a new source and supply of water that would be added to the City's water portfolio. It would come from northeast of Folsom Lake, through PCWA's future Ophir water treatment plant. This new source and supply of water would aid the City of Roseville in having additional reliability citywide. In addition, it would not impact existing City supplies or impact existing residents.

*Water Supply*

In order to determine water supply options, four possible water supply alternatives and optional delivery strategies were analyzed. These alternatives include:

- Placer County Water Agency raw water supply utilizing Roseville Aquifer Storage and Recovery to minimize infrastructure impacts
- Placer County Water Agency treated water supply,
- Placer County Water Agency raw water supply utilizing Roseville Aquifer Storage and Recovery to minimize infrastructure impacts;
- San Juan Water or Sacramento Suburban District purchased water supply.
- Sacramento River Diversion

### Placer County Water Agency Raw Water Supply with Roseville Aquifer Storage and Recovery

Placer County Water Agency (PCWA) raw surface water supply combined with Aquifer Storage and Recovery (ASR) is identified as a feasible water supply option because raw surface water may be available for purchase from PCWA. The City could treat the raw water during low demand periods, which would then be stored within the local groundwater basin for extraction during peak demand periods later in the year.

Based on preliminary discussion with PCWA, PCWA prefers the City purchase a treated water supply (discussed further below) in lieu of supplying the City with raw water, from the City's existing diversion point at Folsom Lake. The cost to purchase a raw water supply from PCWA is unknown at this time.

### Placer County Water Agency Treated Water Supply

The purchase of treated surface water from PCWA was also determined to be a feasible water supply option. The most promising option for this alternative is delivery of PCWA water at their Tinker Road tank and pump station site. This is again viewed as a near-term option. The primary challenge with this PCWA supply option is the future availability of supply from PCWA's existing Foothill Water Treatment Plant (WTP) and the timing of the construction of the Ophir WTP. Since PCWA is on a First-Come First-Served basis, if remaining treatment capacity and supply is committed from the Foothills Plant, prior to securing capacity for Placer Ranch, supply would have to be provided from PCWA's future Ophir Plant. New infrastructure would need to be constructed to allow for delivery to the City. Timing of water supply on an interim basis until the new facility is constructed is the primary issue for this alternative. However, the feasibility analysis for water supply concludes that long-term adequate water supplies exist under PCWA's water budget to allow the City to obtain wholesale water service for the Placer Ranch Specific Plan area. This water supply option would provide a new source and supply to the City of Roseville from a source north of Folsom Lake, through PCWA's proposed Ophir treatment plant. This water supply option would increase reliability to the City's water portfolio.

San Juan/Sacramento Suburban Water District Purchased Water Supply – This alternative would require acquisition of additional water supplies from San Juan Water District and acquisition of transmission capacity from Sacramento Suburban Water District to meet short-term wet-year water supply needs. This alternative is identified as feasible because existing water transfer locations are already in place, and another alternative location has been identified that could be developed relatively easily. This location would allow the delivery of SJWD supply to Roseville in the southwest portion of the City, which from a hydraulic perspective would be advantageous to increase overall system reliability. It is unknown what the capital contribution would be to implement this alternative. Past discussions with SJWD have indicated capital contribution could be substantial when compared to the cost of the City's current supplies and that supplies would only be made available during normal and wet years. During dry conditions, the project would need to rely on alternative water supplies such as groundwater.

Sacramento River Diversion – This water supply option would rely on constructing a new water supply diversion from the Sacramento River along with a water treatment plant and transmission facilities to meet long-term wet and dry year water supply needs; collectively the "Sacramento River Diversion". A Sacramento River Diversion project would increase water supply reliability through access to existing surface water entitlements that are currently inaccessible from the City's Folsom Lake water division as agreed to as part of the City's Water Forum Agreement. Access to this water, however, would require a transfer of diversion point and potentially contract type. A similar project

for a new Sacramento River diversion was previously contemplated and plans went as far as preparing initial environmental review documents when that project was suspended during the economic downturn. While this potential supply alternative will not be available within the processing timeframes of the Placer Ranch project, it does represent a long-term supply and city-wide water supply reliability source.

Long-Term Water Supply Reliability – Consistent with other recent specific plans, the project would participate in the City's ASR program, use recycled water supplies and incorporate water efficiency measures into the project design. Groundwater wells would be provided onsite with the capability of injecting surplus treated surface water into the groundwater basin so that it could be made available during peak demand times and/or during dry conditions. With additional ASR wells, use of recycled water to offset potable water supply needs, and the increased use of water efficiency measures, long-term water supply reliability should be enhanced within the project and City-wide.

**Water Strategy Conclusion:** There are several water supply options available to serve the project. Additional studies will be needed to determine the most viable supply options, should the City proceed with the project. Adequate water supplies exist under PCWA's water budget to allow the City to obtain wholesale water service for the PRSP area. The Agency and City systems would need to be further interconnected to ensure that adequate redundancy exists to provide the expected level of service that Roseville customers enjoy.

**Council Discussion Item:** Regardless of the water supply option that ultimately is used to serve the project, the project will need to provide a source and supply of water that does not impact existing residents. PCWA analysis indicates that long-term water supplies are available to meet the anticipated demands for western Placer County, infrastructure capacity is provided to their customers on a First Come First Serve basis, with no guarantee of service until a project's water connection charges are paid.

Roseville has required all annexations to show that the area has a secure source of water prior to approving the proposed land use action. For example, the City acquired 3,200 acre-feet of water from San Juan Water District for the West Roseville Specific Plan as part of the approving action.

**Issue 1 –Direct Staff to work with surrounding water agencies (PCWA, San Juan and Sacramento Suburban to ensure the water supply is secured prior to approval of the plan.**

**Issue 2- Direct staff to work with surrounding water agencies to develop a long-term capital improvement plan to provide treatment, and transmission facilities to ensure the plan area meets the City's current levels of service.**

**Issue 3-Direct that the Placer Ranch Specific Plan participate in long term water supply strategies for this plan area and the City by developing Aquifer Storage and Recovery facilities (i.e. wells and pump stations) that improve water reliability.**

### 3 Fiscal and Funding Capacity

#### Fiscal Impact Analysis

The fiscal impact analysis considers the effect of a proposed project on the City's ability to fund General Fund services such as police, fire, and parks. By inserting project assumptions into the model, the project's fiscal impact on the City can be determined. For the purposes of this Feasibility Analysis, land use assumptions were made to estimate the number of residential units and the size of nonresidential uses that could occur within the Placer Ranch Specific Plan based on information provided by applicant. EPS, the financial consultant, projected the costs and revenues associated with the project in a report dated April 1, 2014 (see appendix A). This model did not include the plan's university site and the impacts of its anticipated students and employees. It is expected that the university will be supplying its own onsite services (safety personnel, etc.). As more information becomes available regarding the operations of the campus, staff may come back with additional analysis.

General Fund Annual Revenues \$9,576,000  
Total Annual General Fund Expenditures \$12,069,000  
Annual General Fund Deficit Before Adjustments -\$2,493,000  
Special Taxes/Assessments \$2,112,000  
Annual General Fund Deficit -\$381,000

EPS, the consultant for the City's fiscal impact model, identifies a 10%+/- margin of error in the model. This means that net revenue within 10%+/- of total costs is interpreted as "fiscally neutral." Notwithstanding this margin, the City must ensure that new development has a truly neutral impact or a positive impact on the General Fund. As such, any negative balance must be made up in order for the project to be considered fiscally neutral. By the projected year of build-out, the model predicts an annual negative fiscal impact on the City's General Fund. The cost of providing services in Placer Ranch will exceed the revenue generated within the area by \$381,000. Since this only represents 3%+/- it is well within the margin of error and is considered neutral.

Unknown at this time is the property-tax sharing arrangement between the City and the County for the Placer Ranch Specific Plan. Potential General Fund revenues cannot be estimated until this agreement is reached.

These projections indicate the importance of reaching a property tax-sharing agreement with Placer County and of identifying other project-based revenue sources in order for the Placer Ranch Specific Plan to achieve a neutral or positive impact on the City's General Fund. Examples of additional project-based revenues the City currently uses include:

- (1) Community Facilities District for services (police, fire, and libraries),
- (2) Neighborhood park maintenance, and
- (3) Storm water management.

- **Action:** Staff recommends that City Council provide direction reaffirming the adopted Guiding Principle that any new development project have a fiscally positive or neutral impact on the City's General Fund and that notwithstanding the fiscal impact model's margin of error, any negative balance must be made up in order for the project to be considered for approval.

### **Funding Capacity**

Funding capacity is a financial model used to estimate a project's ability to fund construction of infrastructure and facilities (e.g. fire station, electric substation, water and sewer main extensions, and major roadway improvements) needed to serve the project area. It is too early in the process to accurately predict the full infrastructure needs and costs. As more information becomes available regarding the project and infrastructure needs, the City will analyze this issue and will prepare a funding capacity analysis for the Placer Ranch Specific Plan.

The City's policy is that all capital costs are fully funded. This is usually done through a combination of private financing, fee programs, state funding (if available), and public bond financing. It is the City's policy not to provide any subsidy for capital facilities.

- **Action:** City staff recommends that the Council reaffirm that the project will not have a negative effect on the existing neighborhoods in Roseville by burdening existing residents and businesses with the cost of development or inadequate phasing of infrastructure.