

MUNICIPAL SERVICE REVIEW
Sphere of Influence Amendment Area

August, 2013
FINAL
LAFC# (09-10)

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1.0 EXECUTIVE SUMMARY

1.0 EXECUTIVE SUMMARY

ABOUT THE CITY OF ELK GROVE

The City of Elk Grove, located in the southwestern part of Sacramento County, between urban and agricultural areas, was incorporated in 2000 with a council-manager form of government. The City provides a limited range of services including law enforcement; construction and maintenance of streets, roads, and infrastructure; land use planning and zoning; transportation; and general administrative and support services. With a current population of approximately 159,074 (California Department of Finance, May 2013), the City has seen significant growth over the past decade.

PURPOSE OF THIS DOCUMENT

In conducting a service review, the Sacramento Local Agency Formation Commission (LAFCo) shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area of the proposal. The Commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence. This review becomes the primary information source that can be used by LAFCo, the public, as well as other agencies to: promote orderly growth and development in appropriate areas with consideration of service feasibility and timing of availability, service costs that affect housing affordability, and preservation of open space, important agricultural land and finite natural resources; direct growth to areas planned for growth in the affected General Plans; learn about service issues and needs; plan for provision of high quality infrastructure needed to support sustainable growth; and to provide backbone information for service providers.

This Municipal Service Review (MSR) is required for the Commission to identify and evaluate public services during its consideration of the City's request for a Sphere of Influence Amendment (SOIA). This MSR will evaluate the City and other service providers' ability to extend and provide adequate municipal services to the SOIA Area in the event of urbanization. If approved, the SOIA will designate the areas where adequate public services can be provided within the probable physical boundaries and service area of the City over the next 20 years. The City of Elk Grove is requesting this SOIA based on the growth projections calculated by the City. If approved, the SOIA will outline the planning boundaries to be used for the future comprehensive planning of land use, facilities, and infrastructure in the SOIA area. No land use changes are being proposed as a part of this MSR and SOI Amendment. Existing services, infrastructure, facilities, service providers, and jurisdiction will remain the same.

The SOIA is a key early step to provide long-term planning for the growth of the City, and to support the City to advance its goal of achieving a jobs and housing balance. As presented herein, the City believes that the existing coterminous SOI does not provide sufficient land to accommodate future growth demands nor does it provide opportunities for the City to achieve a jobs and housing balance. As the existing SOI is coterminous with the City's boundaries, the City believes this limits its ability to conduct planning for the anticipated future growth.

Prior to the recent economic downturn, the City's available residential, industrial, and commercial land base had been building out at a steady pace. The City Council has initiated this SOIA out of concern that additional lands may be needed to accommodate City growth projections. The SOIA will designate the areas where orderly growth is most appropriate, where municipal services can be adequately provided in a timely manner, and where future annexations may occur.

The SOIA is proposed to establish the area and direction for growth. While no growth is going to occur now, it may occur in the future. As a result, potential service providers and issues should be identified now to inform the public, LAFCo and various service providers of what is known and what is likely to occur. Existing land uses in the SOIA Area will remain the same, as no land use changes are proposed.

PROPOSED SPHERE OF INFLUENCE AMENDMENT

The proposed SOIA Area covers 7,869 acres, immediately south and southeast of the City of Elk Grove, of which 6,882 acres is designated for urbanization and 987 acres for non-urbanization. This area is defined in the City's 2003 General Plan as the Urban Study Area. The area is generally described as south of Bilby Road, Kammerer Road, Grant Line Road, extending south to Eschinger Road and the FEMA 100-year floodplain boundary for the area east of State Route 99, extending east just past Freeman Road, and extending west towards Interstate 5 and the Union Pacific Railroad tracks. The proposal would amend the existing SOI to reflect where future growth is likely to occur. A map showing the proposed SOIA Area is shown on **Figure 1.0-1**.

The SOIA is being requested because the existing SOI is coterminous with the City's boundaries, limiting available acreage for growth. Although the City has large vacant areas, the development or intensification of a large portion of the easterly rural residential and vacant lands would exceed current infrastructure capacity and the cost of upgrading necessary infrastructure would be cost prohibitive. Generally, the vacant incorporated "Rural Sheldon Area" to the east of Elk Grove-Florin Road is designated by the General Plan to remain rural in character. The City's previous efforts to establish a redevelopment agency has ceased as a result of California's dissolution of redevelopment agencies (AB 26). Current City generated estimates, based on existing land use types and densities, indicate that the City may require up to 9,333 acres of vacant lands to accommodate the projected growth to 2035 (see Section 3). Portions of the growth would be accommodated within the City available acres, but a total of 6,415 acres may be needed outside of the City limits to accommodate the remaining projected growth. The current City boundaries and conterminous SOI encompass 26,974 acres. The proposed SOIA would expand the existing SOI by 7,869 acres, or by 29 percent, to a total SOI of 34,843 acres. However, it should be noted that the anticipated future growth and expansion area would be limited to 6,882 acres as 987 acres is located within the FEMA 100-year floodplain.. The floodplain areas are inclusive within several parcels that are proposed in the SOIA Area.

Current City Boundaries/SOI:	26,974 acres
Sheldon/Triangle	6,323 acres
Other Developed	14,021 acres
Vacant – No Project	2,872 acres ¹
Vacant – Projects Pending	458 acres
Vacant – In Development	1,955 acres
Recorded/Preserved	1,345 acres
Proposed SOI Amendment:	7,869 acres
Overall Proposed SOI:	34,843 acres

¹ It should be noted that the City is currently processing a City-initiated Master Plan for the area known as the Southeast Policy Area (1,200 acres). The Master Plan is expected to be completed in 2014.

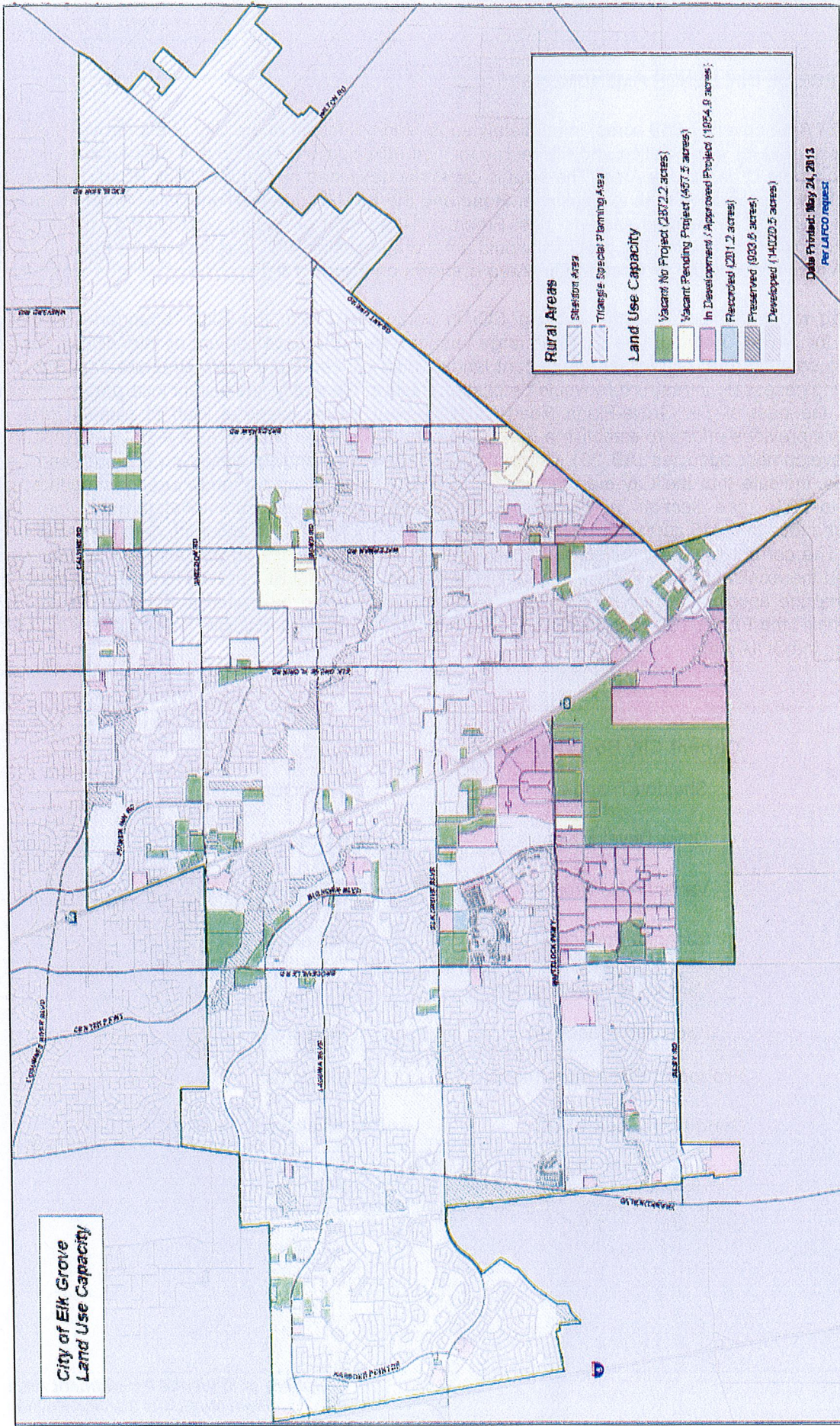


Exhibit 1.1 Vacant Land Inventory

SUMMARY OF SERVICES

Table 1.0-1 shows the various service providers located within or adjacent to the proposed SOIA Area. The table shows the current status of each provider, as to which services are provided, and if services are provided to the Area, or a part of the Area.

The preferred urban service provider will be the service provider who is most capable of planning for and supporting urban service demands within the SOIA Area. This assumption is based on the current level of services provided, existing plans, and financing and service capabilities.

The proposed SOIA Area currently does not require substantial municipal-level services, as the Area remains primarily rural residential and agricultural. The land use jurisdiction will not be affected if the proposed SOIA is approved, and no specific land use plan has been proposed. The existing uses are expected to remain the same. The existing service providers are expected to continue the current level service. While the addition of the proposed SOIA Area would cause no additional immediate demand for municipal service and infrastructure, it may facilitate affected agencies long range planning.

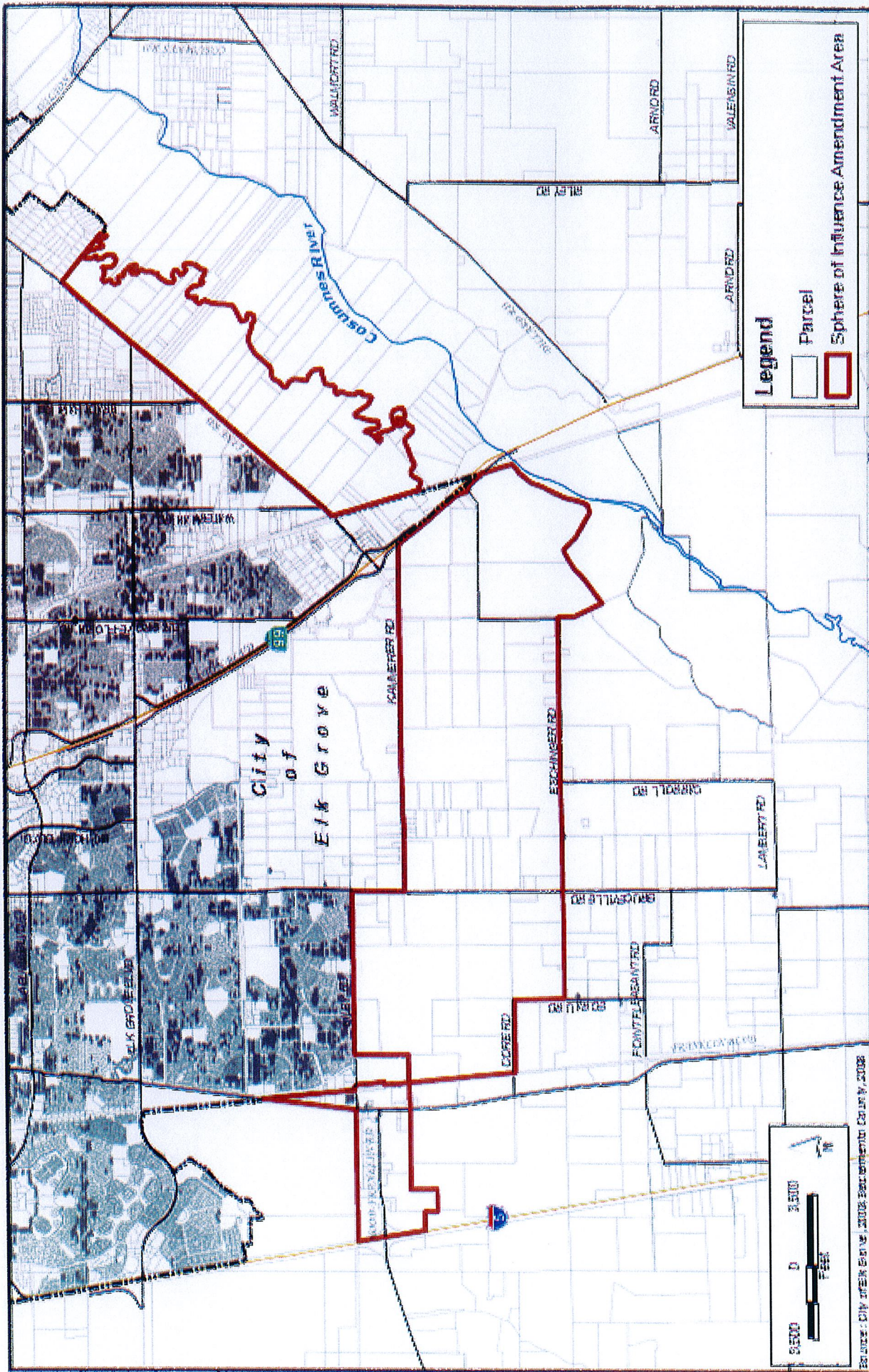
Future growth of the Area will require adequate planning for long term service provision. If approved, the proposed SOIA will provide direction to service providers about the likely location and extent of the City's expansion. This will allow the service provider to conduct long term planning to ensure adequate financing, services, and infrastructure are available. Future actions may include the amendment of an affected service provider's Sphere of Influence and/or annexation in order to fully plan for and support future service demand.

**TABLE 1.0-1
SUMMARY OF SERVICES IN THE SPHERE OF INFLUENCE AMENDMENT AREA**

Service Provider	Services Provided	Capacity Provided Services in Amendment Area	Provisioned the extent of Amendment
County of Sacramento	Roadway	X	
	Law Enforcement	X	
	Animal Control	X	
	Code Enforcement	X	
City of Elk Grove	Solid Waste		*
	Roadway		X
	Law Enforcement		X
	Animal Control		X
	Code Enforcement		X
	Parks and Recreation	CCSD	X/CCSD
Sacramento County Water Agency (County)	Drainage		X
	Water	X	X & EGWD
	Drainage	X	X

Service Provider	Service Category	City of Elk Grove	City of Sacramento
Omochumne-Hartnell Water District	Irrigation	X	N/A
Sacramento Area Sewer District	Wastewater – <i>local conveyance</i>	X	X
Sacramento Regional County Sanitation District	Wastewater – <i>treatment</i>	X	X
Sacramento-San Joaquin Drainage District	Drainage	X	X
	Flood Protection	X	X
Sacramento Regional Solid Waste Authority	Solid Waste	*	*
Cosumnes Community Services District	Fire and Emergency Medical	X	X
	Parks and Recreation	X	X
Sacramento Public Library Authority	Library	X	X
Sacramento Municipal Utility District	Electricity	X	X
Pacific Gas and Electricity	Natural Gas	X	X

* Services contracted to another provider



Source: City of Elk Grove, 2008. Digitized by City of Elk Grove, 2008.

Figure 1.0-1 Sphere of Influence Amendment Area

2.0 INTRODUCTION

2.0 INTRODUCTION

PURPOSE OF THE MUNICIPAL SERVICE REVIEW

The Municipal Service Review (MSR) will be used to determine if municipal service providers can feasibly finance and extend infrastructure, services, and facilities into the proposed Sphere of Influence Amendment (SOIA) Area to adequately serve projected future growth within the next 20 years, with no adverse impact to current ratepayers, infrastructure, services and/or facilities. This MSR provides an analysis of the existing service capabilities of the City of Elk Grove and other municipal service providers in the vicinity that could be likely future service providers. **Figure 1.0-1** in Section 1 illustrates the proposed SOIA Area.

A Sphere of Influence (SOI) indicates the probable physical boundaries and service area of the City over the next 20 years. This proposed SOIA, if approved, will facilitate the long-range planning efforts of the City to direct growth. The MSR may also serve to assist the City in the development of a phased Comprehensive Annexation Program (CAP) for future annexation of this Area. In addition, if approved, the proposed SOIA will provide direction to service providers about the location and extent of the City's growth.

This MSR evaluates the structure and operation of the City and various service providers. The MSR includes a discussion of the plans and ability of each provider to ensure continued adequate municipal service provision, as well as the means and capacity to serve future developments upon annexation into the City boundaries. Key sources for this study included publicly available documents, City Council hearings, master plans, and agency-specific information gathered through research and interviews.

This MSR has been prepared by the City of Elk Grove in collaboration with LAFCo in accordance with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Sacramento LAFCo Municipal Service Review Guidelines, and applicable LAFCo policies as a means of identifying and evaluating public services related to the SOIA Area and possible amendments to the City's SOI.

BACKGROUND

The existing SOI for the City is currently coterminous with the City limit. The proposed SOIA Area is located outside the current City limits. These lands (generally south of Kammerer Road and Grant Line Road) are envisioned by the City's General Plan as areas in which future study should be conducted to determine the extent to which urban growth should occur. These areas are currently within the jurisdiction of the County of Sacramento.

The SOIA Area has not been planned for specific land uses by the City, but is designated in the General Plan for long-term growth. The City envisions that urban growth in this Area is appropriate and would likely occur over the next twenty years.

No changes in the existing land use within the SOIA Area is planned at this time. Existing Sacramento County land use jurisdiction, General Plan and Zoning designations will remain in place. The City would use the SOIA boundaries, if approved, to cooperatively plan for future growth of the City, with interested parties, including the County, affected service providers, landowners, residents, and stakeholders.

LAFCO'S ROLE

LAFCo's role is to implement the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), commencing with Government Code Section 56000 et. seq., consistent with local Policies,

Procedures and Guidelines. The CKH Act guides LAFCo's decisions. The major goals of LAFCo as established by the CKH Act include:

- Encourage orderly growth and development, which are essential to the social, fiscal, and economic well being of the state;
- Promote orderly development by encouraging the logical formation and determination of boundaries and working to provide housing for families of all incomes;
- Discourage urban sprawl;
- Preserve open-space and prime agricultural lands by guiding development in a manner that minimizes resource loss;
- Exercise its authority to ensure that affected populations receive efficient governmental services;
- Promote logical formation and boundary modifications that direct the growth to those local agencies that are best suited to provide necessary services and housing;
- Make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies and to shape their development so as to advantageously provide for the present and future needs of each county and its communities;
- Establish priorities by assessing and balancing total community services needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions, and financial resources;
- Determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary, consider reorganization with other single purpose agencies that provide related services;
- Update SOIs as necessary; and
- Conduct a review of all municipal services by county, jurisdiction, region, sub-region or other geographic area prior to, or in conjunction with, SOI updates or the creation of new SOIs.

To carry out State policies, LAFCo has the power to conduct studies, approve or deny proposals, modify and approve boundaries, and impose mitigation measures and terms and conditions on approval of proposals. LAFCo has no direct land use authority, although some of LAFCo's discretionary actions may indirectly affect land use. LAFCo conducts proceedings to weigh, balance, deliberate, and set forth the facts, findings and determinations of a specific action when considering a proposal.

SERVICES AND ISSUE REVIEW

This analysis is divided up into seven sections, as listed and described below. These sections represent the analysis and determinations required in the topic areas set forth in the CKH Act, as amended in 2011. The determinations are included at the end of each section, and compiled in the end of the report.

1. **Area Growth and Population** - This section reviews projected growth within the City and within the probable physical boundaries and service area of the City over the next 20 years.

2. **Services, Infrastructure, and Facilities** - This section analyzes whether sufficient infrastructure and capital are in place or can reasonably be expected to be in place in a timely manner, if adequate long-term planning has occurred, and reviews capabilities for accommodating future growth in service demands. Services studied include:

- Water
- Wastewater Collection, Conveyance and Treatment
- Storm Drainage and Flood Control
- Solid Waste and Recycling
- Circulation and Roadways
- Fire Protection and Emergency Medical Response
- Law Enforcement
- Animal Control
- Code Enforcement
- Parks and Recreation
- Libraries
- Electricity

Some services will be provided by other agencies, which may necessitate amending the respective, existing SOI. This MSR does not cover any such subsequent actions.

3. **Financing Ability** - This section examines the fiscal status of the City. The City's funding sources, rate structure, expenditures, and debts are evaluated to determine viability and ability to meet existing and expanded service demands.
4. **Sharing of Facilities** - This section evaluates sharing of facilities for needed infrastructure and improvements, including utilized opportunities and potential opportunities for shared facilities for City Departments and other agencies to reduce costs.
5. **Accountability, Structure, and Operations** - This section examines how well the City makes its processes transparent to the public and invites and encourages public participation. Overall management practices are discussed and considered. This section includes a discussion of the City's ability to meet its demands under its existing government structure, alternatives to the current government structure, boundaries, and future service areas.
6. **Municipal Service Review Determinations** - This section summarizes the required Municipal Service Review Commission determinations for the five sections previously considered.
7. **Sphere of Influence Findings** - This section evaluates the proposed Sphere of Influence Amendment, relative to the capabilities of the service providers and future growth demands.

3.0 AREA GROWTH AND POPULATION

3.0 AREA GROWTH AND POPULATION

This section analyzes the projected growth within the City and within the probable physical boundaries and service area of the City over the next 20 years.

EXISTING CONDITIONS

The City of Elk Grove is an incorporated suburban city with a growing population. The City is immediately south of the City of Sacramento and the urbanized unincorporated Sacramento County (Vineyards and South Sacramento Communities). The City was known for its rapid growth during the first decade of incorporation, while maintaining its distinct rural areas within the City. The City anticipates continued growth, while preserving its agricultural roots.

Shortly after incorporation in July 2000, the population of Elk Grove was estimated by the California Department of Finance (DOF) to be 75,762 persons beginning on January 1, 2001 (all years represented in Table 3.0-1 are as of January 1st for the respective year). As indicated in **Table 3.0-1** below, from January 2001 through January 2010, the City experienced a 104 percent increase in population. Thus, since incorporation, the City's population grew by 78,832 persons, at an average rate of 7.6 percent per year. However, the one-time addition of new residents within Laguna West accounted for 57 percent of the population increase in 2003, resulting in an above average rate for that year as shown in the 2003 figures in Table 3.0-1. In the population estimates released by the DOF in May 2011, the 2009-year estimate was revised to incorporate the 2010 Census counts as the benchmark. As a result, the population estimate for 2009 has increased to 152,925, which is an increase of 9,040 from the previous DOF population estimate of 143,885 that was provided in May 2010.

**TABLE 3.0-1
POPULATION ESTIMATES, 2001-2013**

Year	Population	Change	Rate	Cumulative
2001	76,298	----	----	----
2002	82,932	6,634	8.7%	8.7%
2003	88,954	6,022	7.3%	16.6%
2004	113,391	24,437	27.5%	48.6%
2005	125,703	12,312	10.9%	64.8%
2006	135,996	10,293	8.2%	78.2%
2007	142,003	6,007	4.4%	86.1%
2008	146,083	4,080	2.9%	91.5%
2009	149,302	3,219	2.2%	95.7%
2010	152,652	3,350	2.2%	100%
2011	154,440	1,788	1.2%	102.4%
2012	155,763	1,497	0.9%	104.4%
2013	159,074	3,311	2.1%	108.7%

¹ Population estimates as of January 1st of the respective year.

² The population estimates includes the 2000 and 2010 decennial census counts. The estimates attempt to provide a consistent data series reflecting both decennial census counts. The revised census counts

by utilizing the Error of Closure (EOC) adjustment procedure.

Sources: State of California, Department of Finance, E-4 Historical Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 and 2010 Census Counts, Revised November 2012; and E-4 Historical Population Estimates for Cities, Counties, and the State, 2011-2013, with 2010 Census Benchmark, May 2013.

Much of the developed growth in the community has been for residential uses. Major growth areas were primarily west of State Highway 99, while portions of the City retained the rural character which once typified the entire community. Along with the residential growth, retail growth has also expanded. New retail centers have opened, and most neighborhoods have a wide variety of retail services nearby. The growth in housing and related retail developments has resulted in a significant imbalance in the jobs to housing ratio within the City. Currently, the City has a jobs-housing ratio of 0.58 (28,430 employment/49,018 housing units).

PROJECTED GROWTH OF THE CITY

City of Elk Grove Growth Projections

In calculating the future needed acreage for the proposed Sphere of Influence Amendment application, the City utilized the household and employment growth projection numbers that are established in the Sacramento Area Council of Governments'(SACOG) Metropolitan Transportation Plan/Sustainable Communities Strategy 2035 (MTP/SCS 2035.) The MTP/SCS 2035 Update was adopted by the SACOG Board on April 19, 2012 to comply with the quadrennial review as required by federal and state law and to implement the Sustainable Communalities Strategy (SCS) as required by Senate Bill 375, hence, resulting in the combined document name "MTP/SCS 2035". It should be noted that SACOG has previously commented on the draft MSR to clarify that SACOG does not find it appropriate to utilize the MTP/SCS 2035 growth projection numbers, and the previous growth projection numbers established in the former version of the Metropolitan Transportations Plan (MTP) in calculating future needed acreage for the City.

To summarize the position of SACOG, the adopted MTP/SCS 2035 projections do not assume growth in the proposed SOIA Area. To be clear, the purpose of the MTP/SCS is to forecast actual constructed development during the planning period. This is different from a land supply contingency needed to support a healthy land market. SACOG agrees that Elk Grove may need additional land outside of the current city limits at some point beyond 2035 to support additional job growth to help the City's current imbalance of jobs and housing. SACOG does not foresee a need for land in the SOIA Area for a very long time (See Attachment A).The MTP/SCS 2035 is a long-range transportation planning document that serves the greater Sacramento Region (6 counties and 22 cities) and it was adopted by the SACOG Board in 2012. The MTP/SCS 2035 is based on projections for growth in population, housing, and jobs, which correlates with land use planning. The growth projection numbers established in the MTP/SCS 2035 is widely accepted by various agencies and considered a leading growth projection source in the Sacramento Region.

As mentioned, SACOG updates the MTP/SCS on a four year cycle to comply with the quadrennial review as required by federal and state law, and to implement the Sustainable Communalities Strategy (SCS) as required by Senate Bill 375. As part of the last update, SACOG developed three land use and transportation scenarios, and held nine public workshops throughout the region to solicit preferences for the three scenarios. Based on the public input received at the workshops and guidance from the SACOG Board of Directors, SACOG developed a MTP/SCS 2035 Draft Preferred Scenario, which resulted in

realigning previous MTP published growth projections. The Drafted Preferred Scenario growth projections were incorporated into the final MTP/SCS 2035 planning document. Tables 3.0-2 and 3.0-5 utilizes the MTP/SCS 2035 growth projections.

SACOG’s MTP/SCS 2035 growth projections indicate that the City of Elk Grove will continue to experience growth over a 27-year period (2008-2035). The growth projections estimate that the number of employees in the City would increase by 68 percent or over 19,000; and the number of housing units would increase by approximately 35% or 17,000 by the year 2035. This is equivalent to 2.5 percent annual growth in employment and 1.3 percent annual growth in housing over the next 27 year period. It should be noted that SACOG does not endorse the utilization of the MTP/SCS 2035 growth projection numbers to be used in calculating future needed acreage for the City. The City believes additional acreage is needed based on existing vacant lands remaining in the City and current policy direction of the Elk Grove City Council to achieve a jobs housing balance.

Table 3.0-2 provides SACOG’s MTP/SCS 2035 growth projections for the City of Elk Grove over a 27-year period from 2008 to 2035.

**TABLE 3.0-2
ELK GROVE GROWTH PROJECTIONS BASED ON MTP/SCS 2035**

Employees	28,430	47,619
Difference from 2008		19,189
Percent Increase from 2008		68%
Dwelling Units	49,018	66,010
Difference from 2008		16,992
Percent Increase from 2008		35%

MTP/SCS 2035 – Appendix E-3 Land Use Forecast Background Documentation

For population projection estimates, the City utilized population growth projections estimates as established in the Elk Grove Market Study (December 2010). The City commissioned the Center for Strategic Economic Research (CSER) to conduct a market study examining economic development opportunities and land use needs for the City. Included in the Elk Grove Market Study is annual population estimates to year 2029. The City extended the estimates to year 2035 by adding an annual population growth trend of 1,555 residents per year from 2029 to 2035. The annual growth of 1,555 residents was based on the consecutively annual growth trend average of 1,555 residents between the years 2021-2029.

Table 3.0-3 shows population projections for the City of Elk Grove in the year 2035.

**TABLE 3.0-3
ELK GROVE POPULATION PROJECTIONS**

Year	2013	2035
Population	159,074	212,153
Population Increase		53,079
Percent Increase		33%

**Calculation Based on utilizing 2029 projection estimate in the Elk Grove Market Study – Appendix A, Figure A-5 Projected Elk Grove Population and Households (2009-2029) and then extending projection number to 2035 based on 2021-2029 population trend increase of 1.555 for each consecutive year. The 2035 growth projection number includes the 9,040 population increase that was incorporated in the 2009 population estimates by the DOF as a result of the 2010 Census counts.*

City Projections

The City is expecting significant growth in professional employment building projects within the City. Because of the employment imbalance within the City, the City is actively pursuing more professional employment opportunities in office settings. The current General Plan includes substantially more office-designated lands than were planned for Elk Grove prior to incorporation, expanding the potential for this type of use in the future. The City’s employment growth is expected to catch up to the imbalance in residential growth.

The City’s available residential, industrial, and commercial land base is currently building out at a steady pace and is projected to require additional areas for growth within the next 20-year period. The remaining major vacant areas within the City include the Sterling Meadows Policy Area, Southeast Policy Area (planning for this area is underway now), Laguna Ridge Specific Plan, and Elk Grove Triangle Policy Area. However, these vacant lands are estimated to be insufficient for the projected growth within the next 20 years.

Vacant Lands

A portion of the anticipated growth can be accommodated within the City. Large areas within the City remain vacant and are expected to accommodate a portion of the City’s growth. However, the vacant land areas within the City are unable to accommodate all anticipated growth. The City does not keep track of individual vacant parcels. However, a current estimate of vacant land available within the City is approximately 2,918 acres – see Table 3.0-4. The vacant land estimate was based on 1) land inventory of the Laguna Ridge Specific Plan as of Spring 2008; 2) development assumptions based on the conceptual plan for the Southeast Policy Area; 3) summary of the approved development plans for the Sterling Meadows Policy Area; and 4) residential development assumptions for the Elk Grove Triangle Policy Area. An additional 600 acres have also been included to account for smaller undeveloped areas. In the Elk Grove Market Study, the vacant acreage that was derived by the market study analysis estimated approximately 3,100 acres of vacant acreage in the City. Thus, a calculation deviation of approximately 5% exists between the two vacant land acreage calculations.

The notion of increasing the development densities in the City cannot be accommodated as the infrastructure demands from increased densities of developed areas most likely would exceed current

capacities, and the cost of upgrading such infrastructure would not be feasible; in addition, this would conflict with the policy direction of the City Council and City's General Plan that sufficient capacity in all public services and facilities be available to serve new development and avoid capacity shortages or other negative effects on safety and quality of life. Furthermore, the majority of the vacant area on the east side of Waterman Road is designated to remain rural in character, thus any increase in density within the rural area would not be permissible.

**TABLE 3.0-4
VACANT LANDS**

Sterling Meadows Policy Area	1,812.3 acres	505.8 acres
Southeast Policy Area		
Elk Grove Triangle Policy Area		
Laguna Ridge Specific Plan Area		
Other smaller areas *	500	100
Total	2,312.3	605.8

* estimated.

Land Demands

The City of Elk Grove anticipates that additional lands are necessary for the City to accommodate projected growth of the City. The City has based future land demands on SACOG's MTP/SCS 2035 Update projections to estimate the amount of vacant lands necessary to accommodate the projected growth. The City's projections are shown in **Table 3.0-5**. Current estimates, based on existing land use types and densities, indicate that the City may require up to 9,333 acres of vacant lands. Portions of the growth would be accommodated within the City, as the City currently has some major planning areas remaining. Based on the availability of 2,918 acres within the City, a total of 6,415 acres may be needed outside of the City limits to accommodate the projected growth to 2035.

Although the methodology and assumptions to calculate projected future acreage differ between the City's and CSER calculations, the end result is that additional lands outside of the City limits are needed to accommodate the projected future growth. The Elk Grove Market Study provided land demands up to the year of 2029 and under two growth scenarios – *low land use* and *high land use*. Scenario 1 represents the low land use consumption that utilizes various economic studies for the Sacramento region. Scenario 2 represents the high land use consumption that utilizes SACOG's 2035 MTP projections. Prior to establishing the employment and dwelling unit projections for the market study, the consultant verified with SACOG that the annualized 2009 data used for the market study is close to the 2008 base year estimates that SACOG estimated for Elk Grove. Thus, growth projections to 2029 under Scenario 2 would require approximately 1,400 acres of additional land outside of the City limits to accommodate the 2029 projections. The City estimates that additional acreage above 1,400 acres would be needed if the market study incorporated subsequent years to 2035.

**TABLE 3.0-5
LAND DEMAND PROJECTIONS**

Existing Employment Land Acres	5,198
Employees Percent Difference from 2008	67%
Projected 2035 Employment Land Acres*	8,706
Employment Land Acreage Needed	3,508
Existing Dwelling Land Acres	16,803
Dwelling Units Percent Difference from 2008	35%
Projected 2035 Dwelling Land Acres*	22,628
Dwelling Land Acreage Needed	5,825
New Growth Acreage Needed	9,333
Available Vacant Land within Existing City	2,918
Total Acreage Needed Outside Existing City	6,328

Based on SACOG's MTP/SCS 2035 Update – Appendix E-3 Land Use Forecast Background Documentation (see Table 3.0-2)

**Assumes Sterling Meadows Policy Area, Southeast Area Specific Plan, Laguna Ridge Specific Plan, and Elk Grove Triangle Policy Areas, plus 500 acres of other areas within the City are currently vacant*

Current projections indicate that the City will run out of vacant lands and will require additional lands outside of the existing City boundaries within the next 20 years. Large portions of vacant lands remain within the City, such as the Sterling Meadows Policy Area, Southeast Policy Area, Laguna Ridge Specific Plan, and Elk Grove Triangle Policy Areas, and can accommodate some of the projected growth. It is likely that increased densities could reduce the amount of new growth acreage needed. Based on current projections in Table 3.0-5, the City would need to expand its boundaries by approximately 6,328 acres to sufficiently accommodate the significant growth projected in both employment and housing sectors.

GROWTH CONSTRAINTS

There are several constraints that limit the City's expansion of boundaries. The potential major constraints are analyzed and discussed below. **Figure 3.0-1** depicts the constraints around the City discussed below.

City of Sacramento

The City of Sacramento borders the City of Elk Grove immediately to the north, providing both a physical and political barrier to growth and expansion of the City of Elk Grove towards the north. In addition, the City of Sacramento's Sphere of Influence borders another portion of the City to the north. While not optimal, it should be noted that agency spheres may overlap, and the City of Elk Grove is permitted to request a SOIA that may overlap with the SOI of the City of Sacramento. Elk Grove is unable to expand into territory within the City of Sacramento. See **Figure 3.0-1**.

Sacramento County South Sacramento and Vineyards Planning Areas

Sacramento County's South Sacramento and Vineyards Planning Areas are just north of the City, providing a political barrier to growth and expansion of the City towards the north. The Vineyard Planning Area currently consists of three separate plans to provide direction for existing and future growth in the area, which include the North Vineyard Station Specific Plan, the Vineyard Springs Comprehensive Plan, and the Florin-Vineyard Community Plan. The Vineyard area includes a mix of urbanized and non-urbanized areas, which have been planned by the County for urbanization. The South Sacramento Community Plan area includes mostly developed urbanized uses. Since there are existing plans from other jurisdictions for the South Sacramento and Vineyards areas, the City is unable to expand to the north. See **Figure 3.0-1**.

Sacramento County Jackson Highway Visioning

Sacramento County's Jackson Highway Visioning Planning Area is just northeast of the City. Sacramento County's Draft General Plan identifies the Jackson Highway area as a potential new growth area. No plans exist for the Jackson Highway area, as the County is currently in the process of developing the conceptual plans with community input. This includes defining general goals and policies, conceptual land uses, transportation corridors and options, and infrastructure to serve new growth. See **Figure 3.0-1**.

Stone Lakes National Wildlife Refuge

The Stone Lakes National Wildlife Refuge is just west of the City and the proposed SOI Area, providing a protected natural barrier to growth and expansion of the City towards the west. The refuge project area currently encompasses approximately 18,200 acres, roughly west of Interstate 5 and east of the Sacramento River. The refuge was established by the U.S. Fish and Wildlife Service for the conservation of wetlands, protection of fish and wildlife resources, use as an inviolate sanctuary for migratory birds, and for the conservation of endangered and threatened species. See **Figure 3.0-1**.

Cosumnes River

The Cosumnes River is located to the south of the SOIA Area. The FEMA 100-year floodplain is located between the proposed SOIA Area and Cosumnes River, which provides a natural physical barrier between urbanization and the Cosumnes River corridor. See **Figure 3.0-1**.

100-Year Flood Plain

The area within the FEMA-designated 100-Year Flood Zone is generally located along the Cosumnes River, roughly south of Lambert Road and generally along and west of Franklin Boulevard, providing a natural physical barrier to urbanization towards the east, west, and south of Lambert Road. Areas within the designated 100-year flood zone are calculated by FEMA to have a one percent chance of flooding in any year. Floodwaters in this area can come from the Cosumnes River, Sacramento River, and various smaller streams and sloughs. Three large areas, immediately south of the City roughly to Lambert Road, immediately southwest of the City near the Cosumnes River, and immediately northeast of the City, are

not within the 100-year flood zone and are considered less likely to be inundated from flood waters during a 100-year flood event. See **Figure 3.0-1**.

Sacramento County Urban Services Boundary

Sacramento County adopted an Urban Services Boundary (USB) line to contain growth. Originally established with the 1993 County General Plan, it has been refined as a part of the County's 2011 General Plan Update. The USB is based upon natural and environmental constraints to urban growth. In addition, the USB defines the unincorporated area expected to receive urban levels of public infrastructure and services within the 20-year planning period.

Several formerly unincorporated communities have become cities since the 1993 General Plan was last updated including Citrus Heights, Rancho Cordova and Elk Grove while growth in the region has become more dispersed. As a County policy, the USB is not binding on the land use authority of cities. Unlike some other California counties, there is no overall city/county urban limit line mutually adopted among all Sacramento County land use jurisdictions and LAFCo.

The proposed SOIA Area is largely not within the County's Urban Services Boundary (USB). The existing USB extends just south of the City of Elk Grove's boundaries along Kammerer Road and just southeast of the City along the 100-year floodplain. The areas outside of the USB are between Kammerer Road and Eschinger Road, and the Hood-Franklin Road interchange at Interstate 5.

Several service providers have developed long-range infrastructure master plans based on the USB boundaries. Services such as water and wastewater require large capital investment and relatively long lead time for the installation of capital improvements. Since the USB does not include the SOIA Area boundaries included for urbanization, no major service plans have been prepared analyzing adequate urban service needs for the area. Service providers would need to consider long-range planning to support urbanization within the proposed SOIA.

South Sacramento Habitat Conservation Plan (SSHCP)

The South Sacramento Habitat Conservation Plan (SSHCP) is currently being developed as a regional approach to addressing issues related to urban development, habitat conservation and agricultural protection. The SSHCP is intended as a collaborative effort across multiple jurisdictions to consolidate environmental efforts that protect and enhance wetlands (primarily vernal pools,) upland habitats, and provide ecologically viable conservation areas. The City of Elk Grove is a participant in the SSHCP and expects to be a signatory to the implementing agreement when the plan is completed.

If approved, the proposed SOIA would include Terms and Conditions of Approval and mitigation measures pursuant to the California Environmental Quality Act, which would ensure consistency with the SSHCP or require an alternative to the SSHCP if it has not been finalized. At its current stage of development, the SSHCP has not formally established an area for habitat preservation. The SSHCP planning area being considered encompasses 345,000 acres in southern Sacramento County. On August 22, 2007, the Sacramento County Board of Supervisors received and approved a staff report that summarized the negotiations between the City of Elk Grove and Sacramento County regarding the City's proposed future expansion and the SSHCP. The staff report stated that there is adequate mitigation capacity in the SSHCP study area to accommodate the City's proposed SOIA. In addition, the County committed to specifically exclude the City of Elk Grove's proposed expansion area as a target area for potential mitigation or habitat preserve.

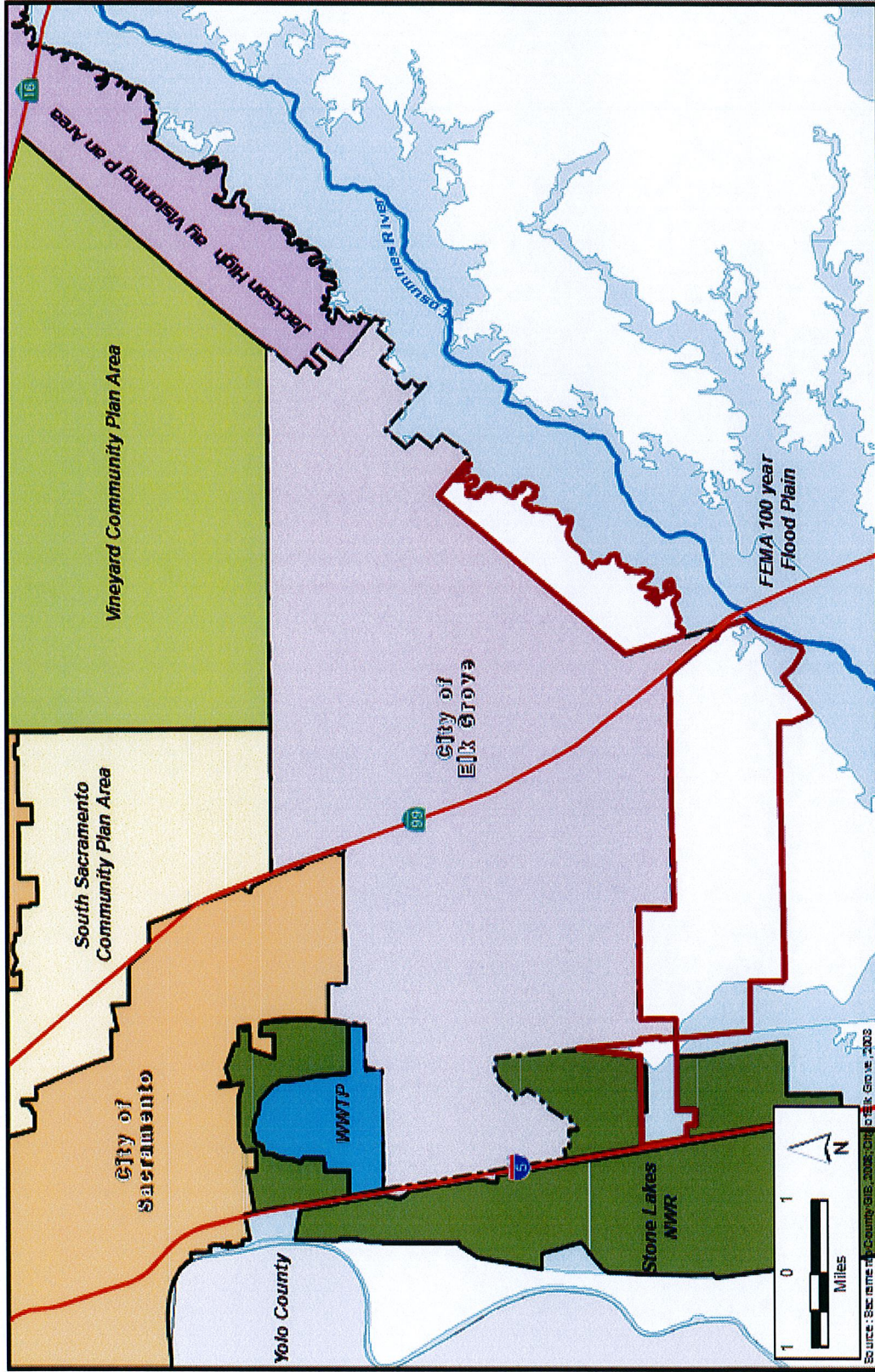


Figure 3.0-1
Constraints around Elk Grove

Growth Areas

Current Areas Considered

As previously stated, the City of Elk Grove is constrained to the north by surrounding local jurisdictions and their land use policies. Therefore, the expansion towards the south, southeast, and northeast is seen as more politically pragmatic. In February 2008, the City Council directed staff to submit an application to LAFCo to expand the City's SOI towards the south and southeast. In May 2008, the City submitted the SOIA application to LAFCo. However, the application was placed on hold shortly after submittal at the request of the City, in order to allow the City and County to meet and confer in order to better align future planning activities in the SOIA and south County areas. The City and County jointly held several community outreach meetings to solicit input that would assist in forming a shared vision for the areas that would be formalized into a City-County agreement in a form of a Memorandum of Understanding (MOU). The MOU would then later be included in the City's application to LAFCo. Both the City and County have opted to not adopt an MOU. As a result of the meetings and comments received, the SOIA Area that was originally submitted in May 2008 has been revised to exclude the FEMA 100-year floodplain area on the east of State Route 99. **Figure 1.0-1** shows the revised SOIA Area proposed to be included as part of the City's SOIA application.

The south and southeast areas have previously been identified as areas for future growth by the City. The areas are envisioned by the City's General Plan as areas in which future study should be conducted to determine the extent to which urban growth should occur. These areas are currently within the jurisdiction of the County of Sacramento. These areas have not been planned for specific urban uses, but are designated in the Elk Grove General Plan for anticipated future growth. The City envisions that growth in this Area is appropriate and would likely occur over the next twenty years.

Previous Efforts

In 2003, the City applied to the Sacramento LAFCo for the inclusion of three areas into the City's SOI, which is also a part of the current proposed SOIA Area. Only one area, Laguna West, was approved by LAFCo for inclusion within the City's SOI and concurrently annexed into the City in 2003. The two remaining areas not included within the City's SOI were the area generally between Grant Line Road and the 100-year floodplain of the Cosumnes River near the Sheldon community and the area south of the East Franklin Specific Plan and north of Kammerer Road. These two areas are included in the proposed SOI Amendment area.

EXISTING LAND USE PLANNING

Sacramento County General Plan

The Sacramento County General Plan Update designates the majority of the SOI Amendment as Agricultural Cropland and General Agriculture (20 acre minimum). The area south of Kammerer Road is currently designated as Agricultural Cropland. The area southeast of Grant Line Road is designated primarily as General Agriculture (20 acre minimum). In addition, the County designated the area west of Highway 99 along the Cosumnes River and the Hood-Franklin Interchange area with a combined Resource Conservation Area. **Table 3.0-6** illustrates the County's General Plan Land Use designation for the area and **Figure 3.0-2** below provides the County General Plan Land Use designation acreages.

**TABLE 3.0-6
GENERAL PLAN LAND USE DESIGNATIONS**

Agricultural Cropland	6,047.5
Agricultural-Residential	83.8
Commercial / Office	6.9
General Agriculture (20 acre)	1,511.2
Intensive Industrial	37.9
Low Density Residential	29.7
Natural Preserve	78.2
Total¹	7,795.1
¹ Total acreage does not equal 7,869 because it represents net acreage based on Sacramento County General Plan 2030 land use designations (adopted in 2009) without land assumed for right-of-way.	

City of Elk Grove General Plan

The City's General Plan addresses land uses in both the current City of Elk Grove's corporate boundaries and a larger planning area outside the City. The Planning Area considered in the Elk Grove General Plan corresponds to the area selected by the Elk Grove City Council in October 2000 as the potential ultimate area, which could be included in the City's Sphere of Influence and/or City limits. The Planning Area includes two areas identified as the Urban Study Area.

The General Plan does not identify a formal land use plan for the area and directs future study in cooperation with the public and other agencies. If approved, the City may utilize the approved SOIA Area to define the area that will be studied and planned.

Under Land Use Policy 16, the City's General Plan envisioned future growth in the areas to be generally in compliance with the following criteria:

- Development should be limited to areas outside of the 100-year floodplain.
- Development should take place in compliance with the goals and policies of this General Plan.
- Any study of potential land uses in these areas should be accomplished in cooperation with the County of Sacramento, the Sacramento Local Agency Formation Commission, and other agencies and parties with ownership or jurisdiction of lands in and near the study area.
- Any study of land uses in these areas should be accompanied by an environmental evaluation of the potential impacts of development.
- Prior to the completion of land use studies, the City's policy is that the County of Sacramento's land use designations in effect as of December 31, 2002, are retained.

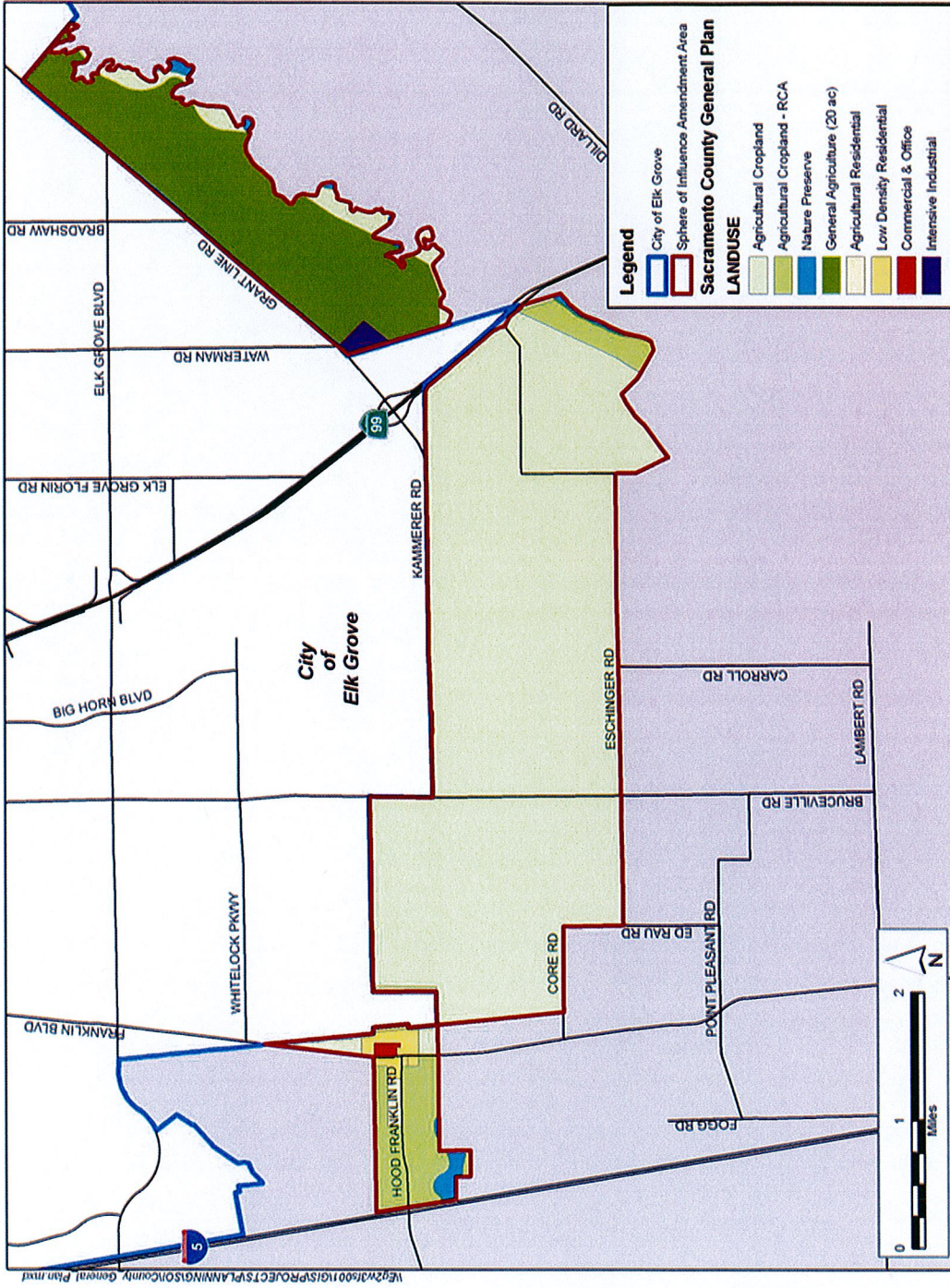


Figure 3.0-2
County General Plan Designations

UNDER LAND USE POLICY 17, THE GENERAL PLAN REQUIRES THE IMPLEMENTATION OF A COMPREHENSIVE AND CITY-WIDE STRATEGY FOR THE PRESERVATION OF OPEN SPACE, HABITAT AND AGRICULTURE, BOTH INSIDE AND OUTSIDE THE EXISTING CITY LIMITS. THE SOIA AREA COULD INCLUDE OPEN SPACE, HABITAT AND AGRICULTURAL LAND USES.

Growth Planning and Anticipated Uses

Currently, there are no plans for development within the proposed SOIA Area. The area designated by the City's General Plan as the Urban Study Area has been envisioned as the area where growth would be most likely to occur. As no specific land uses have been determined, any information regarding any anticipated land uses, intensity, or population growth in the areas is speculative. If the SOIA is approved, any future annexation must be consistent with this MSR.

DETERMINATION

Area Growth and Population

The Commission will make this determination after the Draft MSR public circulation and review period.