FEASIBILITY ANALYSIS REPORT

FOR THE

Proposed Placer Ranch Specific Plan

November 2007

Prepared by:
City of Roseville

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SUMMARY REPORT

I Background and Purpose of Feasibility Analysis

Background: Since 2003, Placer Ranch Inc. has been processing the specific plan through Placer County. Substantial work including drafting a land use plan, a draft specific plan, and preparation of an administrative draft EIR has occurred. As the project moved forward, it became evident to the applicant, Placer Ranch Inc., that the cost burdens associated with services in the County would be too great. Therefore, the applicant is seeking to process their project within the City of Roseville.

Although the request to annex the project was recently submitted to the City of Roseville, City staff has been actively involved in this project for some time. Given the proposed project's location on the City's border, staff has had monthly technical meetings with the Applicant, as well as County staff over the last two years. The purpose of the meetings has been to discuss and resolve issues related to the project that could impact the City. For instance the county has run numerous traffic scenarios using the city's transportation model in order to identify ways to reduce impacts. As a result, staff is in a position of greater knowledge regarding the project, than would otherwise be available at this stage of the process.

A little more than half the project area is within the City's existing sphere of influence. It also is an area that was recommended for analysis as a future sphere of influence expansion area by the Growth Management Visioning Committee (GMVC).

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), 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 (6,700 residential units including 1,740 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.

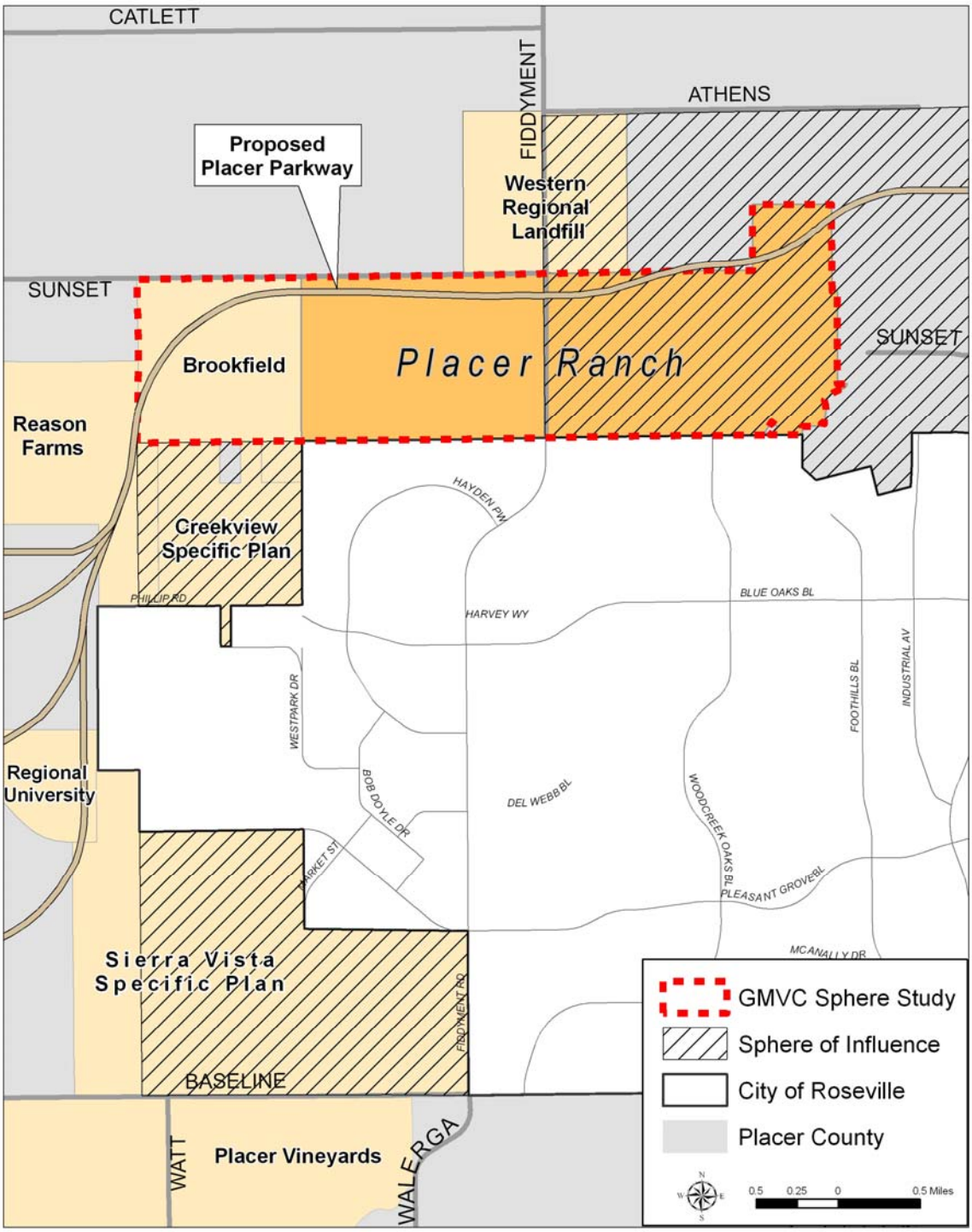
Placer Ranch shares three miles of a common boundary with the existing city limit. Approximately 56 percent of Placer Ranch is within the City's current sphere of influence (see attached exhibit).

If the Council decides to move forward with the project, staff will analyze the current 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.

Purpose of Feasibility Analysis: The Feasibility Analysis is an evaluation consisting of three technical studies that analyze the project related to 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 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. The General Plan's Policies, Standards, and Guiding Principles were applied during the West Plan and are intended to be applied to any future annexation and development proposal.

Summary Report: The Feasibility Analysis Report is a summary intended for use as an overview of the information and conclusions for each technical study as well as those items requiring further consideration by the City Council. The items requiring further consideration are identified as "**Action**" items for each of the studies.


CATLETT
FIDDYMENT
ATHENS
Proposed
Placer Parkway
Western
Regional
Landfill
SUNSET
Brookfield
Placer Ranch
SUNSET
Reason
Farms
Creekview
Specific Plan
HAYDEN PW
PHILLIP RD
HARVEY WY
BLUE OAKS BL
WESTPARK DR
FOOTHILLS BL
INDUSTRIAL AV
Regional
University
BOB DOYLE DR
DEL WEBB BL
WOODCREEK OAKS BL
MARKET ST
PLEASANT GROVE BL
MCANALLY DR
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Specific Plan
FIDDYMENT RD
BASELINE
WATT
Placer Vineyards
WALERGA
GMVC Sphere Study
Sphere of Influence
City of Roseville
Placer County
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II Analysis and Conclusions:

1. Traffic

The traffic portion of the Feasibility Analysis 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 MOU area and Placer County. All of the analyses were based on an updated version of the City's traffic model and Capital Improvement Program (CIP), which was approved by the Council in May of this year.

The Subsequent Environmental Impact Report (EIR) for the 2020 Transportation System Capital Improvement Program (CIP) evaluated three future development and roadway scenarios:

- 2020/City Build-out
- 2025/City Build-out with out Regional Roadway Improvements
- 2025/City Build-out with Regional Roadway Improvements

These development scenarios did not include growth or roadway improvements within the Sierra Vista Specific Plan (SVSP) or Creekview Specific Plan (CSP). Growth within the Brookfield plan area was not included within this feasibility study as it is not currently included in the base models used for this analysis. However, should the Council approve the processing of the PRSP, the DEIR for the project will include potential growth within the Brookfield project under a cumulative scenario to ensure that sufficient capacities exists within new roadways.

Growth within the PRSP area was added to each of the "no project" scenarios to obtain revised future traffic conditions. These revised traffic conditions were then compared to traffic conditions under the no project alternative to identify potential traffic impacts. Because the Council provided direction to move forward with the SVSP and CSP plan areas, lad use within those plan areas have been considered in some of the no project conditions.

The feasibility compared the evaluated the scenarios:

- 2020/City Build-out plus PRSP
- 2025/City Build-out plus PRSP
- 2025/City Build-out plus PRSP with Regional 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.

2020/City Build-out plus PRSP

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 2020. 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. 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 2 intersections that would improve with the addition of the PRSP.

TABLE 1
LOS Comparison
2020 Plus PRSP

	No Project	Plus PRSP Mitigated
Percentage LOS A-C	78%	74%
Total LOS D	25	25
Total LOS E	15	15
Total LOS F	7	14
Total less than LOS C	47	54

TABLE 2
Impacted Intersections
2020 Plus PRSP

Intersection	Level of Service		
	No Project	Plus PRSP	Plus PRSP Mitigated
Washington/Blue Oaks	E	F	
Orlando/Cirby	C	D	
Vernon/Cirby	E	F	
Roseville Parkway/Douglas	C	D	
Fiddyment/Baseline	D	E	
Foothills/Albertsons	C	D	C
Foothills/Blue Oaks	E	F	
Foothills/McAnally	C	D	
Foothills/Roseville Parkway	B	D	
Foothills/Vineyard	D	E	
Galleria/Berry	C	D	
Woodcreek Oaks/Pleasant Grove	C	E	
Pleasant Grove/Fairway	E	F	
Roseville Parkway/Olympus	D	E	
Sunrise/Kensington	D	E	
Sunrise/Roseville Parkway	E	F	
Taylor/Eureka	E	F	
Grant/Vernon	C	D	
Judah/Vernon	D	E	
Woodcreek Oaks/Baseline	D	F	
HP East/Blue Oaks	C	D	C
Crocker Ranch/Blue Oaks	C	D	C
West Gibson/Roseville Parkway	C	D	C
Chase/Roseville Parkway	C	D	

TABLE 3
Improved Intersections
2020 PRSP

Intersection	Level of Service	
	No Project	Plus PRSP
Junction/Baseline	D	C
SR 65 NB Off/Pleasant Grove	D	C

2025/City Build-out plus PRSP

Roseville's current General Plan LOS policy and CIP are based on 2020 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). This 2025 scenario is comparable to the development scenario considered in the Placer Vineyards EIR. The only difference between the CIP Update EIR and the County Specific Plan EIR is that the CIP Update EIR does not include growth in the SVSP or CSP areas, nor does it include three key regional improvements; the widening of Interstate 80 and Highway 65 along with the construction of the Placer Parkway.

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 2020, these improvements are currently unfunded.

Under the no project scenario, which includes build-out of both the SVSP and CSP plan areas, 58 intersections would operate at less than LOS C. As shown in Table 4, increasing the development level within the PRSP from 2025 market rate to build-out would cause the number of intersections operating at less than LOS C to increase from 58 to 62. This equates to 73 percent of the City's intersections operating at LOS C or better.

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 5 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
LOS Comparison
2025 Plus CSP and SVSP

	No Project	Plus PRSP Mitigated
Percentage LOS A-C	73%	71%
Total LOS D	29	28
Total LOS E	15	15
Total LOS F	14	19
Total less than LOS C	58	62

TABLE 5
Impacted Intersections
2025 Plus PRSP

Intersection	Level of Service		
	No Project	Plus PRSP	Plus PRSP Mitigated
Diamond Creek/Blue Oaks	C	D	C
Fiddyment/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	
Fiddyment/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	

There were no intersections that improved under this scenario. The results of this scenario indicate that absent the construction of additional regional roadway improvements, it is questionable as to whether the City would be able to maintain its LOS policy beyond year 2025. In consideration of this, an additional scenario was studied under a 2025 horizon year that included the widening of Interstate 80 and Highway 65 along with the construction of Placer Parkway.

2025/City Build-out plus PRSP with Regional Improvements

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

TABLE 6
LOS Comparison
2025 Plus PRSP with Regional Improvements

	No Project	Plus SVSP & CSP 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 7
Impacted Intersections
2025 Plus PRSP with Regional Improvements

Intersection	Level of Service		
	No Project	Plus PRSP	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 8
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
Fiddyment/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 in the MOU area and Placer Ranch Specific Plan. Key to managing this additional development are improvements to Interstate 80, Highway 65 and the construction of Placer Parkway. Significant progress has been made in identifying funding for these projects. The status of each is summarized below.

Interstate 80 – Funding is currently available to complete all of the widening in the westbound direction of I80 from Highway 65 to the Sacramento County line and in the eastbound direction from the Sacramento County line to the Eureka Road interchange. These improvements are expected to be completed by 2010. The remaining $80 million in improvements in the eastbound direction between Eureka Road and Highway 65 are currently unfunded. With the second allocation of Prop 1B bonds, the Placer County Transportation Planning Agency (PCTPA) is cautiously optimistic that this remaining segment will be funded.

Highway 65 – The widening of Highway 65 to 6-lanes between Interstate 80 and the Twelve Bridges interchange is needed even without development in the MOU area. The South Placer Regional Transportation Authority (SPRTA) is currently considering an update to the SPRTA fees to include $50 million in improvements to Highway 65. This would fund approximately half of the needed $95 million. Future growth areas in South Placer, including Placer Vineyards, Regional University, Placer Ranch and the MOU area could provide additional SPRTA funding to complete this project.

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 a potential Tier 2 Fee, would impose a development fee for these improvements.

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 both 2020 and 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.

Beyond year 2025, absent the construction of the regional facilities identified above, it is unlikely that Roseville would be able to maintain its General Plan LOS policy with or without development in the MOU area or PRSP. As such, any development within the MOU area or 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.

- **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.

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.

Water supply for the PRSP area would be acquired from PCWA's water supply portfolio. Roseville would obtain treated water on a wholesale basis similar to how the City of Lincoln obtains water from the Agency. This assumption is based on preliminary discussions with Agency staff.

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.

<u>Background</u>
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.

Water Strategy Conclusion: 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 insure that adequate redundancy exists to provide the expected level of service that Roseville customers enjoy.

Council Discussion Item: PCWA has adopted a different policy in providing water supply to their service area. While their 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 ensure 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 – The City would need to have the water supply for the Placer Ranch Specific Plan secured for approval of the plan rather than relying on PCWA's First Come First Serve policy.

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 the Placer Ranch landowner. The fiscal impact model then projected the costs and revenues associated with the project. 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.

MuniFinancial, 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.

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. In the interim, the model was run with two property tax-sharing scenarios:

(1) The property tax-sharing arrangement that was used for the West Roseville Specific Plan annexation in which Placer County receives 56% of the available tax increment and the City receives the remaining 44%:

	FY2010	FY2015	FY2020	FY2025	FY2027
Gen Fund revenue	$4,526,600	$9,911,500	$13,760,100	$16,498,500	$16,690,100
Gen Fund cost	$5,103,000	$11,773,000	$16,415,000	$19,214,000	$19,413,000
Net revenue	($576,400)	($1,861,500)	($2,654,900)	($2,715,500)	($2,722,900)
Net rev as % of cost	**(11.30%)**	**(15.81%)**	**(16.17%)**	**(14.13%)**	**(14.03%)**

(2) Placer County receives a 17.6% net tax increment after accounting for its Educational Revenue Augmentation Fund (ERAF) contribution with the City receiving the remainder (which, in this case, equals 7.97%):

	FY2010	FY2015	FY2020	FY2025	FY2027
Gen Fund revenue	$4,022,600	$8,829,500	$12,237,100	$14,728,500	$14,901,100
Gen Fund cost	$5,103,000	$11,773,000	$16,415,000	$19,214,000	$19,413,000
Net revenue	($1,080,400)	($2,943,500)	($4,177,900)	($4,485,500)	($4,511,900)
Net rev as % of cost	**(21.17%)**	**(25.00%)**	**(25.45%)**	**(23.34%)**	**(23.24%)**

By the projected year of build-out (fiscal year 2027), the model predicts an annual negative fiscal impact on the City's General Fund in both scenarios. In the first scenario, the cost of providing services in Placer Ranch will exceed the revenue generated within the area by 14% or $2.7 million. In the second scenario, costs will exceed revenues by

23% or $4.5 million. A copy of the full Fiscal Impact Analysis prepared by MuniFinancial is included in this report as Technical Appendix C.

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.