

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

**MUNICIPAL SERVICE REVIEW WORKSHEET**  
**AND REQUEST FOR INFORMATION**

**City of Rancho Cordova Detachment from County Service Area #10**

Date: January 5, 2007

Agency Name: City of Rancho Cordova

Address: 2729 Prospect Park Drive, Rancho Cordova, CA 95670

Website: [www.cityofranhocordova.org](http://www.cityofranhocordova.org)

Telephone: (916) 851-8700 ( FAX) (916) 852-8762

Administrator Name: Cyrus Abhar

Title: Public Works Director

Name of Contact: Elizabeth Sparkman

Contact's e-mail Address: [esparkman@cityofranhocordova.org](mailto:esparkman@cityofranhocordova.org)

Agency's Principle Act: City Government, Municipal Services

Date of Formation/ Incorporation: July 1, 2003

Services Provided: The City of Rancho Cordova provides municipal services through a combination of staff, contract staff, consultant services, and service providers operating within the City limits. The City contracts with the County of Sacramento to provide police protection, drainage and flood plain management, and limited construction management. City staff, supplemented by contract staff provide services related to planning, building and safety permit and inspection services, improvement plan review, transportation planning, road maintenance, solid waste services, and animal control.

Services to be assumed from CSA 10:

Supplemental transportation related services which may include transit shuttle, guaranteed ride home, transit subsidies, transportation plans for employers and/or resident groups, education programs, infrastructure support and transit facilities, transportation coordinator training and support, bicycle and alternative fuel vehicle incentives.

**Governing Body:** The City Council consists of five representatives elected at large to four-year overlapping terms. Council Members must be residents of the City. The positions of Mayor and Vice Mayor are chosen by the City Council through policy direction determined by the City Council. The Mayor conducts the Council meetings and represents the City on ceremonial occasions. The Council is the policy and legislative body of the City and formulates policies in response to the needs, values and interest of the citizens of Rancho Cordova. The Council hires the City Manager and City Attorney, makes appointments to the boards and commissions, and acts to influence local, regional and state policies favorable to the City of Rancho Cordova through various action groups and organizations. The City Manager implements the policies that are set by the Council and acts as the Chief Executive/Administrative Officer of the City and serves as the Executive Director of the Redevelopment Agency. The City Manager's Office is responsible for the day-to-day administration of the City.

Total Number of City Employees: 48

(0) Represented

(48) Unrepresented

The FY 06/07 Adopted Budget projects the total number of full time City employee positions to increase to 72. Additionally the City also has 103 contract employees in the following departments: City Attorney, Police, Planning, and Building and Safety.

Acreage/ sq. Miles within City: 33 acres

Total Population within City: 56,355 (Source: State Department of Finance, March 2006)

Total Registered Voters within City: 24,002

Please Provide the Following:

1. Proposed Budget (Revenue and Expenditure) - contained in the Annual Reports for CSA 10, Benefit Zones 1 and 2, see Appendix B.3
2. Current Capital Improvement Plan (CIP) - contained in Appendix C.2

3. Engineer's Report/ Proposed Service Plan - contained in the Annual Reports for CSA 10, Benefit Zones 1 and 2, see Appendix B.3
  - Current Level of Service
  - Proposal Level of Service
    - Existing Rates
    - Projected Rates
  - Map and Legal Description of Boundary
  - Type/ amount of capital improvements to be detached
  - Impacts, if any to services provided in remaining service area after detachment
4. Any other Relevant Supporting Documents - refer to Appendix A through Appendix G

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**I. INFRASTRUCTURE, FACILITIES AND SERVICES/ GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA**

a) What is the current (baseline) demand for services?

The current demand for services is described in the Engineer's Reports prepared for Benefit Zone 1 for the Villages of Zinfandel and Benefit Zone 2 for the Sunridge Specific Plan Area of County Service Area 10 (CSA 10), see **Appendix A.1 and A.2**. The near future demand for services is represented by the number building of permits issued for residential lots and developed non-residential lots in the existing benefit zones. This includes approximately 1,181 homes in the Villages of Zinfandel and 1,712 residential lots in the Sunridge Specific Plan Area. No benefit zone has been formed in the Mather Special Planning Area.

b) What is the projected demand for services?

Demand for services will continue to grow as more residences and non-residential uses continue to increase in the respective benefit zones. Current projections from the General Plan Land Use Element indicate that projected demand for services will continue to grow to approximately 1,510 homes at the buildout of the Villages of Zinfandel and to approximately 8,700 homes at the buildout of the Sunridge Specific Plan Area. With about 1,181 residential permits issued in Benefit Zone 1 and about 1,712 residential permits issued in Benefit Zone 2 as of September 2006, the demand for transit-related services is imminent. The demand for services will continue to grow as the non-residential parcels in both benefit zone areas, as well as other development areas within the City develop.

c) What is the existing and projected service capacity?

Unlike other major infrastructure items such as sewer and water, the service capacity of transit systems and other trip reduction measures is not necessarily capped by the size of local infrastructure. The existing service levels are based on population of residents currently using alternative means of transportation and projected service increases will be based on the success of reducing the number of single occupancy vehicle trips by making transit options available and promoting the increased use of alternative modes of transportation.

Regional Transit currently provides bus service to the north Mather field area along with other routes in the City of Rancho Cordova including light rail along Folsom Boulevard. The City is considering implementing shuttle services in the City to connect to Regional Transit's Rail Gold Line. The shuttle services would be operated by a service provider under direct

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contract to the City. The 50 Corridor Transportation Management Association (TMA) is currently providing limited scope services in the City through existing Agreements for Extended Transportation Services for CSA 10 Benefit Zone 1 and Benefit Zone 2 between the County and the 50 Corridor TMA. Copies of those Agreements are contained in **Appendix B.1 and B.2** and the services to be provided under those contracts are further discussed under section i).

The City kicked off an effort in January 2006 to develop a Transit Master Plan. The plan prepared by HDR, The Hoyt Company and City staff, has been developed with input in a workshop setting from the stakeholders including the development community, Regional Transit, Sacramento Area Council of Governments (SACOG), the Sacramento Metropolitan Air Quality Management District, and City staff from the Public Works and Planning Departments. As RT updates its Master Plan, the Transit Master Plan for Rancho Cordova will be placed into the RT Master Plan. A copy of the Transit Master Plan approved by the City Council in September 2006, is contained in **Appendix C** and is generally described below.

The goal of the transit plan is to create an effective mobility system, rich in modes and connected to the regional system. The five guiding principles of the system will be to:

1. Join Existing and Future City Area
2. Foster North/South, East/West Connectivity
3. Possible Adjustments to Current and Future Routes
4. Clarify and Identify System to Riders
5. Make Service Fun, Fast & Frequent

The Transit Master Plan proposes a system of city, neighborhood and regional services.

City service is characterized as a major grid of routes that will visually represent the core of the new transit system. The “Signature Service” will connect residents to businesses, shopping and recreation. This signature service will connect older neighborhoods with new ones; business centers with residential areas, both sides of Highway 50, and Rancho Cordova to the Light Rail Transit System (LRT). An innovative approach for funding the 18.5 mile signature service will be needed over the next 20 years.

The Neighborhood service will operate as a complement to the City service with a flexible service plan to existing and future neighborhoods and service to the youth, seniors, disabled and economically disadvantaged City residents. Current paratransit and on-call services fall into this service type. Shuttle services will provide access to neighborhoods and businesses within the City, and will connect to Regional Transit’s Light Rail Gold Line.

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Regional services connect the City to the region and the region to the City. Regional service includes the existing LRT and possible future Bus Rapid Transit (BRT) corridors. BRT is a service type, not a vehicle type, and is intended to be longer distance services with fewer stops.

The CSA 10 fund in the detachment area and the City's transit-related services special taxes will be used in the specific benefit zones from which they are collected to provide the Neighborhood services and supplement those connections to the City services.

- d) As applicable, how are infrastructure needs determined? Provide copies of capital improvement and master plans that address infrastructure.

The first phase of the Transit Master Plan identified transit technologies available and established routing priorities. More detailed Infrastructure and service needs will be determined as part of the development implementation phase of the Transit Master Plan for the City. The City's Transportation Capital Improvement Program (CIP) currently includes transit facilities including bus lanes and transit stations. The portion of the CIP related to transit facilities is contained in **Appendix C**. The Capital Improvement Program will be adjusted as the Transit Master Plan matures. The City has initiated an update of the CIP with an intent to present the initial findings to the City Council in July 2007. The Transit facilities will be reevaluated and updated as part of that update.

If the City chooses to operate any portion of the transit system, operations costs will be identified covering the purchase of vehicles, staff and maintenance. City staff will continue to explore options with RT and/or other service providers with regard to the feasibility of providing transit services in the City.

- e) As applicable, provide schedules for infrastructure replacements and upgrades; explain how schedules are being met. Describe operation and maintenance program(s), including any identified areas of deferred maintenance.

The Transit Master Plan identifies the major infrastructure implementation needs and ongoing operations needs in support of the preferred transit system. Implementation of the Transit Plan will focus on phased plans for both short term implementation and operations to provide services and a long range plan to deliver the infrastructure necessary for the long term system implementation.

- f) How will new or upgraded infrastructure be financed?

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Infrastructure and service costs will be financed by a combination of the assessments collected in the CSA 10 Benefit Zones 1 and 2, by the Citywide transportation impact fee, and by special taxes in the City's transit related services special tax area. The boundaries of the transit related services special tax area are the boundaries of the City limits and new development is annexed in as new tax zones. There is currently only one zone of benefit for the Capital Village project, known as Benefit Zone 3. The formation documentation for the creation of the transit related services special tax and the formation of Benefit Zone 3 are included in **Appendix D**. The City will also participate in the acquisition of federal and state funds intended to support transit system development.

- g) List infrastructure deficiencies; indicate if deficiencies have resulted in permit or other regulatory violations; explain how deficiencies will be addressed.

There is an existing service deficiency in service level due to a lack of service available in newly developing areas of the City and due to a need to update the current Regional Transit bus service plans in existing neighborhoods. Regional Transit does not currently have sufficient routes and frequency of service to service the newly developing areas south of Hwy 50 and east of Sunrise. The Transit Master Plan process will also provide recommendations to Regional Transit for improving the efficiency of the current bus service plan. System deficiencies will be addressed by using the funds collected the CSA 10 funds, transit related services special tax, and transportation impact fees to contract out for services.

- h) Describe capital facilities that are underutilized; explain how underutilized facilities could be shared with other agencies.

The Draft Transit Master Plan identifies opportunities to improve the utilization of existing transit service provided by Regional Transit. The City will also initiate coordination with adjacent communities such as Elk Grove and Folsom to explore inter-jurisdictional services.

- i) How are service needs forecast?

Service needs in the Villages of Zinfandel are being forecasted by surveys and outreach efforts to existing residents through the Hwy 50 Corridor TMA which is under contract with the County to provide limited services to the Villages of Zinfandel. Once the detachment process is complete, the City will assume the remaining portions of that contract. Under that scope of work as an offshoot of the existing 50corridor.com website's Commuter Club, the 50 Corridor TMA has established a Stone Creek (aka Villages of Zinfandel) Commuter registration page. Information is posted on the website about trip reduction services available to residents of CSA 10

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Benefit Zone 1. The 50 Corridor TMA conducted an outreach meeting at Rancho Cordova City Hall, as well as information discussions with residents of Stone Creek, and developed a start-up strategy of outreach through the Commuter Club website and by various print media. The print media outreach service efforts rely on articles about the 50 Corridor TMA's CSA 10 trip reduction services in the regular Stone Creek newsletter and by development and distribution of the Stone Creek Neighborhood Guide to alternative modes of travel to different destinations. The 50 Corridor TMA is currently developing its initial annual status report and evaluation of CSA 10 Benefit Zone 1 service delivery.

The County, with the City's consent, has recently entered into a contract for services with the TMA to provide similar limited scope services for Benefit Zone 2. The City will use the results of the surveys as part of the its implementation plan to provide transit related services for the City. A copy of the existing contracts with the TMA with proposed work plans for Benefit Zone 1 and Benefit Zone 2 are contained in **Appendix B**. Upon completion of the detachment proceedings, the City will assume the remaining portions of the existing contracts from the County. The City will also work with Regional Transit and other non-profit agencies to identify potential transit service markets. Under the existing contract with the TMA, Odyssey, a non-profit transportation agency, performed an in-depth analysis of the pedestrian and bicycle system in the Villages of Zinfandel and identified impediments to potential use of pedestrian, bicycle, and transit alternative modes by the residents of Benefit Zone 1.

- j) How are growth/population projections integrated with plans for future services?

Plans for future services will be based on the growth and population projections in all areas of the City, especially newly developing areas where existing services are limited or do not exist. As mentioned above, the results of the surveys along with the implementation and phasing strategy for the Citywide Transit Master Plan will integrate the population projections with plans for future services. It will be important in this survey process to develop social profiles for new residents that focus on groups that have an interest in using transit.

- k) Provide maps of service areas for services that are provided less-than agency wide.

The goal of the Transit Master Plan is to link the older and existing parts of the City to the newly developing areas. The Transit Master Plan, through the General Plan will identify routes through existing neighborhoods that will serve to connect residents and employees to regional transit services. As new neighborhoods are developed, additional local services will be



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initiated. Ultimately this process will provide transit related services Citywide. In the meantime, service areas for new transportation services provided with the special taxes and assessments may initially be focused on providing immediate service to the newer areas where no services currently exist.

- l) Describe any variance or inequity in levels of service provided to customers. Explain why unequal service levels are present.

Variance in levels of transit related services provided to existing and new residents in the City currently exist because some existing portions of the City have bus routes, while others existing areas of the City and newly developing area do not have service routes established.

Because of the nature of the special benefit assessment in Villages of Zinfandel and Sunridge Specific Plan, the CSA funds collected in those areas may only be used to provide services to those areas. As a result, those areas may have transit subsidies, dedicated shuttle service, and other alternative modes of transportation available as a result of funding collected in those areas. In comparison, existing parts of the City relying on established Regional Transit bus service will be evaluated for service inequities as part of the Transit Master Plan.

- m) Provide the assessor parcel number or addresses of properties, which are located outside agency boundary and receive agency services; list type of service and date service commenced.

This question is not applicable.

- n) Explain policies or procedures that establish priorities for directing services to infill areas.

One of the goals of the City Council is to provide connectivity of the existing part of the City, considered the infill area, to the newly developing areas. One of the ways to do this will be through establishing transit service routes to connect the areas south of Hwy 50 and east of Sunrise to the existing light rail stations in the existing part of the City.

- o) Describe provisions for providing services in emergency situations, (i.e., storage capacity, number of days that services can be provided, etc.). This question is not applicable to these types of services.

## II. EVALUATION OF MANAGEMENT EFFICIENCIES

- a) Is organization structure similar with like service providers? Describe any differences.

The City of Rancho Cordova operates with a City Council/City Manager form of government. The overall operation of the transit related services (including establishing budgets and priorities) will be at the direction of the City Council, with day-to-day operation at the direction of key City staff in the Public Works Department. This is similar to the current system, while limited in scope to the current services provided for Benefit Zone 1 which is under contract to a service provider at the direction of County staff.

## III. FINANCING CONSTRAINTS AND OPPORTUNITIES/ OPPORTUNITIES FOR RATE RESTRUCTURING

- a) Describe rate/assessment/special tax setting methodology.

The methodology implements the same CSA 10 methodology as described in the Engineer's Reports for Benefit Zone 1 and Benefit Zone 2.

- b) Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, assessments, grants, etc.).

The revenue source for transportation demand management services in Benefit Zone 1 and Benefit Zone 2 is a property based assessment. These revenues will be transferred from CSA 10 to the City as the continuation of the existing assessment with no funding increases proposed. The City and the County are currently in negotiations regarding a Transition Agreement which will include elements such as preparation of the 2006/2007 property tax roll, assignment of existing contract(s) for services, final transition date, and transfer of fund balances. A copy of the draft Transition Agreement is included in **Appendix E**. Also, as part of the process to initiate the detachment proceeds the City adopted a Resolution of Application to LAFCO on September 19, 2006 (see **Appendix G.1**) and on that same date also adopted a Resolution for the City to Continue the Current Service Charges Imposed by CSA 10 (see **Appendix G.2**).

The City has formed a Transit-Related Services Special Tax Area to which new development in the City is being and will continue to be annexed to collect a special tax to fund the same types of services and at the same rates as established by CSA 10 Benefit Zone 2. The Capital Village subdivision, located immediately north of CSA 10 Benefit Zone 1, is the City's first benefit zone in the new special tax area. It has been named Benefit Zone 3 to avoid confusion with the existing Benefit Zones 1 and 2 in

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CSA 10. A copy of the formation documents for the special tax area are included in **Appendix D**.

The City's Transportation Capital Improvement Program, funded by the collection of a transportation impact fee and other Federal, State and local funds, has transit facilities as a component of the overall CIP. The portion of the CIP that relates to transit facilities is included in **Appendix C**.

- c) Explain constraints associated with agency's ability to generate revenue. What options are available - special assessments/ special taxes/ increases in sales tax, etc?

The City has the ability to require and collect the transit-related services special tax in newly developing areas of the City under the balloting procedures conducted under Article XIII D of the California State Constitution (Proposition 218). However, a similar ballot procedure in the existing infill areas of the City is unlikely to be successful.

- d) Describe policies and procedures for establishing and maintaining reserves/retained earnings. What is the dollar limit of reserves/retained earnings? What is the ratio of undesignated, contingency, and emergency reserves to annual gross revenue?

The City's goal is to establish reserve funds associated with the CSA 10 benefit zones and the new Special Tax Area. A Cash Flow Reserve will be grown over a period of years to provide an adequate amount of funds to operate interim transit services. A Capital Expenditure Reserve will be established to accumulate funds for the planned construction of transit facilities and implementation of the long range transit master plan.

- e) Explain any variances in rates, fees, taxes, etc., which are charged to agency customers. Describe rate/fee policies.

The rates charged in Benefit Zone 1 are less than the rates charged in Benefit Zone 2. The difference in rates is solely based on the timing of the implementation as Benefit Zone 1 was formed in 2003 and Benefit Zone 2 was formed in 2005 with better cost information available at the time. There are no plans to adjust for equity as it would require a vote under Proposition 218 to increase the rates in Benefit Zone 1.

- f) Explain policies and procedures for fee rebates, tax credits, or other relief given to agency customers. Provide details of any rebates, etc., issued during the past three years.

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Special assessments by definition are assessed on property based on the special benefit received by the property; therefore there are no credits or other relief given to the property owners outside of the Benefit Zones.

- g) Describe policies and practices for depreciation and replacement of infrastructure.

No infrastructure has been built with the funds from CSA 10 yet so policies and practices for depreciation and replacement have not been established yet. The types of infrastructure that may be constructed with CSA 10 funding may include bike lockers, bus shelters, and transit facilities.

**IV. GOVERNMENT STRUCTURE OPTIONS/ LOCAL ACCOUNTABILITY AND GOVERNANCE**

- a) Describe rules, procedures, and programs for public notification of agency operations, meetings, programs, etc. How is public participation encouraged? Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, etc.?

The City of Rancho Cordova notifies residents of agency operations, meetings, programs etc. through a variety of mechanisms. Through the City Attorney's office, the City determines if State Law has specific requirements for various topics and follow the law. The City consistently meets or exceeds state law in publication requirements. Residents are encouraged to attend meetings through a variety of mechanisms used to solicit participation. Those often include: press releases, notification in local newspaper, distribution through the City Manager's office, announcement in the City's monthly newsletter, information posted on the website ([www.cityofranhocordova.org](http://www.cityofranhocordova.org)), and sometimes direct mailings. The City Council meetings are videotaped in its entirety and cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast, SureWest and Strategic Technologies Cable Systems. Tune to Metro Cable Channel 14, for playback times. It will be webcast at [www.sacmetrocast.tv](http://www.sacmetrocast.tv). A VHS copy is also available for check out from any library branch. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm the schedule with Metro Cable TV, Channel 14. The City's Public Information Office mission is to accurately and efficiently convey information about the City's policy objectives and municipal service activities to state and federal leaders, the press, and the public.

The City Council and City staff encourage participation of residents in interested parties in all meetings, whether at regular City Council meetings or special work sessions. The City of Rancho Cordova falls under the Ralph M. Brown Act for public meetings. The Brown Act requires the governing

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board of local agencies to hold their meetings in public except under specified, limited circumstances where closed sessions are authorized. The Act is found in the Government Code starting at Section 54950.

Public Meetings are held in the City's Council Chambers located at 2729 Prospect Park Drive, Rancho Cordova, starting at 5:30 pm on the first and third Mondays of the month so the general public can attend. Work sessions, when held, typically begin at 4:00 pm on the evening of a Council Session. The Council meetings are held in the Council Chambers. However, two additional meeting rooms are available in City Hall can accommodate large public meetings.

- b) Describe public outreach efforts, (i.e., newsletters, bill inserts, website, etc.)

The City has a City Views newsletter which reaches every City of Rancho Cordova household four times per year and is a major component of the City's Public Outreach efforts. The newsletter is geared towards informing residents of the City's plans for upcoming programs, initiatives and meetings.

The City uses its website as a major outreach tool to inform residents of public meetings, programs and initiatives. A main outreach component of the website is the "In the Spotlight" area under Public Information which contains press releases, upcoming programs, meetings and events.

The City also relies heavily on the local newspaper, the Grapevine Independent, to help inform and educate residents. Through paid and free advertising, the City strives to effectively communicate a clear message to residents weekly in this publication every Friday.

Trash bill inserts have been used to provide information regarding the City's solid waste program. Typically the inserts contain information to educate residents on initiatives in that department

The limited scope contract provider for Benefit Zones 1 and 2, is the 50 Corridor TMA. The TMA has a direct link on their website for Benefit Zone 1 and would establish a similar like for Benefit Zone 2 for the purposes of conducting surveys and providing information to the residents of those benefit zones.

The City will use the website, newspapers, direct mailings, the City's newsletter, and the contract provider of services for Benefit Zones 1 and 2 to educate residents on the transfer of transportation related services and include phone numbers for inquiries from affected residents and interested parties.

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Public meeting and agenda information is also posted at City Hall for residents.

**V. OPPORTUNITIES FOR SHARED FACILITIES / COST AVOIDANCE OPPORTUNITIES**

- a) Describe the reasons it will benefit city residents in detaching from CSA No. 10.

City residents will benefit from detaching from CSA 10 by receiving focused attention relating to service options available in relation to their specific benefit area and through implementation of the Citywide Transit Master Plan. The residents will also benefit from local control over the use of their assessment funds and direct input into best available options.

- b) Are your service plans compatible with other local agencies? Explain.

The City was been working in close coordination with planning staff at Regional Transit and SACOG in the development of a transit master plan to evaluate options to provide transportation demand management and transit services in the City of Rancho Cordova. The City will evaluate viable options for the residents of Benefit Zones 1 and 2 by utilizing the services available through local service providers such as the local TMA, in coordination with existing and future regional services available through RT and supplemented by a local shuttle service provider on contract to the City.

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**VI. Additional Information**

- a) Please provide any additional information that you would like LAFCo to evaluate as part of your agency's Municipal Service Review.

As referenced earlier in this document, the Appendices include the following documentation related to the provision of services:

- Draft Transition Agreement between the City of Rancho Cordova and the County of Sacramento;
- City of Rancho Cordova, Draft Transit Master Plan.

- b) Indicate any information relevant to your agency which LAFCo should obtain from other agencies.

The City has been working with RT staff to incorporate the Draft Master Plan concepts into the update of the RT Master Plan. Some documentation may be available from RT for the provision of regional services to the City. The Transit Master Plan has been outreached to SACOG and the Sacramento Metropolitan Air Quality Management District.

- c) Please forward any publications your agency has produced that will assist LAFCo staff in a review of your agency's service provision.

- Annual Reports for Benefit Zones 1 and 2 prepared by the County of Sacramento;
- Existing contracts for services with the 50 Corridor TMA which the City would assume; and
- The City's General Plan supports the provision of the CSA 10 services. When the City incorporated it adopted the County's General Plan which contained the policies and provisions supporting the provision of transportation demand management services through CSA 10. The City recently updated and adopted a General Plan on June 26, 2006. The City's General Plan contains a policy in the Air Quality Element (Policy AQ.3.2) that promotes mass transit as an alternative to single-occupant motor vehicle travel. Under that policy there is an action item (AQ.3.2.3) to support the development of Transportation Demand Management services through the City's Transit-Related Services Tax Area that resulting active marketing of transit services, ride sharing programs, bike and pedestrian facilities, transit facilities, and provision of transit subsidies that provide air quality benefits. The General Plan is downloadable from the City website at [www.cityofranhocordova.org](http://www.cityofranhocordova.org). The Air Quality Element is contained in **Appendix F**.

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**RESOLUTION NO. 117-2005**

**A RESOLUTION IMPOSING A SERVICE CHARGE AND AUTHORIZING THE COUNTY OF SACRAMENTO TO CONTINUE COLLECTION OF THE SERVICE CHARGE FOR TRANSPORTATION RELATED SERVICES IN BENEFIT ZONES 1 AND 2 ON BEHALF OF THE CITY OF RANCHO CORDOVA**

**RECITALS**

**WHEREAS**, County Service Area 10 ("CSA 10") imposes a service charge on property within the boundaries of Benefit Zones 1 and 2 to finance transportation related services; and

**WHEREAS**, the property in Benefit Zones 1 and 2 is now within the boundaries of the City of Rancho Cordova ("City") as a result of the City's incorporation; and

**WHEREAS**, the City will file an application with LAFCO to detach Benefit Zones 1 and 2 from CSA 10; and

**WHEREAS**, upon detachment of Benefit Zones 1 and 2 from CSA 10, the City will be obligated to provide transportation related services that are equal or superior to services provided by CSA 10, pursuant to LAFCO policies; and

**WHEREAS**, upon detachment of Benefit Zones 1 and 2 from CSA 10, the City will impose a service charge equal to the charge imposed by CSA 10 in order to provide and finance the transportation services; and

**WHEREAS**, the City requests that the County collect the service charge on the property tax bill; and

**WHEREAS**, the City will pay County's reasonable costs to collect the charges.

**FINDINGS**

**WHEREAS**, based on the foregoing, the City Council finds as follows:

- A. On May 21, 2003 the County of Sacramento ("County") formed CSA 10 for the purpose of providing specified miscellaneous extended transportation-related services to accomplish adopted trip reduction goals and established Benefit Zone No. 1 of CSA 10, for the purpose of delivering such services to the Villages of Zinfandel, in accordance with the Zinfandel Special Planning area for the purpose of reducing total vehicle trips that would be generated by the new urban growth area.



- B. On May 17, 2004 the City consented to the formation of Benefit Zone No. 2 of CSA 10, to extend the transportation-related services provided in Benefit Zone No. 1 to the Sunridge Specific Plan Area.
- C. On January 11, 2005 the County formed Benefit Zone No. 2 of CSA 10, for the purpose of providing such miscellaneous transportation-related services to the Sunridge Specific Plan Area for the purpose of reducing vehicle trips that would be generated by the new urban growth area.
- D. The entire territory within the Villages of Zinfandel and the Sunridge Specific Plan Area and a portion of the territory within the Mather Field Specific Plan Area is within the boundaries of the City. This territory encompasses all of Benefit Zones No. 1 and No. 2.
- E. The Benefit Zones provide a funding mechanism through an annual charge on all parcels for transit shuttle and other supplemental transportation services for residential and nonresidential development. The supplemental services may include:
- Transit Shuttle – transit shuttle for residents and/or employees between residential areas, employment centers, shopping and service centers and light rail stations and/or other public transit options;
  - Guaranteed Ride Home – free taxi rides and rental cars for ride sharers in case of an emergency;
  - Transit Subsidies – financial assistance to encourage residents and employees to use transit or other alternative transportation measures;
  - Transportation Plans for employers and/or resident groups – plans which guide employers and resident groups on the implementation of trip reduction programs, such as ride share matching or other similar programs;
  - Education Programs – various programs such as education of transit options, home office set up, alternative commute opportunities;
  - Infrastructure Support – additional bike racks and lockers, transportation alternative ride share informational boards/kiosks, and transit facilities;
  - Transportation Coordinator Training and Support – instruction in mobility (transportation alternatives) for residential groups and work site coordinators;
  - Bicycle and Alternative Fuel Vehicle Incentives – incentives for purchasing new bicycles or alternative fuel vehicles.
- F. The service charge is based on the estimated annual cost of operation and maintenance of extended services for the fiscal year of the Benefit Zones' operation and includes an inflator formula to adjust the charge annually in subsequent years to maintain service levels.
- G. An Engineer's Report dated February 27, 2003, Entitled "Engineer's Report County Service Area No. 10 and Benefit Zone No. 1 County of Sacramento"

("Zone 1 Engineer's Report") was prepared by Muni-Financial pursuant to Section 4 of Article XIID of the Constitution of the State of California to propose service charges as set forth in Table 3, that apply only to developed property as currently zoned within Benefit Zone No. 1 as defined in the 2003-2004 the annual rate of \$50 per Low Density Residential dwelling unit, \$40 per Medium Density Residential dwelling unit, \$30 per High Density Residential dwelling unit; \$1,282 per Retail and Commercial acre, \$1,102 per Business Park acre, and \$460 per Light Industrial acre, subject to an annual inflator formula based on the Consumer Price Index for the Sacramento Region, or six percent, whichever is less. The Zone 1 Engineer's Report is attached to the Staff Report.

- H. An Engineer's Report dated November 18, 2004, Entitled "Engineer's Report County Service Area No. 10 Benefit Zone No. 2 County of Sacramento, Final (Revised)" ("Zone 2 Engineer's Report") was prepared by Muni-Financial pursuant to Section 4 of Article XIID of the Constitution of the State of California to propose service charges as set forth in Table 5, that apply only to developed property as currently zoned within Benefit Zone No. 2 as defined in the 2005-2006 annual rate of \$80 per Low Density Residential dwelling unit, \$64 per Medium Density Residential dwelling unit, \$48 per High Density Residential dwelling unit; \$2,051 per Retail and Service Commercial acre, and \$1,763 per Commercial Mixed Use acre, subject to an annual inflator formula based on the Consumer Price Index for the Sacramento Region, or six percent, whichever is less. The Zone 2 Engineer's Report is attached to the Staff Report.
- I. The service charges collected by the City will be imposed and collected in the same amount and manner as the charges collected by CSA 10. Based on this collection method the City Council hereby finds that the City's imposition of the service charges will not trigger the voter approval requirements under Proposition 218 for the reasons described in the Staff Report to the City Council recommending approval of this Resolution. The reasons stated in the Staff Report are as follows:
- Sacramento County complied with Proposition 218 when the CSA 10 charge was initially imposed.
  - Continuation of an existing service charge, where the charge is not increased or applied to a new class of persons, does not require voter approval. (See *City of Cathedral City v. County of Riverside*, (1985) 210 Cal. Rptr. 60, 62).
  - LAFCO procedures govern the detachment process and permit LAFCO to condition detachment on the continuation of existing service charges. A LAFCO condition requiring the continuation of existing service charges is a byproduct of the detachment procedure that does not trigger voter approval under Proposition 218. (See 82 Op. Atty Gen. Cal. 180 (1999)).
  - The Proposition 218 implementation statutes state that a service charge is "increased" only when the rate of the charge is raised or when the method of calculating the charge is revised. (See Government Code §53750(h)(1)). The CSA 10 charge for Benefit Zones 1 and 2 will not be

raised and the methodology for collection will not be revised by the City, so Proposition 218 is not implicated.

- The Sacramento LAFCO imposes local rules that require successor service providers to continue the same level of services as provided to the area prior to detachment.

### CONCLUSION

**NOW THEREFORE**, the City Council of the City of Rancho Cordova hereby imposes a service charge, in order to finance transportation related services, that shall be calculated in the same manner and applied to the same class of property owners, as described in the Zone 1 and Zone 2 Engineer's Reports, and as currently imposed by CSA 10 in Benefit Zones 1 and 2 to be effective beginning with the 2006/2007 fiscal year. The City Council of the City of Rancho Cordova hereby requests that the County of Sacramento continue the collection of the service charges for transportation related services currently collected by CSA 10 in Benefit Zones 1 and 2, upon detachment of Benefit Zones 1 and 2 from CSA 10.


**ADOPTED, THIS** 19<sup>th</sup> day of September, 2005, by the following vote:

**AYES:** Budge, McGarvey, Sander, Skoglund, Cooley

**NOES:** None

**ABSENT:** None

**ABSTENTIONS:** None

  
Ken Cooley, Mayor

**ATTEST:**

  
Lillian E. Hare, City Clerk

758433v4

## MEMORANDUM

**DATE:** September 19, 2005

**TO:** Mayor and Council Members

**FROM:** Cyrus Abhar, Public Works Director

**SUBJECT: A RESOLUTION FOR THE CITY TO CONTINUE CURRENT SERVICE CHARGES IMPOSED BY COUNTY SERVICE AREA 10 FOR TRANSPORTATION RELATED SERVICES AND TO AUTHORIZE THE COUNTY OF SACRAMENTO TO COLLECT THE SAME**



### RECOMMENDATION

Staff recommends the City Council adopt **Resolution No. 117-2005** imposing a service charge and authorizing the County of Sacramento to continue collection of the service charge for transportation related services in Benefit Zones 1 and 2 on behalf of the City of Rancho Cordova (Attachment 1).

### BACKGROUND

County Service Area 10 ("CSA10") was formed by the County of Sacramento ("County") in May 2003 to provide certain transportation related services within the Villages of Zinfandel and within all property in the Sunridge Specific Plan and Mather Field Specific Plan Areas. Since then the County has created two benefit zones within CSA 10 and imposed a "service charge" within these areas in order to finance the transportation related services.

The two zones are Benefit Zones No. 1 and No. 2, established in May 2003 and January 2005 respectively, for the purpose of providing the transportation-related services to the Zinfandel Special Plan Area and the Sunridge Specific Plan Area. The Benefit Zones provide a funding mechanism through an annual charge on all parcels for transit shuttle and other supplemental transportation services for residential and nonresidential development. The supplemental services may include:

- Transit Shuttle – transit shuttle for residents and/or employees between residential areas, employment centers, shopping and service centers and light rail stations and/or other public transit options;
- Guaranteed Ride Home – free taxi rides and rental cars for ride sharers in case of an emergency;
- Transit Subsidies – financial assistance to encourage residents and employees to use transit or other alternative transportation measures;

- Transportation Plans for employers and/or resident groups – plans which guide employers and resident groups on the implementation of trip reduction programs, such as ride share matching or other similar programs;
- Education Programs – various programs such as education of transit options, home office set up, alternative commute opportunities;
- Infrastructure Support – additional bike racks and lockers, transportation alternative ride share informational boards/kiosks, and transit facilities;
- Transportation Coordinator Training and Support – instruction in mobility (transportation alternatives) for residential groups and work site coordinators;
- Bicycle and Alternative Fuel Vehicle Incentives – incentives for purchasing new bicycles or alternative fuel vehicles.

The service charge is based on the estimated annual cost of operation and maintenance of extended services for the fiscal year of the Benefit Zones' operation and an inflator formula will adjust the charge annually in subsequent years to maintain service levels. Muni-Financial prepared an Engineer's Report for each Benefit Zone pursuant to Section 4 of Article XIID of the Constitution of the State of California, to propose the methodology for the service charge.

The service charge ranges from \$30 to \$80 per parcel for developed residential parcels and \$460 to \$2,051 per acre for developed non-residential parcels. The service charge is collected on the property tax roll.

The service charge is calculated in Benefit Zone 1 at the annual rate of \$50 per Low Density Residential dwelling unit, \$40 per Medium Density Residential dwelling unit, \$30 per High Density Residential dwelling unit; \$1,282 per Retail and Commercial acre, \$1,102 per Business Park acre, and \$460 per Light Industrial acre, subject to an annual inflator formula based on the Consumer Price Index for the Sacramento Region, or six percent, whichever is less. (See Engineer's Report County Service Area No. 10 and Benefit Zone No. 1 County of Sacramento, February 27, 2003, **Attachment 2**).

The service charge in Benefit Zone 2 is calculated at the annual rate of \$80 per Low Density Residential dwelling unit, \$64 per Medium Density Residential dwelling unit, \$48 per High Density Residential dwelling unit; \$2,051 per Retail and Service Commercial acre, and \$1,763 per Commercial Mixed Use acre, subject to an annual inflator formula based on the Consumer Price Index for the Sacramento Region, or six percent, whichever is less. (See Engineer's Report County Service Area No. 10 and Benefit Zone No. 2 County of Sacramento, Final (Revised), November 18, 2004, **Attachment 3**).

All of the Villages of Zinfandel and the Sunridge Specific Plan areas and a portion of the Mather Field Specific Plan Area north of the airport are within the

limits of the City of Rancho Cordova ("City") as a result of the City's incorporation on July 1, 2003.

City and County staff have met jointly with LAFCO to discuss the detachment of the areas within CSA 10 that are in the City of Rancho Cordova. County staff have not opposed the proposed detachment. The preceding Council Action this evening has initiated the process for the City to apply to LAFCO to detach these areas from CSA 10. However, in order for LAFCO to approve the detachment, the City will need to find an alternative method to require the "service charge" which now funds the transportation services currently provided by CSA 10.

It is anticipated that LAFCO will condition detachment on the City's ability to provide transportation related services that are equal or superior to the services provided by CSA 10. Therefore upon detachment, the City must impose a service charge that acts as a continuation of the current CSA 10 charge. The City Attorneys office has evaluated the City's ability to continue the service charge and has made the following determinations:

Generally, when a city imposes a property-related charge, it must do so in conformance with Proposition 218, added as Articles XIII C and D to the constitution. However the mere continuation of the CSA 10 service charge will not trigger the procedural requirements of Proposition 218 for several reasons.

First, the Sacramento County complied with Proposition 218 when the service charge was initially imposed. Second, voter approval under Proposition 218 will not be required because the service charge would not be increased and there is no change in the persons subject to the charge. The state Court of Appeal has indicated that the mere continuation of an existing tax does not implicate similar provisions of Proposition 13. The fact that the revenue is reallocated to a new governmental entity also does not result in the tax becoming a new tax, which would necessitate Proposition 218 voter participation. (See *City of Cathedral City v. County of Riverside*, (1985) 210 Cal. Rptr. 60, 62).

Third, the statutory and local LAFCO rules regarding detachment will not trigger Proposition 218 requirements. LAFCO procedures are the exclusive means by which to detach territory and LAFCO retains jurisdiction to oversee the detachment process. Therefore when LAFCO conditions detachment of territory on the continuation of existing taxes, assessments or charges, Proposition 218 voter and landowner approval requirements are not triggered. (82 Op. Atty Gen. Cal. 180 (1999)). The continuation and reallocation of the CSA 10 service charge is simply a byproduct of the LAFCO detachment procedure rather than a new service charge created by the City.

In addition to the statutory requirements, the Sacramento LAFCO has its own set of policies, standards and procedures that address detachments. (See Sacramento LAFCO policies V-2 and V-3). Under Sacramento LAFCO rules, detachment may not take place unless the successor service provider supplies services that are equal to those currently provided. Detachment must also not cause any significant reduction in the efficiency of service currently delivered. The City is therefore obligated to provide these services as a result of detachment under LAFCO; the continued charge would therefore not be considered a new charge that triggers Proposition 218. (82 Op. Atty Gen. Cal. 180 (1999)).

Lastly, the Proposition 218 implementation statutes state that a charge is "increased" only when the collecting agency raises the applicable rate of the charge, or when the agency revises the methodology by which the service charge is calculated. (Government Code §53750(h)(1)). In this case the City will not increase the existing charge and will utilize the same methodology as currently employed by CSA 10. The City will contract with Sacramento County to collect the charge on the property tax rolls, as it is currently collected. Therefore the service charge will not be increased pursuant to Proposition 218 procedures.

In summary, it is anticipated that LAFCO will condition detachment of Benefit Zones 1 and 2 on the City's ability to provide transportation related services that are equal or superior to the services currently provided by CSA 10. The City will be obligated to provide the services and must impose a service charge in order to finance the services pursuant to LAFCO's detachment condition. The continuation of the service charge by the City will not trigger Proposition 218 because a continuation of an existing service charge is not the equivalent of a new service charge. In addition the service charge will not be increased or calculated using a different methodology. Sacramento County may therefore collect the service charge on behalf of the City.

**Attachments:**

1. Resolution Imposing a Service Charge and Authorizing the County of Sacramento to Continue Collection of the Service Charge for Transportation Related Services in Benefit Zones 1 and 2 on Behalf of the City of Rancho Cordova.
2. Engineer's Report County Service Area No. 10 and Benefit Zone No. 1 County of Sacramento, February 27, 2003.
3. Engineer's Report County Service Area No. 10 and Benefit Zone No. 2 County of Sacramento, Final (Revised), November 18, 2004.



**EXHIBIT A**

**COUNTY OF SACRAMENTO  
MUNICIPAL SERVICES AGENCY**

**COUNTY SERVICE AREA NO. 10,  
BENEFIT ZONE NO. 1**

**ANNUAL REPORT:  
A SUMMARY OF OPERATING REQUIREMENTS AND SERVICE CHARGES  
FOR FISCAL YEAR 2007-08**

**May 15, 2007**



## **INTRODUCTION**

County Service Area No. 10 (CSA 10) was created to implement miscellaneous extended transportation related services for the purpose of reducing vehicle trips that would be generated by new urban growth areas. Benefit Zone No. 1 of CSA 10 consists of all the property within the Villages of Zinfandel (Zinfandel Special Planning Area). The transportation services for Benefit Zone No. 1 are funded by a service charge that appears as a direct levy on the property tax bills of the owners of developed residential and non-residential properties in the Villages of Zinfandel (aka Stone Creek). The purpose of this report is to provide information regarding the proposed Fiscal Year 2007-08 service charges for Benefit Zone No. 1 of CSA 10. This is expected to be a transition year due to the pending Sacramento Local Agency Formation Commission (LAFCo) request for detachment from CSA 10 filed by the City of Rancho Cordova for the areas within the City limits including all of Benefit Zone No. 1.

## **BACKGROUND**

Establishment of a long-term financing mechanism for trip reduction activities was advocated by the Sacramento Metropolitan Air Quality Management District, which helped to craft the transportation demand management (“TDM”) conditions of approval for the development areas included within CSA10. Conditions contained in the Zinfandel Special Planning Area zoning ordinance and the Transportation Systems Management (TSM) Plan for the Villages of Zinfandel initiated the proceedings leading to the formation of CSA 10 and Benefit Zone No. 1. The purpose was to fund transit shuttle and other supplemental transportation services to help achieve trip reduction goals for the development. The developer of Villages of Zinfandel, in order to comply with the conditions of approval requiring provision of ongoing shuttle bus and transportation demand management programs, subsequently advanced funds to pay for the work needed to form a County Service Area to provide miscellaneous extended transportation services.

The County retained MuniFinancial to prepare an Engineer’s Report for CSA10 with a focus on the Villages of Zinfandel as its initial Benefit Zone. On March 3, 2003 by Resolution No. 2003-0250, the Board of Supervisors referred the district formation to LAFCo. After hearing testimony on the proposed CSA10 on April 2, 2003, LAFCo adopted Resolution No. LAFC 1255, entitled “Resolution of the Sacramento Local Agency Formation Commission Approving the Formation of County Service Area No. 10 (03-03).” Subsequently on May 7, 2003 the Executive Officer of LAFCo completed the protest hearing and filed the Certificate of Completion for CSA10.

On May 21, 2003, the Board of Supervisors formed Benefit Zone No. 1 with the same boundaries as the Villages of Zinfandel project. On July 16, 2003, after the tabulation of assessment ballots and finding that a majority protest had not occurred, the Board adopted Resolution No. 2003-0854, entitled “Resolution Levying Assessments within the Benefit Zone No. 1 of County Service Area No. 10,” which provided for the initial 2003-04 levy of service charges. The Board approved the levy for 2004-05 by Resolution No. 2004-0870 on June 22, 2004. The Board approved the levy for 2005-06 by Resolution No. 2005-0864 on June 21, 2005. The Board approved the levy for 2006-07 by Resolution No. 2006-0836 on June 20, 2006.

Once formed, a County Service Area may continue to operate within a city after incorporation only with consent of the city. A large share of the territory within CSA 10 and all of the parcels in

Benefit Zone No. 1 are located within the City of Rancho Cordova (the "City"). In 2004 the City and County executed the Agreement for Transportation-Related Services, including the City's consent for the County to continue providing CSA10 services there.

Subsequently, on September 19, 2005, the Rancho Cordova City Council adopted a Resolution of Application to LAFCo (Resolution No. 116-2005) requesting to detach from CSA10 the territory within its boundaries. The City is proposing to re-establish the same trip reduction services and annual parcel charges under a City levy program that will expand to include other growth areas in Rancho Cordova. A services agreement between the City and County to govern the transfer of the program after approval of detachment is being prepared for consideration by the Board of Supervisors and City Council. The projected timing for approval of the transition agreement and LAFCo action will require the County to impose the CSA10 service charges in Benefit Zones 1 and 2 for 2007-08 and then transfer funds and services responsibilities later in 2007-08.

### **DESCRIPTION OF SERVICES**

The services approved to be provided by Benefit Zone No. 1 of CSA 10 are specific to the Villages of Zinfandel area and encompass extended transportation-related services including transit shuttle services and other supplemental transportation services for trip reduction, which may include the following:

- Transit Shuttle
- Guaranteed Ride Home
- Transit Subsidies
- Transportation Plans for employers and/or resident groups
- Education Programs
- Infrastructure Support
- Transportation Coordinator Training and Support
- Bicycle and Alternative Fuel Vehicle Incentives

During Fiscal Year 2006-07 in Benefit Zone No. 1, the service contractor, the 50 Corridor TMA, expanded the services it initiated during 2005-06. Under the agreement with the 50 Corridor TMA, the scope of work included the tasks listed below. Described for each of the tasks are the initial services activities undertaken by the TMA to accomplish the objectives of the tasks.

#### **Task – Initiate School-Targeted Trip Reduction Programs**

In concert with outreach to other schools within the 50 Corridor, the TMA coordinated with the principal, staff, and parents of the newly opened Navigator Elementary School in Stone Creek. It investigated the feasibility of programs to encourage biking to school, and the concepts of walking school buses and school pooling. As a CSA10 service, the TMA established walk to school days at Navigator School that have garnered significant participation. The TMA has continued to work with the parent/teacher support organization to develop, expand, and monitor these efforts.

#### **Task – Investigate Shuttle Transit Feasibility**

Based on interest expressed by local employers at neighboring sites, the 50 Corridor TMA has initiated surveys of these employees as well as the residents of Stone Creek to determine if there is sufficient support for near-term establishment of a pilot shuttle transit program. The concept would have the shuttle bus circulate through Stone Creek and to business park sites along Zinfandel Drive on a route to the Zinfandel Light Rail Station. The TMA has met with business representatives, City of Rancho Cordova and Regional Transit officials, and County Department of Transportation staff to study potential schedules, routes, costs, and marketing. Efforts by the TMA continue in the move toward implementation of shuttle transit during Fiscal Year 2007-08.

#### Task – Ongoing Trip Reduction Outreach

As a facet of the [50corridor.com](http://50corridor.com) website's Commuter Club, the 50 Corridor TMA established a Stone Creek Commuter registration page. The website is a source of information about trip reduction services available to residents of CSA10 Benefit Zone 1. The TMA continues to market alternative transportation opportunities in CSA10 Benefit Zone 1 via the regular Stone Creek newsletter, the Stone Creek Neighborhood Guide, and other print media. With the opening of the neighborhood's Tuscany Park facilities operated by the Cordova Recreation and Park District, there are additional opportunities to extend outreach via neighborhood events there.

#### Task – Evaluate and prepare annual status report

The 50 Corridor TMA has developed its 2007 status report and evaluation of CSA10 Benefit Zone 1 service delivery, which is being submitted concurrently with this annual report.

The services proposed to be funded in Fiscal Year 2007-08 include an extension of the agreement for services by the contract services provider, as well as administrative costs of County staff in making the expected transition of the program to the City of Rancho Cordova during Fiscal Year 2007-08.

### **BUDGET REQUIREMENTS AND REVENUES FOR TRANSPORTATION SERVICES**

Table 1 on page 4 shows the proposed budget requirements for Fiscal Year 2007-08 for the CSA 10 Benefit Zone No. 1 transportation-related services as well as the comparison figures for Fiscal Year 2006-07. Table 1 shows that the proposed budget for the transportation related services for Benefit Zone No. 1 for Fiscal Year 2007-08 is \$198,906 including estimated annual levy proceeds totaling approximately \$80,975 as well as interest and fund balance from the previous year. The proposed use of the Benefit Zone No. 1 funds is for the provision of the following listed services:

- TDM services – The services to be provided by the contract consultant include the expanded implementation of the authorized trip reduction strategies at an estimated cost of \$35,000.
- County services - Preparation of the Annual Report for Fiscal Year 2007-08, placement of the parcel levy on the tax bills, collection of service charges, management of the consultant and other operating and administrative expenses.
- Other costs – Coordination of the expected transition of Benefit Zone 1 funds to the City of Rancho Cordova.

- Informal Reserve (Fund Balance) - Money not programmed to be spent this year is set aside for future implementation of a transit shuttle and other authorized transportation services likely to be implemented under the direction of the City of Rancho Cordova. These additional services may begin during Fiscal Year 2007-08.

<b>TABLE 1 CSA 10 BENEFIT ZONE NO. 1 TRANSPORTATION RELATED SERVICES AND ADMINISTRATIVE COSTS PROPOSED BUDGET REQUIREMENTS FOR FISCAL YEAR 2007-08</b>			
	<b>FISCAL YEAR 2006-2007 ADOPTED BUDGET</b>	<b>FISCAL YEAR 2006-2007 ESTIMATED ACTUALS</b>	<b>FISCAL YEAR 2007-2008 ESTIMATED FINAL BUDGET</b>
Funding Uses			
Administration	\$56,000	\$29,771	\$30,000
Transportation Service	\$35,000	\$17,000	*\$35,000
Other Operating Expenses	\$8,000	\$4,000	\$8,000
Fund Balance (Informal Reserve)	\$95,888	\$145,018	\$152,993
<b>TOTAL USES</b>	<b>\$194,888</b>	<b>\$195,789</b>	<b>\$225,993</b>
Funding Sources			
Fund Balance (Start FY)	\$114,888	\$114,888	\$145,018
Interest	\$0	\$2,436	\$0
Service Charges	\$80,000	\$78,465	\$80,975
Other Revenues	\$0	\$0	\$0
<b>TOTAL FUNDING</b>	<b>\$194,888</b>	<b>\$195,789</b>	<b>\$225,993</b>

\*Services amount assumes additional 2007-08 expenditures beyond \$28,552 projected carryover from current contract.

**SERVICE CHARGES**

On July 20, 2004, the Board of Supervisors adopted Ordinance No. 1522 establishing service charge allocation formulas and the procedure for collection of the charges on the property tax roll. The Ordinance requires levying the annual service charge to benefiting properties in Benefit Zone No. 1 as calculated on a per dwelling unit or per acre basis according to land use and the associated equivalent dwelling units in accord with the Engineer’s Report.

Table 2 below indicates the current number of non-exempt subdivision parcels in the Villages of Zinfandel and the prior (2006-07), proposed (2007-08), and estimated buildout levy revenues for Benefit Zone No. 1. It compares the proposed Fiscal Year 2007-08 service charges by land use to the Fiscal Year 2006-07 service charges levied and estimates the potential revenues at buildout (assuming no further cost index adjustment to the Fiscal Year 2007-08 rates).

In Table 2, the indicated service charge rates are proposed to increase by 3.21% above the Fiscal Year 2006-07 rates for all land use categories in accord with the increase in the consumer price index as provided in the Engineer's Report. Because issuance of building permits is the threshold of developed status for parcels in the other land use categories, no other parcels are subject to the FY 2007-08 levy even though separate large lots have been recorded that are planned for Medium Density Residential, Retail Commercial, Business Park, and Light Industrial uses. The projected revenues at buildout associated with each of the indicated land use categories are shown in the last column (Note that the buildout revenues for the Low Density and Low Density Cluster Residential categories have been achieved.).

**TABLE 2  
SUMMARY OF PROPOSED SERVICE CHARGES  
FOR BENEFIT ZONE NO. 1 OF CSA 10**

<b>Land Use Category of Property</b>	<b>FY 2007-08 Existing Parcels (d.u. or acres)*</b>	<b>FY 2006-07 Service Charge Rate</b>	<b>FY 2007-08 Service Charge Rate</b>	<b>FY 2006-2007 Total Levy*</b>	<b>Proposed FY 2007-2008 Total Levy</b>	<b>Estimated Buildout Levy at 2007-2008 Rates</b>
Low Density Residential Developed Parcels	1,298	\$52.52 Per unit	\$54.20 Per unit	\$68,170.96	\$70,351.60	\$70,351.60
Low Density Cluster Residential Undeveloped Parcel	196	\$52.52 Per unit	\$54.20 Per unit	\$10,293.92	\$10,623.20	\$10,623.20
Medium Density Residential Un - developed Parcel	1	\$42.02 Per unit	\$43.36 Per unit	0	0	\$13,658.40 @ 315 units
Retail Commercial Undeveloped Parcel	1	\$1,346.36 per acre	\$1,389.58 per acre	0	0	\$34,906.25
Business Park Un-developed Parcels	4	\$1,157.33 per acre	\$1,194.48 per acre	0	0	\$134,641.79
Light Industrial Undeveloped Parcels	4	\$483.10 per acre	\$498.61 per acre	0	0	\$69,047.51
<b>TOTAL</b>	<b>1,504</b>			<b>\$78,464.88</b>	<b>\$80,974.80</b>	<b>\$333,228.75</b>

\*The FY 2006-07 levy of \$52.52 was collected from 1,298 Low Density and 196 Low Density Cluster Residential developed parcels.



**EXHIBIT B**

**COUNTY OF SACRAMENTO  
MUNICIPAL SERVICES AGENCY**

**COUNTY SERVICE AREA NO. 10,  
BENEFIT ZONE NO. 2**

**ANNUAL REPORT:  
A SUMMARY OF OPERATING REQUIREMENTS AND SERVICE CHARGES  
FOR FISCAL YEAR 2007-08**

**May 15, 2007**

## **INTRODUCTION**

County Service Area No. 10 (CSA 10) was created to implement miscellaneous extended transportation related services for the purpose of reducing vehicle trips that would be generated by new urban growth areas. Benefit Zone No. 2 of CSA 10 consists of all the property within the SunRidge Specific Plan area. The transportation services for Benefit Zone No. 2 are funded by a service charge that appears as a direct levy on the property tax bills of the owners of developed residential and non-residential properties in SunRidge. The purpose of this report is to provide information regarding the proposed Fiscal Year 2007-08 service charges for Benefit Zone No. 2 of CSA 10. This is expected to be a transition year due to the Sacramento Local Agency Formation Commission (LAFCo) request for detachment from CSA 10 by the City of Rancho Cordova for the areas within the City limits including all of Benefit Zone No. 2.

## **BACKGROUND**

Establishment of a long-term financing mechanism for trip reduction activities was advocated by the Sacramento Metropolitan Air Quality Management District, which helped to craft transportation demand management (“TDM”) conditions of approval for the development areas included in CSA10. As a result of zoning conditions and the Transportation Systems Management (TSM) Plan approved by the Board of Supervisors in 2002 for the Sunridge Specific Plan Area, this 2,600-acre new growth area was included within the boundaries of CSA10 when it was submitted to LAFCo for approval in 2003. The purpose of CSA10 is to provide ongoing funding for miscellaneous extended transportation services, with Benefit Zone No. 2 targeting the delivery of these services to SunRidge. The approved land use concept for the SunRidge Specific Plan includes an integral shuttle transit system connecting to job centers and light rail transit along the Highway 50 Corridor. A requirement to provide funding for provision of ongoing shuttle bus and transportation demand management programs was included in the conditions of approval for SunRidge development. This condition was met by the establishment of Benefit Zone No.2 and the support for the CSA10 shown by the property owners in the protest ballot results.

MuniFinancial prepared the Engineer’s Report for CSA 10 Benefit Zone No. 2. It was modeled closely after the previous 2003 Engineer’s Report by MuniFinancial that the County and LAFCo used to establish CSA10 and Benefit Zone No. 1. On December 7, 2004, the Board of Supervisors adopted a Resolution of Intention to form Benefit Zone 2. On January 11, 2005, the Board conducted the public hearing on formation of Benefit Zone 2 of CSA 10 and adopted Resolution No. 2005-0061. The Resolution ordered the formation of Benefit Zone 2 of CSA10, authorized a Proposition 218 protest ballot proceeding on the proposed annual service charges and directed the Clerk to mail notice of the protest hearing and ballot to each property owner. On March 15, 2004, after the tabulation of assessment ballots of the Benefit Zone No. 2 property owners and finding that a majority protest had not occurred, the Board adopted Resolution No. 2005-0298 entitled “Resolution Levying Assessments within the Benefit Zone No. 2 of County Service Area No. 10,” which provided for the initial 2005-06 levy of service charges. The Board approved the levy for 2006-07 by Resolution No. 2006-0836 on June 20, 2006.

Once formed, a County Service Area may continue to operate within a city after incorporation only with consent of the city. A large share of the territory within CSA 10 and all of the parcels in

Benefit Zone No. 2 are located within the City of Rancho Cordova (the "City"). In 2004 the City and County executed the Agreement for Transportation-Related Services between the County of Sacramento and the City of Rancho Cordova, including the City's consent for the County to continue providing CSA10 services there.

Subsequently, on September 19, 2005, the Rancho Cordova City Council adopted a Resolution of Application to LAFCo (Resolution No. 116-2005) requesting to detach from CSA10 the territory within its boundaries. The City is proposing to re-establish the same trip reduction services and annual parcel charges under a City levy program that will expand to include other growth areas in Rancho Cordova. A services agreement between the City and County to govern the transfer of the program after approval of detachment is being prepared for consideration by the Board of Supervisors and City Council. The projected timing for approval of the transition agreement and LAFCo action will require the County to impose the CSA10 service charges in Benefit Zones 1 and 2 for 2007-08 and then transfer funds and services responsibilities later in 2007-08.

### **DESCRIPTION OF SERVICES**

While the range of services approved to be provided by Benefit Zone No. 2 of CSA 10 is comparable to those allowed in CSA10 Benefit Zone No. 1, the delivery of services is being tailored to the neighborhood characteristics of the SunRidge Specific Plan area (e.g., Anatolia). It encompasses extended transportation-related services including transit shuttle services and other supplemental services for achieving significant trip reduction, including:

- Transit Shuttle
- Guaranteed Ride Home
- Transit Subsidies
- Transportation Plans for employers and/or resident groups
- Education Programs
- Transportation Coordinator Training and Support
- Bicycle and Alternative Fuel Vehicle Incentives

During Fiscal Year 2005-06 the County indicated to the service contractor for CSA10 Benefit Zone No. 1 that it would entertain a proposal from the TMA to provide the initial services in Benefit Zone No. 2 of CSA10. During early 2007 the 50 Corridor TMA, as contractor for Benefit Zone No. 2, began providing services to Sunridge. Per the agreement, the scope of work includes the tasks listed below. Described for each of the tasks are the initial services activities undertaken by the TMA to accomplish the objectives of the tasks.

#### **Task – Develop Assessment of Alternative Transportation Opportunities**

This approach has proven to be valuable in CSA10 Benefit Zone No. 1. It consists of an evaluation of the pedestrian friendliness of the community as well as the opportunities and constraints impacting use by residents and businesses of the whole range of alternative transportation modes. The 50 Corridor TMA is contracting with Odyssey, a non-profit organization dedicated to transportation policy and market reforms, to analyze opportunities for alternative transportation use in Benefit Zone No. 2 and prepare a written assessment report.



#### Task – Prepare and Distribute Commuter Guide

Based on the information gained from the Assessment, the TMA will work with Odyssey to prepare a Commuter Guide for all residents of CSA10 Benefit Zone No. 2. This pamphlet will orient Sunridge residents to the available resources and services that can make alternative transportation choices more attractive. It will explain the CSA10 concept for funding of trip reduction services. This guide will be distributed to each resident and will be part of the “new home-owner” packages that new residents receive when they locate in Benefit Zone No. 2.

#### Task – Develop Ongoing Program Outreach

Contacts made by the 50 Corridor TMA staff with property managers for new residential developments in Sunridge have resulted in Benefit Zone No. 2 obtaining permission for placement of CSA10 marketing materials. These efforts will be anchored at the new HOA Club House facilities in Anatolia. Outreach efforts will include posters, informational and educational meetings, and general promotion of alternative transportation.

#### Task – Evaluate and prepare annual status report

While service efforts have just begun under the contract with the County, the 50 Corridor TMA has developed its 2007 status report for Benefit Zone No. 2, which is being submitted concurrently with this report.

### **BUDGET REQUIREMENTS AND REVENUES FOR TRANSPORTATION SERVICES**

Table 1 on page 4 shows the proposed budget requirements for Fiscal Year 2007-08 for CSA10 Benefit Zone No. 2 transportation-related services as well as the comparison figures for Fiscal Year 2006-07. Table 1 shows the proposed budget for Benefit Zone No. 2 for Fiscal Year 2007-08 is \$795,588, including annual levy proceeds totaling \$347,827. The latter is based on an inventory of developed Anatolia, Sunridge Park, and Douglas North parcels through March 2007. The proposed use of the Benefit Zone No. 2 funds is for the provision of the following listed services, including associated administration.

- TDM Services – The services to be provided by the contract consultant include the targeted implementation of the authorized trip reduction strategies at an estimated cost of \$35,000.
- County services - Preparation of the Annual Report for Fiscal Year 2007-08, placement of the parcel levy on the tax bill, collection of service charges, management of the consultant and other operating and administrative expenses.
- Other costs – Coordination of the expected transition of Benefit Zone 2 funds to the City of Rancho Cordova.
- Informal Reserve (Fund Balance) - Money not programmed to be spent this year is set aside for future implementation of a transit shuttle and other authorized transportation services. These are likely to be implemented under the direction of the City of Rancho Cordova. Such additional services including a shuttle may begin during Fiscal Year 2007-08.

**TABLE 1  
CSA 10 BENEFIT ZONE NO. 2 TRANSPORTATION RELATED  
SERVICES AND ADMINISTRATIVE COSTS  
PROPOSED BUDGET REQUIREMENTS FOR FISCAL YEAR 2007-08**

	<b>FISCAL YEAR 2006-2007 ADOPTED BUDGET</b>	<b>FISCAL YEAR 2006-2007 ESTIMATED ACTUALS</b>	<b>FISCAL YEAR 2007-2008 ESTIMATED FINAL BUDGET</b>
<b>Funding Uses</b>			
Administration	\$50,000	\$18,318	\$30,000
Transportation Services	\$35,000	\$12,000	*\$35,000
Other Operating Expenses	\$30,500	\$13,000	\$20,000
Fund Balance (Informal Reserve)	\$273,389	\$448,037	\$710,864
<b>TOTAL USES</b>	<b>\$388,889</b>	<b>\$491,355</b>	<b>\$795,864</b>
<b>Funding Sources</b>			
Fund Balance (Start FY)	\$186,739	\$186,739	\$448,037
Interest	\$0	\$2,400	\$0
Service Charges	\$202,150	\$302,216	\$347,827
<b>TOTAL FUNDING</b>	<b>\$388,889</b>	<b>\$491,355</b>	<b>\$795,864</b>

\*Services amount assumes additional 2007-08 expenditures beyond \$23,000 projected carryover from current contract.

**SERVICE CHARGES**

On June 20, 2006 the Board of Supervisors adopted Ordinance No. 1539 establishing service charge allocation formulas and the procedure for collection of the charges on the property tax roll. The Ordinance requires levying the annual service charge to benefiting properties in Benefit Zone No. 2 as calculated on a per dwelling unit or per acre basis according to land use and the associated equivalent dwelling units in accord with the Engineer's Report.

Based on development to date in the SunRidge Specific Plan Area, Table 2 below indicates the current number of non-exempt subdivision parcels and the prior (2006-07), proposed (2007-08), and estimated build-out levy revenues for Benefit Zone No. 2 of CSA 10. It compares the proposed Fiscal Year 2007-08 service charges by land use category to the Fiscal Year 2006-07 service charges levied in Benefit Zone No. 2 and estimates the potential revenues at build-out (assuming no further cost index adjustment to the Fiscal Year 2007-08 rates).

**TABLE 2  
SUMMARY OF PROPOSED SERVICE CHARGES  
FOR BENEFIT ZONE NO. 2 OF CSA 10**

<b>Land Use Category of Property</b>	<b>FY 2007-08 Existing Parcels (d.u. or acres)*</b>	<b>FY 2006-07 Service Charge Rate per dwelling unit</b>	<b>FY 2007-08 Service Charge Rate per dwelling unit</b>	<b>FY 2006-2007 Total Levy*</b>	<b>Proposed FY 2007-2008 Total Levy</b>	<b>Estimated Buildout Levy at 2007-2008 Rates*</b>
Low Density Residential Developed Parcels	3,332	\$81.58	\$84.20	\$221,489.70	\$280,554.40	\$280,554.40
Low Density Residential Undeveloped Parcels**	10	\$81.58	\$84.20	0	0	\$23,660.20
Medium Density Residential Developed Parcels	999	\$65.26	\$67.34	\$80,726.62	\$67,272.66	\$67,272.66
Medium Density Residential Undeveloped Parcels	0	\$65.26	\$67.34	0	0	\$0.00
High Density Residential Undeveloped Parcels	1	\$48.94	\$50.51	0	0	\$15,153.00
Retail & Service Commercial Undeveloped Parcels	2	\$2,091.20 per acre	\$2,158.33 per acre	0	0	\$57,713.74
Commercial Mixed Use Undeveloped Parcels	7	\$1,797.56 per devel. acre	\$1,855.25 per devel. acre	0	0	\$77,512.35
Unsubdivided Multi-Use Parcels	19	All of the above	All of the above	0	0	\$469,577.64
<b>TOTAL</b>	<b>4,370</b>			<b>\$302,216.32</b>	<b>\$347,827.06</b>	<b>\$991, 443.99</b>

\*The FY 2006-07 levy of \$81.58 was collected from 2,715 Low Density Residential developed parcels and \$65.26 was collected from 1,237 Medium Density Residential developed parcels. Recently 399 of the parcels initially classified as Medium Density have been verified to be Low Density Residential. Buildout estimates are based on the SunRidge Specific Plan approved by the County and do not include amendments subsequently approved by the City of Rancho Cordova.

\*\*Ten parcels are currently subject to wetlands restrictions precluding division into developed Low Density building lots.

In Table 2 the indicated service charge rates are proposed to increase by 3.21% above the Fiscal Year 2006-07 rates for all land use categories in accord with the increase in the consumer price index (CPI) as provided in the Engineer's Report. Last year the projected service charge revenue of \$202,150.04 shown in the Annual Report for CSA10 Benefit Zone No. 2 was based on a preliminary count of 2,593 developed Low Density Residential and Medium Density Residential building lots at the time the Report was prepared. The final tax roll added another 1,359 developed residential lots resulting in a revenue total of \$302,216.32 (see footnotes in Table 2). Based on the the CPI adjustment and an increase in developed residential lots subsequent to the close of the 2006-07 tax roll (to date), the proposed levy for FY 2007-08 is 15.1% higher than the actual final levy in Fiscal Year 2006-07.

The inventory of Low and Medium Density Residential building lots has increased by 379 for the 2007-08 levy compared to 2006-07. Issuance of building permits is the threshold of developed status for parcels in the other land use categories, so no other parcels are presently subject to the FY 2007-08 levy even though separate large lots have been recorded that are planned for High Density Residential, Retail & Service Commercial, and Commercial Mixed Use development. The projected CSA10 service charge revenues at buildout associated with the indicated land use categories are shown in the last column. The un-subdivided sites with multiple use designations are estimated in accord with the Sunridge Specific Plan allocation.



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Mr. Peter Brundage  
Executive Director  
Sacramento Local Agency Formation Commission  
1112 I Street, Suite 100  
Sacramento, CA 95814

Subject: City of Rancho Cordova Detachment of CSA #10 (01-07)

Dear Mr. Brundage:

We are in receipt of a proposal by the City of Rancho Cordova to detach from CSA #10. The following comments are provided for your consideration of that request.

The request seems to provide limited details on the detachment. While it is clear that they want to be removed from the CSD; it is not clear as to how much funding is involved and how the detachment will affect future transit service for both for the city and for Regional Transit.

RT staff recommends that LAFCO request the City of Rancho Cordova to provide the details of the detachment. It is also recommended that City meet with RT and other relevant parties (such as LAFCO and the Highway 50 TMA) to present and discuss the implications of the request.

Basic information needs to be provided including: type and level of service as well as the responsibility for operations and maintenance of the services.

We appreciate your efforts in soliciting input from partnering agencies. We will look forward to reviewing the more detailed information and participating in a meeting regarding the request.

Sincerely,

Taiwo Jaiyeoba,  
Planning Director

cc: Mike Wiley, Deputy General Manager, RT  
Don Smith, Senior Planner, RT