

***SACRAMENTO LOCAL AGENCY FORMATION COMMISSION  
1112 I Street #100  
Sacramento, California 95814  
(916) 874-6458***

June 6, 2007

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **Request from City of Elk Grove to Concurrently Process Sphere of Influence Amendment and Annexation of the 86+ Acre Franklin Crossing Annexation Area (APNs: 132-0132-042 & 1680-057)**

Contact: **Don Lockhart, Assistant Executive Officer (916) 874-2937**

**RECOMMENDATION**

Approve the request from the City of Elk Grove to consolidate a Sphere of Influence Amendment and Annexation of the Franklin Crossing Specific Plan 86+ acre affected territory into a single application for concurrent processing.

**DISCUSSION**

The City of Elk Grove has requested that your Commission waive its policy that discourages the concurrent processing of a Sphere of Influence Amendment and an Annexation. The City has made this request for a number of reasons discussed further below.

**BACKGROUND**

The City of Elk Grove was incorporated on July 1, 2000, after two prior failed attempts, one in 1988, one in 1994. The City contains approximately 35 +/- square miles. It is located south of Calvine Road, west of Grantline, north of Kammerer Road and east of Interstate 5.

On September 3, 2003 the Commission approved the SOI for the City of Elk Grove as coterminous with the City of Elk Grove's city limit (corporate boundary) at the date of incorporation; and concurrently amended the SOI and annexed the territory described as Laguna West, (Laguna West, Stonelake and Lakeside) to the City of Elk Grove.

Franklin Crossing is located south of the city limit, east of the Union Pacific rail line and north of the alignment of Kammerer Road (which terminates to the east at Bruceville Road.) The proposed Sphere of Influence Amendment and Annexation is contiguous to

the city limit. In anticipation of annexation, the affected territory was rezoned on March 28, 2007, to accommodate 233 single-family dwellings.

The attached letter from the City of Elk Grove provides several points in support of granting this exception:

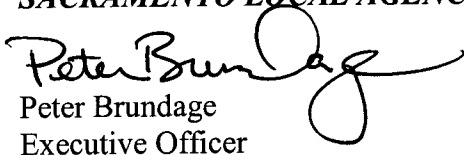
- 1) The subject territory is undeveloped, and is part of the 2474+ acre East Franklin Specific Plan, approved by the County of Sacramento on May 31, 2000, prior to incorporation. It is located entirely within the County General Plan Urban Services Boundary, and is currently designated for single family residential development. The 2388+ acre balance of the EFSP is already within the city limit.
- 2) The subject territory was not included in the incorporation proceedings because it was not yet developed and was in the process of obtaining County approval for development.
- 3) The subject territory does not appear to create any significant political, environmental, fiscal or socio-economic issues that are at odds with annexation to the City of Elk Grove.
- 4) The project site is uninhabited, with 100 % landowner consent.
- 5) The subject territory was not included in the incorporation proceedings because it was not yet developed and was in the process of obtaining County approval for development.
- 6) Annexation to the City of Elk Grove would promote a logical extension of urban services, and facilitate the implementation of the EFSP, including the updated Financing Program (see attached,) under the auspices of a single land use authority.

The City of Elk Grove and County of Sacramento are required to meet and confer on the Sphere of Influence Amendment to discuss technical issues related to the annexation. Previously, on June 14, 2006, the City and County approved a Property Tax Sharing Agreement. The City's request to modify the standard Sacramento LAFCo process into one proposal will not affect the property tax exchange agreement.

Based on the reasons set forth in the request from the City of Elk Grove, I recommend your Commission approve the wavier of LAFCo policies for the joint processing of a Sphere of Influence Amendment and Concurrent Annexation of Franklin Crossing.

Respectfully submitted,

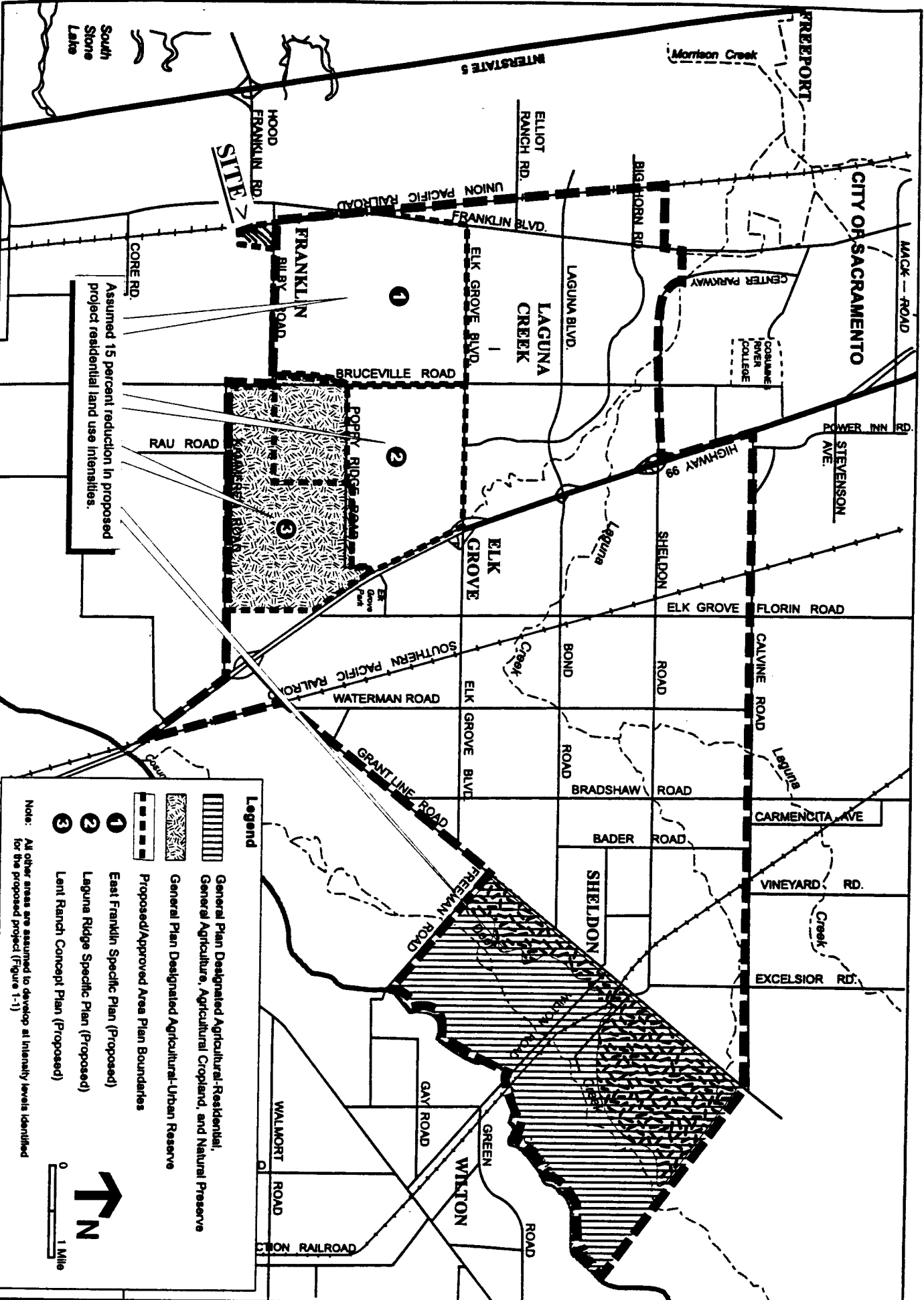
**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

  
Peter Brundage  
Executive Officer

DL:dl

Attachment

(Franklin Crossing)



Assumed 15 percent reduction in proposed project residential land use intensities.

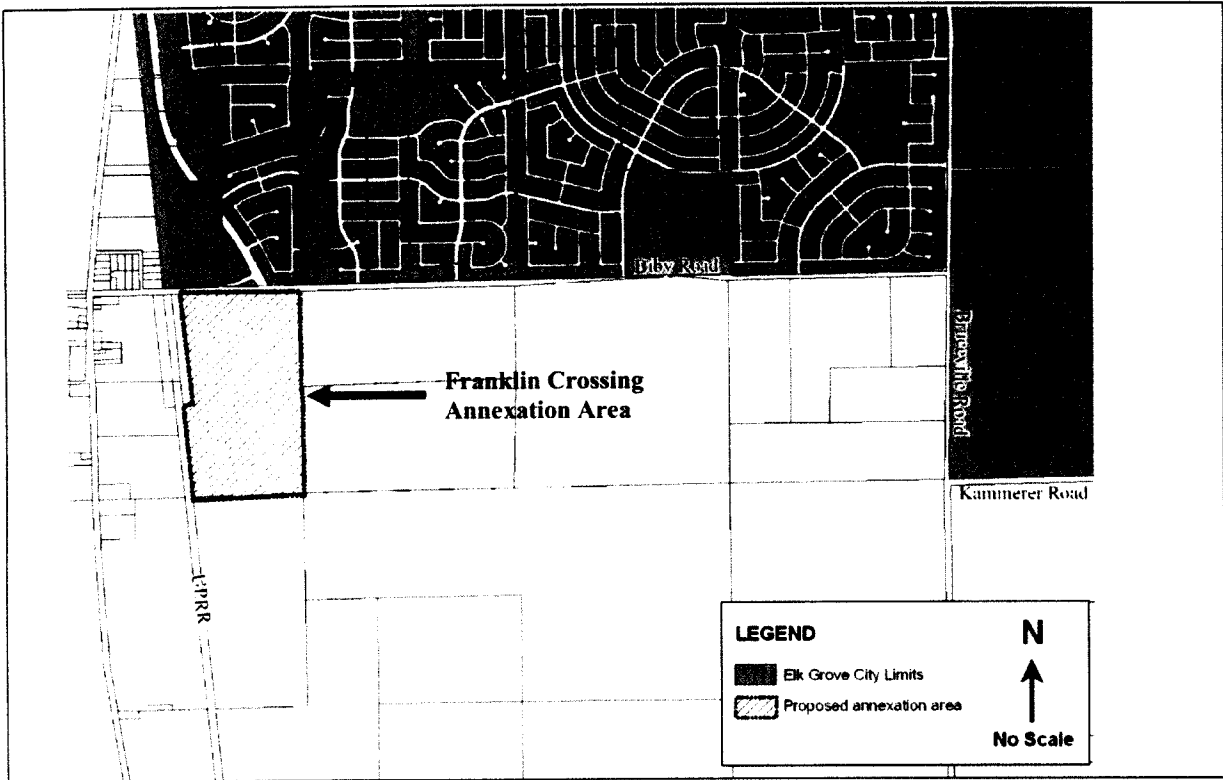
**Legend**

- General Plan Designated Agricultural-Residential, General Agriculture, Agricultural Cropland, and Natural Preserve
- General Plan Designated Agricultural-Urban Reserve
- Proposed/Approved Area Plan Boundaries
- 1** East Franklin Specific Plan (Proposed)
- 2** Laguna Ridge Specific Plan (Proposed)
- 3** Lent Ranch Concept Plan (Proposed)

**Note:** All other areas are assumed to develop at intensity levels identified for the proposed project (Figure 1-1)

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**Franklin Crossing Annexation Area**

Franklin Crossing  
A Proposed Single Family Residential Project  
Prepared by the Elk Grove Finance Department on May 16, 2007

There are many financing mechanisms the City has implemented in efforts to assure new development funds the various impacts it creates, and these mechanisms would fund the extension of urban facilities and services to the Franklin Crossing Project.

The financing mechanisms established by the City for a single family home project that would apply in the Franklin Crossing area currently include:

**Development Impact Fee Programs  
(due at the time of building permit issuance)**

The project would be required to pay all the City administered development impact fee programs. Those programs currently include:

1. The citywide Capital Facilities Fee which funds the following facilities: Civic Center; Police Facilities; Railroad Overcrossings; Corporation Yard; Intelligent Transportation System; Library Facilities; Transit – both rapid and bus transit facilities
2. The citywide Affordable Housing Fee (applies only to residential development).
3. The citywide Elk Grove Roadway Facilities Fee which is a multi-zonal fee program that generally funds the center lanes and medians of major roadways, and funds major intersections, freeway interchanges, and bridges. The project is located in Zone 1.
4. The citywide Elk Grove Fire Fee which is a multi-zonal fee program that funds fire capital facilities and equipment. The project is located in Zone 1
5. The plan area East Franklin Fee Program which funds the construction of parks and related facilities, landscape corridors, and supplemental drainage.

In addition to the City administered development impact fee programs, this project would also be required for pay the following County development impact fees:

1. CSD-1 - funds local trunk sewer (medium sized) pipelines and pumping facilities in most areas of the City.
2. SRCSD - funds regional interceptor sewer (large sized) pipelines and treatment facilities in most areas of the City.
3. Zone 11A - funds regional drainage facilities in most areas of the City.
4. Zone 40 - funds regional water facilities in most areas of the City. Zone 40 also includes a Special Service Area A fee that funds reclaimed (recycled) water facilities in this project area.

Finally, the project would be required for pay the Elk Grove Unified School District school development impact fees.

## **Other Development Related Fees**

### **Mitigation Fees (fees due prior to issuance of a grading permit)**

The project would be required to pay the mitigation fees the City has in effect prior to issuance of a grading permit. This would include the Swainson's Hawk Mitigation fee and the Agricultural Mitigation fee.

### **Other Development Related Fees**

The project would be required to pay other development related fees the City has, such as building permit fees, inspection fees, various processing fees, etc. These fees would also be due to the County (for services related to sewer, drainage, and water) and the Cosumnes Community Services District (for services related to parks and fire).

## **Financing Districts**

### **(appearing on property tax bills as special taxes/assessments)**

The project would be required to pay all the City administered financing district special taxes and assessments. Those districts currently include:

#### **Street Maintenance District No. 1, Zone 1**

The project would be required to annex into the Street Maintenance District No. 1 prior to final map. The current District boundaries are adjacent to this project, directly across Bilby Road. The District funds street maintenance costs associated with local, collector, and arterial streets not funded by other funding sources. The fiscal year 2007/08 street maintenance maximum annual assessment rate for residential property with a building permit issued in Zone 1 is \$145.14 per single family residential unit. This rate adjusts annually for inflation every July 1<sup>st</sup>. The assessment appears on the property tax bill and is only levied on properties with building permits.

#### **Street Lighting Maintenance District No. 1, Zone 2**

The project would be required to annex into the Street Lighting Maintenance District No. 1 prior to final map. The current District boundaries are adjacent to this project, directly across Bilby Road. The District funds street lighting and safety lighting maintenance, operation, and electrical costs. The fiscal year 2007/08 maximum annual assessment rate for residential property with a final map in Zone 2 is \$26.78 for the street lighting component and \$31.14 per parcel for the safety lighting component. This rate adjusts annually for inflation every July 1<sup>st</sup>. The assessment appears on the property tax bill and is only levied on properties with building permits.

#### **Poppy Ridge Community Facilities District (CFD) 2003-1**

The project would be required to annex into the Poppy Ridge CFD 2003-1 prior to final map. The current District boundaries are adjacent to this project, directly across Bilby Road. The CFD has both an infrastructure component and a police services component.

#### Infrastructure Component

The infrastructure component of this CFD funds construction, reconstruction, or reconfiguration of the following public facilities: street improvements, wastewater system

improvements, potable and non-potable water system improvements, drainage system improvements, and other public facility improvements. The infrastructure related maximum annual facilities special tax rates are: 1) \$965 per single family residential unit for developed and final map property, 2) \$4,710 per gross acre for large lot property, and 3) \$3,675 per gross acre for tentative map and other taxable property. These maximum special tax rates for the infrastructure component of this CFD may not be increased for inflation. This special tax levy appears on the property tax bill.

#### Police Services Component

The police services component of this CFD funds public safety services, and specifically police protection operation services. The fiscal year 2007/08 police services maximum annual special tax for developed property is \$164.08 per single family residential unit. This maximum will be adjusted for inflation each year on July 1<sup>st</sup>. This special tax levy appears on the property tax bill and is only levied on properties with building permits.

#### **Maintenance Services Community Facilities District (CFD) 2006-1**

The project would be required to annex into the Poppy Ridge CFD 2006-1 prior to final map. This CFD funds maintenance of public parkways, public parks, open space, landscape setbacks, bike and other paths, landscaped medians in and adjacent to roadways, and maintenance and operations of recreation centers and related facilities. The fiscal year 2007/08 maximum annual special tax rate for residential property with a final map varies depending on the amount of publicly maintained landscaping on the project site. This rate adjusts annually for inflation every July 1<sup>st</sup>. The special tax levy appears on the property tax bill and is only levied on properties with building permits.

*Note there are other financing districts administered by other agencies that would also apply to this project including the Elk Grove School District's Mello Roos CFD, the Cosumnes Community Services District Lighting and Landscape District, the Sacramento County Water Agency Zone 13, and the State of California Maintenance District No. 9 (levy maintenance) .*