



Arden Arcade Incorporation Study Comprehensive Fiscal Analysis Public Hearing

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Introduction

Presentation Outline

- Introduction
- Approach
- Comprehensive Fiscal Analysis
 - Boundary alternatives
 - Costs
 - Revenues
 - Net fiscal impact

Introduction

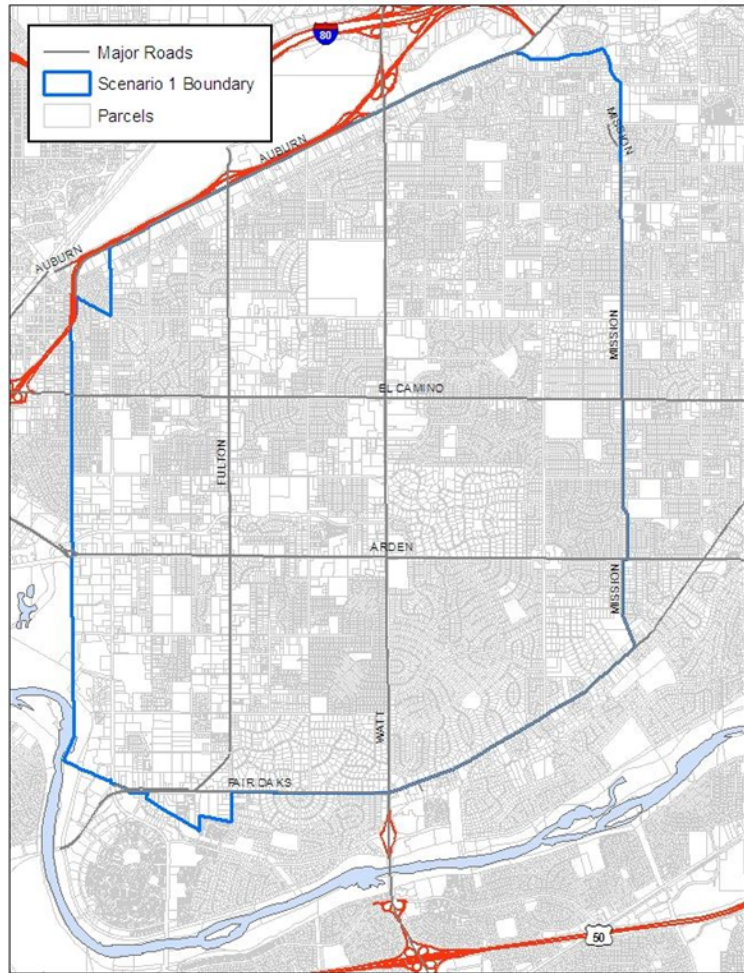
- Key Dates and Time Frames
 - County cost and revenue data from FY2008-09 budget actuals
 - All costs and revenues in constant 2009 dollars
 - Date of incorporation = July 1, 2011
 - Transition year = July 1, 2011 to June 30, 2012
 - Ten-year planning horizon for fiscal projection (through FY2020-21)
- Methodology
 - Based on LAFCO guidelines
 - State Statue (*Cortese-Knox-Hertzberg Act*)

Approach

- Focus on costs of providing services
- Includes estimated revenue neutrality calculations
- Two boundary alternatives
- Maintain current levels of service
- Two Funds:
 - General Fund
 - Road Fund

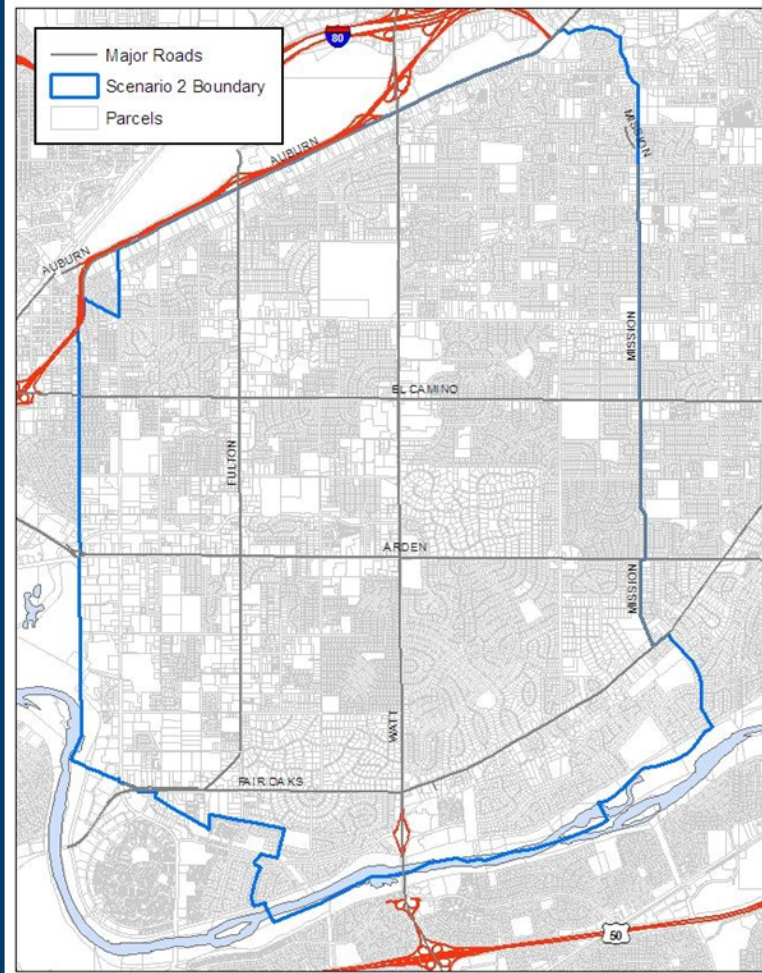
Two Boundary Alternatives

Figure E.1: Scenario 1 Boundary



Sources: Sacramento County GIS; Willdan Financial Services.

Figure E.2: Scenario 2 Boundary



Sources: Sacramento County GIS; Willdan Financial Services.

Land Use Assumptions

Residential

- Current trends
 - Arden Arcade is a relatively built out area
 - Most new construction is renovation or replacement
 - Gradual increase in housing units
- Growth projection based on vacant parcel data available as of April 2009, from Sacramento County

Land Use Assumptions

Commercial

- Current trends
 - Low demand for retail development in near term
 - Gradual market recovery
- Growth projection based on vacant parcel data in Sacramento County
 - Retail: 177,000 SF to be developed
 - Office: 82,000 SF to be developed

Providers of Municipal Services

Service	Current Provider	Future Provider
Animal Control	Sacramento County	City (contract with County)
Electric and Gas	Public and private utility companies	No change
Fire and EMS	Sacramento Metropolitan Fire District	No change
Flood Control	American River Flood Control District	No change
General Government	Sacramento County	City
Library	Sacramento County	No change
Parks and Recreation	Arcade Creek Rec. and Park District; Arden Manor Rec. and Park District; Arden Park Rec. and Park District; Fulton-El Camino Rec. and Park District; Mission Oaks Rec. and Park District	No change
Planning	Sacramento County	City
Police	Sacramento County	City (contract with County)
Public Protection	California State Highway Patrol	City (contract with CHP)
Public Works (incl. Road Maintenance)	Sacramento County	City (contract with County)
Solid Waste Collection	Sacramento County	No change
Solid Waste Disposal	Sacramento County	No change
Telecommunications	Private utility companies	No change
Water	Cal American Water Company; Carmichael Water District; City of Sacramento; Del Paso Manor Water District; Sacramento County Water Agency; Sacramento Suburban Water District; Southern California Water Company	No change
Wastewater	Sacramento Area Sewer District; Sacramento Regional County Sanitation District	No change

Costs

Staffing & Other Costs (Excluding Police)

- Costs are based on maintaining the existing County service levels for new city
- Comparable city data used to develop:
 - Staffing levels
 - Salary levels
 - Benefit levels

Comparable Cities

Staffing & Other Costs

- Comparable cities used in analysis:
 - Elk Grove
 - Folsom
 - Rancho Cordova
 - Roseville
 - Rocklin
 - Woodland
 - West Sacramento
 - Citrus Heights
 - Davis
 - Auburn
 - Placerville

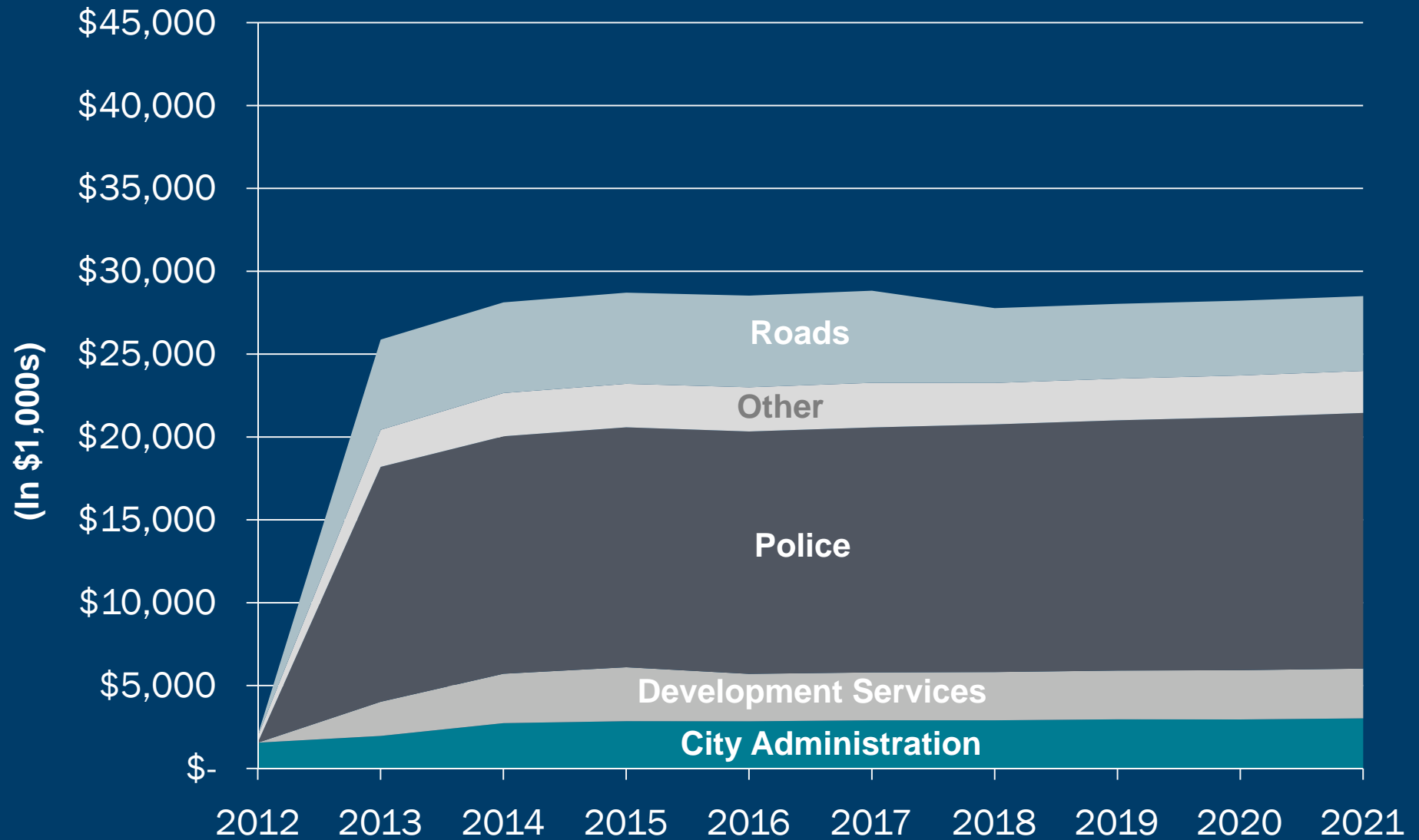
Costs

Law Enforcement Contract

- Costs maintain current level of service, per County data:
 - \$14.0 million for Scenario 1 in Base Year
 - \$14.5 million for Scenario 2 in Base Year
- Costs include sworn positions, non-sworn positions, vehicles, services and supplies.

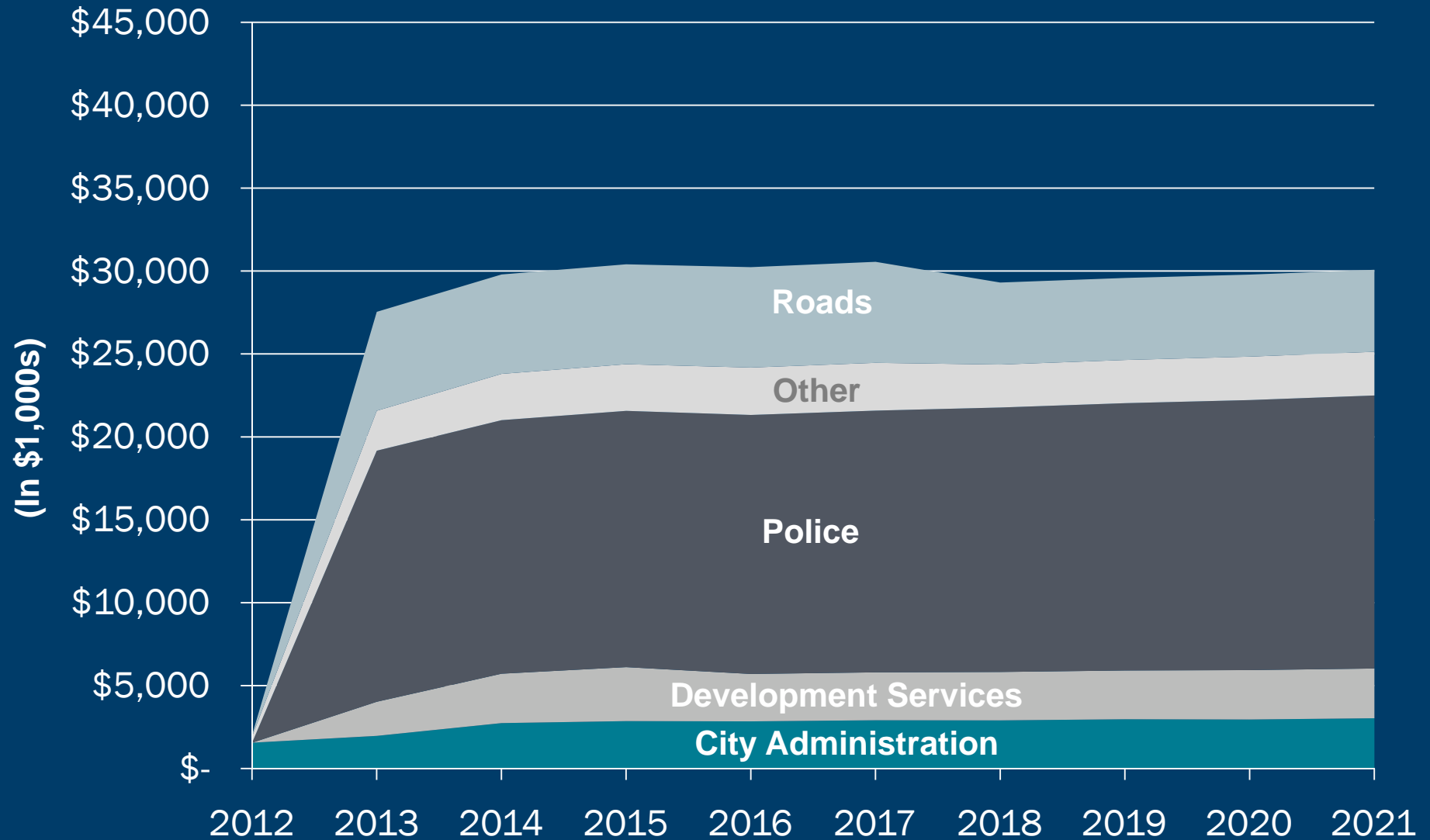
Costs

General and Road Funds – Scenario 1



Costs

General and Road Funds – Scenario 2



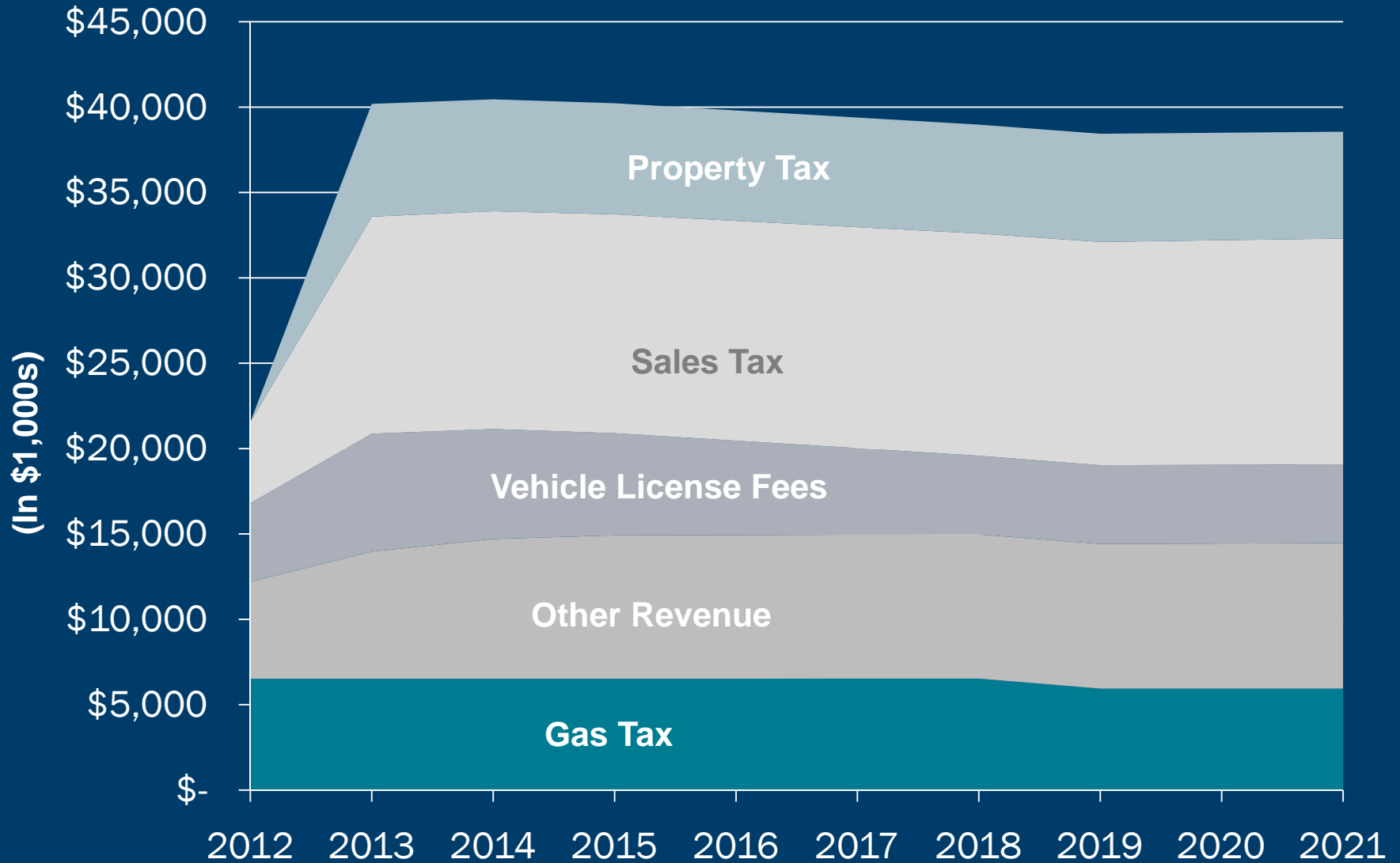
Revenues

General and Road Funds

- Property tax
- Sales tax
 - GIS maps / County development data
 - SBOE sales tax data by address
 - New sales tax based on assumption of \$340 retail sales per square foot, based on the Urban Land Institute's *Dollars and Cents of Shopping Centers 2008*
- Vehicle license fees (AB 1602 and SB 301 apply)
- Gas tax
- Other
 - Property transfer tax
 - Franchise fees
 - Business license fees
 - Fines and penalties
 - Interest

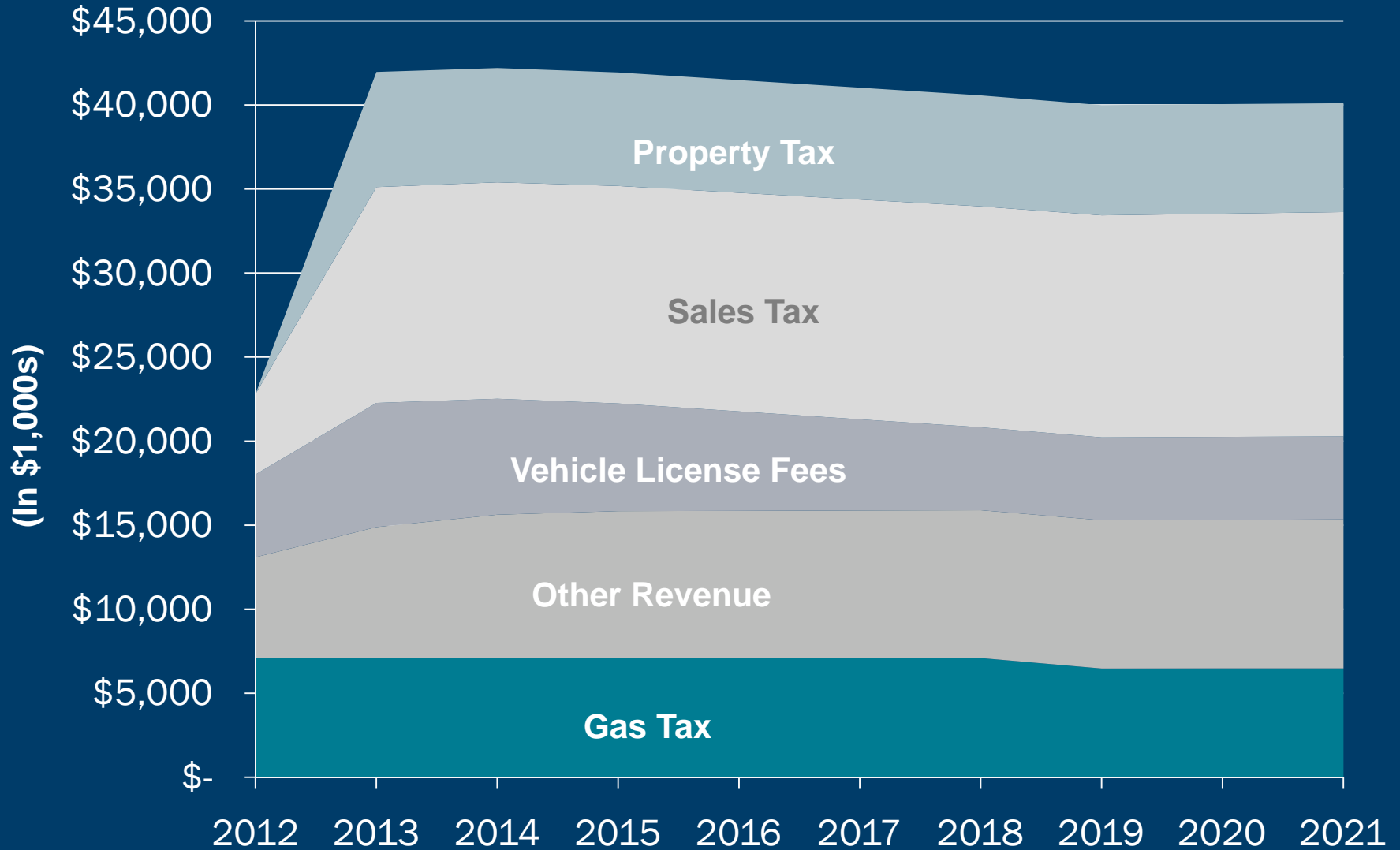
Revenues

General and Road Funds – Scenario 1



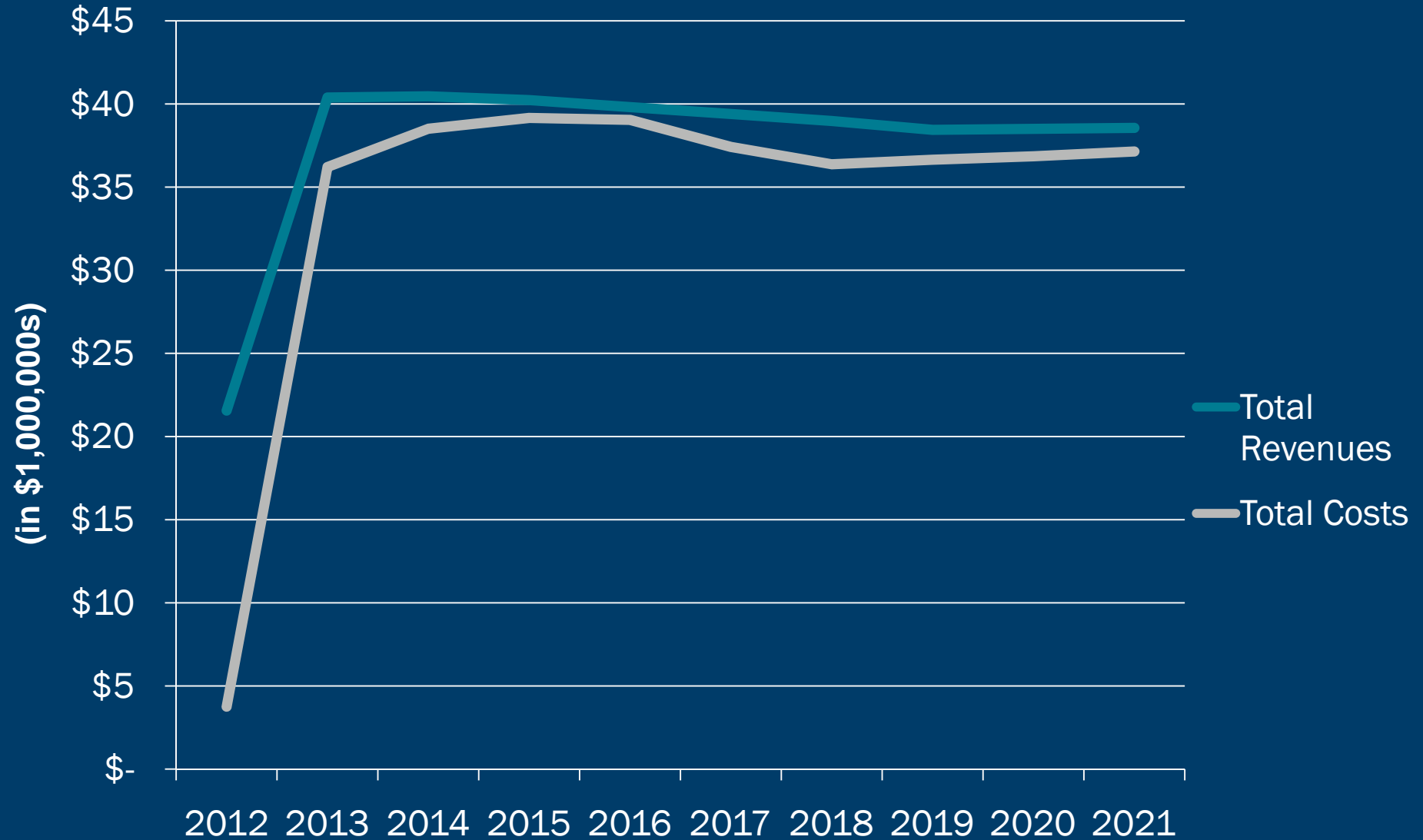
Revenues

General and Road Funds – Scenario 2



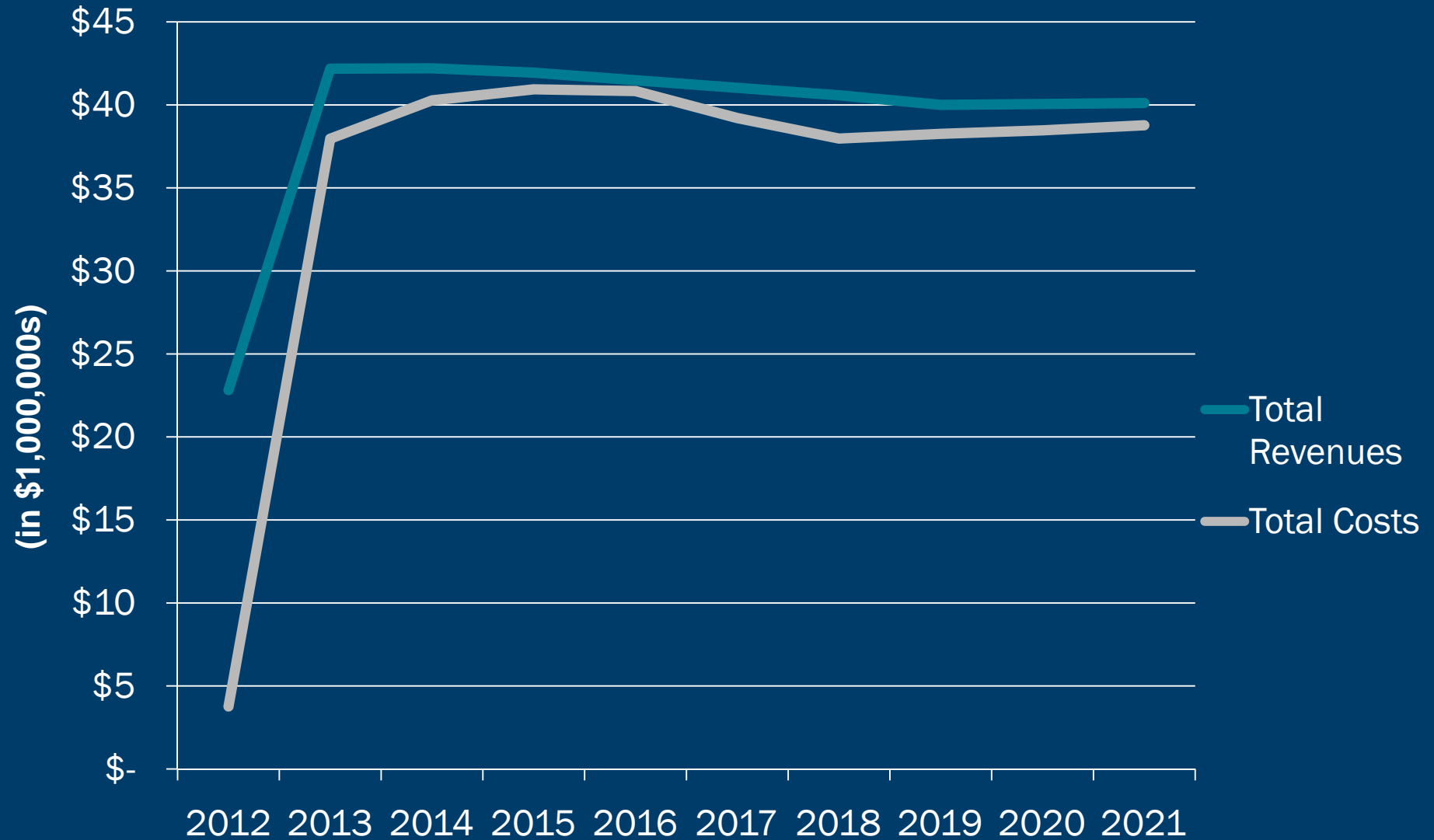
Costs and Revenue Summary

All Funds – Scenario 1



Costs and Revenue Summary

All Funds – Scenario 2



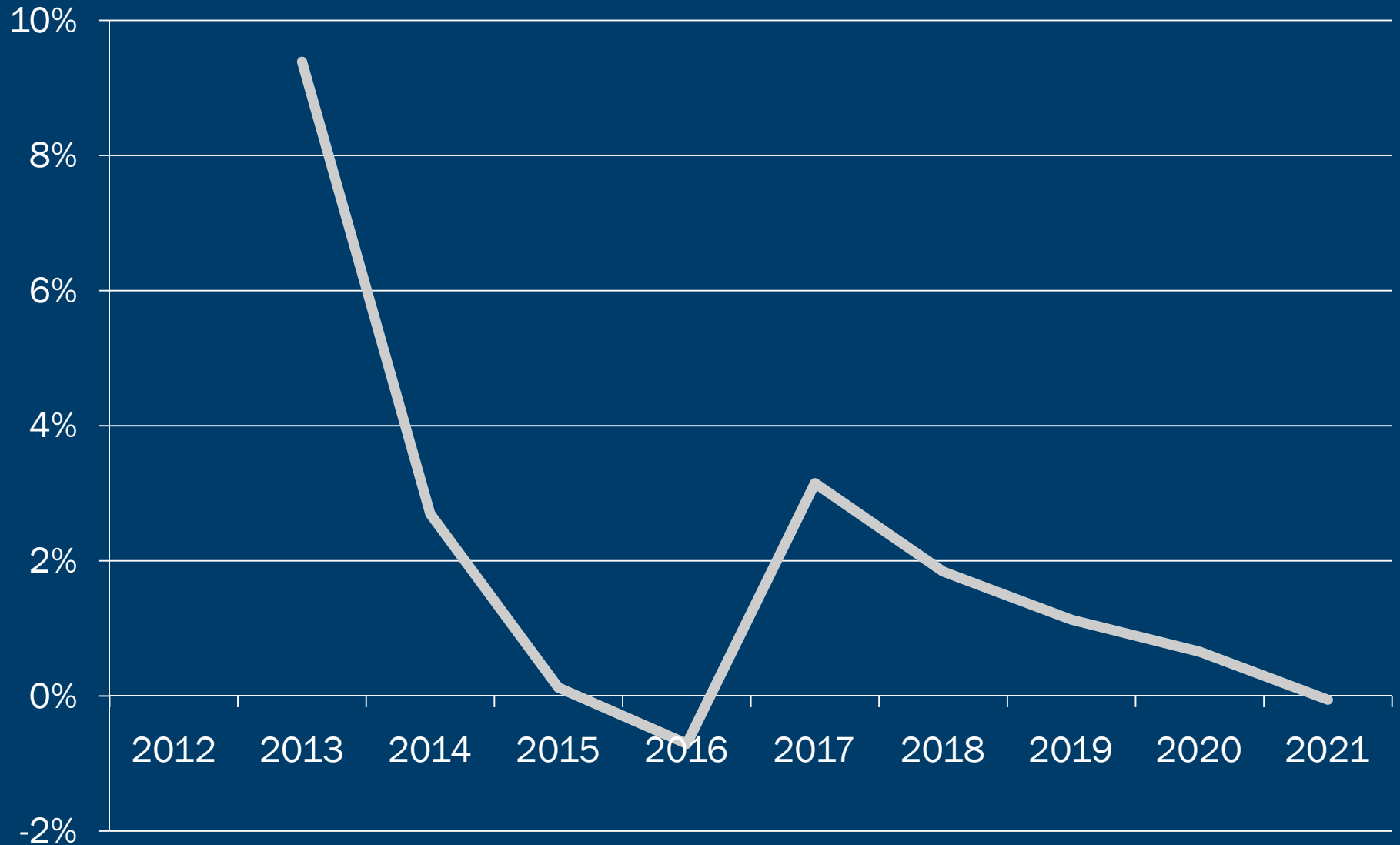
Comprehensive Fiscal Analysis

Evaluating Results By Fund

- Conditions for determining feasibility:
 - Net revenues = greater than - 10% of total costs
 - Fund balance = greater than 10% of total revenues

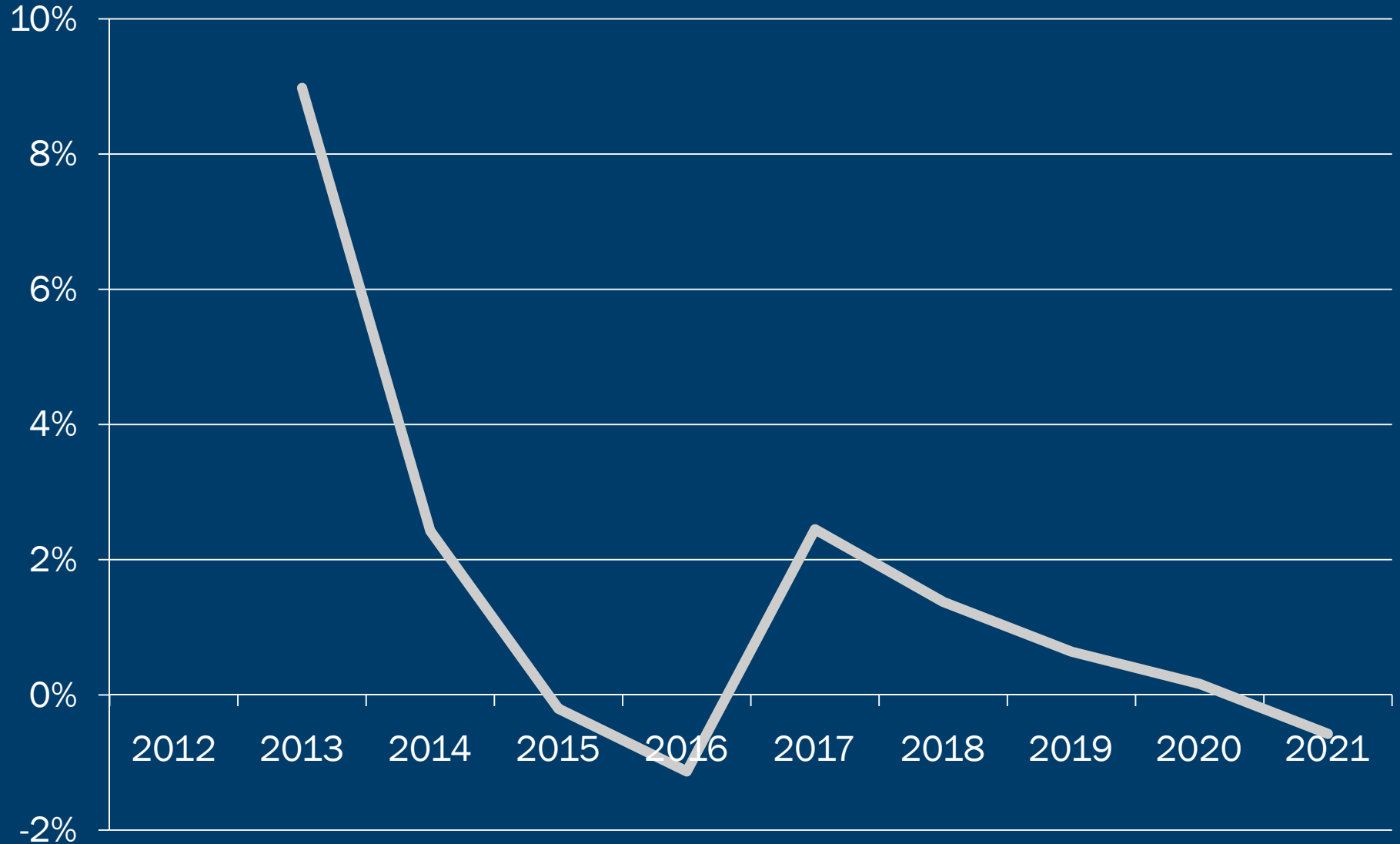
Net Revenue

General Fund – Scenario 1



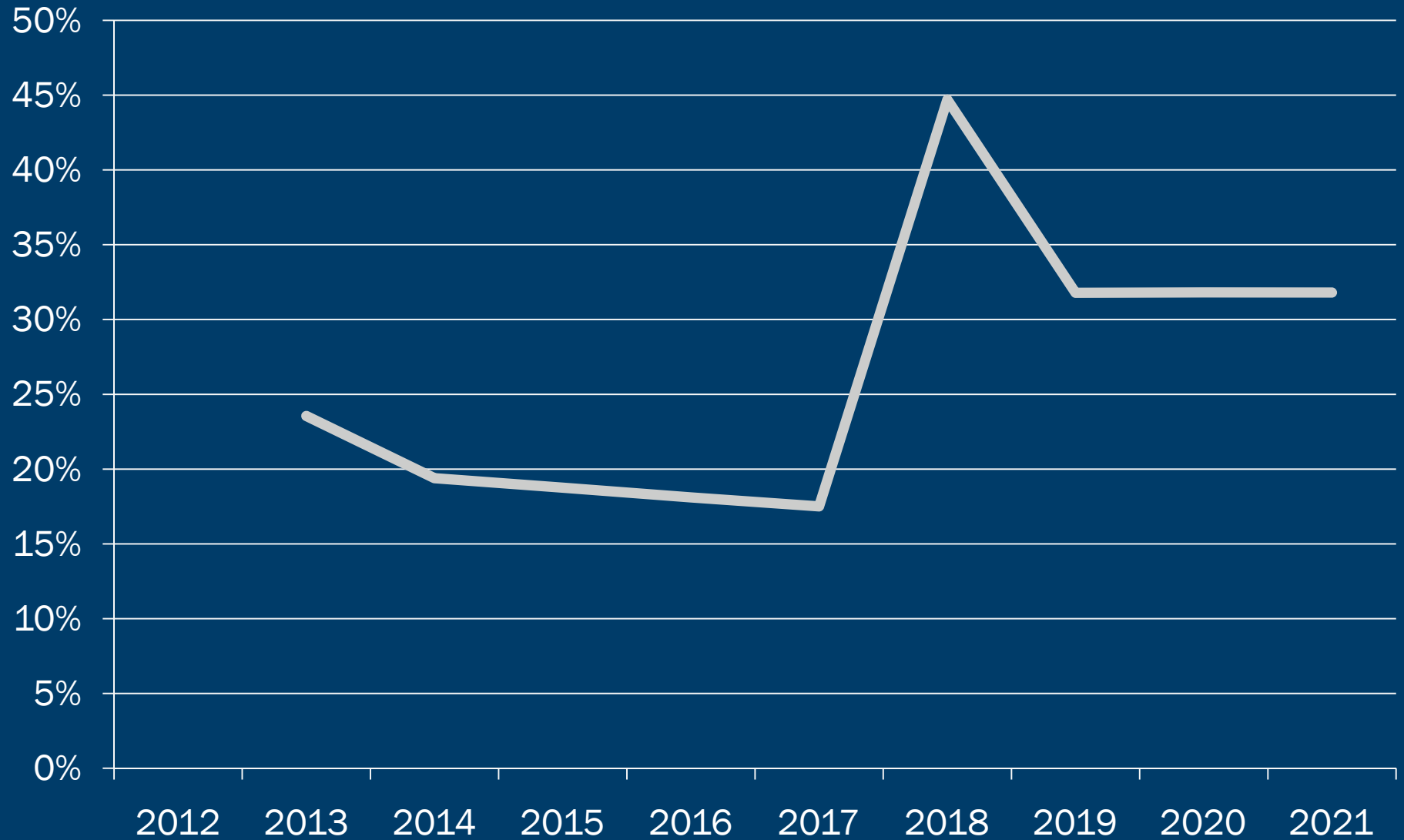
Net Revenue

General Fund – Scenario 2



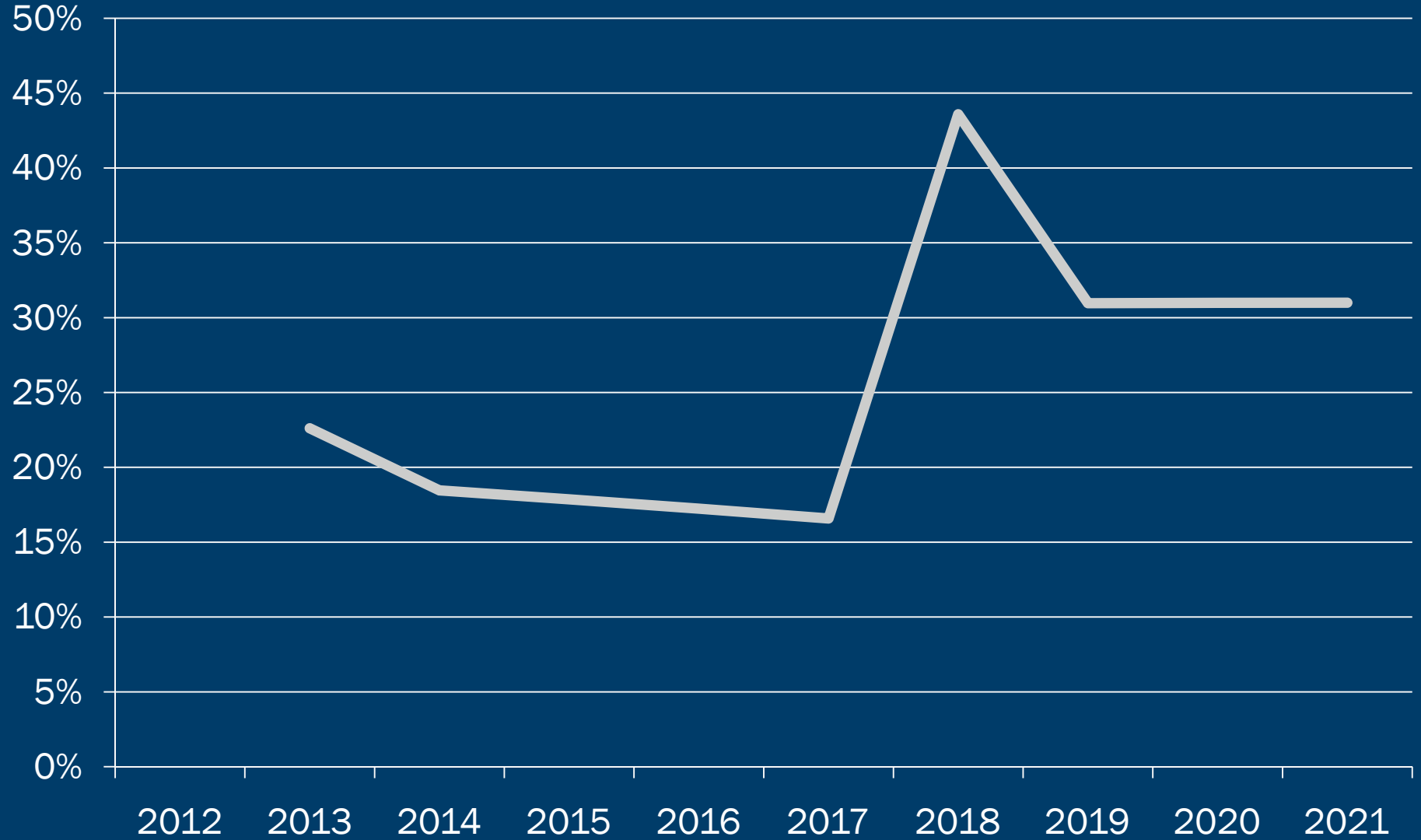
Net Revenue

Road Maintenance Fund – Scenario 1



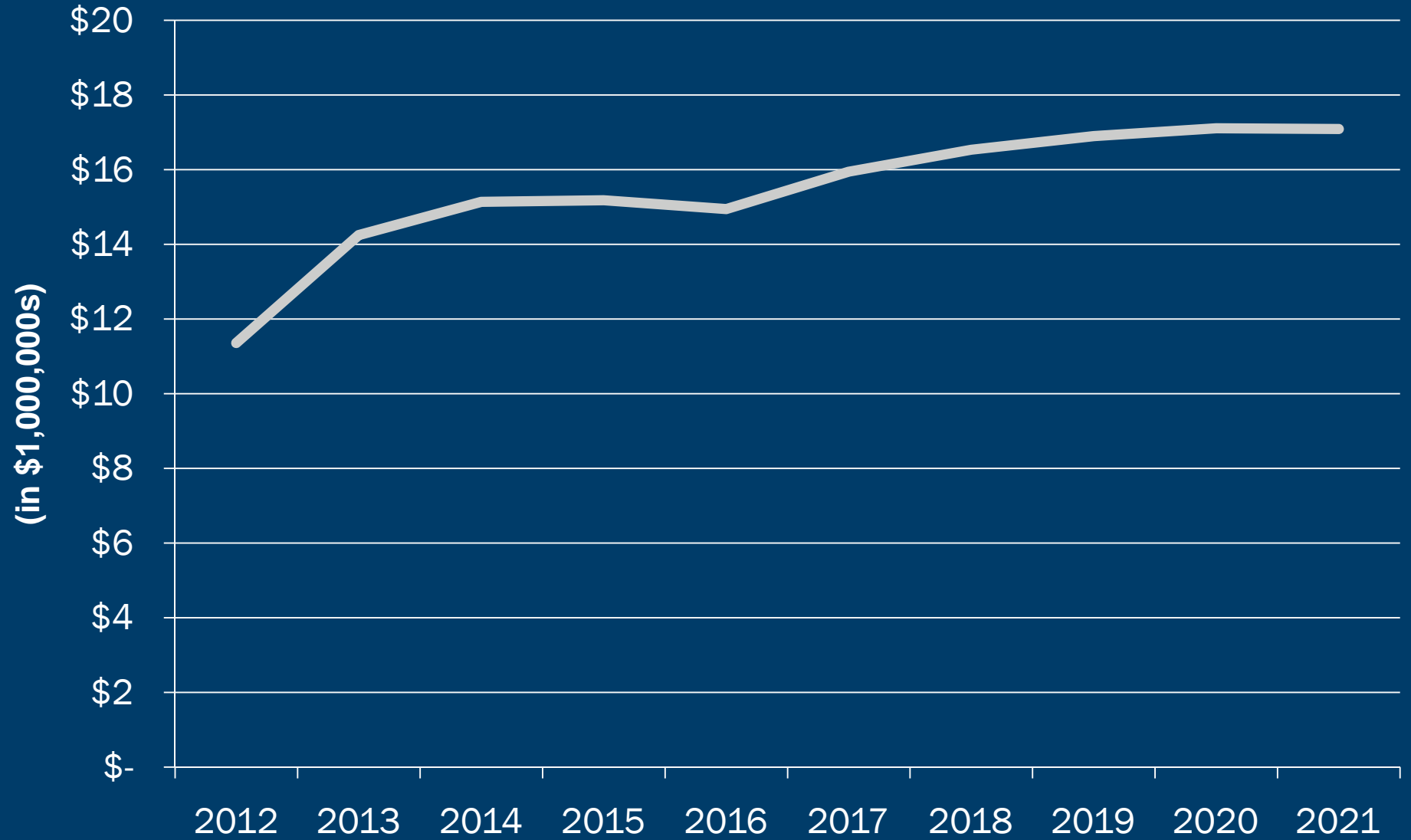
Net Revenue

Road Maintenance Fund – Scenario 2



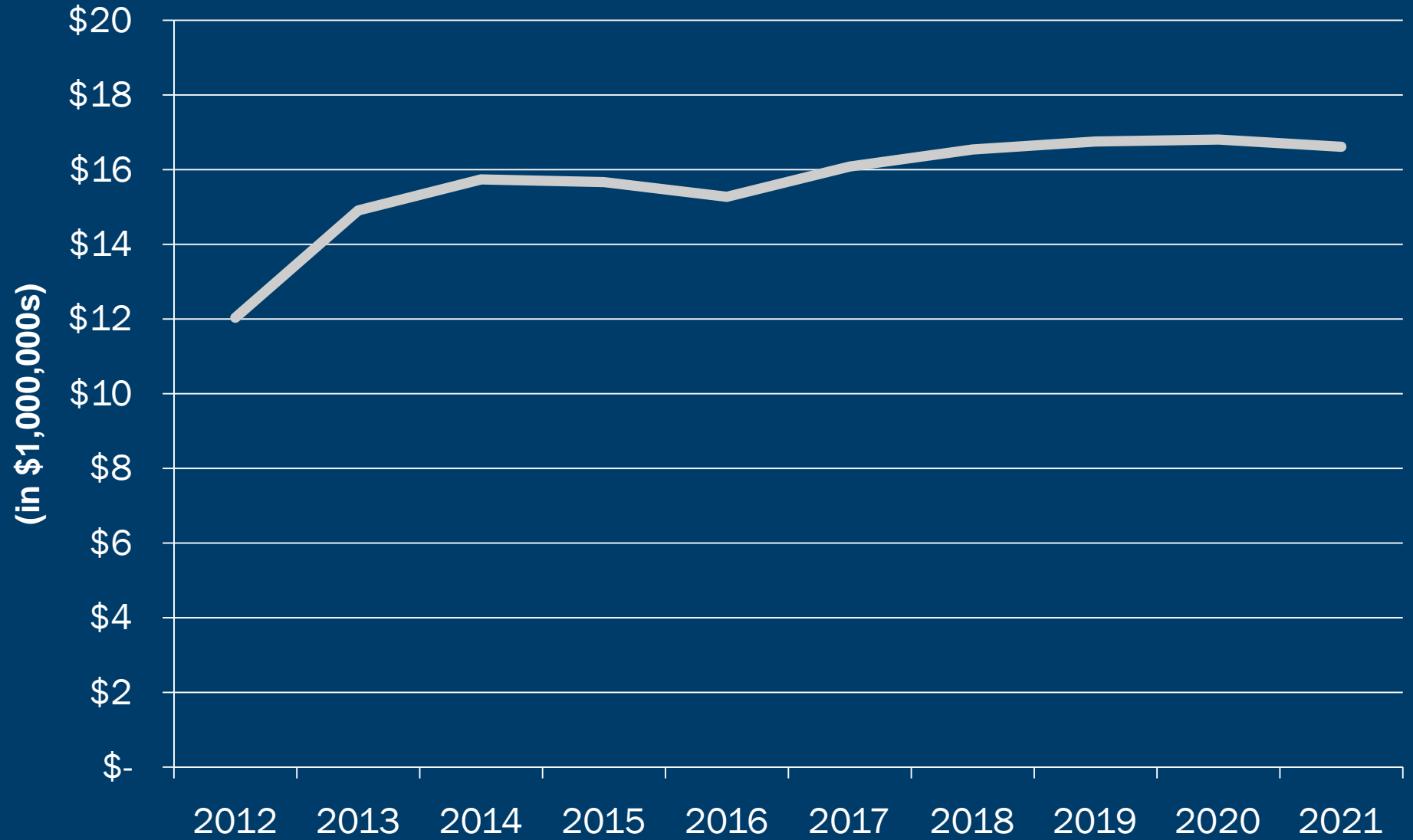
Fund Balance

General Fund – Scenario 1



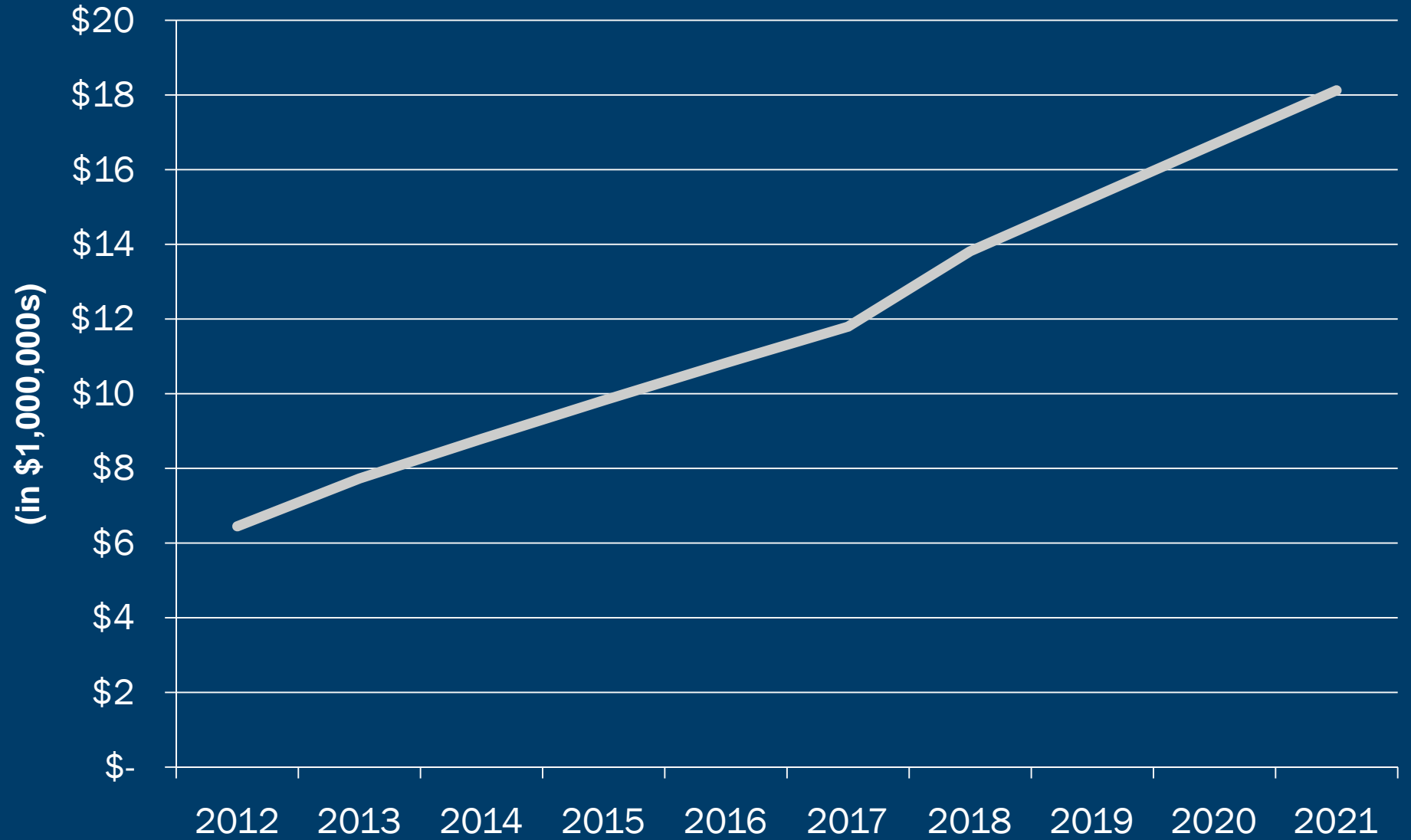
Fund Balance

General Fund – Scenario 2



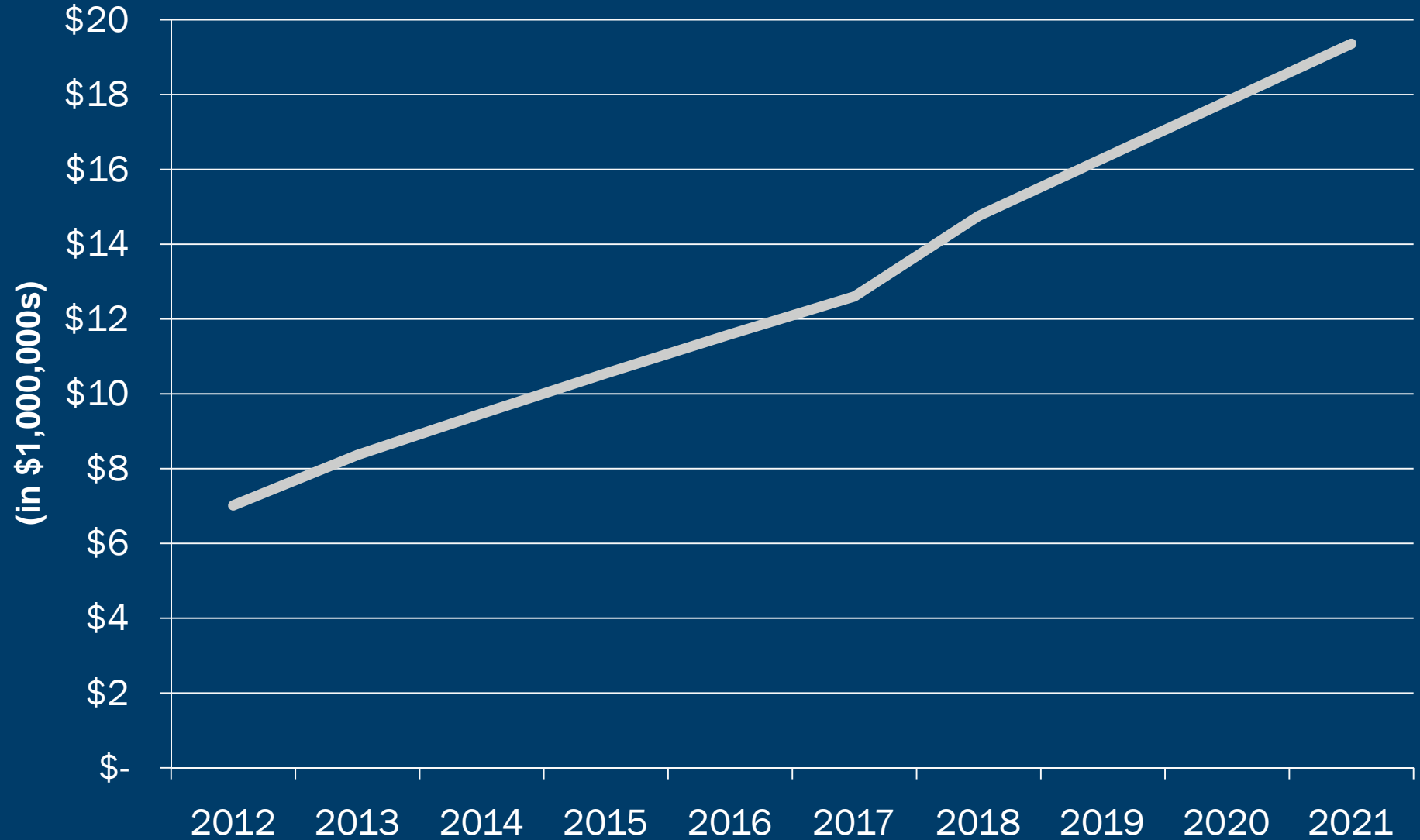
Fund Balance

Road Fund – Scenario 1



Fund Balance

Road Fund – Scenario 2



Questions, Answers, & Discussion